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COMMUNIST PARTY OF CHINA

VOLUME II

SPEECHES

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OF THE
COMMUNIST PARTY OF CHINA**

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PUBLISHER'S NOTE

Eighth National Congress of the Communist Party of China is in three volumes. Volume one contains seven documents of the Congress. Volume two contains a selection of 24 speeches made by delegates, a message of greetings from China's democratic parties and groups and democrats without party affiliations and the speech delivered by Soong Ching Ling, Vice-Chairman of the Standing Committee of the National People's Congress. Volume three contains speeches made by representatives of the fraternal parties, telegrams and messages of greetings read at the Congress, which total 61. The contents of the three volumes are arranged roughly according to the sequence in which the reports and speeches were made at the Congress.

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SPEECH BY COMRADE CHU TEH

Comrades:

I fully endorse the political report of the Central Committee made by Comrade Liu Shao-chi, the report on the Proposals for the Second Five-Year Plan for Development of the National Economy made by Comrade Chou En-lai, and the report on the revision of the Party Constitution made by Comrade Teng Hsiao-ping.

The summing up of our Party's work during the eleven years since the Seventh Congress is a summary of the victories of the Chinese people. During this period the people of our country, united under the leadership of our Party, won the victory in the great democratic revolution after arduous and complex struggles; and, following this, they gained, in the main, the victory in the great socialist revolution and made tremendous achievements in the First Five-Year Plan for socialist construction.

As a result of these victories and achievements, the trend of development of the history of our country and the appearance of our society have fundamentally changed. On the basis of what has already been achieved — namely, complete national liberation, unity and people's democracy together with equality, solidarity, fraternity and mutual aid among the various nationalities in our country — we are forging ahead energetically on the road to socialism. Our economic and cultural affairs have made new achievements with each passing day; our people are shaking off their extreme poverty and cultural backwardness, and their material and cultural well-being have markedly improved from year to year.

I am therefore convinced that our Congress, all comrades of our Party, and the people of the whole country will appraise the work of the Seventh Central Committee over the past eleven years with satisfaction.

It is pointed out in the political report of the Central Committee that the basic task confronting our whole Party and the entire people is to build China into a great socialist land.

To this end, we have, on the one hand, to continue to work for the completion of our socialist transformation. This remains a tremendous undertaking. Except for certain regions inhabited by national minorities, with a population of several millions, which will need a longer period for the transformation, it will probably take a few years more to complete the change-over from individual ownership by the working people to socialist collective ownership, and complete the change-over from ownership by capitalists to socialist, state ownership. In these fields much work remains to be done, and it must be done earnestly and prudently. On the other hand, we must go on with our construction for socialist industrialization. This is a still more stupendous and arduous undertaking. It means that we must strive to overfulfil the First Five-Year Plan and proceed to fulfil the Second Five-Year Plan, which is of still greater proportions. The Central Committee has also laid it down that the socialist industrialization of the country should be accomplished in the main during the period of the Third Five-Year Plan, and that the level of our industrial production should catch up with the most industrially developed capitalist countries in a few decades. To attain these great aims, we must exert our utmost efforts and overcome all sorts of difficulties.

What are the difficulties in our socialist construction? The fundamental ones arise from our economic and cultural backwardness. Our country was thoroughly impoverished

by imperialist exploitation. We have therefore taken on the task of building socialism with only a meagre heritage.

But can we accomplish our task? Yes, we can. Because we have all the necessary conditions for the successful building of a great socialist country.

I

Internally, the most important factor in our favour is the great unity of the people of the whole country under the leadership of our Party. This unity has as its foundation the close-knit alliance of the workers and peasants, and it embraces the national bourgeoisie and the upper strata of the petty bourgeoisie and their intellectuals, all democratic parties and groups and patriotic personages without party affiliations, all the nationalities in the country and the overseas Chinese. The unity of six hundred million people is a mighty force. Relying on this unity, we won the great victory in the bourgeois-democratic revolution. Relying again on this unity, we have won the great victory in the socialist revolution.

The solid worker-peasant alliance, the correct political leadership exercised by the working class through our Party, and the boundless faith placed by the broad masses of peasants in the working class and our Party — these are the most important factors to account for the rapid success of the socialist transformation of agriculture in our country. And this rapid success has consolidated the worker-peasant alliance on a new basis and provided a reliable guarantee for the cause of socialism. At the same time, the socialist transformation of capitalist industry and commerce has been carried out under conditions of our continued alliance with the national bourgeoisie and through consultation with them. In this way, this revolutionary change has been successfully made by peaceful means. Moreover, our

alliance with the national bourgeoisie enables them to use their knowledge of modern culture and technology for the cause of socialism! Obviously this is very advantageous.

Now that our socialist transformation has been completed in the main, the great unity among the people of all nationalities in our country, which is based on the worker-peasant alliance, has become firmer and more widespread. The six hundred million people of our country, united as one under the leadership of our Party and the People's Government, are developing the productive forces with great initiative and creative ability. This is the most essential factor in our favour in the building of a highly industrialized socialist country at a fairly rapid rate.

Our task is to make full use of this factor and use the superiority of the socialist system to the full, so as to strengthen the great unity of the whole people and bring their initiative and creative ability into play for the building of socialism. To achieve this, we must correctly handle the relations among the people of our country, primarily those between the working class and the peasantry, between the working class and the bourgeoisie who are being transformed into working people, and those between the people of the various nationalities. To achieve this, we must continue to consolidate and extend the people's democratic united front, and closely rally around the Communist Party all the nationalities, all the various strata of the people, all democratic parties and groups, all the democratic personalities without party affiliations and the overseas Chinese; and we must also successfully remould all those who in the past belonged to reactionary classes and transform them from a negative into a positive factor in socialist construction. To achieve this, we must also handle properly the relationships between the interests of the state and co-operatives and those of individuals, between the central and local authorities, between industry and agricul-

ture, between heavy industry and light industry, and between industries in the coastal regions and those in the interior. We must do this because our handling of these relationships will ultimately affect the unity among the people themselves, and will help or hinder the full display of their enthusiasm according to whether it is done correctly or not. Lastly, for the sake of all these things, we must continue to consolidate the people's democratic dictatorship and take further steps to extend democratic life in our country, because these are the most important guarantees for strengthening the great unity of the people and bringing into full play their initiative and creative ability.

Another important and favourable condition for the successful building of socialism in China is that our country has a vast territory, rich resources and a large population. China is rich in industrial resources. In respect to heavy industry, deposits of coal, iron and various non-ferrous metals are especially rich, raw materials for light industry are either fairly adequate, or their output can be greatly increased, and markets are extensive. Our country has excellent geographical conditions, rarely found in other parts of the world, for the development of a diversified agricultural economy: it grows various kinds of crops, tropical and sub-tropical, and those suitable for the temperate zone, and it produces useful and valuable special local products like silk, tea, medicinal herbs, fruits, etc. But these rich resources and favourable natural conditions are far from being fully utilized as yet. As to our large population, it constitutes our country's greatest productive force and most valuable asset. We do not have to worry at all about any shortage of manpower.

It is our task to make full and rational use of our country's enormous manpower to tap our rich resources. In order to achieve this, the central and local departments in charge of economic construction should make repeated investiga-

tions and studies and constantly improve their comprehensive planning; and the state should adopt the policy of encouraging the expansion of production, and bring into full play the enthusiasm of the various departments of the central authorities, and of the local authorities at all levels, of the agricultural and handicraft producers' co-operatives and the families of their members. In short, one of our basic policies in building socialism should be, on the basis of bringing into full play the superiority of the socialist economic system, to make full use of these favourable conditions—a vast territory, rich resources and a large population—to promote production vigorously, so that gradually “the resources of the land can be fully explored, the abilities of the people fully employed, and the use of goods fully enjoyed.”

II

We are living in a period when socialism is being built in our country. What should we do in order to make this undertaking a success? We should be hard-working, and we should be frugal. Hard work and frugality are two traditional virtues of the labouring people of our country. “Be industrious and frugal, and you will enjoy a competence”—this should be the principle that all working personnel in state organs and economic departments keep constantly in mind and carry out in practice. The Central Committee of our Party has all along required that all comrades should maintain the fine tradition of working hard and overcoming difficulties. It has time and again led the whole Party in campaigns for the practice of strict economy and the avoidance of waste. Much has been achieved in these campaigns, but it is to be regretted that serious cases of extravagance, showiness and wilful waste of

the people's money still occur now and then. We must mobilize all Party members against these unwholesome tendencies.

It is my belief that we can overcome all our difficulties and reach our goal of building China into a great land of socialism, if our Party proves itself capable of rallying the forces of the six hundred million people of our country, if we turn to account all aspects of the superiority inherent in the socialist economy, if we make use of all other favourable conditions existing in our country, and if we thoroughly apply the principle of managing things in an industrious and economical way.

We are still faced with the task of making a final effort to unify our motherland—the task of liberating our sacred territory Taiwan. As pointed out in the political report of the Central Committee, we shall strive to bring about the liberation of Taiwan by peaceful negotiation and avoid the means of war as far as possible, because this accords with the interests of the Chinese people (the people of Taiwan Province included) and with the interests of the military and political personnel in Taiwan. It is our hope that the military and political personnel in Taiwan will boldly take their stand as patriots and return to the embrace of the motherland. If they act in this way, they can be assured of a bright future. Whatever means we adopt, Taiwan must be liberated. The liberation of Taiwan is a wholly just cause in which the Chinese people exercise their sovereign rights, a cause which is sure to be crowned with victory.

III

Apart from internal conditions, the present international conditions are also favourable for the socialist construction of our country.

We can all see what immense and profound changes have come about in the international situation since our last Congress. During the intervening eleven years, the people of various countries in the world have won signal victories in their struggle against imperialism. Socialism has gone beyond the confines of a single state. The socialist countries, which embrace more than nine hundred million people, form a contiguous expanse of territory geographically and constitute one great family of friendship and co-operation headed by the Soviet Union. By virtue of the tremendous developments and successes in the movements for national independence, the shackles of imperialist colonial oppression have been burst asunder in vast areas of Asia and Africa. The recent heroic move on the part of Egypt to nationalize the Suez Canal Company has been greeted with strong support by the people in Asia, Africa and other parts of the world, a fact which shows that the powerful tides of the widespread struggle against colonialism have continued to mount. On the other hand, because its war policy runs counter to the peaceful aspirations and interests of the people and because it follows a policy of aggression and aggrandizement directed against all countries, the reactionary clique of the United States, which is vainly trying to dominate the world, is exposing itself more and more as the most ferocious enemy of the peoples of the world and has thereby been reduced to a position of more and more isolation. All this has resulted in a relaxation of tension in the international situation. Of course, we must not lose our vigilance against the danger of war. But, if the socialist countries and all peace-loving countries and peoples of the world continue to strengthen their solidarity and wage resolute struggles in defence of world peace and the just cause of humanity, it is possible that the present relaxation in international tension may turn into lasting peace.

IV

From what I have said above, we can see that the present internal and international conditions are extremely favourable for our task of socialist construction. The question then, in the final analysis, boils down to one of the leadership of our Party and its unity. If our Party is able to give correct Marxist-Leninist leadership and avoid serious mistakes, and if it can maintain the strong solidarity and unity within its ranks on the basis of Marxism-Leninism, then it can be sure of uniting our six hundred million people for the successful completion of the great task of socialist construction.

With regard to the question of ensuring that our Party will make fewer mistakes and none of a serious character, Comrade Liu Shao-chi has already given detailed explanations in the political report, with which I am in full agreement. We shall be able to settle this question if, drawing lessons from our past mistakes and from the experience gained in correcting them and adopting the methods used in the rectification campaigns, we do the following: consistently observe the principle of linking theory with practice and oppose subjectivism; adhere to the mass line of linking the leadership with the masses and oppose bureaucracy; adhere to the principle of democratic centralism and to the principle by which collective leadership is integrated with personal responsibility, and set our face against all tendencies to departmentalism and ultra-democracy that go against the system of democratic centralism and the taking of arbitrary decisions by individuals which runs counter to the principle of collective leadership; insist on constantly fostering democracy and encouraging criticism and self-criticism in the Party and among the people and oppose any tendency to suppress democracy and curb criticism; adhere in inner-Party struggles to the principles of "taking warning from the past in

order to be more careful in the future; treating the illness in order to save the patient," "clarifying our ideas and at the same time uniting our comrades," and "starting from unity to attain unity through criticism and struggle," and oppose liberalistic attitudes towards mistakes in the Party as well as rigid, crude and excessive inner-Party struggles; resolutely maintain the unity of the Party and the people, and oppose the tendency towards sectarianism. In short, if in the face of our new conditions we can correctly draw upon and apply the rich experience gained in the building of the Party over the last thirty-five years, we shall be able to guard against making serious mistakes, correct mistakes quickly when they are made, prevent minor mistakes from developing into major ones and temporary mistakes from developing into long-lasting ones, and ensure the correct leadership, the solidarity and the unity of the Party.

From now on, in the hard struggle for the building of socialism in China, we must unceasingly strengthen the unity of all Party members. For only by firmly uniting all our Party members on the basis of Marxism-Leninism can we unite the people of the whole country and turn their initiative to full account. Our unity is what our enemies fear most and are constantly trying hard to destroy. This is the reason why all revolutionaries dedicated to the cause of communism must look upon the preservation of the Party's solidarity and unity as one of their most important tasks. It must be pointed out that the maintenance or otherwise of the Party's strong solidarity and unity is a matter of very great importance, which determines the success or failure of the revolution. In order to rid ourselves of the negative factors in our march forward, we must call on all comrades to further strengthen unity on the basis of Marxist-Leninist principles and to struggle against all factors which tend to work against the Party's solidarity and unity. In the draft of the new Party Constitution, the

safeguarding of the Party's solidarity and the strengthening of its unity have been laid down as a sacred duty and obligation for all Party members. This is entirely correct. The adoption of the Party's new Constitution will certainly facilitate to a great extent the removal of any phenomenon in the Party which may harm its solidarity and unity.

In all our relationships within the Party we must oppose sectarian sentiments of every kind. Every comrade must learn to unite with other comrades, particularly with those who hold views different from his own. It is by no means difficult to unite with comrades who generally agree with you — this is not the crux of the matter; what is really difficult and important is to unite with those who frequently differ from you. Communists should be free from selfish motives, and there is nothing we cannot sacrifice for the maximum interests of the people. Communists are armed with Marxism-Leninism, and there is nothing whose right and wrong cannot be ascertained in the light of principle. If we all champion the spirit of abiding by the truth, a reasonable conclusion can be arrived at in any dispute. What, then, can prevent us from uniting together? Disputes will arise in our work, but there is nothing wrong about that, for it is inevitable that disputes will constantly arise in the progress of our work. Moreover, there can be no reason why the clash of different opinions should affect our unity.

Comrades! Ours is a great, correct and glorious party. In thirty-five years we have finally succeeded in bringing unity to the great Chinese nation, hitherto divided and oppressed, but now taking its destiny into its own hands. The eyes of the people of the whole country are upon us; the hearts of all working people the world over go out to us; ours is a very great responsibility. We must be earnest and industrious, we must guard against conceit and impatience. Great though our task may be, if only we can

strengthen the unity within the Party and our ties with the people of the whole country, we shall certainly be able to fulfil the basic tasks which this Congress will set for the Party, to unite with all forces at home and abroad that can possibly be united with, and to turn to full account all conditions in our favour, so as to build China into a great land of socialism.

SPEECH BY COMRADE PENG TEH-HUAI

Comrades:

I am in full agreement with Comrade Liu Shao-chi's political report, Comrade Chou En-lai's report on the Proposals for the Second Five-Year Plan for Development of the National Economy and Comrade Teng Hsiao-ping's report on the revision of the Party Constitution. On behalf of the Military Affairs Commission of the Party's Central Committee, I shall now speak briefly on military work.

I. THE HEROIC STRUGGLES OF THE CHINESE PEOPLE'S LIBERATION ARMY

The road traversed by the Chinese People's Liberation Army was a long and tortuous one. Our army started from scratch, grew from a small force into a big force, and attained final victory after many successes and reverses.

The Communist Party of China, immediately after it was founded, actively promoted and brought about Kuomintang-Communist co-operation, and led and took part in our country's great revolution of 1924-1927. When the revolutionary forces penetrated into the Yangtse valley and there was a great broadening of the workers' and peasants' movements, the Kuomintang reactionaries who represented the imperialist and feudal forces at once dropped their mask and became openly counter-revolutionary. Between the spring and summer of 1927 they started their counter-revolutionary *coup d'etat* and with a white terror unprecedented in history launched an onslaught on the

revolutionary forces. Thousands upon thousands of Communists and revolutionary people were massacred. However, the Communist Party and the revolutionary people could not be daunted. On the contrary, seething with just wrath, they turned to armed uprisings as their reply to the white terror of the reactionaries. The Nanchang uprising, the Autumn Harvest Uprising and the Canton uprising are the best known of these armed uprisings, in the course of which the Chinese Workers' and Peasants' Red Army was founded.

In October 1927, part of the armed forces of the Autumn Harvest Uprising, led by Comrade Mao Tse-tung, marched into the Chingkang Mountain area on the Hunan-Kiangsi border. They were joined here later by part of the armed forces of the Nanchang uprising, led by Comrade Chu Teh. The revolutionary base of the Hunan-Kiangsi Border Region was thus established with the Chingkang Mountains as its centre; the red flag with the hammer and sickle was raised; the slogan of overthrowing the local tyrants and distributing land was put forward. This base became a sign-post pointing out the correct path of struggle to the Party and the people throughout the country, and formed the revolutionary centre of the country at that time. Under the influence of this revolutionary centre, the people in many provinces and districts, led by the Communist Party, started to organize guerilla units of the Red Army, establish revolutionary bases, and carry out agrarian revolution. During several years of bitter struggle against the counter-revolutionaries' campaigns of "encirclement and annihilation," during which large numbers of the Kuomintang army and the troops of the landlords were wiped out, the Red Army guerilla units in various localities grew into a force three hundred thousand strong, and set up revolutionary bases with a population of over ten million. Then, in 1931 our Party came under the domination of the fallacious doctrinairism of Wang Ming and Po Ku, and serious mis-

takes of "Leftist" opportunism were committed in both the political and the military policies. As a result, the revolutionary bases, established at the cost of years of arduous effort and much bloodshed, were nearly all lost, and the people's army was on the brink of annihilation. At the Tsunyi Conference, a conference of great historic significance, this fallacious "Leftist" leadership was corrected, and Comrade Mao Tse-tung's leadership in the Central Committee firmly established. A dangerous situation was thus saved, and the basic fighting force of the Red Army preserved. During the above-mentioned period our Party and army were steeled in severe tests and accumulated a rich store of experience in political and military struggle. Thus the entire Party and the entire army came to realize basically what the correct military as well as political line was, and this provided favourable conditions for conducting the War of Resistance to Japanese Aggression.

After occupying our Northeast in 1931, the Japanese imperialists continued to push on toward North China until on July 7, 1937 they started a large-scale offensive against our country. Our Party once more co-operated with the Kuomintang, and the Red Army was reorganized into the Eighth Route Army and the New Fourth Army to wage the great War of Resistance to Japanese Aggression. In accordance with the programme and policy adopted by the Central Committee at the Lochwan Conference, our army moved up to the North China and Central China fronts and carried on guerilla warfare against the enemy. We established anti-Japanese bases there and introduced the system whereby the Communists, the non-Party progressives and the intermediate elements each contributed one-third of the leading personnel of the government administration. We organized the people to fight Japanese imperialism, and helped the peasants to get a reduction in land rents and interest on loans and take remedial measures to avert famine after natural calamities. Our

troops also made use of intervals between battles to take part in production so as to lighten the people's burden. During the eight years of the War of Resistance to Japanese Aggression, in spite of the Japanese invaders' repeated "mopping-up" campaigns, their policy of triple atrocities (of killing all, burning all, and looting all), and the crossfire of both the Japanese invaders and the Kuomintang die-hards, our army unswervingly kept up anti-Japanese guerilla warfare in the enemy's rear, fought against over 60 per cent of the Japanese invasion troops and over 90 per cent of the puppet troops, and became the main fighting force in the war. By the end of the war our army had already expanded into a force 1,300,000 strong, and the anti-Japanese bases had a population of 160 million. Thus was formed a revolutionary force of a strength hitherto unknown in the history of the Chinese people.

The Chinese people, who had suffered terribly during the war, expressed on its conclusion an urgent demand for peace and democratic reforms. Representing the Chinese people in their demand, our Party opened negotiations with the Kuomintang in the hope that democratic reforms in China could be carried out by peaceful means. At first, in an attempt to hoodwink the people and gain time to concentrate their armed forces for a mortal blow against our army, the Kuomintang reactionaries pretended to be lovers of peace and conducted negotiations with us. Then, as soon as they had concentrated their forces, they discarded their peace-loving mask. Aided and abetted by the American imperialists, they launched a large-scale offensive against the liberated areas with more than three times as many troops as we had. The Chinese people were thus obliged to enter another war. But our Central Committee, while exploring every avenue to effect democratic reforms by peaceful means, had wisely and in good time warned us not to slacken our vigilance or lay down our arms. So when the counter-revolutionary Kuomintang armed forces started

their general offensive against the liberated areas, our people and armed forces were able to calmly organize resistance. Under the guidance of the ten cardinal military principles laid down by Comrade Mao Tse-tung and with the support of the people throughout the country, our army, in the course of three and a half years' fierce fighting, annihilated enemy troops totalling 8,000,000, liberated the whole country with the exception of Taiwan and a few other islands, and won a total victory in the war.

After the nation-wide victory, in order to safeguard our democratic reforms and support economic rehabilitation, our army cleaned up the armed Kuomintang agents and local bandits in various parts of the country, and speedily carried out a large-scale demobilization and transfer of servicemen to civilian work, so that they could take part in all kinds of construction work.

One point calls for special mention here. The Korean war broke out at a time when our people were concentrating their efforts on peaceful construction and large numbers of our servicemen were being demobilized and transferred to civilian work. The American imperialists publicly announced their occupation of our territory Taiwan, and, insolently disregarding the solemn warning of the Chinese people, crossed the 38th parallel in Korea with an armed force of troops from sixteen nations banded together under the usurped name of the United Nations, pushed up to the Yalu River, and bombed Northeast China, thus directly threatening the security of our country. Under such circumstances, in order to resist U.S. aggression and aid Korea, to defend our country and protect our homes, the Chinese people were obliged to organize volunteer units which, together with the Korean People's Army, repelled the attacks of the aggressors. After nearly three years of war, the combined forces of the Chinese People's Volunteers and the Korean People's Army, supported and

encouraged by the Chinese and Korean peoples and the international forces of peace, drove the aggressors back to the 38th parallel and compelled them to sign an armistice. Thus they succeeded in safeguarding the security of the Korean Democratic People's Republic and Northeast China and furnished proof that the world's No. 1 imperialist army can be defeated. This victory revealed the gigantic strength of the Chinese people, enhanced their self-confidence as a nation and inspired the peoples throughout the world in their struggle for peace and against war.

As has been mentioned above, the Chinese People's Liberation Army has since the very day of its birth faced powerful enemies both foreign and domestic. However, no matter how powerful the enemies were, no matter what advantages they enjoyed, the revolutionary war of China ended in victory for our army and defeat for the enemy.

How is it that in this long period of grim warfare and under extremely adverse circumstances our army could survive, expand and grow in strength? How is it that it was able to defeat these powerful enemies, both foreign and domestic, and win victory in the revolutionary war?

The victory of the Chinese People's Liberation Army was due to the correct leadership of the Chinese Communist Party. In view of the fact that China was a semi-colonial and semi-feudal country long subjected to the cruel oppression and exploitation of imperialist and feudal forces, and that the Chinese people, especially the workers and peasants, lived in extreme poverty and urgently wanted national independence and democratic reforms, our Party put forward an anti-imperialist and anti-feudal revolutionary programme. In view of the fact that the counter-revolutionary forces, both foreign and domestic, had at their command powerful armies as the chief instrument for maintaining their rule over the people and suppressing the revolution, and that the failure of Chen Tu-hsiu's Rightist

opportunism had warned us against giving up armed struggle, the Party decided upon armed struggle as the main form of struggle in the Chinese revolution. As Comrade Mao Tse-tung has pointed out, "In China without the armed struggle there would be no place for the proletariat and the Communist Party, and the task of the revolution could never be completed." And in view of the fact that it was difficult for the revolutionary forces to survive and expand in the cities where the counter-revolutionary forces were strong, and that counter-revolutionary rule was relatively weak in the vast rural areas, the Party decided upon the policy of first establishing armed bases in the rural districts, then encircling the cities from the countryside and finally capturing them. This gave our army a clear idea of the direction they should take and the path they should follow in their struggle.

Our Party's Central Committee further laid down correct political and military lines in the light of actual conditions in different periods; and these have found concentrated expression in its decisions and directives and also in the works of Comrade Mao Tse-tung. On the basis of the scientific theory of Marxism-Leninism and the concrete practice of the Chinese revolution, Comrade Mao Tse-tung has made elaborate and brilliant analyses of the Chinese revolution, the revolutionary war in China and the building up of our army. His writings have always served as the guide of our army and provided it with a programme of action in carrying on the revolutionary war. History has proved that wherever the correct leadership of the Party's Central Committee and Comrade Mao Tse-tung was followed, our army was consistently victorious in the revolutionary war; otherwise it met with serious reverses. Bitter historical lessons were learnt from the heavy losses sustained by our army as a result of the reign of "Leftist" opportunism from 1931 to 1934 and the losses inflicted on it later by Chang

Kuo-tao's policy of panic flight and secession, and in the Southern Anhwei Incident.

It is clear that, in order to win victory and avoid reverses, a revolutionary army must have the correct leadership of the Party; the whole army, officers and men, must be closely united and resolutely follow the correct leadership of the Party. Otherwise, victory is impossible.

The victory of the Chinese People's Liberation Army was also due to the support and help of the broad masses of the people. The interests and needs of our army were completely identified with those of the people; as a fish lives in water so did we live on intimate terms with the people. The broad masses of the people knew from their own experience that our army fought for no other purpose than their liberation and happiness. The people cast in their lot with our army and looked on our army as an army composed of their own "brothers and sons."

It was precisely because of this that the people became a reservoir of manpower for the army. In time of war, after sufficient work had been done among the masses, the people voluntarily and enthusiastically joined our army.

It was precisely because of this that the people automatically became a source of military supplies, of food and fodder for our army. Every household became a factory, a storehouse or a hospital for our army, and saw to it that our fighters did not lack clothing, food, living quarters or transport facilities.

It was precisely because of this that the people, under the leadership of our Party, voluntarily organized self-defence corps and militia to fight in co-ordination with our army. They launched surprise attacks and demolition raids, cleaned up spies and traitors, carried out reconnaissance, carried the wounded, transported food and ammunition and acted as guides, thus providing our army with various services in battle.

The victory of the People's Liberation Army was also due to the fact that it is the people's army. Comrade Mao Tse-tung has said of our fighters: "They have united themselves and fought together not for the private interests of a few individuals or a small clique, but for the interests of the broad masses of the people and the interests of the whole nation. To stand firmly on the side of the Chinese people, and to serve them whole-heartedly — that is the sole aim of this army." In the history of our army, there have been many changes in its designation, its tasks, and its enemy, but its nature as a people's army has always remained the same and it has never wavered in its aim of serving the people.

As our army is the people's army, all its members have a high degree of political consciousness and initiative. They know who they are fighting for and what they are fighting for. They have lofty revolutionary ideals, and clearly defined aims in the struggle. That is why they could deal blows at the enemy so bravely and stubbornly. Not only were they dauntless and full of spirit, but they also displayed a high degree of intelligence in evolving a multitude of tactics suited to specific conditions. Underground warfare during the War of Resistance to Japanese Aggression, demolition-raid warfare during the War of Liberation, tunnel warfare during the war to resist U.S. imperialism and aid Korea — these were all invented by the mass of our officers and men. That is also why they have a high sense of political duty. In the event of an officer being killed or wounded during fierce fighting, any one of the officers or men under him would be capable of temporarily taking over the command. Even when only a few men were left in a fighting unit, the survivors would still carry on by themselves down to the last man and, no matter how perilous the situation, would carry out their duty as fighters to the very end.

As our army is the people's army, it is free from intrigues, free from scrambles for power and gain. All army men, no matter what unit they belong to, old or new, whether officers or men, are united in the cause of serving the people. They are united in mind and co-operative in action, and always help each other in accomplishing their common tasks.

As our army is the people's army, we always bear in mind the interests of the people and are solicitous about their welfare. Whenever and wherever possible, we help the people in work and production, and help them overcome their difficulties. We respect their customs and habits, and never encroach upon their interests. Therefore, wherever our army has gone, it has been one with the people, and has fought for their liberation together with them.

As our army is the people's army, it has an indomitable spirit triumphing over all difficulties. For a long time our army was engaged in fighting enemies who enjoyed many advantages. Our equipment was poor, our ammunition was obtained with difficulty, our food and clothing were insufficient, and our medical supplies were particularly scanty. We had no pay and little chance for resting and regrouping. The hardships we experienced during the Long March were incredible. But we succumbed to none of the difficulties; on the contrary, we overcame them and emerged triumphant.

To sum up: Resolute obedience to the Party's correct leadership of the armed forces, formation of close ties with the masses of the people and preservation of the qualities of a people's revolutionary army — these have been the basic guarantees of victory for our army. So no comrade in our army has any grounds for becoming conceited and self-complacent; everyone must work hard and carefully remove shortcomings and make progress on the basis of past victories. Only thus will we be able to fulfil our army's historical mission in the great period of socialism.

II. THE TASKS OF THE ARMY AND THE PRINCIPLES GUIDING ITS DEVELOPMENT

The founding of the Chinese People's Republic ushered in a new era of socialist construction and socialist transformation in our country. Our army's tasks in this new period are: to protect our country's socialist construction; to safeguard its sovereignty, territorial integrity and security; to maintain a state of readiness for the liberation of Taiwan; and to strengthen peace and order in our country. At present the international situation is tending towards relaxation, but the U.S. imperialist aggressive circles have not abandoned their plans of military invasion. They are persisting in a hostile policy towards our people, occupying our territory Taiwan, and organizing aggressive military blocs and building bases for military aggression in the neighbourhood of our country, and they have been fortifying these bases with new weapons. Thus it has become the main task of our army to guard against imperialist aggression and protect our country's construction.

Immediately after the liberation of the mainland, the Central Committee of our Party and our government clearly pointed out that the Chinese People's Liberation Army must build itself on its original basis into a fine, modernized revolutionary army. Our purpose in building such an army is to guard against imperialist aggression and protect the security of our country. This is our sole purpose. It is only the U.S. warmongers who, in order to disguise their nefarious aim of preparing to start a war of aggression, and to frighten certain countries into becoming their cat's paw, and so enslave them further, deliberately make out the building up of our army to be a threat to other countries. But rumours cannot conceal facts. In the last few years, the peoples and leaders of many countries, through frequent contacts with our country, have gradually perceived the sincere hope for peace on the part of our govern-

ment and our people, and seen through the plots of the U.S. warmongers. Therefore, more and more countries are willing to co-exist with us in peace. We have never wished and will never wish to attack any other country. As ours is a socialist country led by the working class and based on the worker-peasant alliance, any act of aggression is incompatible with the essential character of our country. The socialist character of our country is what determines our foreign policy of peace, as well as our army's basic policy of strategic defence. We will never be guilty of aggression against others, nor will we suffer aggression against us. If an aggressive bloc should throw discretion to the winds and start a war of aggression against our country, then our army and people will certainly rise and fight resolutely, and deal them blows until they are utterly annihilated.

We have done tremendous work in building up our national defence in the past seven years according to the policy laid down by the Central Committee.

To meet actual needs, thirty-one divisions and eight additional regiments of our army have been demobilized and transferred en bloc to production and construction work. These together with the cadres transferred to civilian occupation and the soldiers demobilized total five million. At the present time our army, including the new conscripts, is already two million seven hundred thousand-odd less than the peak number of troops at the time when the country was liberated. Military expenditure has already been lowered from 48 per cent of the total state expenditure in 1951 to 19.98 per cent in 1956. We fully agree to the Soviet Union's proposals for an international reduction of armaments and are willing to further reduce our armed forces, if agreement is reached on this question.

In the past, our armed forces were practically composed of infantry alone. Now, with the infantry as the basis, we have already built up an air force, a navy, anti-aircraft forces, public security forces, artillery units, mechanized

units, engineering units, railway units, communication units and anti-chemical warfare units. Thus we have built up a military force of combined arms, and brought about a change of first importance since the founding of our army. The infantry has played a vital part in our army's battle records; it is the basic arm of our military force, and still forms the biggest proportion of it, but a fundamental change has been made in its equipment. The artillery and tank units have been greatly strengthened, and the technical equipment of other units has also been improved. Air force and anti-aircraft forces are important arms in modern warfare. Although our air force is not yet equal in strength to those of the greatest air powers, we are no longer very weak in this respect. Our anti-aircraft forces have already been set up, with modern technical equipment. Our naval forces have also been correspondingly developed. Modernization of our army has not been proceeding for very long, and all our services and arms have not yet been fully modernized, but they have already been modernized on a scale unprecedented in our country. With the rapid development of our national economic construction, our army's modernization will certainly be further advanced. Here I must express our gratitude to our great ally the Soviet Union, because the Soviet Union has in a fraternal spirit provided us with military equipment and helped us to build up a national defence industry.

In addition to improving the technical equipment of the armed forces, regular training has been introduced throughout the army to enhance the capability of the commanders, to improve the use of equipment, and to raise the political consciousness and scientific and cultural levels of all ranks. This is because, although we have got modernized equipment and modernized organization, full use cannot be made of all this excellent equipment without able commanders and expert technicians. Thus in the past few years, the training of officers and troops has been the central routine

work in our army. Various military academies and schools have now been established to give advanced training to large numbers of cadres with battle experience, and raise their knowledge of the principles and techniques of modern warfare to a much higher level. As was shown in recent tasks and manoeuvres, marked progress has been made in raising the standard of training of the troops.

An important condition of a modern army is a regular military system. It is especially important to emphasize regularization in the modernization of our army because in the past our army was long scattered in various places, and there was no uniform military system for all the units. Regularization means a unified command, and uniformity in military organizations, systems, training and discipline. Rules and regulations to this effect have already come into force throughout the army, and produced good results in the training, work and life of the armed forces.

To ensure the carrying out of our army's policy of strategic defence and repel any surprise attack the imperialists may spring on us, our army has for the last few years been building modern defence works along the front lines of our national defence and at strategic points in depth. So long as the imperialist aggressive bloc does not abandon its aggressive scheme, we will not cease strengthening and improving our defence works. We are confident that given such defence works and a people's army equipped with modern weapons, no enemy will be able to attain his aim should he dare to attack our country.

In modern warfare the theatres of operations are very extensive and immense manpower and material resources are needed. In order to guard effectively against any surprise attack the imperialists may spring on us, we must conscientiously solve the problems of co-ordinating the standing army with the reserve forces and co-ordinating peace-time national economy with war-time national economy. As regards manpower, we must have a large reserve of

officers and men in addition to the standing army. It is precisely for this purpose that we have replaced the system of voluntary service by the system of compulsory service, started the enrolment and training of reserve officers and men and will gradually introduce military training courses in universities and colleges. As regards material resources, we must keep ready a certain amount of weapons and materials to meet the initial needs in the event of war. In order to supply the large quantities of equipment and materials needed in the whole course of a war, we must resort to a quick switch of the national economy from peacetime to war-time production, and rely on necessary equipment and technical personnel for war-time production, which will have been reserved in various branches of civil production in peace time. Only by making full preparations in the national economic plan in time of peace can we, once war breaks out, immediately bring war-time production to peak capacity to provide the nation's troops at war with an inexhaustible supply of materials, and ensure victory, and if war does not break out, concentrate our financial power, material resources and manpower on carrying on economic construction.

In short, our people need an environment of lasting peace in which to carry on socialist construction and also a modernized revolutionary army to cope with emergencies and safeguard socialist construction. Our task is to suitably reconcile these two needs. Therefore we should press ahead with the modernization of our army and, at the same time, in keeping with the needs of national economic construction, practise the utmost economy and oppose waste in military construction. In carrying out military measures, we should closely consider the people's interests as regards production and livelihood, maintain close contact with the people and carry on the tradition of industriousness, frugality and fortitude of a people's revolutionary

army. In the last few years, we have achieved remarkable successes in building up our army. But there were also some serious defects in our work due to our lack of experience and inadequate study of conditions. To take a few examples: in the initial stage of reorganization, there was a tendency to injudiciously demand too much in the way of improved technical equipment; in the course of regularizing the army and carrying out defence construction projects, there were cases where unity of officers and men, or of the army and the people was affected; while in learning from the experience of other countries in creating a modernized army, unsuitable training and working methods were adopted without giving sufficient consideration to actual circumstances. Some of these defects have already been corrected and must not be allowed to occur again, but there are others which have not yet been and must be corrected. It is hoped that local Party committees will constantly guide and supervise army work.

III. SYSTEMS TO BE MAINTAINED IN BUILDING UP THE ARMED FORCES

To accomplish the task of modernizing our army, we must, judging from experience and actual conditions in the army, continue to maintain the following systems:

(1) THE SYSTEM OF ARMY LEADERSHIP

The basic system of leadership of the Chinese People's Liberation Army is a system of individual responsibility of the leaders in the army under the collective leadership of the Party committee. This system of leadership has long proved effective in our army practice.

The Communist Party committees at all levels in the army are built upon the basis of democratic centralism.

The Party committee exercises its collective leadership over the army according to Marxist-Leninist principles. Except in emergencies when the leaders of an armed unit can make decisions at their own discretion within their competence, all important matters, such as important directives and orders to be issued by higher organizations, plans and measures for military, political and logistics work, allocation of cadres, etc., should all be discussed in a democratic way at Party committee meetings so that the wisdom of all the members may be brought together and definite decisions made, which will then be given to the military and political leaders of the unit, whose responsibility it is to organize their implementation.

In our army both military commanders and political commissars are leaders; they are jointly responsible for leadership in the army. However, there is a division of work between them: military commanders are responsible for the implementation of orders and directives issued by higher authorities and decisions made by the Party committees of the same level so far as they concern military affairs, while political commissars are responsible for the implementation of those concerning political work.

The system of collective leadership by the Party committee must be carried out in the army, because only by so doing can the Party's leadership over the army be better ensured, the carrying out of Party policies and state laws and decrees be guaranteed, and the tendency towards a purely military viewpoint and individualism among leading personnel be prevented. Only by so doing can we give full play to the collective wisdom to complement and supplement deficiencies in the abilities of each individual and guard against any individual's subjectivist and one-sided way of looking at things, so that all tasks, especially military operations, will be carried out on a sound basis and after careful deliberation. Only by so doing can the leaders of a unit grasp the whole situation and arrive at a unified

understanding of an issue, and thus give better assurance that there is a centralized command and unified action of the forces and that problems can be correctly solved in a flexible way according to actual conditions.

To strengthen its collective leadership, the Party committee should promote a democratic style of work and keep to the mass line in practical work. The Party committee should strengthen and extend close relations with the broad mass of cadres and the rank and file, constantly go to the lower levels to check up on the progress of work, sum up and popularize the good experience gained by the masses, and correct defects and mistakes in our work by means of criticism and self-criticism. In this way, we can prevent the responsible cadres of the Party committee from committing mistakes of bureaucracy and pure commandism due to alienation from the masses and from reality. Once decision on a certain task has been reached, the Party committee must unhesitatingly let the leaders of the unit put it into execution, giving them full scope to use their initiative and creative ability and assume personal responsibility for their actions. It is wrong for the Party committee to interfere in routine work and to take everything into its own hands.

The system of individual responsibility of leaders must be maintained in the army, because our army is an armed revolutionary organization fulfilling fighting tasks. If, in the emergency of battle, the leaders of an armed unit fail to resolutely assume responsibility and issue firm and timely orders, their forces of combined arms will be plunged into confusion even to the point of losing the battle. In our work, too, failure of leaders to assume individual responsibility will lead to dilatoriness and a state of affairs in which nobody takes charge of anything. Hence leaders at all levels must, according to the division of work, do their duty energetically and resolutely under the collective leadership of the Party committee. It is also wrong to

think and behave as if the Party committee's collective leadership lightened the leaders' responsibility.

The system of leadership which combines the collective leadership exercised by the Party committee with individual responsibility borne by the leaders in the armed forces has been put on a fairly sound basis in our army in the course of long practice. So long as we grasp the full significance of this system, and so long as we correctly put it into practice without emphasizing collective leadership at the expense of individual responsibility or vice versa, this system, far from weakening, will make still more effective the centralized and unified leadership of the army and, far from impeding, will ensure necessary flexibility of action in an emergency.

With the modernization of our army, we shall have a greater variety of arms, and it will be all the more necessary to allow this system to develop its good points to the full and not to inhibit it.

(2) THE SYSTEM OF POLITICAL WORK IN THE ARMY

The Communist Party of China established the system of political work in the Chinese People's Liberation Army from the very day of the founding of the army. Thanks to the correct leadership of the Party and the efforts of all army political workers and officers and men, our army, in passing the test of a protracted war, gained a rich store of experience in political work; this played an important part in consolidating its internal unity, raising its fighting ability, mobilizing the broad masses of the people to support and take part in the revolutionary war, disintegrating the enemy ranks and winning over its men and thereby ensuring victory. Political work has become the lifeline of our army.

Political work in the army is in essence Party work in the army, and the political organs are the Party's working

organizations. Through the political organs, the Party directs the political and ideological education of the whole army, imbues all the fighters with patriotic spirit and communist ideology, corrects whatever wrong ideas are current as well as wrong ways of working, leads the army in carrying out the political line of the Central Committee of the Party and the laws and decrees of the state, and leads the Party and Youth League organizations in the army and the broad masses of officers and men to follow the orders and directives of the higher organizations and to fulfil the various tasks of the army conscientiously and resolutely.

Political work must serve the army's fighting tasks and other work. The tasks of the political organs in the army should be defined only in accordance with the basic and specific tasks of the army. The basic task of our army in the past was to win victory in the national democratic revolution; from now on it is to guard against imperialist aggression and protect the socialist construction of our country. Apart from fighting, the specific tasks of our army in peace time consist of building itself up, keeping in readiness in case of war and various kinds of routine work, all of which centre on training. At the present time the specific tasks of our political work in the army are to give adequate political and ideological education to the troops, to raise the political understanding of officers and men, to further strengthen unity in the army and unity of the army and the people, to bring into full play the initiative and creative ability of every revolutionary soldier, to develop the fighting capacity of the troops, and to maintain high vigilance against any surprise attacks the imperialists may spring on us, so as to ensure the complete fulfilment of both the basic and specific tasks of the army.

In order that political work may play its part correctly, any tendency to belittle or weaken the leading role of political work in our army should be brought to an end. At the same time a stop should also be put to the erroneous

tendency to confer special position and prerogatives on the political organs in the army. Political organs should take the initiative to maintain harmonious co-operation with the military departments; they should know how to organize the entire body of officers and men to participate in political work. Only in this way can the political organs play their role to the full and accomplish their tasks.

Under the new historical circumstances of today, the political workers in our army must preserve and develop the working style of following the mass line and practising democracy, of going deep into realities and uniting with the masses, and of practising criticism and self-criticism. Moreover, in order to adapt themselves to the special conditions of a modernized army, they must get fully acquainted with all the military activities, know the concrete conditions of the work and technical level of their respective units, learn with modesty the technical knowledge they need for their work, and guard against the subjectivist tendency of drifting away from reality. In this way political work in the army can be vigorously carried out under the new circumstances.

(3) DEMOCRACY IN THE ARMY

The Chinese People's Liberation Army is at once an army with a strong revolutionary discipline and an army with a highly developed democratic life. From the very beginning, it completely freed its ranks from the autocracy that prevailed in the warlord armies and extensively adopted democratic ways of doing things. Democracy under centralized leadership was gradually brought into being during the long period of struggle following the Kutien Conference in 1929. This system is closely related to and inseparable from the system of collective leadership by the Party committees and the system of political work. With-

out this system of democratic life, collective leadership by the Party committees and political work would both become mere formalities. On the other hand, true democracy under centralized leadership would be impossible unless this is assured by the Party committees' collective leadership and by political work.

The reason why democracy can be put into practice in our army is that our army is an instrument of the people for liberating themselves. The higher and lower ranks and the officers and men in our army, and the troops and the people all have the same fundamental interests and the same objectives in their struggle. There are no antagonistic class contradictions or conflicts of personal interests among them.

The reason why democracy must be practised in our army is that it undertakes the great cause of liberation of six hundred million people and the arduous task of annihilating the counter-revolutionary armed forces by means of war. To do this is beyond the capacity of a handful of persons, and takes a high degree of revolutionary enthusiasm and creative ability throughout the army. That is why it is necessary to put into practice this democratic system under centralized leadership. We have done so and must continue to do so.

In our army, democracy is many-sided. It exists not only in the life within the Party and the Youth League, but also in day-to-day work and in active military operations. Any work of some importance, after being collectively discussed and decided upon by the Party committee, is passed down, if conditions permit, to the junior officers and men for discussion, and reasonable proposals put forward by them are adopted. In other words, the democratic method is applied and the mass line is followed. In the case of active military operations, if conditions permit, we explain the combat tasks to all officers and men as well as

the conditions and means of winning victory, and encourage them to carry out extensive and searching discussions, so that the plans and determination of the army leaders will be embraced by the rank and file as their own. When a battle is over, democratic meetings are held to sum up combat experience, and size up the merits or demerits of every officer and man, so that they can all receive a deep, practical lesson. Various kinds of meetings are also held in the course of daily work, to study and sum up the work done, recommend advanced experience and criticize shortcomings and mistakes. In order to improve our work, not only senior officers can criticize junior officers, junior officers can also criticize senior officers, and men criticize their officers. Senior officers must listen with modesty to the opinions of junior officers and men, and accept their correct criticisms. It is impermissible for them to suppress criticism or take reprisals against those who criticize them. They can only make explanations if the opinions and criticisms happen to be incorrect. Our experience shows that such democracy does no harm to the prestige of the cadres concerned; on the contrary, only such prestige as is built up through democratic leadership and is gladly recognized by the masses is real prestige which can stand any test. Discipline in our army is also maintained chiefly by democratic methods. It does not simply consist in restraint and supervision of the lower ranks by the higher, but is maintained by means of self-criticism and self-education of the masses and the raising of their political consciousness so that each imposes discipline on himself and all impose discipline on each other. This voluntary self-discipline is always in force, whether with or without the supervision of the higher ranks, whether in time of peace or under the most complex, most difficult conditions in time of war.

In the past, some of our comrades in the army did not attach sufficient importance to promoting democracy. We

have severely criticized this mistake and waged a stern struggle against it. At the present time, as our army is in process of being modernized and regularized, some of our comrades have again become sceptical about our system of democratic life, holding that in modern warfare the demand for a higher degree of centralization in regard to command excludes the need to emphasize democracy. This is incorrect. These comrades do not realize that modernization and regularization have not changed the essence of our army as a people's army, and that a genuine high degree of centralization can be built only on the basis of a highly developed democracy, while centralization achieved through compulsory methods is a spurious one and will not stand any test. So in modernizing and regularizing our forces, we must fight against the tendency to weaken democracy, and must further strengthen and develop democracy.

IV. THE QUESTION OF STUDY

A modern revolutionary army must be equipped not only with modern scientific technique, but also with Marxism-Leninism and up-to-date military science. Modern military science is a synthesis of various branches of science, and consequently officers in a modern revolutionary army must acquire a wide knowledge of science, culture, technology and the laws of modern warfare. But this is precisely where we are very deficient. So study is our central task which takes precedence over everything else. Besides intensifying our study of Marxism-Leninism and Comrade Mao Tse-tung's works, we must intensify our study of modern military science and technique, the art of commanding a modernized army in battle and new military systems. Unless we put greater effort into study of these things, we shall not be able to master and make use of the

most up-to-date weapons, or command a modernized army in battle, and consequently we shall not be able to build up our army into an excellent modern revolutionary army.

When we began our army's modernization, we insisted that all the advanced experience of the Soviet army should be thoroughly learnt. This was correct, and during the past few years we have made very considerable achievements in this respect. There is no doubt that the Soviet army's advanced experience will still be the chief object of our study, because the Soviet army is the most advanced, modernized revolutionary army in the world, commanding a superior military science, a first-class military technology, and a rich store of experience in commanding modernized armies in battle. By making the utmost effort to learn from the advanced experience of the Soviet army, we may shorten the process of learning by trial and error, avoid having to advance by roundabout ways, and speedily complete the modernization of our army. We must of course also learn from the advanced experience of the armies of other fraternal countries. And in addition we should study the military matters of the capitalist countries, so that we can be familiar with what is happening on the other side as well as on our own. We should also study whatever there is in their technological science that is useful to us.

In learning from the military experiences of foreign countries, we must behave like humble students. Without humility, we cannot penetrate to the heart of the matter and shall gain nothing. Some comrades have been proud and self-complacent, thinking that since we defeated the Japanese forces and the Kuomintang troops armed by the imperialists, and as the Chinese People's Volunteers defeated the U.S. forces in Korea, we are experienced enough to cope with any emergency now or in the future, and so we have no need to learn from other people's good points. This attitude is wrong. But does this mean that we can

now scrap all our own military experience? No, our precious store of experience not only should not be scrapped, but should be preserved and further enriched. For instance, the principles guiding the building up of our army and our conduct of war formulated during the long period of revolutionary warfare, and the experience gained by the Chinese People's Volunteers in the Korean war will still be of great use. In our studies we should co-ordinate the historical experience of our army with the advanced military experience of foreign countries.

In learning from foreign military experience, we must adopt an analytical, critical and matter-of-fact scientific attitude, and must not fall into an attitude of blind belief, or mechanical copying. This is because all concrete experience, whether that of foreign countries or our own, is distinguished by certain features of time, place and various other special conditions. What is correct in foreign countries may not be correct or entirely correct under the specific conditions of our army; even what we ourselves learnt to be correct in the past may prove to be incorrect or not entirely correct now or later as circumstances have changed. Why should we then accept everything rashly and indiscriminately without analysis and criticism based on actual conditions? Examined in this light, there have been serious defects in our studies, although there have been great achievements as well. The rules and systems our army has adopted and the teaching methods it has used in the past few years are in the main practicable, but in some cases we have not paid sufficient attention to the historical characteristics of our army and its actual conditions but have taken a doctrinaire and formalistic attitude, thereby damaging our army's fine traditions and affecting both unity within the army and unity of the army and the people. We must therefore correct this wrong attitude in our studies and adopt a practical and scientific attitude.

In the past it was our basic method to learn from reality and from the masses. In the last few years some of our comrades have forgotten this method. They do not penetrate deep into reality or try to understand and study it; they have no clear grasp of the actual situation with which they ought to be familiar and are ignorant of or blind to the creative work of the masses. We should remember that the practice of the masses is the source of knowledge and the yardstick of truth. Only by penetrating deep into reality can one discover the difficulties and contradictions inherent in it, and find out the principles and methods whereby these difficulties can be overcome and contradictions resolved. Only by penetrating deep into reality can we know to what an extent our rules, systems, orders and directives are correct, and find out on what basis they should be improved. Only by penetrating deep into reality can we discover and acquire personal knowledge of the new things created by the masses and their significance, synthesize these fragmentary and unsystematic new creations, and co-ordinate real experience with book knowledge.

Our army has a rich store of experience in battle and army building. Provided we behave as humble and industrious students, correct our methods of study and the defects of copying mechanically and of departing from reality and the masses, we are confident that we can successfully learn all the advanced military experience of the Soviet Union and other foreign countries, and co-ordinate such experience with our army's historical experience and its practical experience in modernization so as to gradually create a modern military science suited to the actual conditions of our country.

Comrades, the success of the Eighth Congress of the Party will be a point of departure for the whole Chinese people to march towards fresh victories. Inspired by the success of the Congress, the Chinese People's Liberation

Army will accomplish more effectively the glorious tasks of modernization, liberation of Taiwan and protection of our motherland. Provided all comrades in our army continue to exert our utmost efforts, remain modest and prudent, guard against pride and rashness, study diligently, and overcome our shortcomings, we shall, under the leadership of the Party and the Government and with the support of the people and of the powerful economic forces of the country, certainly be able to fulfil these glorious tasks. We will always stand shoulder to shoulder with the great Soviet army, with the armies of our other fraternal countries, and with the peace-loving peoples throughout the world to carry on the struggle to safeguard world peace.

SPEECH BY COMRADE PO I-PO

Chairman of the National Economic Commission

Comrades:

I fully agree to the Central Committee's political report, its report on the revision of the Party Constitution and its report on the Proposals for the Second Five-Year Plan for Development of the National Economy.

The political report of the Central Committee scientifically summed up the experience and the brilliant achievements of the Party in leading the Chinese people's revolution since the Seventh National Congress. The successes recorded are a triumph of the close integration of the basic principles of Marxism-Leninism with the realities of the Chinese revolution.

Our Party has been active in many fields in that period of great historic importance extending from the Seventh to the Eighth Congress. Leading the people in arduous struggles, our Party brought about the final defeat of our powerful enemies both at home and abroad, completed the great democratic revolution and has, in the main, accomplished the great socialist revolution. Now the Party is leading the people in completing the difficult and gigantic tasks of socialist construction and socialist transformation, and the First Five-Year Plan for Development of the National Economy is being fulfilled ahead of schedule and overfulfilled.

The progress of the First Five-Year Plan shows that the policy on socialist industrialization in our country laid down by the Party is perfectly correct. So long as we res-

olutely carry out this policy of the Party, there is every possibility that we shall be able to complete, in the main, our socialist industrialization and build our country into a great socialist state in about fifteen years' time. But we must have a sufficient accumulation of funds to accomplish this arduous task, and, in accordance with the nature of our social system, the only way to secure this accumulation is by finding it inside the country. Under these circumstances, the amount and rate of accumulation not only directly affect the tempo of socialist industrialization, but also directly affect the level of consumption of the people and the extent to which improvements can be made in their living standards. How to determine a correct relationship between accumulation and consumption is, therefore, a problem of prime importance for the progress of our socialist industrialization.

Over the past few years, we have, by and large, set a correct ratio between accumulation and consumption, but there have been certain deviations. Experience shows that whenever we have set a fairly correct ratio, our economic life develops harmoniously, and this favourable effect contributes to the growth of industry and other branches of our economy and the raising of the people's standard of living. Conversely, whenever we have adopted an unsatisfactory ratio, there is a dislocation of our economic life, and the growth of industry and of other branches of our economy and the improvement of the people's livelihood are adversely affected.

In the light of the experience of the Soviet Union and other socialist countries and particularly of our own experience in national construction, therefore, the Party affirms that in our socialist industrialization, we must, while giving priority to the development of heavy industry at a relatively high speed, energetically develop agriculture and light industry as well and, while practising economy so as to accumulate more funds for construction, suitably raise

the level of consumption and gradually improve the livelihood of the people. Is it possible for us to do this? Yes, it is. Our experience in economic construction over the past few years is an excellent proof of this.

First, in the four years from 1953 to 1956, our industrial output increased by 104 per cent (taking output in 1952 as 100), averaging 19.5 per cent every year, while agricultural production increased by 19 per cent, averaging 4.4 per cent every year. In industrial production heavy industry, on the average, increased by 23.9 per cent every year, light industry by 14.8 per cent, and handicraft production by 12.6 per cent. Simultaneously, labour productivity in state industry rose by 69 per cent, averaging 14 per cent every year. As much as 72.7 per cent of the increase in value of industrial output accrued from the rise in labour productivity. Thanks to the development of industrial and agricultural production and the rise in labour productivity, our national income¹ increased by 43.8 per cent, averaging 9.5 per cent every year. These figures show that, while we gave priority to the development of heavy industry, agriculture and light industry also made corresponding advances. An important feature of the Party's policy on socialist industrialization is the priority given to the development of heavy industry side by side with the energetic development of agriculture and light industry. The rapid development of industrial and agricultural production, the steady rise of labour productivity and the yearly increase of our national income — all these successes are due to the fact that we have resolutely carried through the Party's policy on socialist industrialization and socialist transformation.

¹The national income is the total value of output of industry, agriculture and the building industry, plus the value created by transport and commercial workers serving production (i.e. the total value of production), minus the depreciation charges of means of production. In other words, it is the net value of production.

Secondly, over the same period, the part of our national income going to accumulation increased by 106.5 per cent, averaging 19.9 per cent every year; the part going to consumption increased by 29.7 per cent, averaging 6.7 per cent every year. In the matter of accumulation, investments in capital construction increased by 277.3 per cent, averaging 39.3 per cent every year — of which investments in industrial capital construction increased by 316.7 per cent, averaging 42.9 per cent every year. Among investments in industry, those in heavy industry increased by 425.5 per cent, averaging 51.5 per cent every year. In the matter of consumption, the funds spent on and by the workers increased by 48.8 per cent, averaging 10.5 per cent every year; the average real income of workers and employees increased by 25.3 per cent, averaging 5.8 per cent every year. The corresponding funds for the peasants increased by 28.5 per cent, averaging 6.5 per cent every year; the average real income of each peasant household from agricultural production increased by 10.7 per cent, averaging 2.6 per cent every year. These figures show that accumulation in our country has been increasing swiftly, that the construction of industry, and heavy industry in particular, has been going on at a high speed, and that the people's level of consumption has also been raised steadily. The industrialization of our country is closely linked with the raising of our people's standard of living — this is another important feature of the Party's policy on socialist industrialization. It is precisely because it coincides not only with the long-range interests of the people, but also with their immediate personal interests, that the cause of socialist industrialization has won the enthusiastic support of the people throughout the country.

In their reports, Comrades Liu Shao-chi and Chou En-lai have already dealt thoroughly with the question of how to carry out the Party's policy correctly so as to mobilize and organize the forces of the people all over the country

and turn all positive factors to full account, rapidly develop production, steadily raise labour productivity, increase the national income and enlarge our sources of accumulation. Here I should like only to state my personal views on the question of how to set a correct ratio between accumulation and consumption.

A rational solution of this problem means combining long-range, collective interests with immediate, personal interests in such a way as both to benefit the rapid growth of national economic construction, especially industrial construction, and to bring about a general rise in the level of consumption of the people.

Desiring to foster our long-range, collective interests, and conscious of the need for a rapid growth of industry, especially heavy industry, some people are often taken by the idea of raising the proportion of the national income going to accumulation. It is doubtlessly possible to make a case of this view, for only the rapid growth of heavy industry can lay the material foundations of socialism quickly and give reliable material assurance that a fundamental improvement can be brought about in the livelihood of the people. So, in the period of socialist construction, we must accumulate whatever we can in the national economy, and use a suitable proportion of the funds accumulated to meet in the first place the needs of industrial, especially heavy industrial, construction. It would, however, be wrong to emphasize only the rapid growth of heavy industry and make too rapid and too great an increase in the share of the national income going to accumulation and reduce the share going to consumption, which would have an adverse effect on the necessary improvements in the people's livelihood.

It is only when the industrialization of our country is closely linked with a steady rise in the people's level of consumption that we can develop the initiative of the broad masses of the people in socialist construction, and help to

further consolidate the worker-peasant alliance on a new material basis and ensure the smooth and healthy progress of socialist construction. That is why, as socialist industrialization proceeds, the funds accumulated for construction projects in industry, agriculture and other fields can only be gradually increased in step with the development of production in society, the rise in labour productivity and the increase of the national income. Only in this way will the increase in accumulation not adversely affect the steady improvement of the people's livelihood. Furthermore, as our economy is still relatively backward, our population is large and increasing fairly rapidly and the standard of living of the people is still rather low, the proportion of accumulation must not be enlarged too much or too fast.

There is no question that as industrialization proceeds, the level of consumption of the people should and must be gradually increased on the basis of the growth of production and the rise in labour productivity. Failure to do so would cause a serious rift between ourselves and the masses and lead to unpardonable mistakes. On the other hand, it is not permissible either to lay undue emphasis on immediate, personal interests without regard to our long-range, collective interests. It is wrong to try to raise the level of consumption at a rate faster than the growth of production and labour productivity; and it is likewise wrong to try to raise the level of consumption at a rate equal to that of accumulation. To do the first would undermine the material foundation for a steady rise in the people's level of consumption; while to do the second would retard the progress of socialist industrialization.

It is an arduous task to transform an economically very backward agricultural country like ours into an advanced socialist industrial one in a relatively short time. And it will be very difficult to accomplish this without a hard struggle, without industriousness, frugality, and unremitting effort on the part of the Party and the people, without

saving every cent and every material resource that can be accumulated and spending them rationally on enlarging our socialist economic foundation. To promote industrialization, that is, to promote the Chinese people's long-range, collective interests, the level of consumption of the people should not only rise at a lesser speed than production in society, and in particular labour productivity, but at a lesser speed than the rate of accumulation. Only in this way can we ensure a steady increase in socialist accumulation, a steady expansion of socialist reproduction and a steady strengthening of the material foundation on which any rise in the level of consumption of the people depends.

It is, therefore, extremely important to decide on a correct ratio between accumulation and consumption in the light of our specific economic conditions and the objective laws of economic development.

Over the past few years, according to preliminary estimates made by the State Statistical Bureau, the proportions of accumulation in the national income¹ were roughly as follows:

¹The part of the national income which goes to accumulation consists of the following: In the form of centralized state expenditures: investments in capital construction of productive and non-productive undertakings minus depreciation charges for fixed assets; newly increased circulating funds; newly increased state material reserves; etc. In the case of state enterprises: accumulation within each enterprise. In the case of agricultural producers' co-operatives, handicraft producers' co-operatives and supply and marketing co-operatives: reserve funds of the co-operatives. And in the case of individuals: investments made by industrialists, merchants, individual peasants and handicraftsmen.

The remaining part of the national income goes to consumption, which includes the wages of workers and employees; the personal incomes of peasants and handicraftsmen; the incomes of capitalists; expenditures of the state and the enterprises on cultural, educational and public health work, and welfare services for workers and employees; expenditures on administrative and national defence needs and other funds used for non-productive purposes; etc.

1952	15.7%
1953	18.3%
1954	21.6%
1955	20.5%
1956	22.8%

The relatively low percentage of accumulation in 1952 and 1953 was due to the fact that in those two years we were still in the period of economic rehabilitation, that capitalist industry and commerce had not yet been completely transformed, and, in particular, that we were engaged in the war of resisting United States aggression and aiding Korea. Afterwards, when this war came to an end, when economic rehabilitation was completed, when a decisive victory was gained in socialist transformation, and when production had developed and national income increased, there was a corresponding increase in the proportion of the national income going to accumulation. This change in the ratio between accumulation and consumption accorded, in the main, with our political and economic development and the needs of socialist industrialization. However, there were also certain defects and deviations. Judging from our experience in economic construction and the general situation in our political and economic development in the past few years, I think that, for a number of years to come, it will be fairly safe to fix the proportion of the national income going to accumulation at no less than 20 per cent or possibly a little higher. Such a proportion will at once ensure a fairly high rate of development of our industrial construction and a steady improvement in the livelihood of the people. If we depart too far from this level, whether up or down, we will throw the development of our national economy out of balance and this will have adverse political effects.

Can such a level of accumulation ensure us a fairly high rate of industrialization? The answer is yes. The ex-

perience gained in construction in the past few years shows that with the growth of national production, a steady increase in our national income, and economical use of our funds, such a level of accumulation can ensure a fairly rapid rate of industrialization, although it by no means places us in easy circumstances. If we raise the level of accumulation unduly, disregarding the limitations imposed by the actual situation, we shall be unable to bring about a steady rise in the level of the people's consumption while ensuring rapid development of industrial construction. Needless to say, if the level of consumption by the people is not raised to a reasonable extent, the growth of the whole national economy will be impeded, and further consolidation of the worker-peasant alliance will also be adversely affected. And then, we would be forced to lower the level of accumulation and slow down industrial construction. Otherwise, there would be all manner of evil consequences, economic as well as political. It is therefore necessary for us to adopt a sound and prudent policy on the question of accumulation.

Will the level of accumulation suggested adversely affect a steady improvement of the livelihood of the people? The answer is no. It will not hinder a steady improvement of the livelihood of our people. This, too, has been confirmed by our experience in construction over the past few years. We know that improvement of the people's livelihood does not depend on money income alone, but hinges on increased production of consumer goods. With the suggested level of accumulation, the rise of the level of consumption of our people will largely keep pace with the increase of consumer goods in our country. If the level of accumulation should be lowered, we would be unable to ensure the supply of funds needed for industrialization, and this would slow down the development of industry and socialist construction and retard the increase in the produc-

tion of consumer goods. This would not only make it impossible for us to ensure a rise in the level of consumption, but would also be harmful to our work of building a self-reliant industrial economy, strengthening our national defence, preventing aggression by the imperialists, safeguarding world peace and protecting the peaceful construction and life of our people. For these reasons, it is likewise improper to lower this level.

As the proportions of accumulation and consumption are realized through distribution and redistribution of the national income, and as the principal part of the national income going to accumulation is, in our country, again distributed through the state budget, it will not be inappropriate for me to touch upon the proportion of the national income which is taken up by revenue listed in the state budget. Our experience shows that whether the ratio between accumulation and consumption is appropriate or not is directly related to whether a correct ratio is attained between the national income and the budgetary revenue of the state, between expenditure on capital construction and that in other fields in the state budget, and between expenditure on industrial capital construction and that on capital construction in other branches of the economy.

We must set these ratios correctly in accordance with two basic needs — industrialization and a steady rise of the level of consumption of the people. Disregarding either need by unduly raising or lowering the proportion of the budgeted state revenue in the national income, of the expenditure on capital construction in the budgeted state revenue, or of investments in industrial capital construction in the total expenditure on capital construction, would lead to development of the contradiction between accumulation and consumption and make it impossible to attain our goal of speedily developing industry and building a socialist society.

According to the data of the State Statistical Bureau, the proportions of the budgeted state revenue in the national income in the past few years were roughly as follows:

1952	.....	27.6%
1953	.....	29.2%
1954	.....	32.4%
1955	.....	31.9%
1956	.....	31.5%

The increase of the proportion of the national income going to the budgeted state revenue from year to year was linked with the development of our national economy and the expansion of the scale of construction. Such a rise is reasonable as well as necessary. In view of this, it seems to me that, provided there are no greater changes in our economic conditions and calculated according to the existing financial system, it will be fairly safe to fix, for a number of years to come, the proportion of the national income taken up by the budgeted state revenue at no less than 30 per cent or possibly a little higher.

Will this level be too low? Will it slow down our socialist construction, especially industrial construction? I think not. Our experience in the past few years shows that, whenever we attempted to undertake more construction work in industry and in other fields, made too large a state budget and invested too much in capital construction, the result was "more haste, less speed," and even an artificial tension in our national economy. There was consequent harm both to our industrialization and to a co-ordinated development of our economic life. That was why, whenever, motivated by the best of intentions, we wanted to undertake more construction projects and put forward this or that programme which would result in increasing the burden of the people, the Central Committee of the Party stepped in realistically and in good time to put us back on the right track.

the budgeted expenditure of the state, while the volume of work in capital construction is 62 per cent more than it was last year. This year investments in capital construction are the largest ever, while construction work has increased at an extremely rapid rate; but the result has been that supplies of building materials and equipment and the carrying capacity of transport have not been able to keep pace. Not only has it been difficult to carry out the capital construction plan smoothly, but the development of many branches has been thrown out of balance and the balanced development of the national economy has been adversely affected.

In view of all this and the practical experience gained over the past few years, it seems to me that, provided there are no greater changes in our economic conditions and calculated according to the existing financial system, it will be fairly safe to fix, for a number of years to come, the proportion of capital construction expenditure in the total budgeted expenditure of the state at no less than 40 per cent or possibly a little higher. If it is much higher than this, we shall be unable to achieve a balance among the many things that call for attention, and a tense situation will be created. If it is lower, socialist industrialization will be retarded.

In fixing a correct ratio between expenditure on capital construction and other fields in the budgeted expenditure of the state, we must also set a proper ratio between expenditure on industrial capital construction and that on capital construction in other branches, such as the ratio between investments in industry and agriculture; in heavy industry and light industry, communications and transport, commerce, culture, education and public health; and also that between investments in productive and non-productive construction projects. Otherwise, the development of the national economy will similarly be thrown out of proportion and a tense situation will arise between

accumulation and consumption. Comrade Chou En-lai has dealt with this question in great detail in his report and I think the points he made are all correct.

In regard to that part of the national income going to accumulation besides investments in capital construction, we should set aside suitable proportions for circulating funds and state reserves. An appropriate sum must be allocated for circulating funds, otherwise it would be impossible to organize social production and carry on capital construction smoothly. But the circulating funds must go round at a higher rate of speed and their size in relation to the total amount of accumulation must be gradually reduced so that the proportion of investments in capital construction can be raised as much as possible.

The funds needed for state material reserves should be suitably increased, otherwise it would be impossible to meet emergency needs or to organize a rhythmic industrial production. In the past few years, we have had a considerable amount of unpleasant experience in this respect. It is high time that we adopt resolute steps suited to our material resources and financial condition to establish a sound state material reserves system and ensure fulfilment of plans for building up reserves.

As stated above, for a number of years to come and under normal conditions, the proportion of our national income going to accumulation will be no less than 20 per cent or possibly a little higher; the proportion of our national income going to the budgeted state revenue will be no less than 30 per cent or possibly a little higher; while the proportion of our budgeted state expenditure going to capital construction will be no less than 40 per cent or possibly a little higher. These percentages, in my personal opinion, are fairly in keeping with the current economic conditions of our country and are relatively sound. They will ensure both a rapid development of our industry, particularly heavy industry, and a steady rise

in the level of consumption of the people so that they will be better off from year to year. But these percentages are only rough figures, and are not to be taken as unchangeable under all circumstances. As production develops, the national income increases, socialist transformation is completed and national defence and administrative expenditures are further reduced, it is not only possible but certain that these percentages will be suitably increased. Still, appropriate ceilings should be set, and especially we should be careful in raising the percentage of the national income going to accumulation.

At the same time, we are studying the question of the state administrative system and trying to solve the problems involved. If any change is made in the current financial system, the last two percentages will have to change too. Furthermore, under certain special conditions, such as in the case of a particularly good harvest, when the national income will record a comparatively big increase, or in the case of serious natural calamities or other great difficulties in the national economic life, we must either raise or lower these percentages as needed in the light of specific conditions.

To deal correctly with the relationship between accumulation and consumption as socialist industrialization proceeds, it is also necessary to have correct policies for taxation, for prices, for wages, for accumulation in agricultural producers' and handicraft producers' co-operatives and in regard to carrying out the directive to have "picked troops and simplified administration," and so on. These are not only of vital importance to the expansion of accumulation but also of great significance to a rational solution of the problem of consumption. However, I will not go into these questions here.

In short, we should correctly set all the percentages mentioned above, basing ourselves on the objective laws of economic development in our country and taking into

account the two basic needs — a rapid growth of industry and a steady rise of the level of consumption of the people — so that, in about fifteen years' time, we may complete socialist industrialization in the main and lay the material foundation of socialism.

It should be noted that these proposed percentages are, to a very large extent, tentative in nature based on a preliminary analysis of several main aspects of the relationship between accumulation and consumption and on a study of the actual development of our national economy in the past few years. At best, they can only roughly meet the objective requirements which will arise in the course of the development of our national economy for a number of years to come, and serve as a reference in formulating our related policies. In drawing up our annual or long-range plans for development of the national economy, we may take these percentage figures for reference. But what is more important is to analyse deeply and comprehensively the specific political and economic conditions of the time, both at home and abroad, and to understand more thoroughly the objective laws of economic movements and their functions, so as to work out the correct percentages. If we utilize these percentages and formulae mechanically instead of studying the changing economic conditions and the laws of economy, we are bound to make mistakes.

It will be seen from the foregoing analysis that the accumulation of funds needed for the industrialization of our country is guaranteed, but only up to certain limits. The speed of our socialist construction, and in particular industrial construction, must be in keeping with the level of accumulation of funds for construction. If the speed of industrial construction falls behind this level of accumulation, we shall make the mistake of Rightist conservatism. Conversely, if it outstrips the level of accumulation too much, we shall make the mistake of "Leftist" adventurism.

A correct approach to the problem should be to strive to develop production and constantly raise labour productivity so as to create the material basis for increasing accumulation and consumption. It is clear that no problem can be solved with such a conservative attitude as neglecting the growth of production and the opening up of new financial resources, while attempting to solve financial difficulties by cutting indispensable construction funds or retrenching on indispensable living expenses. But of course, we should practise strict economy, oppose waste, foster thrift and avoid extravagance so as to amass as much fund as possible to carry out necessary construction in industry and in other fields. If we were to think that we are already in the "millennium," that all the needs of the people should be met, all the "good things" should be ready for us in two to three years, and that we should do everything in the grand style, then, any accumulation of funds and construction work for socialist industrialization would be out of the question. As we know, the happy life of the mass of the people is created by their own labour. Their firm determination to strive to attain a happy life and their creative labour are the source of a constant development of production and a steady improvement of their material and cultural life. Therefore, only by carrying on an arduous struggle, engaging in production and construction industriously and economically, diligently assimilating the advanced experience of the Soviet Union and other fraternal countries, studying the most up-to-date scientific and technological achievements of the world and making the most reasonable, economical and effective use of the limited funds of our country, can we speed up socialist industrialization, gradually raise the level of consumption of our people and build our country into a great socialist state in the shortest possible time.

SPEECH BY COMRADE ULANFU

*First Secretary of the Inner Mongolian Autonomous
Regional Committee of the Communist
Party of China*

Comrades:

I am in full agreement with the Central Committee's political report, the report on the revision of the Party Constitution and the report on the Proposals for the Second Five-Year Plan for Development of the National Economy.

In the period between the Seventh and Eighth National Congress of our Party, the Central Committee has taken an entirely correct line in leading the people of all the nationalities of the country to complete the democratic revolution and carry forward the socialist revolution, and in solving the national question in our country. We have achieved great successes. At the present time, all the national minorities of China are proceeding with or are preparing to proceed with socialist transformation and socialist construction.

Now the common tasks of the Party and the people of the various nationalities in regard to the national question are: to further consolidate the unity of the motherland and promote fraternity, mutual aid and co-operation among all its nationalities; to further strengthen unity within each national minority; to give full play to the enthusiasm of the national minority peoples for the constructive work of the motherland and the building of socialism; to help them to pass each in turn into a socialist society and build up the

motherland into a powerful socialist country; and, by a sustained effort, enable the various nationalities to achieve full equality in economic and cultural development.

I

The basic policy of our Party in dealing with the national question at home is to institute regional autonomy for nationalities. The implementation of this policy is of tremendous significance to the great cause of unifying the motherland and of fostering the equality, unity and development of the various nationalities. This policy has been formulated by our Party in accordance with the historical conditions existing in China, on the basis of Marxist-Leninist theory on the national question and in the light of the experience of the Chinese revolution. As early as the war against Japanese aggression, the Party formulated the policy of instituting regional autonomy for nationalities and put it into practice in the Liberated Areas. In the course of its practical work, our Party has continuously enriched the content of this policy, and facts in recent years have proved that it is absolutely correct and fully conforms to actual conditions in connection with the national question in China and to the common wishes of the various nationalities.

National oppression had a long history in China. It caused mutual discrimination, estrangement and, sometimes, divisions among the various nationalities. But the people of these nationalities who have lived together on Chinese soil have, by their toil and industry, developed production and jointly created the history and culture of their motherland as well as of each nationality. Mutual contacts over a long period of time have led to the formation of economic ties between them and to cultural exchanges; on many occasions they have jointly resisted foreign aggression.

Thus, in spite of the fact of national oppression, mutual aid has developed consistently among the various nationalities. The invasion of China by imperialism, particularly Japanese imperialism, forced the various nationalities to share a common fate. Faced with this formidable enemy, they had to make a choice. They had either to put an end to estrangement, strengthen mutual trust and pool their forces to defeat imperialism and its collaborators — feudalism and bureaucrat-capitalism — so as to achieve liberation for all and build a motherland strong enough to defend all the nationalities, or remain divided, each going its own way, and invite the disaster of being permanently oppressed.

The people of all the nationalities in China are heroic people and worthy sons and daughters of the great motherland. Naturally they cannot tolerate oppression. Through the revolutionary struggles since the Opium War, and especially through the revolutionary struggles led by the Communist Party of China, they have realized their highest hope of achieving unity among themselves and liberation for all, and have finally won victory over their common enemy.

The revolutionary struggles in the last hundred years, particularly those in the last thirty years, have strengthened rather than weakened the historical relationships of co-operation among the various nationalities. Their mutual antagonism has been dispelled, and their understanding of internationalism and patriotism has become more profound. These struggles have, in particular, tempered and tested the relations of equality, unity, mutual aid and co-operation which they have formed under the leadership of the Communist Party on the basis of a common political ideal and common interests. That is why, following the victory over the common enemy, the various nationalities of China have, on the basis of their past experience, chosen the road of establishing a unified, multi-national state and instituting regional autonomy for nationalities within this

big family. All this shows that to live together in the big family of the motherland is the common aspiration of the people of all nationalities, as well as the inevitable outcome of historical development.

In a country now in transition to socialism, the institution of regional autonomy for nationalities fully conforms to the principles of socialist democracy and national equality. Its advantages are that the national minorities can really exercise their right as masters of their own fate, and develop according to their own conditions and characteristics, and that, on the basis of complete equality of status and rights, all the fraternal nationalities are joined in our great united country, and, through mutual help and cooperation, can jointly rule and develop the whole country and thereby create still more favourable conditions for developing their own nationality. It is obvious that the institution of regional autonomy for nationalities is absolutely necessary and beneficial to the common cause of the working class and the people of all nationalities in our country, and that it can solve our country's national question in a proper way. We must continue to carry through this policy firmly and unswervingly.

II

All the nationalities, without exception, have the right to national equality; and all the national minorities that live in compact communities have the right to establish regional autonomy, to be their own masters and administer their internal affairs. The Party and the state must help them to fully realize these rights. As a result of the implementation of this policy, 27 national minorities have already established 2 autonomous regions, 27 autonomous *chou* and 43 autonomous counties in areas where they live in

compact communities. In addition, two preparatory committees for regional autonomy have been established: one for Tibet, and the other for the Pai nationality in Yunnan.

All the national autonomous areas have made headway in the political, economic and cultural fields. The interests of those national minorities that live among other nationalities or are scattered through different areas have also received due consideration. The livelihood of the people of the national minorities has improved. In areas inhabited by national minorities, agricultural output has, on the average, increased by almost 50 per cent, compared with the peak annual output before the liberation; the number of cattle in their stock-breeding areas has, on the average, increased by about 100 per cent; and 423 modern industrial enterprises have also been established. Modern industrial enterprises have sprung up for the first time in three autonomous *chou* and eleven autonomous counties which, in the past, had no modern industries, and were even without a single handicraft workshop. Schools, hospitals and shops have sprung up in national minority areas where there were no primary schools, no hospitals and no shops. Highways have been built and airlines opened to the hitherto almost inaccessible Tibetan Plateau. In the Li and Miao Autonomous *Chou* on Hainan Island, the Miao Autonomous *Chou* in western Hunan Province and in other national minority areas where there were no economic and cultural centres, new cities have emerged. And in the Inner Mongolian Autonomous Region and the Sinkiang Uighur Autonomous Region, gigantic industrial bases producing iron and steel, non-ferrous metals and petroleum are under construction. National minorities, with a total population of more than eleven million, are now creating their own written languages which they did not have before. Preliminary schemes for the Chuang, Yi and Khalkhas written languages have already been worked out. All these show

in a concrete manner the indisputable achievements of our work.

But our work also has defects. For example, we have not done enough, in the case of some autonomous organs, to make them really national in character; we have not done enough to train cadres from among the national minorities. In particular, we have not done enough in promoting cadres of national minority origin to leading posts in Party organizations. In the past few years in some autonomous *chou* and autonomous counties, there has been no increase in the number of Party committee members of national minority origin. In some autonomous areas, the right to manage financial affairs and public institutions has sometimes been restricted; and the establishment of quite a number of local industrial enterprises, schools and other public institutions has been overdue, despite the fact that the matter has been repeatedly raised. Real, energetic support is lacking for the creation and popularization of written languages for the national minorities. As regards management of the internal affairs of the autonomous areas, there are still cases where the right of the national minority cadres to be their own masters is not duly respected; instead, the Han cadres keep their hands on all matters and settle them arbitrarily. Even in Party organizations in autonomous areas, there are also cases where, in handling questions relating to a certain nationality, the Party cadres of that nationality, and even their Party cadres in certain responsible posts, are not consulted; there are other cases where the opinions of Party cadres of the local nationality are not respected, or where such cadres are even left in ignorance of what they should be informed about. Such things must be rectified.

Of course, cadres of national minority origin should also respect the opinions of cadres of Han and other nationalities working in their regions. There are cases in certain regions or organizations where such opinions are disregarded. This must also be corrected.

III

To respect the rights of various nationalities to equality and autonomy does not mean that the unavoidable duty of the working class of the Han nationality to help the national minorities to develop in all respects is thereby lightened. In order to pass into socialist society, the national minorities should rely on their own efforts, but they must also receive help from the fraternal nationalities, primarily the Han nationality. They are fully entitled to such help. The Han comrades who work in the national minority areas should not be satisfied merely to do their own routine work, they should shoulder the special responsibility of helping the national minorities to create the necessary conditions and to train cadres, so that they can quicker achieve the complete realization of their rights to national equality and autonomy, bring all their forces into full play and carry out socialist transformation and socialist construction by themselves. It is obvious that such help springs from respect for the rights of the national minorities. If we work with an attitude of disrespect or reluctance to respect the rights of the national minorities, and adopt the method of keeping our hands on everything, then it will be impossible to render such help in a disinterested way.

In socialist construction, we should help the development of the national minorities, and we should see to it that there is no discrimination against or slight to any nationality.

In socialist construction, particularly in key industrial projects, we must see to it that our arrangements are reasonably planned. The state takes measures for carrying out certain projects of economic or cultural construction in a certain region or among a certain nationality at a certain time because the necessary conditions for such construction exist there. It is not a matter of conferring a privilege. All nationalities, however, should carry out construction in the political, economic and cultural fields in accordance

with the actual conditions; they should enjoy equality in political status, and the state should help them gradually achieve equality in economic and cultural development. Construction among all nationalities, therefore, needs help from various quarters, especially from the people's governments at higher levels. Attention and consideration should in particular be given to those nationalities which are relatively backward and find themselves in comparatively difficult conditions. It is wrong to help only those nationalities which live in larger areas, which have a larger population or are comparatively advanced, which live in compact communities, and are confronted with many practical problems, and neglect those which live in smaller areas, which have less population or are comparatively backward, which live together with other nationalities or are scattered over different localities, and which are faced with relatively few problems in their work. It is also wrong to pay attention to construction work only and neglect to take concrete measures to improve the cultural and material well-being of the national minorities.

In helping the national minorities advance in the political, economic and cultural fields, we must pay special attention to building and developing industries in the regions where they live. During the period of the Second and Third Five-Year Plans, help should be given in a planned way, with priority for certain projects and certain areas, to ensure that industries in various autonomous regions can be developed on a comparatively large scale, and that the various autonomous *chou* and autonomous counties can have industries varying in scale, and with correspondingly developed communications and transport. Special attention should be paid to fostering the growth of the working class in the various national autonomous regions. We should help the various national minorities build and develop economic and cultural centres, particularly in areas which are relatively backward economically and culturally.

We must take care that, among the national minorities, the demands we put on production technique and on plans for increasing production are not arbitrarily set according to the standards of the Han regions. We should also see to it that uniformity with the patterns and systems of the Han regions is not imposed on cultural and educational work, and that decisions on the size of organizations and budgets should not be made entirely according to the standards of the Han regions. Conditions in the national minority regions not only differ from those of the Han regions, but they vary from region to region. Therefore, while applying the same principle to all areas, there must be certain supplementary or separate measures applicable only to the national minority regions. To impose uniformity would be at once impracticable and inappropriate.

IV

Socialist transformation has in the main been completed in areas inhabited by some 28 million people of the national minorities, and is being carried out in areas with a population of 2,200,000. Democratic reforms are being made in areas inhabited by some 2 million people, but have not yet begun in areas with a population of more than 3 million. Obviously in the national minority regions where land-reform, liberation of slaves, etc. have not yet taken place, such democratic reforms together with socialist transformation must and will inevitably be carried out. It is childish of some people, who have seen for themselves the boons brought by socialism, to think that we can go ahead with socialist economic construction and cultural development and thus achieve socialism without having gone through democratic reforms and socialist transformation. Development of a high level of production and economic construction and cultural development of a socialist char-

acter cannot of course be achieved if the old class relations and the system of exploitation are allowed to remain untouched. Any attempt to avoid or even oppose democratic reforms runs counter to the basic interests of the people of various nationalities, because without these reforms the system of exploitation cannot be eliminated, the various nationalities and their people cannot be completely liberated, and the nationalities themselves cannot hope to advance.

In carrying out democratic reforms and socialist transformation in the national minority areas, we must take into full account the characteristics and special conditions of the various nationalities. It will do harm and no good at all to our work if we assume that, because socialism will or is being realized by the various nationalities, it is possible to do all kinds of work in these areas in exactly the same way as they are done in areas inhabited by the Han people and other nationalities, and that there is no need to take into account the differences between the various nationalities, their own desires and their levels of political consciousness, vestiges of estrangement of long standing between them and other important factors which are likely to affect our work, or that it is not necessary for us to adopt measures, methods and policies suited to the specific conditions of the various nationalities. Some of our comrades seem to think that by mechanically applying measures used in areas inhabited by the Han people or other nationalities, we can do things more easily and in less time. However, facts have proved the contrary. Whenever we ignore actual conditions and try to do things in haste, we find ourselves heading for trouble, and actually taking the long way round and holding things up. In bringing about reforms among the national minorities, we should make steady progress; but if it seems that some delay is necessary, we should even go slow. In this way, we shall be acting in conformity with the actual situation and needs of the nationalities.

In its political report the Central Committee proposes that in carrying out democratic reforms and socialist transformation in the national minority areas, we must keep to peaceful means and not use forcible methods in waging the struggle. This is correct; and experience has proved that it is possible to do so. The question of when and how democratic reforms and socialist transformation should be carried out in a particular national minority area is a matter which should be left for the people of that national minority themselves to decide. We should always unite and cooperate with the people of the upper social strata in the various areas and consult with them in our work. This will probably make it necessary for us to make some concessions on concrete questions, such as on what steps and methods should be taken to carry out the reforms. But if they facilitate our work, then we should make such concessions as are necessary.

We should also steadily carry out democratic reforms and socialist transformation by peaceful means in the stock-breeding areas of the national minorities. Here we must rely on the herdsmen who earn their living by labour, unite with all the forces that can be united with, and proceed with our work on the basis of steadily expanding livestock-breeding. Depending on the different conditions in the various stock-breeding areas, socialist transformation can be carried out in some areas after democratic reforms are completed, while in others, democratic reforms can be carried out in the course of socialist transformation. In doing this work, we should adhere to the policy of not waging any struggles, and not distributing the livestock or classifying the people according to social status, of benefiting both livestock-owners and hired herdsmen, of helping the poor herdsmen in production, and protecting and increasing the number of livestock. We have followed this policy for many years and it has proved very successful.

There are a few national minorities in which a class society has not yet basically taken shape or in which there is no very sharp class differentiation; in these cases we should make great efforts to help them develop production, and, while their economic and cultural level is gradually being raised, we should, by persuasion and education, induce them to take the road of co-operation, and thus help them gradually to eliminate those factors which hinder the growth of their nationalities, and to change the old production relations and complete the socialist transformation of their life.

V

Building the Party and training cadres, and in particular the training of key leading personnel and core of leadership of the Party, are matters of decisive importance in our Party's work among the national minorities. In the past, our Party has adopted a policy of actively yet carefully recruiting new Party members from among the national minorities, and of giving extensive training to great numbers of cadres of all national minorities. We have drawn approximately 300,000 members into the Party and trained 210,000 Party and non-Party cadres. We should continue to draw members into the Party and train more cadres. We should give special help to the various national autonomous regions in drawing up plans for training cadres so that gradually and in general cadres from their own nationalities become the majority of cadres in these regions and hold the chief responsible positions in the various autonomous organizations and the enterprises and schools under their administration, and in the people's organizations and the Party's leading organizations. We should train national minority intellectuals for scientific, technical, educational, literary and artistic work. We should also pay

sufficient attention to training women cadres of national minority origin.

The policy of regional autonomy for nationalities will not have been thoroughly carried out if we only make the autonomous organizations national in character and do not also make the Party's leading bodies national in character, i.e., if the Party's leading bodies in general are not composed of local people of the national minority in question. If this is not done, it will not be easy to carry on the leadership of the Party among the national minorities. It is, therefore, a task of cardinal importance that the Party's leading bodies should gradually become national in character.

The important thing in training cadres from among the national minorities is to trust them. We should employ and promote them confidently and ungrudgingly. We should not only help them to progress politically and train them to become more competent, but also have confidence in their political progress and their ability, and authorize them to carry on their work independently. We should attach great value to the love which cadres of national minority origin have for their own nationalities and to their concern with the just interests of their own people, and must not blame them for having such sentiments. We have a high regard for cadres of national minority origin precisely because they have particularly close contacts with the masses of their own nationalities, because they have an earnest desire to advance the cause of the liberation and progress of their nationalities, and because they are especially qualified to express the hopes and wishes of their people, and are especially entitled to represent the interests of their own nationalities. So it is entirely right and proper for the national minority cadres to love the motherland and their own nationalities as well. This love is a manifestation of patriotism and internationalism, and our motherland and the various nationalities need an ever increasing number of such cadres.

There must be a number of Han cadres who have the will to work in areas inhabited by the national minorities and dedicate themselves to the cause of the national minorities, a cause common to our country as a whole. This will greatly assist the various kinds of work and construction projects undertaken by the national minorities. The Han cadres should closely unite with those of national minority origin, and they should establish relations of mutual trust, help, respect, and understanding, and learn from each others' strong points.

VI

The class foundation that has given rise to great-Hanism and local nationalism is now gradually being changed and eliminated. Thanks to the systematic efforts of the Party and government in educating the people over the past few years, a good deal of the vestiges and influence of great-Hanism and local nationalism has already been removed. But the work of some of our comrades sometimes still shows tendencies towards great-Hanism and local nationalism, and in some cases this tendency has developed to a serious extent.

Great-Hanism now manifests itself mainly in the following ways: ignoring the special characteristics of the national minorities; showing no concern for their interests; overlooking the part they play in the socialist construction of the whole country; failing to see the development and progress they have made; showing no respect for their right to equality and autonomy; mechanically applying to them the experience gained in work in the Han nationality areas, and keeping our hands on everything and making arbitrary decisions.

On the other hand, local nationalism manifests itself mainly in the following ways: laying undue emphasis on

the special characteristics of the national minorities; failing to bear in mind the interests of the country as a whole, and the permanent interests and the future development of the various nationalities, and being unwilling to benefit from the experience gained by the other nationalities. Both these deviations must be stopped and corrected. At the present time, we should particularly guard against the danger of great-Hanism, but mistakes made in particular cases and on certain occasions, or shortcomings in the thought and working style of certain comrades in particular cases and on certain occasions must not be censured as if they were consistent tendencies towards great-Hanism or local nationalism.

Great-Hanism and local nationalism have deep historical and social roots, and can be corrected only after a long period of painstaking effort and education. We must not, for a fairly long time to come, relax our efforts to complete the important task of overcoming these two deviations.

In carrying out its work in the national minority regions, our Party has all along adhered to a policy of steady advance. Our plans, policies and measures must conform to the special characteristics of the national minorities so that they are put on a reliable, sound and solid basis, and can be carried out at a steady pace. If conditions are not ripe for action, we should wait for a time. We must oppose every attempt to ignore practical difficulties, to overestimate favourable conditions, and make blindly blundering attempts to catch up with the Han and other nationality areas. We also oppose the adventurist mistake of trying desperately to do things prematurely or to do things which should be postponed for a while. Many years' experience has shown that the policy of steady advance is correct and conforms to conditions obtaining among the national minorities in our country and to relationships among the various nationalities.

The policy of steady advance is a realistic and positive policy, not a conservative one. But we must also oppose any overestimation of the difficulties met with in work in the national minority areas and inability to see the progress made, the changes that have taken place in the situation and the fact that conditions are becoming more and more favourable. And we must also oppose the conservative tendency of not actively pressing ahead with things which can be done if an effort is made and of not daring to do things when conditions are ripe for action. We shall not be able to do our work well in the national minority areas if we fail to understand the need for both discretion and positive action in the policy of advancing steadily.

In the period between the Seventh and the Eighth Party Congress, the work done by our Party in connection with the national question is a good example of solving problems by correctly and creatively integrating Marxism-Leninism with China's actual conditions. We have obtained a great deal of experience in founding and building a united, multi-national People's Republic of China. I think that frequent study of this experience will be of value to the comrades of our different nationalities.

Our Party enjoys the complete confidence of China's various nationalities because it has successfully solved the national question within the country. Our task, however, is not yet accomplished, and our responsibilities are still great. All comrades, irrespective of nationality, must, under the leadership of the Party, continue their determined and tireless efforts together with the people of all the nationalities of the country.

SPEECH BY COMRADE TUNG PI-WU

Comrades:

I am in complete agreement with the reports delivered by Comrades Liu Shao-chi, Chou En-lai and Teng Hsiao-ping. I fully endorse the Proposals for the Second Five-Year Plan for Development of the National Economy and the draft of the revised Party Constitution put forward by the Central Committee. I should like to offer some opinions on a number of problems relating to the people's democratic legal system under the leadership of the Party.

Comrades! Our people's democratic legal system embodies the will of the people led by the working class, expressed through the organs of state. It is an important instrument for the exercise of the people's democratic dictatorship in our country.

As is well known, during the several stages of our revolutionary war, the various revolutionary bases, under the unified leadership of the Party, worked out many policies and decrees which represented the will of the people and conformed to the interests of the revolution. Although they were somewhat simple in form and inevitably local in character, they effectively safeguarded and promoted the progress of the revolution. And what is more, they were also the beginnings of our present people's democratic legal system.

Shortly after the Seventh Party Congress, our people brought the Anti-Japanese War to a victorious end, and new changes took place in the internal political situation. Our Party, representing the people's wishes for peace, democracy and unity, made every effort to organize a dem-

ocratic coalition government in co-operation with the other democratic parties. However, the Chiang Kai-shek Kuomintang, supported by the American imperialists, made a vain attempt to monopolize the fruits of victory of the people's Anti-Japanese War, and strengthen its dictatorial regime. Finally it tore up the decisions of the Political Consultative Conference in 1946, engaged in ruthless political persecution of all democratic forces, and launched its all-out military offensive against the liberated areas. In this situation our Party led the people throughout the country to wage the just War of Liberation; it called upon the people to defeat Chiang Kai-shek and build a new China. It was in this period that our Party put forward the Outline of Agrarian Law to introduce the system of giving the land to the tillers. It also set forth the principles of confiscating bureaucrat-capital, protecting the industry and commerce operated by national capitalists, and the democratic rights of the people. The people's governments in the liberated areas in their turn issued many fairly systematic regulations in accordance with these principles. In January 1949, our Party issued its statement on the eight conditions (including the punishment of war criminals and the abolition of the sham constitution and the sham legal system) in preparation for holding peace talks with the Kuomintang. In February 1949, our Party's Central Committee issued directives annulling the "Collection of Six Important Codes" of the Kuomintang and defining judicial principles in the liberated areas. All these things showed clearly the direction we should go in establishing our people's democratic legal system.

In September 1949, with the victory of the people's War of Liberation, our Party, in consultation with the other democratic parties, convened the Chinese People's Political Consultative Conference which represented the common will of the people throughout the country. The Conference adopted the Common Programme and the Organic

Law of the Central People's Government of the People's Republic of China. The Common Programme was in substance the political programme put forward in Comrade Mao Tse-tung's report "On Coalition Government" and adopted at the Seventh Party Congress. It was the provisional constitution of our country. It was the basis of all our legal work in the early days of the People's Republic. Following the founding of the People's Republic of China, the central state organs and the local people's governments at all levels were established in accordance with the Common Programme. We also set about establishing the legal system on a nation-wide scale and successively enacted the General Rules Governing the Organization of the Local People's Governments and Judicial Organs, the Trade Union Law, the Marriage Law, the Land Reform Law, and other laws and decrees governing labour protection, regional autonomy for the nationalities, and the management of state-owned and private enterprises. In this period, the Party led the movements for land reform, for resisting American aggression and aiding Korea, for the suppression of counter-revolutionaries, and against waste, corruption and bureaucracy, and against the five evil capitalist practices. In the movement to suppress the counter-revolutionaries, and the movements against waste, corruption and bureaucracy and against the five evil capitalist practices, the state enacted the Regulations Governing the Punishment of Counter-Revolutionaries and the Regulations Against Corruption. Although these regulations don't seem quite perfect now, they served, nevertheless, as a sharp weapon of our state in our struggle against the evils left over from the old society. All these laws and decrees played a great role in maintaining revolutionary order, in protecting the people's interests, in consolidating national unity, and especially in destroying the old system, in safeguarding the fruits of various democratic

social-reform movements, and in accelerating rehabilitation and development of the national economy.

In this period, there still existed the military and administrative committees of the various administrative areas which were later changed into administrative committees. They issued many special regulations in conformity with the general principles of the Common Programme. These special regulations, though some had imperfections, played an active role in facilitating the carrying out of various tasks at the time. Since 1953, when we started construction under the First Five-Year Plan for Development of the National Economy and abolished the system of administrative areas, the work of building up the legal system has been conducted in a more concentrated and unified way.

The Constitution of the People's Republic of China was adopted at the First Session of Our First National People's Congress in September 1954. This Constitution is a further development of the Common Programme; it is the fundamental law of the state. It embodies the objectives of the Party's general line in the transition period, and clearly prescribes ways and means for carrying out socialist transformation and socialist construction. From that time on, following the road to socialism has become the universally accepted guide to all our activities. The development of our legal system also entered a new stage. A number of important new laws and decrees concerning state organs and their work were enacted in accordance with the Constitution. After the Sixth Plenary Session of the Seventh Central Committee of the Party had criticized the tendency to Rightist conservatism, the state promulgated a series of regulations which took cognizance of the upsurge of the socialist revolution. They are the Model Regulations for Elementary and Advanced Agricultural Producers' Cooperatives, the Draft National Programme for the Development of Agriculture, 1956-1967, and regulations governing the fixing of shares and rates of interest and

stock-taking and assessment of capital in joint state-private enterprises. These have greatly promoted the development of production and the radical changes which are taking place in the relations of production; they have ensured smooth progress in the various fields of socialist transformation.

In the eleven years since the Seventh Party Congress, the Chinese people, led by the Communist Party and its Central Committee, have completed the bourgeois-democratic revolution in thorough fashion, and in the main carried out the socialist revolution. In correctly leading these two revolutions within this short space of time, the Party has won very great victories indeed.

Such telling facts as the enormous changes that have taken place in our society during the last seven years following the founding of the People's Republic of China have shown beyond any shadow of doubt that the state power of people's democracy under the leadership of our Party is most efficient and well consolidated. Ours is a people's democratic state power of the socialist type that is the most democratic in the world. The people under such a state power enjoy not only freedom of speech, the press, assembly, association, and to organize processions and demonstrations, but also, in particular, freedom to oppose imperialism, freedom to oppose the system of exploitation and oppression, freedom to oppose aggressive wars and preserve world peace, freedom to sweep away every stumbling block in the path of social progress, freedom to raise the level of their material and cultural well-being along with the development of production, etc. Such extremely extensive freedoms as these can never be enjoyed by the people under imperialist rule. Every freedom our people are entitled to has been given a firm guarantee in the shape of the people's democratic legal system. It is clear that the strength shown by our people's democratic legal system is one of the important factors contributing

to the thoroughly successful conclusion of our various democratic reforms and the decisive victory of our socialist revolution which we have gained so speedily and effectively by peaceful means.

The reason why our people's democratic legal system is powerful is that it was forged in the heat of the struggle for destroying the old legal system. The Chinese people, after having toiled along a tortuous path in their long years of revolutionary struggle, are keenly aware that the old legal system was an efficient machine which the ruling minority in old China used to oppress and fleece the masses of labouring people. That is why, in the period immediately following the liberation of the country, the Party and the government led the people to smash the old legal system in conformity with the provisions in the Common Programme for the abolition of the old Kuomintang legal system and the institution of a new, people's legal system. In 1952, a further movement for judicial reform got under way; the old judicial ideas and ways of doing judicial work were seriously criticized and repudiated, and a clear distinction was drawn between the old and the new legal system. It is clear that the people's legal system that came into being and has developed on this basis is one that truly reflects the will of the people and serves their interests.

The reason why our people's democratic legal system is effective is that it has been gradually established to meet the pressing needs of national construction. In the early days of the People's Republic when our legal system was not yet well worked out, some people said, "We are supposed to administer the law, but what legal system do we have?" They said this because after abolishing the "six codes" of the old regime, we did not immediately replace them with new codes. We criticized this line of argument that called for establishment of a legal system just for the sake of having one. Those who thought this way over-

looked the fact that, at that time, we had already achieved something of a fundamental nature in creating our people's democratic legal system; they failed in particular to realize that, in order to consolidate the victory of the people and to go on to new victories, in the period immediately following our revolutionary victory, our Party and government had to mobilize the masses to take direct action. As described by Comrade Liu Shao-chi in the political report, the chief aim of this direct action was to liberate the people completely from reactionary rule, to liberate the productive forces of society from the bondage of the old production relations, to smash the reactionary order and replace it with the revolutionary order. Along with the victorious development of this struggle, the people naturally undertook creation of a legal system of their own evolved out of the practical activity of protecting their livelihood and their productive activities. That is why, before conditions are ripe, our people's democratic legal system cannot afford to assume a rigid, subjectively formulated content. It has to evolve gradually from a simple to a complex system, and then go on to perfect itself—advancing in accordance with actual conditions and the objective requirements of political and economic development. Our Party and government have, in the past, put forward many policies and general principles reflecting the interests and demands of the overwhelming majority of the people. Although, owing to objective conditions, some of these could not immediately take on the form of an established and systematic code of law, they had essentially the same effect as law. Our legal system has in fact effectively channelled the enthusiasm of the masses of people in the right direction and furthered the growth of the productive forces of society.

Our people's democratic legal system is effective because it realistically summarizes experience born of the people's struggles, and gives expression to the mass line.

Many of the important laws and decrees of our state went through the following process before being enacted. Our Party put forward a first draft after having made a study and investigation of conditions in the actual process of its work. This first draft was then gradually hammered into the form of a full draft following consultation with the democratic parties. In this form it was then submitted to the state organs for discussion and revision. After this, in some cases, it was referred, still as a draft, to the local state organs, people's organizations and right down to the counties and townships for wide discussion by the masses, and, in some cases, put into experimental use for a specific period of time as a provisional law or decree before being finally examined and adopted by the legislative organs of the state as a formal law or decree. It is precisely because our legal system thus reflects the principle of "coming from the masses and going back to the masses" that it is able to give direct expression to the opinions of the people.

Our people's democratic legal system has also drawn upon the historical experience of our country and of the world, wherever it is of use to the people, and especially on the advanced experience of the Soviet Union. Furthermore, our people's democratic legal system is characterized by a certain flexibility for it has to be adapted to specific conditions of time and place; it takes account of the special conditions prevailing in areas populated by the fraternal nationalities, and state organs in all national autonomous regions are permitted to draw up statutes governing the exercise of national autonomy and special regulations that conform to the wishes of the nationalities concerned provided there is no conflict with the Constitution.

Summing up the experience of the legal work done under the leadership of our Party is a matter of great importance for the further advance of our country's economic construction, consolidation of our people's democratic system,

protection of our social order, elimination of the remnants of the counter-revolutionary forces and promoting greater respect for and knowledge of the law among the people in the future.

Since the Seventh National Congress, and especially during the seven years since the founding of the People's Republic, remarkable achievements have been made under the Party's guidance in our people's democratic legal system. As we have mentioned above, we now have not only the country's fundamental law — the Constitution — but also a large number of important laws, decrees and various regulations. The problem today is that we still lack several urgently-needed, fairly complete basic statutes such as a criminal code, a civil code, rules of court procedure, a labour law, a law governing the utilization of land and the like. At the same time, because of the changes that have taken place in our political and economic situation, a number of our laws should have been revised or framed anew; these include the laws governing the punishment of counter-revolutionaries, the provisional measures for the surveillance of counter-revolutionaries, the laws against corruption and bribery, the agricultural tax law, laws on industrial and commercial taxes and private enterprises, together with the laws governing the organization of certain government departments.

In a state which is newly founded, it is unavoidable that the legal system should remain incomplete for some time. We cannot, and should not, imagine that all the laws of the state can be fully established all at once. It would be unrealistic to think so. At present, however, from the point of view of both the need of and the objective possibilities of building up the legal system, we should gradually complete the structure of our legal system. It would have to be regarded as a serious problem, if we allowed our legal system to remain incomplete or unduly deferred its completion.

I think that we also have another serious question to deal with: that is, a few of our Party members and government personnel do not attach much importance to the legal system of the state, or do not observe its provisions. At the same time, Party committees at various levels have not yet paid sufficient attention to exposure and correction of this state of affairs.

The system of People's Congress is the fundamental political system of our country. The number of sessions of the People's Congress to be held each year is laid down in definite articles in our Constitution and in the "Organic Law of the Local People's Congresses and Local People's Councils of the People's Republic of China." During the past few years, our National People's Congress has been convened strictly as provided, and so have the people's congresses of the provinces, cities and autonomous regions in general. Experience shows that this system, which is good both for the practice of full democracy and further centralization, is fully suited to the conditions of our country. But in some localities the people's congresses at county and township levels are not convened regularly, and in a few provinces not even a single session of the provincial people's congress was held last year. And there even occurred here and there in certain provinces and counties such violations of the law as refusal to listen to the opinions of deputies, replacement of deputies in violation of the regulations and even the putting of restrictions on deputies' voicing the sentiments of the masses. Moreover, in some localities the system of people's congress has not yet been well established, and therefore has not yet been able to play its role fully. This, I submit, is worth our close attention.

Our Party has led the people in establishing the People's Republic of China, and our Party is the nucleus of our country's leadership. But our Party has made a strict and clear-cut distinction between Party organizations and state

organs. The Party guides the state organs through its own members and its own organizations, but does not take the affairs of state organs into its own hands. This is a principle that we have always insisted on. Recently, Party congresses in some provinces and municipalities criticized local Party committees for failure to make such a distinction between the Party and the government. It was pointed out that some Party committees used to issue orders themselves and take into their own hands part of the administrative work of the local governments. I think these criticisms are useful, because the existence of such phenomena tends to weaken the political leadership that the Party should exercise over the state organs.

Since the founding of the People's Republic, the Party has led the people in doing a great deal for their present and future interests, and their achievements are without parallel in history. But, while carrying out our work in a number of localities and departments, we have often discovered violations of the law and encroachments upon the people's democratic rights. Some Party members even looked upon themselves as special personages, considered that the law was made for the people, and that they themselves were over and above the law. Again, in work directly connected with the masses, we often discovered such evidence of alienation from the masses as the use of compulsory measures as a result of which good things were often turned into bad to the dissatisfaction of the masses. We must wage a determined and untiring struggle against such pernicious tendencies.

Some accidents in factories and mines are due to lack of attention to labour protection and safety equipment or to neglect of operational regulations. It is also a common occurrence that economic departments fail to observe contracts and thus cause disputes. All such cases of negligence and violation of the legal system are harmful to the development of our national economy.

It must be pointed out here also that, sometimes when a person has violated the law or committed a crime, attention is concentrated on whether he is guilty or not, but no attention is given to seeing that legal procedure is strictly observed. This sort of thing has occurred in some localities and has not yet been completely eradicated. For instance, some judicial personnel have at times put criminals under arrest without going through the established legal procedure, and restricted the defendants' exercise of the rights of defence and appeal. Some personnel in charge of prisons and units for the reform of prisoners through labour, disregarding the Party policy, the laws and the principle of revolutionary humanitarianism, subject the criminals to acts of cruelty. All these things are serious violations of the law and must be brought to an end.

It must also be pointed out that our jurists have not yet produced a single fairly good book explaining the legal system of our country — a book written with knowledge of the theories of jurisprudence and in accordance with the Marxist-Leninist point of view. Up to the present all we have is a few pamphlets! Jurisprudence is an important branch of social science. We have more than fifty institutes in our Academy of Sciences, but the Institute of Jurisprudence is still only in the stage of consideration and preparation. Legal work is a kind of specialized work, but the personnel engaged in legal work have not yet been given the kind of treatment that should be given to personnel working in a special field.

Those who pay hardly any attention to the state's legal system have advanced reasons for their attitude, which seem to enjoy some currency. They either say that the state's legal system is a formality, or that it creates too much trouble, and its practice hinders work. Such flimsy reasons are hardly worth refuting. The state under the leadership of the working class must establish a perfect

legal system so as to be able to perform the function of the state more effectively and protect the rights of the people. It is the legal system which tells the state organs and citizens what is permitted by the state and what is not. That is why, if only we work within the framework of the legal system, we shall be able to work better and more successfully.

There is no doubt that our people's democratic legal system has played an important role in our democratic revolution and socialist revolution under the leadership of the Party; if local Party committees and Party members had no respect for the legal system or did not use it correctly, the legal system could not have played that role.

The Party's Central Committee has always given a great deal of thought to the legal system. The overwhelming majority of our comrades working in state organs and people's organizations realize that they must set a high value on the state's legal system and they have achieved remarkable successes by making correct use of the legal system. This is a matter of recorded fact. But this is no reason for us to cover up cases of disregard of the legal system and violations of it which exist today, and ignore the serious nature of such phenomena.

What is the reason for the frequent cases of disregard and non-observance of the state's legal system?

This has its historical origins. Before our Party, as the leading force of the people, seized state power throughout the country, we were an outlawed party with no legal means of waging the struggle and all revolutionary work had to be carried on by outwitting the legal system of the old regime; after we seized state power throughout the country, we did a thorough job of destroying the old state apparatus and the old legal system. For this reason there was a deep-seated hatred for the old legal system among our Party membership and the revolutionary masses, and it is very natural that this hatred for the old legal system

should have caused a lack of respect for all legal systems in general. This hardly needs further explanation. As Lenin pointed out, "The state, which for centuries has been an organ of oppression and robbery of the people, has left us a heritage of mass hatred and suspicion of everything that is connected with the state. It is very difficult to overcome this, and only a Soviet government can do it. But even a Soviet government will require plenty of time and enormous perseverance." The legal system is an embodiment of state power that intimately affects the people's interests. Since the masses' deep hatred and suspicion of everything that is connected with the state is a legacy of the old state coming down through the centuries, isn't it clear that the masses' lack of regard for all legal systems is also a legacy from the old state of equally long duration?

In the first few years after liberation we carried out a succession of mass movements, and the results achieved in all these movements exceeded even our expectations. But as mass revolutionary movements do not depend entirely on law, they are likely to bring a by-product — encouragement of an indiscriminate disregard for all legal systems. This is another factor that has increased the difficulty of the Party and the state in overcoming this sort of public attitude.

This attitude of disregard and non-observance of the state legal system also has its social origin. The petty-bourgeoisie make up the preponderant majority of all the classes existing in our society. People from the petty-bourgeoisie also form the biggest part of our Party membership. The degree of revolutionary consciousness of different strata of the petty-bourgeoisie varies, depending on what strata of the petty-bourgeois class they belong to. According to Lenin, under certain given conditions the petty-bourgeoisie often manifest excessive revolutionary fervour, but they lack perseverance, the sense of organi-

zation and discipline, and steadfastness. Because of their mental make-up they are very prone to an indiscriminate disregard for all legal systems. They are also prone to anarchist ideas. It may be said that all forms of disregard for the legal system are, in essence, manifestations of the anarchist thinking of the petty-bourgeoisie.

Apart from the fact that the causes of disregard and non-observance of the legal system are deeply embedded in our history and in our society, we have today a vast number of new and inexperienced cadres, and the propaganda and education work that has been done in this connection among them is by no means adequate. Thus, we should never underestimate the importance of the matter and should make vigorous efforts to do away with this hang-over from the past. It may need a considerable time to complete this task; but if effective measures are not taken now to make a clean sweep of it and, instead, the matter is allowed to wait, then even greater harm may be done to our building of socialism. The legal system of our state is the embodiment of the popular will, therefore any act against the state's legal system is a violation of the popular will. Referring to the signing of the law for the socialization of land, Lenin pointed out, "The will of the majority is binding on us always, and to oppose the will of the majority is to betray the revolution." These words of Lenin's are most instructive for us.

Comrades! The present central task of our Party and state, as clearly set forth in the political report given by Comrade Liu Shao-chi, is to build our country as quickly as possible into a great socialist country by relying on the strength of our hundreds of millions of working people who are now liberated and organized, by uniting with all the forces at home and abroad that can possibly be united with, and by making full use of all conditions that are favourable to us. In face of this task the Party must take active steps to further improve our people's democratic legal sys-

tem so as to give further protection to the people's democratic system, consolidate law and order, safeguard the people's democratic rights, protect public property and bring into fuller play the initiative and creative ability of the masses. At the same time, we must continue to weed out the counter-revolutionaries and fight against all offences and crimes against the law, in order to ensure the smooth progress of socialist construction. The people's democratic legal system must be further strengthened so as to be equal to the task put forward by the Party.

The Party's Central Committee calls on all public security organs, procuratorates, law courts and all other state organs to conduct their affairs according to law. I believe that doing everything according to law is a most important link in the forging of a sounder and stronger people's democratic legal system.

To do things according to law has two aspects:

First, there must be laws to go by. This means that we must quickly promulgate, in a complete form, several important laws and regulations of the state which are not in existence. Is this possible? My answer is in the affirmative. We can organize the energies of all quarters concerned and set a deadline for working out the necessary drafts, and, after examination by the Central Committee, submit these to the state legislative organs for examination, discussion and enactment. Before the drafts are submitted to the legislative organs, they should be sent to the state organs at all levels and the people's organizations for discussion, and suggestions for revision are requested. After revision, the drafts will be submitted to the legislative organs for examination, discussion and enactment. This, I think, is quite feasible. For instance, we have had the first draft of the criminal code and have long since had the first draft of the code of criminal procedure. We ask the Central Committee to hold the comrades who worked out these drafts responsible for submitting reports on

questions of principle arising in the first drafts for examination and decision. In my opinion, the drafts of these two laws can soon be completed. As to the laws and regulations which urgently need revision, these can certainly be revised satisfactorily if we urge the departments in charge to submit proposals for revision and revise them according to legal procedures.

Second, laws must be complied with. All laws and regulations, once enacted, must be strictly enforced and complied with. All judicial organs, in particular, should strictly abide by them and are absolutely forbidden to violate them. Of course, in carrying out the legal system, if we find that its provisions are not compatible with or are not entirely compatible with specific local conditions at the time, we should, in accordance with legal procedure, make the necessary revisions or supplements, or work out suitably flexible measures for implementing them. We oppose all arbitrary, illegal acts and anything which departs from the regulations. From now on, all those who consciously violate the law must be dealt with according to law, no matter how high their present position and however great their services in the past. We should educate those who have no knowledge of law so that they should not only know the law but also abide by it. To do things according to law is one of the principal methods of getting rid of the attitude of disregarding and refusing to abide by the legal system of the state.

Of course, the state affairs we are engaged in are concrete and varied, while the law is general and fixed and so it is impossible to prescribe everything by law. Therefore, officials should not be allowed to use the claim that they are doing things according to law as a pretext for bureaucracy. On the other hand, one should not take advantage of the loophole that the legal system is not complete and wriggle through on the pretext that there is no law to go by. The law can only be a guide in doing things. Public affairs can

be managed satisfactorily only when we start from realities and make a thorough analysis of a matter itself and its various related aspects.

To further strengthen the people's democratic legal system, the Party must pay attention to ideological education on the legal system so that Party members will know that the law of the state and Party discipline must both be observed and cannot be violated; that adherence to the state law is an intrinsic part of adherence to Party discipline and that violation of the state law is a violation of Party discipline. Every Party member should set an example in observing the law. We must also establish the law research institute as quickly as possible, improve the standards of teaching in institutes of political science and law and see to it that there are enough competent teachers to give lectures on the subject of law in universities. At the same time, we must carry on the work of organizing extensive publicity and education among the masses in regard to the law and cultivate the observance of the law as a social habit.

To strengthen the people's democratic legal system, we must also duly strengthen the organization of the judicial organs, particularly the procuratorial organs. Our Constitution gives the procuratorial organs power to supervise the state organs, the personnel working in these organs and the citizens at large to ensure observance of the law. But the existing organizations in these organs are hard pressed to fulfil their task. They should be duly strengthened; that is to say, they should have a full complement of staff and their staff should have a fairly high level of ability.

The institution of advocates is indispensable in judicial work to protect the right of the parties concerned to file law suits. The public notary system is a good system to register the legal acts of public organs, people's bodies and ordinary citizens. Both systems should be promoted rapidly. The arbitration system is designed to ensure ef-

fective observance of contracts and plans so that the business accounting system can be made to work properly. It must be set up systematically.

What is most important in further strengthening the people's democratic legal system is to strengthen the Party's leadership over its functioning. Party committees at all levels must pay attention to the functioning of the legal system and at regular intervals discuss and examine the functioning of the legal system. All this is urgently necessary. If the control commissions of the Party show concern with the functioning of the legal system and seriously supervise Party members to ensure that they abide by the laws of the state, the further strengthening of the people's democratic legal system will be assured.

Comrades, our people's democratic legal system, like our work in other fields, has been gradually developed and placed on a firm foundation under the correct leadership of the Central Committee of the Party and Comrade Mao Tse-tung. In this field, as a result of a long period of rich revolutionary experience, we have a number of cadres with practical experience. Through this Eighth Congress of the Party, if we seriously sum up our experience, check up on our defects and censure subjectivism in ideology and bureaucracy in our ways of doing things, I am confident that the people's democratic legal system, under the leadership of the Party, will play a still greater role in the great cause of the socialist construction of our country and in the struggle to ensure the full implementation of our Constitution.

SPEECH BY COMRADE LO JUI-CHING

Minister of Public Security

Comrades:

I fully support the political report made by Comrade Liu Shao-chi on behalf of the Central Committee, and the reports made respectively by Comrades Chou En-lai and Teng Hsiao-ping.

I wish to deal with the main aspects of the struggle in our country to weed out counter-revolutionaries and the experience which we gained in implementing the correct line of our Party with regard to the struggle. I submit my report for examination, criticism and correction.

After the founding of the People's Republic of China, a new situation arose in the struggle between revolution and counter-revolution. On the one hand, the reactionary Kuomintang regime was overthrown, and imperialism was driven from the mainland. On the other hand, a large number of the remnants of the counter-revolutionary forces still remained inside the country, the Chiang Kai-shek clique was still holding out in Taiwan and the imperialists stood nearby, watching for an opportunity. Comrade Mao Tse-tung gave the following estimate of the situation at that time: "The imperialists and the reactionaries inside the country will never be resigned to their fate; they will fight their last struggle. Even after the establishment of peace and order throughout the country, they will still use every means to sabotage and create disturbances; every day and every hour they will attempt to restore the old regime in China. This is inevitable; there is not a shadow of

doubt about it and we must certainly not relax our vigilance." The developments that have taken place in our country during the past seven years have proved the complete correctness of Comrade Mao Tse-tung's estimate.

As you all remember, at the time when the victory won by the Chinese people had yet to be consolidated, the counter-revolutionary remnants inside the country, supported by the Chiang Kai-shek clique in Taiwan and the imperialists, did make vain attempts to co-ordinate their activities with the reactionary forces outside the country to restore the reactionary regime. They launched open and furious attacks against the people: they organized underground counter-revolutionary troops and political bandits; they created disturbances, riots and carried out various kinds of wrecking activities; they assassinated our revolutionary cadres and active elements among the masses. Our people clearly realized that, if they were to consolidate and multiply the successes of the revolution and build up the country, they had to act with firmness and determination and make a clean sweep of all these counter-revolutionary remnants.

During the past seven years our people, led by the Chinese Communist Party and the People's Government, have carried on a sharp and intensive struggle against counter-revolutionaries. This has found its chief expression in the two large-scale campaigns for suppression of counter-revolution.

The first of these campaigns was started in 1950 while we were deeply engaged in resisting U.S. aggression and aiding Korea, in the land reform and in the work of restoring our national economy. In October 1950, the Central Committee of the Party issued the well-known "Double Tenth" directive which put forward the task of resolutely suppressing counter-revolutionaries. It led the people throughout the country in a large-scale campaign directed principally against five types of counter-revolutionaries who were then still sitting on the backs of the people, namely, bandits,

local despots, enemy agents, the key-men of reactionary parties and of the reactionary Kuomintang Youth League and the heads of reactionary secret societies. A group of ringleaders who had committed serious crimes against the people and the country were severely punished.

The second campaign started in 1955 when we were approaching the great upsurge of socialist revolution. At this time, there were indications of revived activity among the remnants of the counter-revolutionaries. The Central Committee of our Party and Comrade Mao Tse-tung gave us instructions that we must strike a few more blows at the counter-revolutionaries, well-planned and based on a careful analysis and consideration of the true facts, in order to further weaken the remnants of the counter-revolutionary forces and ensure security for the socialist construction in our country. In the course of this campaign, a number of hidden counter-revolutionaries were ferreted out from government departments, people's organizations and the Communist Party and the various democratic parties, and another heavy blow was also dealt against the counter-revolutionaries in the country at large.

In these movements, we scored decisive victories in the suppression of the remnants of the counter-revolutionary forces. Their strength has been greatly weakened. They are now extremely isolated and are in a state of vacillation and disintegration. It is now absolutely impossible for the counter-revolutionaries to stage a comeback in China, and it is also more difficult than ever for them to sabotage and create disturbances. Of course, the imperialists will continue to carry on subversive activities by various means; the wide network of secret agents which they have set up and the vast sums they spend on maintaining them are all directed towards the same criminal end. But, if we have thoroughly rooted out the remnant counter-revolutionaries at home, we shall be in an advantageous position in this struggle against the imperialists.

Hundreds of millions of our people throughout the country took part in the movement to suppress the counter-revolutionaries. The people themselves set about eliminating the remnant counter-revolutionaries, and thus achieved their own thorough political emancipation, greatly raising their sense of patriotism and socialist understanding in the process and giving impetus to a vastly increased activity in the revolutionary struggle and in construction. As a result of these movements, a number of counter-revolutionaries hidden within the working class and among the people were ferreted out; the room for the counter-revolutionaries to carry on their disruptive activities has been greatly reduced; the people's democratic dictatorship in our country has been consolidated; the completion of the rehabilitation of our national economy was assured; and successful progress of socialist construction and socialist transformation has been ensured.

The most important reason why we have scored such great victories in the struggle to weed out counter-revolutionaries is the correct leadership of the Party. The Party accumulated a rich store of experience in the struggle to establish and consolidate the revolutionary bases and in the prolonged struggle against counter-revolutionaries. The principal items of this experience are the following:

First, in its protracted struggle the Party has familiarized itself with and mastered the laws governing the struggle against counter-revolutionaries, thus ensuring correct leadership in such struggle. The struggle to eliminate counter-revolutionaries is a kind of undercover struggle, complicated and sharp. The following situation often occurs in this kind of struggle: before any enemy sabotage or any suspicious sign has yet become apparent, people are prone to be very imperceptive and are off their guard, allowing themselves to fall into a state of unpreparedness against the conspiratorial wrecking activities of counter-revolutionaries. But once acts of counter-revolutionary

sabotage occur, or signs of disruptive activity on the part of counter-revolutionaries have already become apparent, because of their unpreparedness, people are likely to be surprised and get confused, and imagine that every tree or blade of grass conceals an enemy agent; then they are prone to confuse ideological mistakes or mistakes in work which are similar to reactionary utterances or deeds with the wrecking activities of counter-revolutionaries, thus magnifying the size of the enemy. Furthermore, where there has been a serious lack of vigilance, the struggle against counter-revolutionaries, once it starts, tends to be carried to extremes, and then again, when these excesses are set right, the state of lack of vigilance is likely to recur. In mass campaigns for the elimination of counter-revolutionaries such changes sometimes follow each other in very rapid succession.

There is nothing strange in the fact that this should be the law of the struggle in weeding out counter-revolutionaries. This is because the enemies against whom we fight are under cover. They conceal themselves in every nook and corner and in every field and carry on their wrecking activities by stealth, using every sly and despicable means and double-dealing. Their disruptive activities often take the form of surprise attacks. It is precisely because of this, that in estimating enemy activity we are likely to be taken in by momentary, deceptive appearances, fall into subjectivism and approach things one-sidedly. Then bad elements are sometimes mistaken for good, and good people who have certain shortcomings and faults suspected to be bad elements. In a complicated struggle like this, it is sometimes difficult indeed to make timely and correct estimates of the rapidly changing situation and to immediately distinguish good people from bad. Such are the objective and subjective causes of the Rightist and "Leftist" deviations likely to occur in the struggle to eliminate counter-revolutionaries.

It must be pointed out, however, that although Rightist or "Leftist" deviations are likely to occur in the struggle to weed out counter-revolutionaries, it is not impossible to prevent such deviations. If we have a good knowledge of the struggle, have grasped its laws of development, and so are able to give correct leadership to the struggle, we shall be able to prevent such deviations and, even when deviations occur in certain places, promptly correct them. If we fail to take cognizance of these laws, we are bound to make mistakes in leading this struggle. Lack of experience led to such mistakes being made in several of our revolutionary bases during the initial stages of the Second Revolutionary Civil War, and the revolution suffered in consequence. When we carried out the struggle to weed out counter-revolutionaries during the Yen-an period, we did a better job, because we had learnt from past experience and had a fairly good knowledge of the laws of the struggle; although a few deviations did occur in the course of this struggle, it was not difficult to set them right. During the past seven years, the Party has become more experienced in the struggle to weed out counter-revolutionaries and has a better knowledge of the laws of the struggle. There have been fewer deviations; and when these are brought to light, they are more promptly corrected. That accounts for the fact that not only has the struggle been carried out boldly and on a very big scale, but its normal and healthy progress has been guaranteed and its victory achieved.

It follows, then, that it is of paramount importance to study and grasp the laws of this struggle to weed out counter-revolutionaries. We must always try to have a deeper insight into the struggle and avoid blindness. We must correctly wage a two-front struggle and take effective steps to forestall or promptly correct all possible Rightist or "Leftist" deviations. That is where the duty of the leadership, as well as the art of leadership, lies.

Secondly, acting in accordance with its historical experience, and the profound knowledge it had gained of the laws of the struggle to weed out counter-revolutionaries, the Party laid it down that in carrying on this struggle we must steadfastly adhere to the principle of combining strictness with cautiousness. By strictness is meant that so long as there are still counter-revolutionaries, we must carry on our struggle resolutely and must not call a halt until they have been completely eliminated. By cautiousness is meant that in this struggle care must be taken to distinguish right from wrong, a minor offence from a serious offence, to oppose rashness; and that in dealing out blows to the counter-revolutionaries, we must at the same time resolutely adhere to the principle of protecting the innocent.

In investigating and handling counter-revolutionary cases, the Party has taken a series of well-considered measures. Of these measures, the one that is of decisive significance is the exercise of strict control over arrests and executions. The Central Committee has always insisted that we should be very careful about arresting counter-revolutionaries, and especially so about meting out the death penalty. At the high point of the first campaign for the suppression of counter-revolutionaries in 1951, it was laid down that if there was no absolute need to arrest certain counter-revolutionaries, although there might be legal grounds for their arrest, they should not be arrested, that it would be an error to arrest them; and if there was no absolute need to execute certain counter-revolutionaries, although there might be legal grounds for executing them, they should not be executed, that it would be an error to execute them. As soon as the savage acts of sabotage by counter-revolutionaries had been severely suppressed, the Central Committee insisted on the principle of making still fewer arrests and giving still fewer death penalties. Furthermore in the

large-scale campaigns for the suppression of counter-revolutionaries, it made specific provisions for handling counter-revolutionaries of the following ten categories: those in the Chinese Communist Party, on the staff of the People's Government, in the People's Liberation Army, in the democratic parties, in people's organizations, among minority peoples, in cultural and educational circles, in industrial and commercial circles, in religious circles, and among overseas Chinese returned from abroad. No decision should be made concerning counter-revolutionaries belonging to any one of these categories unless a careful examination of the case had been made by a leading body of the provincial level or above. In the case of counter-revolutionaries whose crimes merited arrest, only the few whose arrest was absolutely necessary were to be arrested in compliance with proper legal procedures. In the case of those counter-revolutionaries who, according to law, ought to be sentenced to death, it was laid down that capital punishment should in fact be limited to only those few who had committed extremely serious crimes and had aroused strong indignation among the people and in whose cases it was considered that capital punishment was absolutely necessary. In the campaign to ferret out undercover counter-revolutionaries within government organizations, the Central Committee of the Party adopted a policy which was even more cautious than the one adopted for the campaign to suppress counter-revolutionaries in the country at large. The area of attack was limited to the minimum. In the struggle, the Party insisted that adequate preparations should be made beforehand and that under no circumstances should the drive be hastily launched where good preparation was lacking, where no thorough investigation about the enemy had yet been made or where the policy had not been clearly explained. The Party made it a rule that during the struggle strict distinctions must be drawn between the good people and the bad elements, between

ideological problems and political problems; and care should be taken not to confuse honest people who had defects and faults or people who, though they had reactionary views, were guilty of no reactionary activities with counter-revolutionaries. Experience shows that only by strict adherence to the afore-mentioned principles can we avoid committing grave errors and make fewer grave errors, especially irretrievable errors.

In 1955, in connection with the struggle to weed out counter-revolutionaries at the time, Comrade Mao Tse-tung once again pointed out that we must resolutely adhere to the principle: "Sharpen our vigilance so as to weed out all special agents; guard against deviations so that no one is wrongly accused." This serves exactly to show that the unified, indivisible principle unwaveringly followed by our Party in leading the struggle to weed out the counter-revolutionaries consists in a combination of strictness with cautiousness, in a combination of resolute action to ferret out all counter-revolutionaries with equally resolute action to protect all decent citizens.

Thirdly, the Party's principle of combining strictness with cautiousness in the struggle to eliminate counter-revolutionaries is embodied in the policy of combining punishment with leniency. In more concrete terms, this policy consists of the following points: punishment of the ringleaders, but no action to be taken against those who only take part in counter-revolutionary activities under compulsion; leniency towards those who acknowledge their crimes but severe punishment of those who stubbornly refuse to do so; recognition of good deeds as atonement for crimes, and awards to those who have exceptionally meritorious actions to their credit. Punishment and leniency are closely integrated: neither can be dispensed with. This policy was formulated after considering the many kinds and conditions of counter-revolutionaries and in accordance

with our Party's great historic mission of changing society and transforming mankind.

Counter-revolutionaries in our country vary in nature and can be roughly divided into three types. The first type is the key-man. There are not a few counter-revolutionaries of this type. They have all committed heinous crimes, and there is strong public feeling against them. They are the die-hards among the remnant counter-revolutionaries. Even now a small number of counter-revolutionaries of this type are carrying on wrecking activities. The second type is the ordinary counter-revolutionary. The majority of counter-revolutionaries are of this type. They have committed crimes, which, however, are not very serious. They have engaged in counter-revolutionary activities, but not very resolutely. They are the wavering section of the remnant counter-revolutionaries. Whenever we fail to take vigorous action against the outrageous activities of the key-men, the ordinary counter-revolutionaries become more active, and commit more and bigger crimes. However, when the people deal severe blows against the die-hard counter-revolutionaries, they begin to waver, so that if we carry out our correct policy, it is possible to make a large number of them surrender to us and confess their crimes. The third type is the unwilling follower who takes part in counter-revolutionary activities under compulsion. There is a considerable number of them too. People of this type were forced to join counter-revolutionary organizations or they have occasionally taken part in counter-revolutionary activities. Their crimes are relatively small; and they have not become counter-revolutionaries of their own accord, or completely of their own accord.

In view of all this, we have stuck to the principle of "punishing the few and reforming the many" in dealing with counter-revolutionaries. That is to say, those counter-revolutionaries who have committed heinous crimes

in the past, and against whom there is strong public feeling and who nevertheless stubbornly refuse to make a clean breast of things, or who, having been leniently dealt with after the liberation, nevertheless continue to engage in wrecking activities, must be punished according to law. The policy in regard to these counter-revolutionaries is that the overwhelming majority should be sentenced to imprisonment and reform by labour, with the exception only of those few whose crimes are of such enormity that it is impossible for us not to execute them, and who must therefore be sentenced to death according to law. The policy in regard to those counter-revolutionaries whose crimes merit the death penalty, is that those who have no blood on their hands and against whom public feeling is not strong, as well as those who, though they have seriously damaged national interests, have not done so in the most serious degree, will be dealt with according to the policy of "sentencing them to death but deferring execution of the sentence, while they are put to work to see how they will turn out eventually"; in this way they are given a last chance for repentance. In dealing with those counter-revolutionaries who have only committed ordinary crimes and are not so determined in their hostile activities against the people, the policy is not to arrest them but to put them under surveillance or even dispense with that according to the merits of the individual case. In dealing with those counter-revolutionaries who make a clean breast of their past doings and give themselves up to the authorities, the policy is to treat them leniently, even if they are key-men: those who merit the death penalty may be otherwise sentenced, those who have done something to their credit may have their sentences commuted, while those who have performed exceptionally meritorious deeds will be rewarded.

The main purpose of dealing with counter-revolutionaries according to our policy of combining punishment with leniency is to reform all those who can be reformed and

turn them into useful members of society, and so uproot all counter-revolutionary activities once and for all. By following the principle of combining political education with productive labour, we have been reforming counter-revolutionaries through labour while they serve their prison terms. We have already achieved remarkable results in this work; we have actually succeeded in reforming many prisoners and they have started a new life, living by their own labour. We have also taken great pains with the counter-revolutionaries whose misdeeds are of a minor nature and do not merit imprisonment and those who have finished serving their sentences. We do all we can to help them find jobs so that they can further educate and reform themselves through labour and work. In accordance with the provisions of Article Five of the Draft Programme for Agricultural Development put forward in January 1956 by our Party's Central Committee, we have, after examining the individual cases as well as their individual behaviour, admit them individually into agricultural co-operatives either as full members or as candidate members, or to allow them to work under public surveillance in co-operatives. Proper measures are being taken in the same spirit in regard to similar counter-revolutionaries in the urban areas. This marks yet another important development of our country's policy of reforming counter-revolutionaries.

Fourthly, in the struggle to weed out all counter-revolutionaries we must follow the mass line and mobilize the whole Party, the broad masses of the people and indeed, every one in the country to deal with the counter-revolutionaries. The mass line is the Party's fundamental political and organizational line and it is, of course, also a matter of basic importance to the struggle of eliminating counter-revolutionaries as well as to the people's organs of public security. In other words, the issue here is whether to mobilize the great majority of the people for the

struggle against the counter-revolutionaries or to let only a few people carry on the struggle in isolation from the masses. In the struggle to weed out counter-revolutionaries, we have been able to ferret out within a relatively short period of time large numbers of remnant counter-revolutionaries, without making big mistakes. This is due precisely to the fact that our Party has boldly roused the masses to action, and thus made it possible for the struggle to have both the leadership of the Party and the support of the people.

Since the struggle to weed out all counter-revolutionaries conforms with the vital interests of the people and reflects the just wishes of the people, so long as our Party shows itself to be fully determined and gives correct leadership in rooting out all remnant counter-revolutionary forces, the broad masses of the people will certainly dare to struggle against them. At the same time, all counter-revolutionaries, whoever they are, attempt to hide themselves in the midst of the masses and hope to carry on their wrecking activities by taking advantage of lack of vigilance on the part of the masses. So long as the broad masses of the people, the middle-of-the-roaders and the politically backward in particular, are roused to action with their political vigilance sharpened and an enhanced ability to tell a counter-revolutionary from a decent citizen, every dark corner will be lit up and not a single counter-revolutionary will be able to escape the watchful eyes of the masses. During the past seven years of the struggle to eliminate the counter-revolutionaries, countless striking facts have fully demonstrated the truth that the political consciousness and the revolutionary vigilance of the broad masses of the people constitute a most valuable force ensuring our victory over the counter-revolutionaries.

But, boldly mobilizing the masses does not mean that the Party can relax its leadership of the struggle, put itself on the same level as the popular masses or trail behind

them. The Party is the organizer and leader of the struggle. On the other hand, to boldly mobilize the masses does not mean that we can do without organs specially assigned to take charge of public security, or weaken their role. These organs must, on the one hand, rely on the masses and, on the other hand, lead them, and serve as the backbone of this mass struggle. Only the combined efforts of the special organs and the broad masses can eliminate all of the large number of remnant counter-revolutionaries and vanquish our enemies, despite all their cunning.

With a view to leading the masses and winning their support, the Party must in the very first place explain to the masses the meaning and purpose of the struggle to ferret out hidden counter-revolutionaries as well as the policy and measures to be adopted. To do this, we should carry on all sorts of propaganda work on a large scale, so as to deeply impress the meaning of the struggle and the Party's policy on the people's mind and make them known to everybody. The struggle we have waged in the past seven years proves that once the correct principle and policy of the Party was comprehended and firmly grasped by the masses, it was immediately transformed into a tremendous material force. Furthermore, the masses who had grasped the policy became, on the one hand, the active executors of the Party's policy, and on the other, also served to supervise the people's security and judicial organs and see that they correctly implemented the Party's policy.

In order to mobilize the masses extensively, we must resolutely oppose the tendencies to cut ourselves off from the masses or create an air of mystery around public security work. Such tendencies to isolation and mystification are left-overs from the reactionary ruling class. As every reactionary ruling class is the oppressor of the people, naturally it is afraid of the people and wants to keep them out of affairs. Our people's public security organizations

serve the interests of the people; they should have, and have always had, confidence in the masses and they should rely and have always relied on the masses. However, some public security personnel have unduly exaggerated certain peculiarities of the struggle to weed out hidden counter-revolutionaries and forgotten all about the masses. They have felt that this struggle could be carried on by only a small number of "specialists" while the masses could give no assistance at all. This attitude, of course, is wrong.

Those who are prone to isolation and mystification often depart from the mass line on the pretext of "guarding secrets." As a matter of fact, guarding secrets can go hand in hand with reliance on the masses. We must have faith in the masses, and rely on them, then the ever-increasing awareness of the masses will ensure all the better the guarding of secrets. Those who are prone to isolation and mystification always assume an important air, going about their business mysteriously. They think that they are guardians of secrets. In fact, they not only fail to guard secrets, but on the contrary, arouse the suspicions of the masses and thus isolate themselves.

Those who are prone to isolation and mystification always refuse to carry out the mass line on the pretext that they are afraid of causing "alarm" among the masses and that they are also afraid of the masses "going too far." They often fall victim to petty worries and act timidly. Consequently, the more afraid they are of mobilizing the masses, the more likely they are to arouse the apprehensions and suspicions of the masses. If they are afraid to lead the masses when the latter have already gone into action, there is the greater likelihood that the masses will go to extremes. This state of affairs can be completely avoided, only when isolation and mystification are discarded, only when the mass line of combining the efforts of

the special organs with those of the broad masses is carried out consistently under the leadership of the Party.

Fifthly, in our struggle to weed out counter-revolutionaries we must emphasize the need for investigation and study, and honest consideration of the facts. The basis on which the Party decides its policy and carries out all work is proper investigation and study. Comrade Mao Tse-tung has again and again told us, "One has no right to speak on a subject unless one has investigated and studied it." This truth is of importance for any kind of work, and is especially so in the struggle to weed out counter-revolutionaries. The struggle is directed against hidden enemy; we should, therefore, correctly determine what the enemy's activities are at every stage and then make an appropriate appraisal of the situation so that the struggle may be planned and conducted in accordance with the actual conditions in which it is waged. We should also plan all our measures on a solid basis so that we can have the situation well in hand and direct our arrows straight at the target. To be able to do this, we should put all the more emphasis on investigation and study. At the same time, if we do not investigate and study, or if our investigation and study is not well done, we shall not be able to unearth those enemies who are relatively well concealed, and even if we do unearth them we will find it difficult to collect the proper evidence, clearly understand the nature of their particular case, and deal with it appropriately.

The practice of believing in confessions obtained by coercion is quite the opposite of investigation and study and of honest consideration of the facts. This means to make hasty arrests on the basis of fragmentary, unverified material. And when a person is arrested, credence is often given to confessions of the criminal; physical torture, or disguised physical torture, is even resorted to in order to extract a confession; and on the strength of this forced confession, which is readily believed, further arrests are

made. This is a subjectivist, anti-Marxist method, which will eventually lead to magnifying the strength of the enemy. During the Second Revolutionary Civil War our Party once committed errors of this kind in the struggle to weed out counter-revolutionaries, and sustained some losses. But, we gained some experience from this, namely, that we must make a full investigation and study in all cases, and take a firm stand against putting any reliance on confessions obtained by coercion.

If we are opposed to this, physical torture or any kind of disguised physical torture must then be absolutely forbidden. Our Party has all along strictly forbidden extortion of confessions under torture, because this will only lead us to commit mistakes and will not help us in any way to triumph over our enemies. Our struggle is a just one. It is supported by the broad masses of the people; there is no need whatsoever to adopt such savage and mistaken methods. Our Party has also all along emphasized that it is evidence that is important and we should not be too ready to believe in confessions; that the evidence must be examined over and over again, and it must be genuine, not false. The results of investigations must also be duly examined; the picture presented must be complete and coincide with the facts, and these facts should not be presented subjectively and one-sidedly, or accepted on hearsay. This is a realistic scientific attitude. Only by taking this attitude can we be really powerful.

Sixthly, in order to ensure that the struggle to weed out counter-revolutionaries is correctly carried out, leadership by the Party, and supervision by the Party and the masses over the people's public security organs must be strengthened. The public security organs are an important instrument of the people's democratic dictatorship, an effective weapon which the Party and the state employ against enemies both within and without. If we can use this weapon well, we can strike at the enemy and protect our-

selves. Conversely, if it is not well handled, it will do harm to ourselves, to the people. Emphasis must, therefore, be placed on the Party's leadership over the people's public security organs.

Our Party has learnt its lessons on this question. During the Second Revolutionary Civil War, it was once wrongly stressed that the public security organs had their own independent, vertically directed system. As a result, the public security organs at various levels were not subjected to the leadership and supervision of the Party committees at various levels, and they committed mistakes. Since the Tsunyi Conference of 1935, the Central Committee of the Party has rectified this error, and has strictly carried out the correct system of leadership over the people's public security organs at all levels. That is, the public security organs at all levels have been put under the effective leadership of the Party's Central Committee and the Party committees at all levels, while the security organs of the army are put under the leadership and supervision of the Party committees and political organizations in the army. The security work within all the state bodies is also placed under the dual leadership, instead of under the sole leadership of the higher public security organs. Within the public security organs, a coordinated system of collective leadership by the leading Party members' groups and the fixing of personal responsibility in the heads of the organizations concerned, has been enforced. This has enabled us to avoid repeating mistakes we made before.

To strengthen the Party's leadership and supervision over the people's public security organs, the Central Committee has laid down the following rules for leading Party members' groups in public security organs: All matters of policy and principle in public security work must be submitted to the Central Committee for discussion and decision. The central, provincial (municipal) committees,

regional and county committees, in addition to holding regular discussions on and making inspections of public security work, should hold special discussions and make systematic inspections twice a year, and take appropriate decisions. Whatever the work the leading Party members' groups in public security organs should not withhold any secrets from the Party under the pretext that the work concerned is of a special nature. On important questions, instructions should be procured beforehand, and reports made afterwards. Otherwise, it will be considered to be an act in defiance of the organization and discipline, an assertion of independence from the Party.

The people's organs of public security form a department of the Central People's Government and the local people's governments at all levels. They function under the leadership and supervision of the Central People's Government and the local people's governments. However, the Party's leadership and supervision over the organs of public security does not conflict with government leadership and supervision over these organs; they coincide with each other. All important questions concerning public security work should be submitted to the government for discussion, and proper decisions should be adopted, appropriate directives given and decrees promulgated. This procedure will substantially strengthen government leadership over the work of public security, facilitate the work of mobilizing the masses and organizing all social circles within the people's democratic united front to take an active part in the struggles to weed out the counter-revolutionaries, and also facilitate supervision over the work of public security by the masses of the people and by people of all social circles.

In all its activities, the people's organs of public security must strictly abide by the provisions of the Constitution and the law of the state, establish with the procuratorial organs and the law courts a proper system whereby work

is divided, responsibility fixed and a check maintained on each other's work, and conscientiously submit themselves to the supervision of the state organs which supervise enforcement of the law. The people's organs of public security must report on their work to the people through the people's congresses at all levels and all sorts of people's conferences. They must constantly listen to the criticisms and proposals made by the masses, so as to secure their supervision. By making investigations into the work of weeding out counter-revolutionaries, deputies to the People's Congress have exercised effective supervision over such work, and this supervision should be further strengthened from now on. Within the people's organs of public security, supervision should also be strengthened both from top down and from bottom up.

Supervision from the above-mentioned sources is of paramount importance to ensure that the struggle to eliminate counter-revolutionaries is correctly carried out, and that the public security organs function correctly. And the Party's supervision, again, plays a decisive role in the supervision coming from these sources.

What has been described above is the main experience our Party has gained in leading the people of our country to weed out the counter-revolutionaries. This experience may be summarized as follows: Under the leadership of the Central Committee and the Party committees at all levels, the struggle of weeding out counter-revolutionaries must be guided by the principle of mobilizing all Party members, and mobilizing the masses, and of combining strictness with cautiousness. These struggles must adhere to the principle "Sharpen our vigilance so as to weed out all special agents; guard against deviations so that no one is wrongly accused." The policy of combining punishment with leniency must be followed in the struggle and the method of investigation and study and of honest consideration of the facts must be insisted on. The extortion

of confessions by torture is strictly forbidden. Revolutionary legality must be observed. All this taken together is the correct line which the Party follows in leading the struggle to eliminate counter-revolutionaries.

As we know, this correct, systematic and comprehensive line which we have followed has been evolved from the line followed in 1943 by the Party in carrying out a similar struggle during the period of the campaigns in Yen-an to rectify incorrect styles of work and to examine cadres. As early as that time, the Central Committee and Comrade Mao Tse-tung had already formulated the well-known "nine principles," namely, that heads of departments should be responsible for the work; they themselves should take up the work; the core of leading comrades should link themselves with the broad masses; general directives should be linked with specific guidance; investigation and study should be undertaken and no extortion of confessions should be allowed; distinctions should be made between right and wrong, between minor cases and major ones; those who have gone astray should be won over; cadres should be trained; and the masses should be educated. These nine principles summarized the essence of the experience created by the masses in the struggles to weed out counter-revolutionaries at the time; they also fully incorporated the experience gained by the Party in carrying out the same struggles in the historical period before the Tsunyi Conference, which experience included failures as well as successes. The nine principles laid down during the Yen-an period already, therefore, fixed a correct line for our Party in leading the struggle to weed out counter-revolutionaries. Since the founding of the People's Republic of China, the Central Committee and Comrade Mao Tse-tung have further summed up a great deal of experience gained and creative efforts made in such struggles, and thus further developed and perfected this line of ours. It can be said with certainty that the success

achieved in the struggle of our country to weed out counter-revolutionaries signifies a victory for the Party's leadership, a victory for the correct Party line in carrying on this struggle.

However, it must be pointed out that in the actual work of carrying out the Party line, our organs of public security have a number of defects and have made mistakes, some of which are even serious.

In the last seven years, during certain periods of the struggle to weed out counter-revolutionaries we have in certain respects vacillated between Rightist and "Leftist" deviations. For almost six months before October 1950, the public security organs throughout the country failed to deal effective blows against the sabotage activities of the counter-revolutionaries and committed the Rightist error of "excessive leniency." In 1951, in the latter period of the upsurge of the movement for the suppression of counter-revolutionaries, owing to lack of strict control by the leadership and the impure composition of certain local primary organizations, "Leftist" mistakes of varying degrees of seriousness cropped up in some localities — mistakes which resulted from working in a hasty and slipshod manner. Some who need not have been arrested, though there were grounds for arresting them, were in fact arrested and a very small number of counter-revolutionaries who, though there were grounds for executing them, need not have been executed, were executed. In a few cases, innocent people were even arrested by mistake. After this movement against the counter-revolutionaries, and for about a year between the spring of 1954 and the spring of 1955, owing to an overestimation of the effectiveness of the blows that had been dealt against the counter-revolutionaries, it was not fully realized that there were still a considerable number of remnant counter-revolutionaries within our country. Consequently, for a brief period we relaxed our fight against the remnants of the counter-

revolutionaries and displayed the Rightist conservative idea of letting knowledge lag behind reality. During the movement for the elimination of counter-revolutionaries launched in the second half of 1955, some defects and mistakes also cropped up. Some counter-revolutionaries hidden among the general public who might have voluntarily given themselves up after we had made some efforts on them were arrested. In some individual cases, innocent people were arrested by mistake. In government offices, some units also committed the mistake of over-extending the scope of the struggle, and waged a struggle against a small number of people who should not have been attacked. Some people, on the other hand, overestimated the strength of the tendency to disintegration among the enemy and overlooked the fact that counter-revolutionaries were still in existence, thus they relapsed into a complete lack of political vigilance.

Such vacillations between Rightist and "Leftist" deviations, in most cases, occurred at moments of transition in the struggle. This shows that we did not fully understand the actual condition of things and failed to implement the Central Committee's principles and policies thoroughly and precisely. Such mistakes were of a localized and temporary nature and took place in the actual course of work while the Party's correct line was being carried out. Under the unrelaxing leadership of the Central Committee and Party committees at all levels, these mistakes were in general rectified in time, though some are still in the process of being looked into and rectified. The Central Committee has recently made the decision that earnest efforts must be made to investigate the cases of people who were made the objects of a struggle or were arrested, imprisoned or sentenced by mistake, that the work of re-examining each case and determining its nature and of re-instating the innocent, must be well done. All these cases must be properly dealt with, and it is absolutely

impermissible to neglect them on the grounds that they involve only a few individuals or a small number of people.

In the practical work of implementing the Party's policy, the overwhelming majority of the public security organs and public security personnel bore themselves honestly and enthusiastically. They adhered to the Party's policy and maintained close contact with the broad masses of the people. Nevertheless, a small number of public security organs and certain public security personnel committed the serious mistake of using coercive methods and falling into commandism and of isolating themselves from the masses — a style of work characteristic of the police of old. They committed the mistake of violating law and discipline and running counter to policy. Some even committed criminal acts of using torture to extract confessions. All these things have had a very bad influence on the masses. Yang Fan, former director of the Shanghai Public Security Bureau, and Pu Lu and Chen Kun, former vice-directors of the Canton Public Security Bureau, abused their official authority, sheltered enemy agents and carried out many criminal activities behind the back of the Party and the people, thus bringing great losses to the state and the people. During the last few years, we have waged a constant struggle against such evil-doers and their deeds, and we must continue to fight against this state of affairs.

There have also been defects in the matter of abiding by the legal system. Even after the promulgation of the Regulations Governing the Arrest and Detention of Persons Accused of Crimes, arrests in some localities were still made without fully observing the established procedure of obtaining timely approval from the people's procuratorates, and in some localities, after the accused were arrested, their families were not notified of their arrest. In dealing with convicted criminals, the mistake has been made of

mainly paying attention to getting them to work without paying proper attention to their re-education. In a few localities, there was even the mistake of beating and cursing criminals and otherwise maltreating them.

Deviations of formalism and mystification still exist in our investigation and security work, and in some cases they have had the bad effect of alienating those concerned from the masses.

These defects and mistakes show that highly subjective and bureaucratic styles of work are still found in our public security organizations. In addition, some of our public security personnel have also become conceited and complacent; this is extremely dangerous. They overestimate their own achievements in the struggle against counter-revolutionaries, belittle the role played by the Party and the government in giving them leadership, and disregard the contribution made by close co-ordination and mutual assistance between the various departments engaged in the struggle against the enemy and the activity and creative ability of the masses.

We must eliminate subjectivism and bureaucracy, strengthen the work of checking over our activities, study actual conditions and establish firm contacts with the masses. We must carry out constant criticism and self-criticism, be modest and prudent, and avoid conceit and impatience. We must raise our theoretical level in Marxism-Leninism and enhance the militant qualities of our public security personnel. We must carry through the correct line of the Party in future struggles in a more satisfactory way and work hard for victory in the struggle.

Comrades! The period of intense class struggle in our country is past. However, the struggle between revolution and counter-revolution has not ceased and will not cease, but will continue to be a long and protracted one. Having suffered repeated blows, our enemies have been greatly weakened; the number of counter-revolutionaries

has decreased considerably, but they have not yet been completely wiped out. The surviving counter-revolutionaries are still there both in society at large and in government and other offices; a few die-hard counter-revolutionaries are still carrying on their wrecking activities.

On June 29 this year, Wang Shu-tien, one of the surviving counter-revolutionaries in Peking, murdered the worker Sun Jui-hua. On June 28, Chuang Shih-min, a hidden counter-revolutionary in a hospital in Chitai County, Sinkiang, knifed three people to death, among them Comrade Liu Tien-ying, Vice-Director of the Forestry Department in Sinkiang, and injured eleven others. These are two outstanding examples. Moreover, there is still a certain social and ideological basis for counter-revolution in our country, since classes have not yet been finally eliminated. Even after the elimination of classes, there will still be room for counter-revolutionary activities. In addition, our territory of Taiwan has not yet been liberated, and the espionage agencies of the Chiang Kai-shek clique are continually sending spies and special agents to the mainland. The imperialists continue to intensify their subversive activities. The following will serve as evidence. On July 23 this year, the "Chang Chen-lun Intelligence Group" of the Intelligence Service of Taiwan, which had stolen ashore, was unearthed in Hsiapu County, Fukien. The "Kuotsang Mountain Action Group" of the Chiang Kai-shek gang, which had sneaked on to the mainland, was uncovered on August 2 in Wenchow area, Chekiang. Agents dispatched by the U.S. imperialists were caught on May 10 in Haiyang County, Shantung. So we still have to sharpen our vigilance against the possible damage that counter-revolutionaries may cause to us.

In the future, we shall still be faced with the task of continuing to wipe out the remnant counter-revolutionaries (mainly those who are still carrying on destructive activities) throughout the country, the task of ferreting out

all hidden counter-revolutionaries and the heavy task of reforming the counter-revolutionaries. We must, in accordance with the new principles and policies regarding the handling of counter-revolutionaries set forth in Comrade Liu Shao-chi's report, carry out and fulfil these tasks in the most satisfactory manner and do all we can to safeguard the great cause of socialism of our country.

SPEECH BY COMRADE CHANG KUO-HUA

*Deputy Secretary of the Tibetan Working Committee
of the Communist Party of China*

Comrades:

I am in full agreement with Comrade Liu Shao-chi's political report, Comrade Chou En-lai's report on the Proposals for the Second Five-Year Plan for Development of the National Economy, and Comrade Teng Hsiao-ping's report on the revision of the Party Constitution.

Now I wish to speak briefly on the work in Tibet.

Tibet was peacefully liberated after the conclusion of the Agreement on Measures for the Peaceful Liberation of Tibet between the local government in Tibet and the Central People's Government in 1951. Since then, the Tibetan people have freed themselves once for all from the yoke of imperialism and returned to the great multinational family of the motherland; the unification of the mainland of our country has been achieved, and the security of our national defences has been guaranteed. This is indeed an epoch-making event in the history of the Tibetan people and the relations between the various nationalities of our country.

Following the peaceful liberation of Tibet, the important tasks that confronted our Party and the Tibetan people were: the strengthening of the unity between the Tibetan and Han peoples and the unity among the Tibetans themselves so as to consolidate the unity of the motherland; the carrying out, step by step, of the Agreement on Measures for the Peaceful Liberation of Tibet and the achievement

of regional autonomy for nationalities; and the development of Tibet's economy and culture, so as to enable the Tibetans to advance to socialism side by side with other fraternal peoples.

I

Tibet has an area of 1,520,000 square kilometres, with a population of about 1,200,000, the overwhelming majority of whom are Tibetans and devoted followers of Lamaism. There are more than 100,000 lamas in Tibet, and religion exercises an enormous influence on the people's life and political affairs. The social economy of the region is based on feudal serfdom; its production technique is backward and the working people live in extreme poverty. As a result of imperialist aggression and the policy of national oppression pursued by the ruling classes in the past, there has been a deep estrangement between the Tibetan and Han nationalities. Under these circumstances, the Party must, in all its work in Tibet, adhere to the policy of "advancing steadily," and adopt methods and measures suited to the actual conditions of the region.

During the past six years, we have done some work in Tibet under the correct leadership of the Central Committee of our Party. In the first place, we tried in every possible way to strengthen the anti-imperialist, patriotic united front; we carried out extensive propaganda and education in patriotism and strengthened the unity both between the Tibetans and other peoples of our country and among the Tibetans themselves. All this greatly helped to bring about an improvement in the political situation of Tibet and progress in various fields.

For a considerable time before liberation, Tibet was in a disunited state. The Party held that if such disunity were allowed to continue, it would hinder the progress and

development of the Tibetan people. Since liberation, the Party has by consultation and mediation helped various sections in Tibet to settle their age-old disputes and outstanding questions, improve their relations and strengthen their unity in accordance with the principle of "mutual respect, mutual trust, mutual understanding and mutual concession."

As regards finance, economy and trade, the Central Committee of our Party laid down the principle that army units and working personnel who went to Tibet should engage in production, be self-supporting, and render help in the construction of Tibet. Army units and working personnel have, over the past six years, taken an active part in agricultural production and set up experimental and army-operated farms. This has not only helped solve many of their own difficulties in the supply of foodstuffs and vegetables, but, more important, it has also set a good example to the Tibetan people in agricultural production. In order to invigorate the market and promote trade, and acting on the principle of taking the needs of the people into account and allowing some profit to the private merchants, we have provided Tibet with large sums of foreign exchange, concluded contracts with local merchants, and made arrangements for imports and encouraged exports. In addition, we have purchased Tibetan products at fair and reasonable prices, and sent in large quantities of our own manufactured goods. Transport expenses are subsidized by the government, so goods can be sold at cheaper prices to meet the people's needs. Special mention should be made of tea, which is essential to the life of the Tibetan people. Over the past six years, we have sent Tibet over 20 million catties, the yearly average was three times as much as that before liberation. To help the working people tide over their difficulties in production and livelihood, we have frequently issued interest-free loans for agriculture and stock-breeding and low-interest loans for handicrafts. Thanks

to the energetic help of the people throughout the rest of the country and the co-operation of people of various social levels in Tibet, the Sikang-Tibet and Chinghai-Tibet Highways, which involved gigantic and difficult engineering work, were completed at the end of 1954. Following this, highways were also built to connect a number of Tibet's major cities. In this way, the principal cities and towns have become more closely connected with the rest of the country, and favourable conditions have been created for promoting the political, economic and cultural development of Tibet.

Cultural, educational and public health work has also made certain progress. In the past, there were no primary schools in Tibet; now there are 31 such schools. Medical institutions with up-to-date equipment have been set up in several cities. The health and medical services have been warmly welcomed and appreciated by the broad masses of the people.

Thanks to the unity between the two leading figures, the Dalai Lama and Panchen Erdeni, and thanks to the heightened patriotism of the people of various social levels in Tibet, and the example of the implementation of the policy of regional autonomy by fraternal nationalities in other regions, the Preparatory Committee of the Autonomous Region of Tibet was established in April this year, on the basis of unity among the Tibetan people. This is an extremely important step for the Tibetan people towards their creation of a happy life in the great family of the motherland, and marks a further great achievement for our Party's policy in relation to nationalities.

Under the leadership of the Central Committee, our work has achieved some results in Tibet. But compared with the needs of the Tibetan people, we have done very little. In the early days after liberation, when units of the Chinese People's Liberation Army and the working personnel made everyday purchases or hired yaks for transport in the re-

gion, they did not at first make reasonable adjustments in prices. This caused some loss to the local people, though only for a short period. During the past six years, the training of Tibetan cadres has not been getting on very fast; and while we have worked in co-operation with the public leaders of the Tibetans, we did not always consult them sufficiently on certain questions. There are also shortcomings in some of our other work.

II

Following the setting up of the Preparatory Committee of the Autonomous Region of Tibet, our work there has entered on a new stage. Our tasks are: to continue to strengthen the unity of the people in Tibet; to consolidate and broaden the anti-imperialist, patriotic united front; to make vigorous efforts to train cadres from among the Tibetan people; to recruit new members for the Party and the Youth League; to put regional autonomy into effect; to develop Tibet's economy and culture; to alleviate the people's economic burdens and improve their livelihood; and stage by stage to bring about the democratization of the autonomous organs and pave the way for social reforms.

1. In order to achieve regional autonomy and carry on with economic construction and cultural development in Tibet, we must continue to strengthen the unity of the Tibetan people. The principle advocated by our Party for achieving unity is opposition to imperialism and love for the motherland. All those who support this principle, irrespective of their nationality, social position or religious belief, should unite closely with one another in the anti-imperialist, patriotic united front to work vigorously for the construction of our motherland and a new Tibet. In dealing with people of the upper social levels who have joined this united front, we should adhere to the policy of

long-term co-operation; and, while doing so, we should help them educate themselves so that they can become useful in construction. As for the very few people who still adopt an unpatriotic attitude, we hope they will soon reach an awakening and return to the embrace of the people of the motherland. As the work of the Preparatory Committee of the Autonomous Region of Tibet progresses, the local government in Tibet, the Panchen Kanpo Lija and the People's Liberation Committee in the Chamdo Area will gradually be combined and their relations will become better and better with each passing day. They should, however, still display a spirit of mutual help and fraternity in all fields of work, and work energetically for the early establishment of a unified autonomous region in Tibet.

2. In the work of bringing regional autonomy for nationalities into effect, the training of cadres is a question of fundamental importance. Unless there are sufficient cadres of Tibetan nationality, with a certain level of political understanding and working ability, we shall meet with formidable difficulties in all fields. During the past six years Tibetan officials and cadres, both religious and secular, have all made progress. Some have made great progress. In the same period, more than 2,100 new Tibetan cadres have been trained. However, the number of cadres and the rate at which they are being trained still fall far short of present needs. In Party building, too, the work has not been satisfactory. In order to build up the number of Tibetan cadres as quickly as possible, cadres' schools and training classes will be set up this year in Tibet. It is planned that in the next four years these schools and training classes will enrol 5,000 to 8,000 students of Tibetan nationality, give training on a rotation basis to 10,000 cadres, and train 3,000 of them to become technical and other personnel of the intermediate grades. In addition, large groups of Tibetans will be sent to study at the Central Institute for Nationalities and the nationalities institutes

in Southwest and Northwest China. With the development of the work of the Preparatory Committee of the Autonomous Region of Tibet, the organizations at various levels in the region should engage and train large numbers of Tibetans to work; and those of outstanding character and ability should be freely promoted to responsible positions. Whether in transport establishments, in factories and mines, in water conservancy departments, medical services or trading establishments, Tibetans should be engaged as workers and staff members, and some should be trained to become administrative and technical personnel.

3. Social reforms are at present a matter of general concern among people of all levels in Tibet. At the inaugural meeting of the Preparatory Committee of the Autonomous Region of Tibet, both the Dalai Lama and Panchen Erdeni expressed their support for social reforms, and the meeting took up a positive attitude towards them. This is good, but it does not mean that social reforms will be carried out right away. The following conditions are necessary:

(1) The demand of the working people for such reforms and the genuine support of people of the upper social levels for them;

(2) Measures for carrying them out, based on a scientific investigation of the socio-economic conditions of Tibet and agreed upon by representatives of the various social levels; and

(3) A sufficient number of Tibetan cadres. At present, however, it is clear that we do not have all these conditions handy, and we shall have to wait a considerable time before social reforms can be put into effect.

In considering social reforms in Tibet, we must pay attention to the special characteristics of the region. The policy, stages and methods of reform should be somewhat different from those adopted in areas inhabited by people of the Han or other nationalities. Before carrying out social reforms,

we must earnestly and repeatedly consult people of the higher social levels, win the genuine support and approval of the overwhelming majority of them, and work out measures which will satisfy the people as a whole. We should not press on with reforms before the majority of the people of the higher social levels have shown genuine approval for them, because compulsory measures will inevitably impair the unity among the Tibetans themselves and the unity between the various nationalities, and will be harmful to the smooth progress of peaceful reforms. Before carrying out social reforms, the government should make proper arrangements for giving suitable posts to the people of the higher social levels in accordance with the principle that their political status and living standards should not be lowered. In the process of consultation, we should, when necessary, advise the masses to make appropriate concessions with regard to the time, stages and methods of social reform, so that the people of the upper social levels can be won over to give their approval to social reforms and relinquish exploitation. During the past few years, we have consulted the people of the upper strata in Tibet on many important questions and won them over to co-operate with us. Experience shows that consultation has been beneficial to the unity between various nationalities and to the progress and development of the Tibetans.

It is in view of the actual conditions in Tibet that our Party maintains that consideration should be given to the interests of the people of the upper social levels during and after social reform. Such people are in close contact with the broad masses in Tibet; moreover, during the past few years they have made great contributions to the unification of the motherland and the unity and progress of Tibet. In the meantime, they have themselves made varying degrees of progress. The people of all the nationalities in our country will not overlook the services they have rendered. As long as they are willing to accept democratic

reforms and socialist transformation, we have no reason whatever, in our advance towards socialism, to refuse to unite and co-operate with them, or to overlook their interests. To give due consideration to their interests will not be harmful to the interests of the working people, but, on the contrary, will secure their support for social reform, and make it possible for us to educate them to serve the working people. This, therefore, contributes to the implementation of social reforms. To give such consideration to the people of the upper social levels is in entire conformity with both the immediate and long-range interests of the working people.

On the other hand, these people should realize for their part that it is only through social reform that the Tibetan people can attain broad prospects of development, and only when individuals have given up exploitation that they can whole-heartedly serve the people and enjoy a happy socialist life together with the working people. We hope, therefore, that the people of the upper social levels will make vigorous efforts to study and progress, take the initiative to assume responsibility for social reforms and strive to accomplish them together with the working people.

4. Lamaism played a positive role in the past in maintaining the cohesion and unity of the Tibetan people and preserving and disseminating Tibetan culture. It exercises a profound influence upon the people of all social levels. In all our work we have adopted an extremely prudent attitude towards religion. We shall continue to adhere to the policy of ensuring freedom of religious belief and protecting religion, and shall continue to strengthen our unity with religious circles. In order to promote unity among religious circles in Tibet and prepare conditions for their study, a branch of the Buddhist Association will be set up in Tibet this year; it is also planned that either this year or next a theological institute for lamas will be set up in Lhasa. We shall give the people of religious circles a

chance to work if they want to. During and after the social reforms to be carried out in the future, we shall give due regard to the lamaseries; and proper help will be given to lamas who have difficulty in making a living. We believe that protection of religion does not hamper the building of socialism in Tibet. It is precisely for the purpose of carrying out socialist construction smoothly that we adopt the policy of protecting religion. As for reforms within religious circles, they should be left to the religious people to agree among themselves, and we shall not interfere in any way.

5. In order to enable the Tibetan people to advance step by step to a socialist society, we must plan and carry out various kinds of construction work. In the next few years, we plan to build more highways, expand the investigation of the natural resources of Tibet, develop agriculture, animal husbandry and handicraft production, and build up certain industries and water conservancy works, so as to meet the people's needs. In this respect, we must not only rely on the efforts of the Tibetan people; we must also enlist the help of the working class and intellectuals of the fraternal nationalities. This is an indispensable condition for helping Tibet to bypass the stage of capitalism and advance to socialism.

SPEECH BY COMRADE KO CHING-SHIH

Secretary of the Shanghai Bureau of the Central Committee of the Communist Party of China

Comrades:

I am in full agreement with the reports made by Comrades Liu Shao-chi, Chou En-lai and Teng Hsiao-ping.

The Central Committee's political report summed up comprehensively the rich historical experience gained in our revolution since the Seventh Congress, including the important experience of correctly dealing with the national bourgeoisie and successfully carrying out the socialist transformation of capitalist industry and commerce.

Shanghai was the centre of our capitalist industry and commerce. After the liberation, the total amount of capital of capitalist industry and commerce and the value of total output of capitalist industry in Shanghai still amounted to half of that in the whole country. In January this year, under the impulse of the nation-wide high tide of socialist revolution and on the basis of what had been done in this field in the past seven years, all the 203 trades and 84,331 capitalist industrial and commercial enterprises in Shanghai were changed over to joint state-private management.

The great victory won by our Party in carrying out the socialist transformation of capitalist industry and commerce is eloquent proof of the correctness of our Party's line and policy. But the adoption of the peaceful way, the use of the method of education and persuasion in changing the capitalist ownership and remoulding the

bourgeoisie is after all an event unprecedented in history. The experience in Shanghai shows that the process of transforming capitalist industry and commerce in the last seven years has been one of complicated class struggle. It is a process of struggling against various Rightist and "Leftist" ideas and also a process of carrying out on a large scale practical education in Marxism-Leninism. In order to win complete victory in the socialist transformation of private industry and commerce, the Party organization in Shanghai has to undertake the arduous task of summing up systematically the experience of the past seven years and elucidating thoroughly the correctness of the Party's policy of peaceful transformation so as to overcome various kinds of erroneous ideological tendencies. The comprehensive and profound analysis given in the Central Committee's political report regarding the socialist transformation of capitalist industry and commerce is of great educational value to us.

It is not due to the personal wish of any individual that our Party's policy of peaceful remoulding of the bourgeoisie has been crowned with success and that the national bourgeoisie has found it possible to accept socialist transformation. The dual character of China's national bourgeoisie, the long-term united front of the working class and the national bourgeoisie, the tremendous role played by the daily strengthened people's democratic dictatorship and the daily growing socialist economy, the implementation of the Party's correct policy of redemption and the implementation of the measures for state-capitalism — all these created a general trend which urged the national bourgeoisie to accept peaceful transformation. It is therefore only by understanding thoroughly the role played and the influence exercised by the afore-said factors that we can find a correct answer to the question why the national bourgeoisie in our country was finally willing to accept socialist transformation.

The national bourgeoisie in China which grew up on a semi-colonial and semi-feudal social basis has a dual character not only in the period of democratic revolution but also in the period of socialist revolution. On the eve of the liberation, the capitalists in Shanghai, while hoping for national independence, were afraid of being expropriated. However, they were strongly influenced by the Party's policy of protecting private industry and commerce. Consequently, those who had more than once prepared to flee the country finally chose to stay, and some of those who had actually left the country finally came back. After the liberation, they cherished a strong desire to develop capitalism and disapproved socialism, but at the same time they were satisfied with the rapid rehabilitation and growth of industry and commerce and the increasing strength and prosperity of the motherland. It was precisely by taking account of the dual character of the national bourgeoisie and the socio-economic needs of our country in the period of transition that our Party's Central Committee formulated the policy of establishing, on the basis of the worker-peasant alliance, a political and economic alliance with the national bourgeoisie and the policy of utilizing, restricting and transforming capitalist industry and commerce. And these policies have been gradually carried out by means of uniting with them and at the same time waging struggles against them.

The socialist transformation in Shanghai has convinced us that it would have been a mistake if we had only seen the negative side of the national bourgeoisie and failed to make use of their positive side. During the past seven years the national bourgeoisie in Shanghai took part in various patriotic movements against imperialism. For instance, during the movement of resisting U.S. aggression and aiding Korea, they donated aeroplanes and artillery and opposed the aggression of U.S. imperialists; they supported land reform and the struggle for the liberation of

Taiwan; and they stood for the Common Programme and the Constitution. All this proves that, politically, they did many things in the interest of the state. Economically, the private industry and commerce in Shanghai played an active role in supporting national construction and satisfying the needs of the people. They increased production, helped the state ensure the supply of goods, accumulate funds, maintain employment and train skilled workers and technicians in engineering. By the end of 1955, the total value of the annual output of the privately-owned industrial enterprises in Shanghai had increased to 5,700 million yuan as contrasted with some 2,600 million yuan shortly after the liberation, and the workers and staff in their employ numbered some 600,000.

But, it would have also been wrong if we had only seen their positive role and overlooked their negative role. The speculativeness and blindness of capitalist economy and the unscrupulousness of many capitalists in seeking high profits seriously impaired the livelihood of the people and national construction. For the last seven years, the Party organization in Shanghai has launched rigorous struggles to check the disruptive activities of capitalist economy. The struggle against profiteering, which was carried on from the second half of 1949 to 1950, thrice beat down the price-rising storms stirred up by merchant-speculators and helped the state control the market of important raw materials and stabilize prices. The *San Fan* and *Wu Fan* struggles in 1952 dealt effective blows on the five evil practices of the bourgeoisie, repulsed the frantic attacks launched by the bourgeoisie, raised the class consciousness of Party cadres, and effected supervision over privately-owned enterprises by the working class. Without those resolute struggles, it would be impossible for us to win the victory today in the socialist transformation of capitalist economy.

However, in restricting capitalist industry and commerce, our purpose was to make a better use of them and trans-

form them; and our struggles against the bourgeoisie were meant to unite with them and educate them. Therefore, each struggle was invariably a process of uniting and educating at the same time, an effort to give valuable lessons to the capitalists by confronting them with facts. It was precisely in the course of these struggles that many bourgeois people gradually made progress and came closer to our Party and the People's Government.

Besides, our struggles were conducted within strictly defined limits. We only waged struggles against those acts on the part of the bourgeoisie which violated the laws and decrees of the state and were detrimental to national welfare and the people's livelihood. We guarded against indiscriminate struggles and did our best to avoid interruption of production and of legitimate business. Meanwhile, when the capitalists met with difficulties, we helped them out. We took the initiative to give them necessary assistance in regard of raw materials, loans, market, etc. Sometimes we made appropriate concessions to enable the privately-owned industrial and commercial enterprises to play a proper and active role. By so doing, we created favourable conditions for the national bourgeoisie to gradually accept socialist transformation.

In the past seven years, there have been defects and mistakes in the work of transformation in Shanghai. These defects and mistakes came, in the last analysis, from the lack of thorough understanding of the dual character of the national bourgeoisie and from the failure to grasp correctly the Party's policy of utilizing and restricting the bourgeoisie and of at once uniting with and waging struggles against them.

Since the liberation there has been a competition between socialist and capitalist economies. In the course of the competition, the socialist economy grew in strength and its superiority became more and more manifest, while the capitalist economy was playing a losing game. A sharp

contrast between the boundless vitality of socialist economy and the backwardness of capitalist economy was vividly set before the eyes of the people as well as the capitalists. There were people among the Shanghai capitalists who predicted that the Communists could manage military and political affairs, but not production. But what has happened actually? Taken as a whole, the state-owned factories have surpassed in varying degrees the capitalist enterprises in practically every way—in the quality of products, in the low cost of production, in labour productivity and in the material welfare and cultural amenities of the workers and employees. A similar contrast is clearly seen between those enterprises which have been converted into one form or another of state-capitalism and the purely private ones. A privately-owned factory becomes entirely different once it begins to process goods for the state or fulfil orders placed by the state; and the same is true of a private factory once it becomes a joint state-private enterprise. Particularly, with the planned development of national construction on a large scale, the socialist economy has grown more and more powerful, while the proportion of capitalist economy in the national economy is diminishing. All this has made it impossible for the privately-owned enterprises to carry on in the old way.

Moreover, with the development of socialist construction and socialist transformation, profound changes have taken place in Chinese society as a whole. For example, in the same street, a state-owned store is crowded with customers, while a privately-owned one is almost deserted. Many things like this, together with the political education which our Party and the People's Government have been giving the bourgeoisie over and over again for a long period of time, are bound to affect the bourgeois people and give rise to a thoroughgoing process of differentiation among them and even inside their families. There have emerged from among the bourgeoisie a fairly large number of ac-

tivists who are willing to accept transformation, while the middle and backward elements among them become more and more inclined to accept it. Among the sons and daughters of capitalists, many have renounced their right of inheritance. Even the wives of capitalists, having received years of political education, are in favour of transformation and have tried to persuade their husbands to accept it. They say that the People's Government and the Communist Party have taught their husbands to become better men and helped improve their family relations. They say that there used to be two ways out when they took the old path of capitalism: if their husbands made a fortune, they would take concubines, and this would inevitably result in the disruption of the family; if they went bankrupt, they could only jump into the Whangpoo River and ended up in misery. Therefore, much as the capitalists personally dislike socialism, they are impressed by the facts and cannot but be urged to accept socialist transformation.

There is, of course, another reason why it is made possible for the bourgeoisie to accept socialist transformation, that is, our Party has adopted a correct policy of gradual transformation and gradual redemption. Our Party's policy of gradual transformation consists of two steps: the first is to transform capitalism into state-capitalism, and the second is to transform state-capitalism into socialism. In taking the first step, the process is again to start from the elementary form of state-capitalism and move gradually up to its advanced form. Gradual transformation is linked up with gradual redemption. Before the change-over of private enterprises to joint state-private management by whole trades, the redemption takes the form of allowing the capitalists to get a certain percentage of the net profit; after the change-over, it consists in paying the capitalists within a definite period of time a fixed percentage interest on their investments as well as in making

proper arrangements for their work and livelihood. This kind of redemption is not only necessary, but also in the best interest of the working class.

In the period from 1950 to 1955, the net profits pocketed by the capitalists in Shanghai amounted to about 400 million yuan (excluding taxes and investments). In the ensuing years they will get, in addition, between 60 and 70 million yuan each year in the form of interest on their investments. Of course, the price is high. But at this price we will be able to eliminate capitalist ownership. It has enabled us to take over capitalist enterprises intact and, at the same time, to make full use of the role of these enterprises in meeting the needs of the people and the state. Moreover, our policy of redemption is at the same time a policy of educating the national bourgeoisie and providing them with a proper way out. As such it sets their minds at ease and enhances their readiness to accept socialist transformation. It also helps us greatly to set at ease the minds of those people of other social strata subject to bourgeois influence, thus facilitating the best use of their technical skill and ability as well as the mobilization of their enthusiasm in taking part in socialist construction.

It was precisely due to the correct policy of the Party that the socialist transformation of capitalist industry and commerce forged ahead smoothly and steadily and that we succeeded in fostering a considerable number of active people from among the bourgeoisie, who were able to play the exemplary and leading role in the transformation; and thus, under the powerful impact of the nation-wide co-operative movement in agriculture, there emerged the upsurge in turning capitalist industrial and commercial enterprises into joint state-private operation by whole trades. As every one knows, this upsurge made its appearance amid the beating of gongs and drums, the bursting of fire-crackers and *yangko* dancing. This great victory of the working class is a victory of the creative application of Marxism-

Leninism by our Central Committee headed by Comrade Mao Tse-tung.

In the past few years, under the direct leadership of the Central Committee, the Party organization in Shanghai has received a profound education and tempering in implementing the Party's policy of peaceful transformation. However, our task is not yet completed. The capitalist enterprises that have come under joint state-private management have yet to carry out reorganization, introduce technical reforms and go a step forward to be nationalized. In the meantime, our work of remoulding the bourgeois people has entered a new stage. Owing to the change in the relations of production, capitalists have become personnel working in state enterprises or joint state-private enterprises. Party cadres and workers and employees in these enterprises thus find themselves in a complicated relationship with the bourgeois people; they are colleagues and yet belong to different classes. Because the change-over of whole trades to joint state-private management was triumphantly effected, there has emerged among a section of cadres the view that everything is now settled. They forget that remoulding the capitalists is a long-term and strenuous task. At the same time, in a larger section of people, "Leftist" sentiments, which have existed for a long time, continue to exert their influence. In a section of the bourgeoisie, too, there exists the one-sided view that now that the change-over of whole trades to joint state-private management has taken place, remoulding is no longer necessary.

In order to achieve victory in remoulding the bourgeois people, therefore, the Party must energetically strengthen its ideological work and continue the struggle against all ideas that depart from its policy, whether "Leftist" or Rightist.

Some say: "Peaceful transformation is not class struggle." They do not understand that in a state led by the

working class, all measures of using, restricting and transforming capitalist economy, and all kinds of education given to the capitalists, are in reality another form of class struggle. As the aim of peaceful transformation is elimination of the bourgeoisie as a class, the victory of peaceful transformation is precisely a victory of the working class in the class struggle.

Others say: "When the bourgeoisie celebrated socialist transformation with a fanfare of gongs and drums, they were only playing a trick. We must not be taken in." They have not paused to consider, what after all have the capitalists tricked out of us when they handed over to the state-owned special companies all their power of business management and of the disposal of property and personnel?

Still others say: "The capitalists are skilled in nothing other than exploitation. Why should we take them on? They'll only be a burden." These people do not see that the bourgeoisie is still a more cultured class in present-day China. Among the one hundred-odd thousand capitalists in Shanghai, many possess rich professional knowledge and business ability. Of these, some seven to eight thousand have attained a high level in technology. To remould these capitalists into workers for socialism is to add to the country's assets and definitely not to its burden.

Still others say: "It is impossible for the capitalists to be remoulded into people who live by their own labour." They should realize that after the capitalist system of ownership is eliminated, there will no longer be any possibility, nor any condition, for the capitalists to carry out exploitation. On the other hand, many of them are capable of work; these we will put in proper posts. Those who do not as yet possess any special skill will be given opportunities of education and training so that they may eventually possess it. Therefore, the contention that they cannot be re-

moulded into people living by their own labour does not conform to the facts.

There are also people who hold that after the change-over of whole trades to joint state-private management, there is no longer anything negative about the bourgeois people, there is only the positive factor of their socialist enthusiasm. This idea is wrong too. After the said change-over and the fixing of percentage interest on the investments, most of the bourgeois people have become more active, but as they have not yet rid themselves completely of their position as exploiters, they will still retain their bourgeois ideology and style of work for a long time to come. And this is their negative aspect, which can be altered only through a long process of education.

In order to further remould the bourgeois people, the Party must undertake a large measure of educational work to teach the broad masses of cadres and workers how to distinguish between right and wrong views and to understand the unity between the work of bringing into full play the positive role of the capitalists and the work of remoulding their ideology. We should make proper arrangements for the work of the capitalists, draw them to take part in socialist emulation, support them so that they may achieve good results in work, give guidance to and help in their political study, and take interest in their livelihood. Encouragement should be given to the capitalists whenever they have done right. Patient efforts should be made to educate them and help them overcome their shortcomings and rectify their mistakes. We should learn from them with an open mind all that is useful in their knowledge and experience. At the same time, we should teach the workers to understand that the capitalists, in their present capacity as ordinary working personnel of the state, are entitled to the duties and responsibilities they now assume in the enterprises; these are not the same as the power they wielded in the past on the strength of their

capital. Hence we should maintain good relations with them. As to the contradictions that still exist between them and the working class, they should be overcome step by step through education and persuasion, through criticism and self-criticism, and through helping the bourgeois people to remould their own ideology. We are confident that, so long as we of the Party organization in Shanghai steadfastly follow the road pointed out by the Central Committee, we will certainly win complete victory in our dual task of transforming capitalist economy and remoulding the bourgeois people.

SPEECH BY COMRADE SUNG JEN-CHIUNG

*Deputy Secretary-General of the Central Committee
of the Communist Party of China*

Comrades:

I am in complete agreement with the political report made by Comrade Liu Shao-chi on behalf of the Central Committee of the Party, and also with the reports given by Comrades Chou En-lai and Teng Hsiao-ping. Comrade Liu Shao-chi's report is a Party document of historic importance. As a summing-up of our past experience, it has the greatest significance for our task of national construction and for the development of the Party. In the intervening period of eleven years between the Party's Seventh Congress and Eighth Congress, our Party, together with the people of the whole country, has carried out the political line laid down at the Seventh Congress of "boldly rousing the masses to action, expanding the people's strength, and uniting all forces in the country that can be united, in order to defeat the aggressors and build a new China"; we have overthrown the rule of imperialism, feudalism and bureaucrat-capitalism, and founded the People's Republic of China. Following our nation-wide victory, we have been successfully carrying out the task of socialist construction and socialist transformation. All these great victories were the result of long years of hard struggle in which our Party applied the Marxist-Leninist theory in a creative way and rallied round itself the people of the whole country.

Now I propose to say a few words about my understanding of the question of collective leadership, and

what I have come to realize about it in the course of my work.

In accordance with the historical-materialist viewpoint that the masses of the people are the true makers of history, our Party has consistently adhered to the system of democratic centralism. The Party firmly maintains that the mass line should be vigorously enforced in all its work. Collective leadership is one of the basic questions of democratic centralism; it is, in essence, the application of the mass line in the Party's exercise of its leadership. Unlike the paternal or personal form of leadership, collective leadership is the kind best suited for bringing into full play the initiative of the members constituting the Party committee; it is also most suitable for promoting the initiative of the masses, bringing together their wisdom and correctly leading them forward to victory. It is laid down in the Constitution of the Communist Party of China that "all Party organizations must strictly abide by the principle of collective leadership." The whole Party has always attached great importance to this stipulation and vigorously enforced it in its work. Rich experience has been gained in this connection.

To ensure collective leadership in the Party, it is essential to have a sound Party-committee system so as to bring into full play the role of all the committee members. In September 1948, the Central Committee of the Party sent out its decisions for putting the Party-committee system on a sound footing. The vigorous enforcement of these decisions by the whole Party has further strengthened its collective leadership. Nevertheless, note should be taken of the fact that at present there are still some Party committees, especially those below the regional level, where former superior-subordinate relationships between committee members are most likely to be carried over into the collective leadership of the Party committees. The reason for this is that as a fairly large number of local cadres have

been transferred to other places, present Party committee secretaries are, in most cases, very much the senior of the committee members, and, on top of this, some of the leading comrades lack a democratic style of work. Furthermore, owing to the frequency of shock campaigns in the past few years, all committee members have had a heavy load on their shoulders and are frequently bogged down in day-to-day work without being able to devote the necessary attention to the bigger issues and discuss them adequately among themselves. This has prevented their collective strength from coming into full play.

It has been the experience of our Party that, in order to strengthen collective leadership, we must fully develop our democratic life, put the Party-committee system on a sound footing and stimulate the initiative and creative ability of all committee members. Thorough preparations should be made before the committee meeting, especially when decisions are expected to be taken on important matters. There should be sufficient sounding out of opinions, exchange of information, and comparing of notes between members beforehand. There should be full discussion at the committee meeting. In case of any difference of opinion, no hurried decisions should be taken on matters that are not really urgent, so that the decision eventually arrived at will be founded upon a unanimity of views on the part of the members. In the exercise of collective leadership, the Party committee secretary has a great responsibility. It is his duty to maintain close contact with committee members, to serve as a vehicle for constant and frank exchange of views between members, to know how to encourage them to go into all matters deeply and put forward constructive ideas, to bring collective wisdom into full play and set a good example himself in furthering the growth of democracy and in promoting criticism and self-criticism. All members of the Party committee should take an active part in the exercise of collective leadership. They should

take a close interest in all the main aspects of the committee's work, exchange such facts and data as happen to be in their possession, supplement each other and bring different views and problems into the open. Only thus can they reach real unanimity, speak the same language and do their work well. As Comrade Mao Tse-tung said when summing up the discussion of the Second Plenary Session of the Seventh Central Committee held in 1949, the secretary of a Party committee must be a good "platoon leader" and the committee as a whole must be able to function in perfect harmony like the fingers in playing the piano.

It has been the experience of our Party that only by consistently enforcing the mass line in work can the Party-committee system be made sound and collective leadership strengthened. To be effective, collective leadership requires not only a sound system, under which all decisions on important matters are taken collectively; it also requires the committee to rely on the masses, to keep closely to the mass line, to make vigorous efforts to further the growth of democracy, and to be very keen about gathering and summing up opinions from the masses. It is not enough that the masses should be consulted before decisions are taken. They should also be consulted while the decision is being actually carried out, so that complete unity exists between the masses and the leadership and the working method of "coming from the masses and going back to the masses" is turned to good account. In this way the Party's correct leadership will be ensured and mistakes will be avoided, or fewer mistakes will be made. When things are done in this way the results are always good, or at least relatively satisfactory. On the other hand, when the mass line is not followed, the results are always unsatisfactory, and sometimes even mistakes are committed.

We all know about the agricultural co-operative movement and the campaign to increase production. Both of these fully illustrate the point that collective leadership

and the mass line are inseparably linked. During the agricultural co-operative movement in our country last year the Central Committee thoroughly criticized the manifestations of Rightist conservatism among some Party members, and worked out the "Decisions on Agricultural Co-operation." In applying this policy decision, the Party committees in all localities not only made a real effort to have the matter thoroughly discussed by their members, they also made intensive investigation and study: Having thus obtained a clear understanding of the needs and wishes of the broad mass of the peasantry and the possibilities of agricultural co-operation, the Party committees proceeded to carry out the instructions of the Central Committee by closely relating them to the specific conditions in their own localities. The result was a rising tide of agricultural co-operation throughout the country and in a short period this task was, in the main, achieved on a nation-wide scale, thereby meeting the needs and wishes of the broad mass of our peasantry.

In the subsequent campaign to increase agricultural production, good results were obtained by most localities in carrying out the plans they had drawn up for themselves on the basis of general targets set by the Central Committee. In quite a number of localities, however, the Party committees lacked the practical work-style of making investigations and studying actual conditions. They were not modest enough to heed the opinions of the lower-level cadres or the masses, and failed to make an earnest study of the conditions and measures necessary for increasing production. Furthermore, proceeding from their own whims and wishes, they set up production targets which were so high as to be impossible of fulfilment. Thus in these localities the targets had to be revised again and again, losses were recorded in a number of ways, and the leadership was placed in a most embarrassing position.

From these examples it can be seen that the outcome of our work could vary very much from time to time, even though the work was carried out under the same leading body, with the membership remaining unchanged and with all the decisions taken at committee meetings. In some cases good work was done, while in others the result was quite unsatisfactory. People may ask: What is the reason for this? Where does the crux of the matter lie? To my mind, it lies in whether or not the leading body clearly understands and firmly adheres to the view that the mass line must be consistently followed in all kinds of work. It lies in whether or not the leading body earnestly carries out investigation and study, modestly listens to the opinions of the masses and sums up these opinions. That is to say, the crux lies in whether or not the leading body is really able to combine collective leadership with the mass line.

I have talked with several regional committee and municipal committee secretaries. They are all of the opinion that fairly good work was done in the agricultural co-operative movement because they had carefully studied the instructions of the Central Committee and gone deep among the masses to mobilize them and the masses had, in turn, spurred them on. On the other hand, in the subsequent campaign to increase agricultural production, they said, although they had also studied the instructions of the Central Committee and called meetings of all kinds to discuss them, yet the targets were set much too high because they did not estimate the actual possibilities of increasing production in a realistic way. When it came to putting their plans into effect, while very energetic in making the masses "carry through" their ideas, they were much less energetic in "bringing together" the opinions of the masses. The result was that the work was bungled.

All this shows us that mere observance of the usual rules of collective leadership without linking it closely with the

mass line is not sufficient to protect us from the danger of drifting away from the masses and from reality. We should never simplify matters to such an extent as to think that the mere form of collective leadership is sufficient to ensure Party leadership against the risk of making serious mistakes and bring happy solutions for all problems. In the history of our Party one finds instances where mistakes in the Party line were made by leading bodies who were not at all slow in paying lip-service to collective leadership or in calling meetings and arranging discussions before important decisions were taken. Yet such collective leadership was, in practice, only subjectivist collective leadership, not the realistic type based on the mass line. The result was that serious mistakes were made.

It is clear that the crux of the matter is not the form, but the essence, of collective leadership; that is to say, the crux lies in whether or not collective leadership rests on the solid foundation of the mass line. Collective leadership and the mass line are so closely related as to be inseparable. Collective leadership functions in a truly satisfactory and reliable manner only when it is built on the foundation of the mass line. Only with this kind of collective leadership can we steadily improve our work and raise the quality of our leadership.

In this respect, the Central Committee's working method is exemplary to the whole Party. On all important questions of policy which affect the whole country, the Central Committee invariably asks as many comrades as possible to take part in preliminary exchanges of views. For example, the convocation of the Seventh National Party Congress of 1945, the solution of the question of agricultural co-operation last year, the formulation of "The Draft National Programme for Agricultural Development, 1956-1967," the drawing up of the principal documents of the present Congress, and the undertaking of numerous other important tasks were all preceded by ample discussion and exchange

of views. The lesson of all this is that the Party committee must give full scope to discussion and exchange of views within the Party and take adequate steps to collect and sum up the opinions of the masses, in order to arrive at correct decisions on important matters. The quick jotting down of decisions or reliance solely on issuing orders and decrees does not bring us near to the solution of any problem.

In the process of discussion and exchange of views, due heed should be paid to the opinions of the minority. The responsible personnel of some Party organizations are often unwilling to listen to or consider the opinions of the minority, and are even afraid that people may put forward views contrary to their own. This is wrong. The secretary of a county Party committee in Hopei Province told me the following story. When questions relating to the purchase of grain and the increase of agricultural production were under discussion, some members disagreed with the views held by the majority. In the end the committee came to accept the minority view and mistakes were avoided. During the discussion of this year's target for increased agricultural production, the majority of the Party committee of the county were of the opinion that the yield of each *mou* should be increased to 600 catties (i.e. exceeding by more than 100 per cent the production of 290 catties per *mou* in 1955), but a few comrades took exception to this estimate. Finally the target was fixed at 350 catties per *mou* after careful consideration of the minority view and examination of data derived from the investigation of typical cases. Subsequent events proved that the latter estimate was well-grounded. Such instances do occur in actual work.

It cannot be denied that in ordinary circumstances the majority is right. However, there are also occasions when it is the minority that turns out to be right. The reason for this is that although these comrades are in the

minority at the committee meeting, their correct opinion is, as a matter of fact, derived from the masses and reflects the interests of the vast majority. All this shows that no harm is done when some comrade takes exception to the views held by the majority, or when he chooses to make any reservation. For even though the minority view is wrong, it still serves the purpose of making the leadership carefully consider a problem from all angles. This helps the Party as far as possible to avoid being one-sided or committing mistakes in its decisions, and at the same time helps to strengthen inner-Party unity still further.

To give full scope to inner-Party democracy is not to deny that there must be a high degree of centralism in the Party's leadership, but the aim is to combine the two dialectically, at once giving free play to democracy and maintaining a high degree of centralism. The aim of fostering the growth of democracy is to bring about a unity of diverse views and safeguard centralism. We must carry out to the full Lenin's famous rule: Before a decision has been taken, free expression of opinion and discussion is permitted, but after a decision has been taken by the majority and approved by the higher levels, we must wholeheartedly abide by the decision and resolutely put it into practice. We must ensure that the democratic life of the Party proceeds in a well-organized and well-ordered manner under centralized leadership, and must see to it that the full play of democracy strengthens rather than weakens the leadership's confidence and ability in tackling problems and carrying out their tasks. The Party Constitution stipulates that the organizational principle of our Party is democratic centralism, i.e. "Centralism on the basis of democracy, and democracy under centralized guidance," and the one cannot do without the other.

Genuine collective leadership must be co-ordinated with individual responsibility. Now that vigilant watch has in general been kept over activities disruptive of the Party's

collective leadership, cases of individual decisions on momentous issues have become rarer in our Party. Another deviation, however, manifests itself in certain quarters. It places collective leadership in opposition to individual responsibility, thereby turning leadership by a collective body into responsibility borne by nobody. Individuals become afraid of doing anything on their own responsibility and will call meetings and hold discussions on all matters great and small, or they become timid and cautious, each trying to palm off responsibility on to one another, and even keeping silent when they should speak out or leaving undone what should be done. For instance, in a certain county it took the county Party committee much collective deliberation even to decide on the site of a cow-pen to be built by the local products company. And in a certain county in Yunnan Province, nothing could be done unless the secretary and four deputy-secretaries of the county Party committee had put their signatures jointly to the decision. Such examples show that certain Party organizations at lower levels still badly need a comprehensive grasp of the principle of collective leadership. It remains an important task at present to correctly and repeatedly explain this principle to Party organizations at all levels and to all members of the Party.

Comrades! We are pushing forward along the path of socialist construction, with extremely complex struggles ahead. But so long as the Party firmly adheres to the method of leadership of relying on the masses and "coming from the masses and going back to the masses," so long as it resolutely abides by the principles of co-ordinating a high degree of democracy with a high degree of centralism and co-ordinating collective leadership with individual responsibility, and struggles against the violation of such principles, the Party will raise its leadership to ever higher levels and score fresh victories.

SPEECH BY COMRADE CHEN YUN

Comrades:

I am in full agreement with Comrade Mao Tse-tung's opening speech, and also with the reports made by Comrades Liu Shao-chi, Chou En-lai and Teng Hsiao-ping. I agree to the revised Party Constitution and the Proposals for the Second Five-Year Plan.

Socialist transformation in our country has achieved a great and decisive victory. Whether in the field of industry or handicrafts, agriculture or commerce, the socialist sector is now the only important form of our economy. But both the scope and tempo of this movement in which the non-socialist sector was changed and merged into the socialist sector, made it inevitable that we should be faced with new problems and tasks. I should like to give my views on some problems which have arisen in the wake of the socialist transformation of the non-socialist sector, primarily capitalist industry and commerce, including some problems which the movement has brought to state-owned enterprises.

For seven years our Party and the government have been carrying out the socialist transformation of capitalist industry and commerce. It will take us several more years to bring this work to completion, as much still remains to be done. Following the change-over of capitalist industry and commerce to joint state-private management by whole trades, we have had to consider our practical work from the following three main aspects: (1) in regard to the capitalists; (2) in regard to the workers and employees; and (3) in regard to the conversion of capitalist

industry and commerce into socialist industry and commerce.

Much has been done already in regard to the capitalists. For example, we have fixed the rate of interest on their investments; inventoried their stock and capital; made arrangements regarding their work and livelihood and that of their associates; gradually improved their working relations with the state representatives in enterprises, and so on and so forth.

As to the workers and employees, we have promoted a number of the more outstanding ones to the position of representatives acting for the state in joint state-private enterprises. Meanwhile a new wage scale is being worked out. Under the new scale there will be a gradual increase in wages for those workers and employees in joint state-private enterprises who are getting lower pay than those working in similar state-owned enterprises in the same locality, but there will be no reduction where the wages are higher than those paid in state enterprises. It should be stated that far from sufficient has been done for the workers and employees in joint state-private enterprises in the last six months, and this is gross negligence on our part. These workers and employees have given warm support to the change-over to state-private management, and everywhere they have organized socialist emulation drives. But because we have not done enough work for them, some of them are asking: "How is it that we have even fewer rights and functions than before the change-over?" "Why are the former capitalists still in positions of authority?" The fact that workers and employees entertain such doubts reveals the unsatisfactory state of our work and our shortcomings.

The change-over of capitalist industry and commerce into joint state-private enterprises is a fundamental change of ownership, a change which consists in the transformation, in the main, of capitalist ownership into socialist

ownership. This transformation has resulted in the change of all kinds of relations in joint state-private enterprises. Following the struggle waged in 1952 in all private enterprises against bribery, tax evasion, theft of state property, cheating on government contracts, and stealing of economic information from government sources, it became the rule in every capitalist enterprise for the workers to supervise production and for the trade union to enjoy wide powers over the management of the enterprise. Prior to the recent change-over of private enterprises, it was absolutely necessary to have such supervision of production by the workers. It had a good effect on production in capitalist enterprises and on the process of their transformation. But now that these enterprises have been converted into joint state-private enterprises, the working class should take a further step forward and, instead of merely supervising production, should put into effect direct management by the state, which is led by the working class. Needless to say, in managing these enterprises, the state must rely on the workers and employees, promote the more experienced and outstanding ones from among them to positions of leadership and other administrative jobs, improve and vigorously enforce the various systems of democratic control in the enterprises. The change in the role played by the workers from supervision over to management of production, together with the state-share representatives appointed by government organs is no deterioration, but a further rise in the powers of the working class in the joint state-private enterprises. It is not a setback, but a step forward. As to the capitalists and their associates, whatever position or authority they may still retain in the joint state-private enterprises differs fundamentally from what it was prior to the change-over. The position and authority which they had in the enterprises prior to the change-over consisted in their right to the ownership of the property, and their rights to manage the

enterprise and its personnel. After the change-over, in so far as their right to property ownership has not been entirely abolished, the capitalists can still for a certain period of time draw a fixed interest on their investments. Apart from this, the rights to manage the enterprise and its personnel now no longer belong to the capitalists, but to the state's "special companies for whole trades." The position and authority which the capitalists and their associates still have in joint state-private enterprises has nothing in common with the three rights they enjoyed prior to the change-over. The position and authority given them by the state is no more and no less than what is given to ordinary technical personnel or managerial staff. It is given to the capitalists not as such, but as public servants of the state.

Do industrial and commercial capitalists in our country possess a knowledge of the techniques of production and management? We should say that, unlike the landlords and bureaucrat-capitalists, the overwhelming majority of the national capitalists do in fact possess, in varying degrees, a knowledge of modern techniques of production and management. We need such useful knowledge as they possess. In the future there will certainly be a growing number of engineers, technicians and administrative personnel coming from the ranks of the working class itself; in fact, they have already begun to appear. But under existing circumstances in our country, the national bourgeoisie with its intellectuals has, as a class, a relatively high level of cultural attainment. We should make it clear to all workers and employees that it will not be to the advantage of the cause of the working class if they fail to enlist into its service those national capitalists who are willing to do their bit to build China into a prosperous and powerful socialist country. It does conform to the interests of the working class if these people are allowed to take part in production and management in socialist enterprises, and accorded the same political rights as the rest of the

people of the country. We should explain these things on a wide scale among workers and employees, so that they may understand the changes which take place in the capitalist enterprises following their transformation into joint state-private enterprises; and we should continue to promote a number of those workers and employees who have the proper qualifications to leading positions in enterprises. Leading personnel in enterprises should see to it that the management of their units is democratic, and that, wherever necessary and possible, the working conditions and livelihood of the workers and employees are improved. If these tasks are well carried out, then the misgivings which some workers and employees entertain will naturally disappear.

Such are our tasks with regard to the capitalists and to the workers and employees. Now I wish to deal with some new questions of principle relating to industrial and business management which have cropped up in the transformation of capitalist industry and commerce.

First, as a result of the decisive successes we have achieved in the socialist transformation of capitalist industry and commerce, certain measures taken by state economic departments in the past few years, and particularly in the past two years, to restrict capitalist industry and commerce have now become unnecessary. These measures were indispensable and effective at the time. Now, however, they are quite unwarranted. Not only that, they were not without shortcomings at the time they were enforced. To continue them now would inevitably hamper the further development of the national economy.

The measures I refer to are the following: (1) It was necessary in the past for state commerce to give capitalist industrial enterprises orders for processing and manufacturing goods, and to purchase and market all their products. From now on, it will still be necessary for state commerce to purchase and market all the important prod-

ucts of light industry. But continued indiscriminate application of this method would tend to make certain factories pay less attention to the quality of their products than they used to do when they were marketing their own products, and, consequently, it would hinder the raising of the quality of some industrial goods.

(2) When orders are placed for processing and manufacturing goods and when the state purchases and markets all the products of industrial enterprises, the relations between the state wholesale companies of various levels become such that, in most cases, goods have to be allocated for sale by state wholesale companies at higher levels to those at lower levels. The result is that the work of placing orders with factories is handled only by a few wholesale companies, and shops at the primary level cannot buy directly from the factories in accordance with the needs of consumers. Consequently, the variety and specifications of goods ordered by commercial departments from the factories have become less. It is also unavoidable that the distribution of goods by state wholesale companies to the various localities has in some cases got out of step with local needs as regards both quantity and variety; this has resulted in cases of overstocking in some places while other places are short of supplies.

(3) The methods used for control of markets have put restrictions on private merchants in purchasing, transporting and marketing goods. These methods make the local supply and marketing co-operatives or state commercial enterprises virtually the sole purchasers of agricultural products and products of subsidiary occupations in the villages. There is no competition whatever, and when supply and marketing co-operatives and state commercial enterprises neglect to purchase certain agricultural products and products of subsidiary occupations or offer too low a price for them, the result is a drop in the output of these commodities.

Secondly, in the upsurge of socialist transformation of agriculture, handicrafts and capitalist industry and commerce, it was not easy for us to give guidance to concrete organizational work so as to keep pace with a situation that was developing so rapidly. Mistakes of a temporary and local nature have occurred which we must now rectify as soon as possible. These mistakes are as follows: (1) While co-operation was extending into the field of handicraft industry, too much emphasis was laid on amalgamation and unified management with profit and loss shared in common by all the different units drawn into a co-operative. This has not benefited the management of handicraft production. That is why some handicraft products have deteriorated in quality or become less varied since the handicraftsmen ceased working on their own. Furthermore, both customers and handicraftsmen themselves have experienced many inconveniences since some handicraft service establishments were brought together and placed under unified management. (2) Cases in which amalgamations were blindly carried through also occurred when the transformation of capitalist industry and commerce was at its height, and this gave rise to the same problems as ill-considered mergers of handicraft establishments. (3) When bringing co-operation to agriculture, we did not pay sufficient attention to those subsidiary occupations which were only suitable for co-operative members to run as household industries. Coupled with negative influences from other directions, this has caused a certain drop in the output of some agricultural subsidiary occupations. All the above-mentioned mistakes are of a temporary or local nature. Some of them have been put right while others still remain to be corrected.

What measures should be adopted now to replace those taken in the past to restrict capitalist industry and commerce, and also to effectively rectify mistakes made through lack of experience in the course of socialist transformation?

First, we should change the purchasing and marketing arrangements now established between industrial and commercial enterprises. The system of state commercial departments giving the factories orders for processing and manufacturing goods should be replaced by the system of the factories themselves purchasing raw materials and marketing products. In purchasing industrial products, the commercial departments should adopt the following two methods:

(1) The practice of exclusive purchasing and marketing should be continued so far as this concerns products closely affecting the national welfare and the people's livelihood and products whose variety is limited, for example, cotton yarn, cotton piece-goods, coal, table sugar, etc. This ensures a regular supply of these commodities and a stable market.

(2) As for those consumer goods which exist in a wide variety, the practice of exclusive purchasing and marketing should be gradually discontinued, and replaced by a system of selective purchasing. That is to say, the practice which we followed prior to the winter of 1953 should, in general, be restored on the new basis of our socialist economy. The state commercial departments will have priority in buying commodities of this category. In case they relinquish this priority, or if certain quantities are left over after they have done their purchasing, the goods will be marketed either by the factories themselves or by the commercial departments acting as their commission agents. When contracting to supply factories with raw materials, state commercial departments should not fill the orders partly with materials of standard quality and partly with materials of poor quality. With the exception of the raw materials in short supply, which are distributed by the state alone, all other raw materials should be purchased by the factories on the free market. Wholesale companies at higher levels should not allocate commodities for sale to

those under their control. Shops at lower levels may make such purchases as they think fit from any wholesale organization in the country; they may also make purchases directly from the factories. Such a system of selective purchasing to govern relations between industrial and commercial enterprises as well as between higher and lower commercial organizations, is meant to make the factories pay close attention to market conditions and improve the quality of their products. The new arrangements are also designed to make the shops keener about the needs of customers, and prevent any reduction in the range of goods offered for sale. Such a system of selective purchasing is also applicable to many handicraft products.

Secondly, it is essential that a considerable proportion of industrial and handicraft establishments, agricultural subsidiary occupations and commercial enterprises should be separate units of production under separate management. The tendency to blindly amalgamate and unify managements which results from a one-sided view of things, must be checked.

True, some joint state-private factories should be merged and put under unified management. But taking the country as a whole, most of them should continue to be operated separately, either exactly as before or with some necessary readjustments. The great majority of joint state-private factories are manufacturing consumer goods, and the people's needs for such goods are very varied and constantly changing. If a large number of small factories are merged into larger ones, producers will become less responsive to the changing conditions of the market. Take cotton prints for instance. A small machine-dyeing works may use a pattern for only 50-60 bolts of cloth. That is why it is able to suit the people's needs by constantly changing its patterns. But this is not the case with large machine-dyeing works where each pattern is used for 300-500 bolts at least, because any change in the pattern involves a major

change in the working process. If we were to merge all our small factories into larger ones, we would never be able to satisfy the people's diverse and ever-changing demands for consumer goods.

We should remember that, before the liberation, the patterns and variety of consumer goods were no less than at present, and that most of the factories producing such consumer goods were of small size. Some comrades, thinking that production can be increased by merging small factories into larger ones, are bent on amalgamation all the time. We must, of course, have a certain number of large factories, because many of the most important industrial products have to be manufactured on a large scale. The increase in production of many consumer goods achieved after a merger of factories is, however, mainly due to a decrease in the variety and specifications of commodities made and, hence, a greater concentration of productive effort. Such "rationalization" cannot meet all the people's demands for consumer goods. That is why we should not encourage ill-advised amalgamations.

Part of the handicraft trades engaged in manufacture can be appropriately amalgamated, but the great majority of the service trades and many of the manufacturing trades should not be amalgamated. In order to put an end to the uniformity of products and the drop in the quality of service resulting from blind amalgamation and blind implementation of the method of unified management with profit and loss shared in common by the various units drawn into a co-operative, many big co-operatives must be reorganized into small ones, and the calculation of the over-all profit and loss of the whole co-operative society should be replaced by another system, that is, the different co-operative teams and individual households should themselves shoulder responsibility for their own profit and loss. Such a change will be suitable not only for the great majority of service trades but for a number of manufacturing trades as well.

Handicrafts are generally of a scattered, and local character; therefore, the primary-level co-operatives should, in the main, engage in purchasing and marketing on their own. The central authorities as well as the provincial and municipal leading organs of the handicraft industry and the combined co-operatives of most trades should only give guidance in respect of principle and policy and not undertake purchasing and marketing operations themselves.

In the field of commerce, there should also be appropriate decentralization where too many organs have been amalgamated. The method with which small traders and pedlars ply their separate trades within a co-operative team should be preserved for a long time to come. Certain state wholesale concerns, such as department stores and stationers, should try to get back those business personnel of different trades and specializations who were formerly employed in the privately-owned wholesale shops but have now changed their trades. And wholesale shops of separate trades should be set up within state wholesale trading companies, so that the over-simplified division of labour and low level of professional skill which at present characterize state wholesale concerns such as department stores and stationers may be gradually rectified. In order to meet the needs of factories, shops, cultural and educational departments and other organizations for the numerous kinds of imported commodities, the Ministry of Foreign Trade should organize those import companies which were formerly privately-operated but are now under joint state-private management into import shops specializing in those commodities in which they used to or can specialize. It should get part of the professional personnel who did various kinds of import work in concerns run by foreign merchants in the past, to participate in the work of these import shops. The few state import companies which monopolize the whole import **business** at present and still have a low level of professional

skill, cannot meet the needs of society. We must put an end to this state of affairs.

The production of grain and industrial crops and part of the subsidiary occupations in the agricultural producers' co-operatives should be collectively managed by the co-operatives. But many subsidiary occupations should be separately managed by members. The state of affairs where everything is indiscriminately managed by the co-operative must be altered. Only by giving a free hand to the members in their individual management of many subsidiary occupations can the production of different sorts of subsidiary occupations be increased, the needs of the market be met and the co-operative members' income raised. In places where co-operative members, on the average, have more land, we should, if it does not affect the yield of the staple farm products of the co-operative, consider whether it is advisable to let the members have a bit more land for their private use, so that they can plant crops for fodder to raise pigs and increase the production of subsidiary occupations.

The work of reorganizing former capitalist industrial and commercial enterprises is just beginning and we are arranging the collective and scattered management of industry, commerce and agriculture. We must correct our mistake of focusing attention on centralized production and management while neglecting scattered production and management. Otherwise, the defects already seen in production, in circulation and in service to consumers will get worse.

Thirdly, we must cross out from our regulations governing market control all those provisions which were meant to restrict the speculative activities of capitalist industry and commerce. In order to control grain, industrial crops and various other kinds of farm produce and check the speculative activities of the capitalists, the state, in the past, restricted the private merchants' purchases in the rural markets. This was, of course, justified. In future, it is still

necessary for all grain, industrial crops and important products of peasant subsidiary occupations to be purchased by the state or by the supply and marketing co-operatives as agents of the state, but part of the products of peasant subsidiary occupations, for instance, minor local products, now purchased in a unified way by local supply and marketing co-operatives, should be allowed to be freely purchased, transported and marketed by state shops, co-operative shops, co-operative groups and supply and marketing co-operatives in different parts of the country. Mutual exclusiveness in purchasing should be prohibited. By so doing we shall be able to prevent the production of minor local products from being reduced because of any negligence on the part of the supply and marketing co-operatives or because of low prices. This will also help the goods circulate more freely. If everybody wants to buy something and a drain on supplies results, we should, with the leadership of the local authorities or the Party, distribute the available supply according to the degree of the urgency of the needs of various purchasing units. If supply exceeds demand for a period in a certain range of goods and all purchasing agencies are on the point of reducing prices, the supply and marketing co-operatives should purchase the goods in question at ordinary prices so that the peasant producers will not suffer a loss. Those provisions in the regulations for controlling industry and commerce which are out of keeping with the situation today should be revised in order to meet the needs of free purchasing, marketing and transportation. In our regulations governing payments of bank remittances we must alter all those mechanical restrictions which lead to such absurdities as not permitting "money allocated to buy vinegar to be used to buy soya bean sauce," or which prevented money remitted to one place from being used in another. All those regulations drawn up by the departments in charge of tax-collecting or transport and the post offices which were meant to restrict specula-

tive activities in their respective fields should be revised in the light of changed conditions to permit a free exchange of commodities.

Fourthly, we must so frame our price policy as to facilitate production. Since March 1950, the government has slightly raised procurement prices for farm produce, and marketing prices for industrial and agricultural products have been generally stable. The price policy has been correct and has successfully stimulated the growth of our industrial and agricultural production. Our procurement prices for staple farm produce have been correct. But procurement prices for some farm produce were fixed somewhat too low, thus harming production. These should be readjusted. Since the practice of placing orders by the state with enterprises for processing and manufacturing goods was replaced by that of allowing factories to purchase their own raw materials and market their products, the unfair procurement prices fixed for some industrial products have been adjusted.

Our present price policy has an element which is unfavourable to production. That is, in marketing, we think of stabilizing prices simply as "unifying prices" or "freezing prices." As a result, differences in prices between goods of different quality are very small and high-quality goods are denied high prices. Such a price policy cannot encourage improvement in the quality of goods; it will only encourage the lowering of quality. In our market control, use of the method of fixing prices through consultation played its role for a time in stopping private merchants from raising prices. Before March 1950, the country had passed through twelve years of currency inflation and price fluctuations. It was quite understandable therefore that the people throughout the country should be afraid of price fluctuations and demanded stabilized prices. But we must note that a wrong price policy is bound to impair production. Therefore, we should not become worried if prices

go up for a time within certain limits under one of the three conditions described below:

(1) Since we will fix prices according to the quality of goods, prices for high-quality products whose production costs are higher, will be duly raised. We should take note of the fact that deterioration in the quality of goods is the worst price jump. For instance, if an electric bulb, otherwise good for a whole year, can now only last three months because its quality has fallen off, this means that its price has actually gone up four times. As the quality of certain consumer goods is found to be falling off, we are actually reducing commodity prices if we arrange that high prices will be paid for high-quality goods.

(2) New varieties of consumer goods should be allowed to be sold at somewhat higher prices than ordinary during the period when they are being manufactured for the market for the first time, and as long as consumers are willing to pay such prices. This is necessary because when they are first made the cost of new varieties of goods is generally high. But once they are being produced in large quantities and consequently at lower costs, they may reduce their prices as far as conditions permit. The situation at present is that there are less varieties in certain consumer goods; and unless we adopt such a price policy, there will be no incentive to produce new varieties of consumer goods.

(3) With regard to certain minor local products, immediately after the loosening of market controls and the introduction of free purchasing, transporting and marketing, purchasing prices will be apt to go up, which in turn will cause a corresponding rise in marketing prices in the cities. It should be noted that if we fail to adopt the policy of free purchasing, transporting and marketing and, instead, allow the local supply and marketing co-operatives or the state trading companies to continue as sole purchasers of these minor local products, the production of many of these items will fall off. When the supply of these local products

falls short of urban demand, with the government unable to do anything about it, then people needing such products will all help to boost their prices. The present steep rise in the prices of several kinds of medicinal herbs is a proof of this. On the other hand, when some of these local products are again brought into the market through free purchasing and free trading, rising prices will only be a temporary phenomenon. Moreover, the range of the price rise can still be kept under our control. The increased prices will give an impetus to the production of these commodities; and when a balance is reached between supply and demand, prices will come down to their normal level. In regard to these minor local products, we should adopt the policy of free purchasing and free trading without getting alarmed at a certain temporary rise in prices that may well be anticipated. What we must avoid is a steep rise in prices due to a drop in production. It should be understood that marketing prices are determined by purchasing prices and that price stability comes only as a result of a considerable increase in production.

People may wonder if we can still keep prices stable after we have adopted the above-mentioned price policy and put into effect the system of selective purchasing of articles of daily use by the state commercial departments. We believe we can. In the case of such daily necessities as grain and cloth, we shall continue the system of planned purchase and planned marketing by the state. Now the annual value of output of minor local products which are to be bought and sold on the open market is no more than 4,000 million yuan. The value of output of the articles of daily use falling within the scope of the selective purchasing scheme is also approximately 4,000 million yuan. The handicraft products to be purchased by the state on a selective basis, or directly marketed by producers, come up to another 4,000 million yuan. All told, the value of output of these commodities is 12,000 million yuan. This will make up only a

little more than one-fourth of the total turnover of this year's retail trade, which will be 46,000 million yuan, while the important commodities which constitute three-fourths of our domestic trade will still be bought and distributed by the state. Besides, up to 1954, most of the 4,000 million yuan worth of the annual output of minor local products and the 4,000 million yuan worth of the annual output of daily necessities, which will be brought under the selective purchasing scheme, used to be bought and sold by private merchants. And the 4,000 million yuan worth of the annual output of handicraft products had always been freely sold by the handicraftsmen themselves before the co-operative movement reached the handicraft industry in the spring of this year. And as we succeeded in stabilizing prices in the years preceding 1954, why can't we do the same at a time when all capitalist industry and commerce have come under joint state-private ownership, when the overwhelming majority of handicraftsmen and pedlars have been organized into co-operatives, and when the forces of socialist economy have been greatly strengthened? There is absolutely no reason for us to doubt this. We shall certainly be able to keep prices stable.

Fifthly, suitable changes should be made in the state's planned control over certain products. Our state plans, whether long-term or annual, make provisions only for a few kinds of articles of daily use, handicraft products and minor local products. Apart from these, no detailed plan is made for particular commodities in these categories. This arrangement is justified. On the other hand, the state plan does specify the value of their annual output and, in the case of departments manufacturing articles of daily use, targets are set for reduction of costs, raising the level of productivity of labour and the amount of profits to be handed over to the state treasury. Not all these targets are based on fully accurate data; most of them are based only on estimates. Because these targets are set in the

state plan, which is handed down from one rung of the administrative ladder to another, and because the marketing of the products of a factory is done exclusively by the state commercial departments, the factories manufacturing articles of daily use often concentrate only on the fulfilment of targets relating to value of production and profits, while giving insufficient attention to whether their products meet the needs of consumers. Henceforth, these targets in the state plan should be taken merely as figures for reference. Factories manufacturing articles of daily use should be allowed to make their own production plans in the light of market conditions without being tied down to the reference figures in the state plan. As for the profits to be handed over to the state treasury, the amount should be determined by the factories' actual receipts at the end of the year. Provided the enterprises concerned strictly abide by the financial regulations of the state governing their expenditure, the state will not suffer any loss if the profits to be handed in to the national treasury are fixed according to actual receipts at the end of the year.

Since there is no need for the state plan to set rigid targets for many of the factories and commercial departments, we should not waste more money and labour in collecting much statistical information that has turned out to be useless. Thus, the number of statisticians can be drastically reduced. At present, many statisticians in commercial departments are working on figures that are not of much use.

As we are engaged in converting capitalist industry and commerce into socialist enterprises, we might ask ourselves what should be our principles in directing the production and management of such enterprises? Certainly we shall not allow consumer goods to deteriorate in quality or decrease in variety; nor shall there be any drop in the output of agricultural subsidiary occupations or deterioration in the work of the service trades. On the contrary, we

must improve the quality of consumer goods, increase their variety, expand industrial and agricultural production and improve the work of the service trades. The five measures mentioned above are designed precisely to help the conversion of capitalist industry and commerce into socialist industry and commerce in the interests of the people.

To sum up: In regard to a part of our commodities, we should use either the method of selective purchasing by state commercial departments or allow the producers to market their own products. A large number of small factories should continue to operate independently, while many handicraft co-operatives should be split into smaller ones with the component teams or households managed separately. Members of agricultural co-operatives should be allowed to take up different kinds of subsidiary occupations on their own. Minor local products should be freed from market control. We need not fear that the prices of some commodities will rise for a short time within certain limits. The methods of planned management of some branches of the economy should be suitably modified.

Will all these measures combine to bring about the danger of re-emergence of a capitalist free market in our country? No, that will never be the case. The adoption of the above-mentioned measures will never lead to re-emergence of a capitalist market, but will further the growth of a socialist market adapted to our conditions and the needs of the people. The general state of our socialist economy will be as follows: In the production and management of industry and commerce, the mainstay will be either state or collective management, to be supplemented by a certain minor proportion of individual management. As regards planning, the bulk of the industrial and agricultural output of the country will be produced according to plan; but, at the same time, a certain amount of production will be carried on freely, with the changing conditions of the market as its guide and within the scope prescribed by the state plan.

In industrial and agricultural production, planned production will be the mainstay, to be supplemented by free production carried on within the scope prescribed by the state plan and in accordance with market fluctuations. This kind of market under a socialist economy is in no way a capitalist free market, but a unified socialist market. In this unified socialist market, the state market is the mainstay, and attached to it is a free market of certain proportions under the guidance of the state. The free market is under the guidance of the state and supplements the state market. Consequently, it is a component part of the unified socialist market.

The adoption of the above-mentioned measures will help us solve a number of problems now existing in our state market. At the same time, however, it may bring forth new problems, the solution of which will require further efforts. As we still lack the necessary experience in these matters, the measures I have just described must therefore be implemented with caution, that is, with a view to steady advance and gradual extension on the basis of experience gained through trial.

SPEECH BY COMRADE TENG TSE-HUI

*Director of the Department of Rural Work
of the Central Committee of the
Communist Party of China*

Comrades:

I am in full agreement with the political report of the Central Committee, the report on the revision of the Party Constitution, and the report on the Proposals for the Second Five-Year Plan for Development of the National Economy. I believe that the political and organizational lines of the Central Committee headed by Comrade Mao Tse-tung since the Seventh Congress have been entirely correct. These reports sum up in a systematic and masterly way the experience our Party has gained and the lessons it has learnt since the Seventh Congress and correctly define the policy, tasks and principles for the next stage of our national construction and the building of our Party. Today I should like to express some views about the question of the peasant movement and the alliance between workers and peasants.

Old China was a semi-feudal, semi-colonial, backward agricultural country; it was also a vast land with a huge population of which the overwhelming majority were peasants, mostly semi-proletarian poor peasants, highly revolutionary and possessing a fine tradition of armed struggle. Under such circumstances, the Chinese working class and the Chinese Communist Party must look upon the peasantry as the main revolutionary force if they were to accomplish the revolution. In the socialist construction

following the victory of the revolution, agriculture is the basic factor for the expansion of industry, and in the process of industrialization the five hundred million peasants hold an extremely important place. This is a fundamental characteristic of the Chinese revolution. Therefore, a correct understanding of the important role of the peasantry and the working out of a correct solution for the question of the worker-peasant alliance is the basic guarantee not only for the victory of the Chinese revolution, but also for the triumph of socialist construction in the future.

During the period of the democratic revolution, all "Leftist" and Rightist opportunists made mistakes on the peasant question. Failure to understand the characteristics of the Chinese revolution and the big role of the Chinese peasantry in the revolution, to rely on them as the main force in the revolution — that, in the main, was common to all "Leftist" and Rightist mistakes. Herein also lies the fundamental difference between the "Leftist" and Rightist opportunists and the Marxist-Leninists on the question of the alliance between the workers and peasants. It was only the correct leadership represented by Comrade Mao Tse-tung that had a real understanding of the characteristics of the Chinese revolution and the great role of the Chinese peasantry in it. That leadership laid down the basic line of relying on the peasants to carry out the revolution under the leadership of the Party, and thus correctly tackled the question of worker-peasant alliance. It determined that the path to be followed in the Chinese revolution was not that of the urban workers staging uprisings to capture power, but that of the peasants building revolutionary bases in the countryside to organize revolutionary armed forces and expand the strength of the revolution, thus creating a situation in which the cities would be surrounded by the villages, and paving the way for the liberation of the cities and finally of the whole country. In this way, the actual path to be followed by the Chinese revolution was cor-

rectly mapped out. In the rectification campaigns after 1942 and the Seventh Congress of our Party the above-mentioned mistakes were thoroughly criticized from the ideological viewpoint, thereby raising the ideological level of the Party cadres. After the Seventh Congress, serious efforts were made in the various revolutionary bases to mobilize the peasants and gather tremendous strength for the revolution. This is the most essential factor that made it possible for us to win the liberation war so rapidly.

During the period of the socialist revolution, the Party has criticized the Rightist tendency to remain satisfied with the existing small-peasant economy, pointing out the struggle between socialism and capitalism for the capture of positions in the countryside and directing attention to the fact that further consolidation of the alliance between the workers and peasants could only be effected by introducing co-operation in agriculture. A year ago, when an upsurge was about to occur in agricultural co-operation, Comrade Mao Tse-tung and the Sixth Plenary Session of the Seventh Central Committee systematically criticized Rightist ideas in regard to co-operation in agriculture. This touched off a high tide of agricultural co-operation throughout the country. Agricultural co-operation was accomplished in the main within a short period. At the same time this gave rise to an upsurge in the socialist transformation of private industry and commerce. As a result, a decisive victory was attained in the socialist revolution in our country.

In the course of the democratic revolution and the socialist revolution, our Party has accumulated, over more than thirty years, a wealth of experience in the peasant movement and the steady consolidation of the worker-peasant alliance. In my opinion, there are three points of cardinal importance:

1. We must resolutely stand for the fundamental interests of the peasants and we must know how to meet the immediate demands of the peasants' personal interests.

During the period of the democratic revolution, the fundamental interest of the peasants was to obtain land. If we had not put forward a correct anti-feudal land programme, if we had not put up a real fight for the realization of this programme, it would have been impossible for the working class to establish a revolutionary alliance with the peasants, and it would have been impossible for us to rouse the peasants to action, enlist their active support and win the revolutionary war. During the present period of the socialist revolution, the main desire of the peasants has been to raise production and increase their income, thus steadily improving their own livelihood. This can only take place, however, when agricultural co-operation is put into practice and the peasants resolutely take the path of socialism. Therefore, if we had not put forward the general line of socialist transformation at the right time and had not led the peasants on to the path of co-operation, it would have been impossible for us to have led them to shake off once and for all the yoke of exploitation and poverty, and it would be impossible for us to consolidate the worker-peasant alliance in this new period in our history.

However, at the outset not all the peasants had the determination to fight for their basic interests. We must ascertain the fundamental desires of the peasants at each stage of the revolution and mobilize them to struggle for their immediate interests and, through their personal experiences in the struggle, gradually raise their class consciousness and faith in final victory. Only thus can we guide the peasants, step by step, to advance from a lower to a higher form of struggle and ultimately gain their fundamental desires.

It is precisely on this account that during the land reform we did not get down to the business of confiscating and distributing land at the outset. Being aware of the imperative desire of the peasants to oppose the influential circles of the landlord class, we started with the struggle

“for suppressing banditry and local despots” and followed it up with the struggle “for the reduction of rent and interest.” Then we switched to the final stage—confiscation and distribution of the landlords’ land and other belongings. This was not merely the case after the liberation of the whole country. For during the agrarian revolution in the civil war period and the land reform in the newly-liberated areas after the Japanese surrender, we also went through the same process: struggles “against exorbitant taxes and miscellaneous levies,” “against local bullies and bad gentry,” “against traitors,” “for reduction of rent and interest,” etc. Again, in the agricultural co-operative movement, we did not immediately start setting up advanced producers’ co-operatives. Instead, we worked indirectly and adopted some transitional forms. Being aware that after the land reform the peasants still had difficulty in production and therefore their main desire was for mutual aid, we mobilized them to organize all types of mutual-aid teams. When they could see for themselves the advantages of collective working and desired to develop production further, we proceeded to organize the kind of elementary, semi-socialist co-operative, in which land was placed under common ownership but dividends on land shares and labour power were paid at a fixed ratio. Only later did we introduce the advanced producers’ co-operative of an entirely socialist character, based on the principle of payment according to work. Thus we gradually got to the heart of things, slowly raising the work to a higher level, and all the time working for gradual transition. Facts have proved that these measures are entirely in conformity with the laws of development of the peasant movement. They are absolutely necessary and have been immensely successful.

2. We must firmly rely on the poor peasants and closely unite with the middle peasants.

As long as a distinction can still be drawn between the poor and the middle peasants, the Party must adopt the

policy of firmly relying on the former and closely uniting with the latter. Only thus can there be a really solid worker-peasant alliance. If in the land reform we had not firmly relied on the poor peasants and organized first the poor peasants and then the middle peasants, training the poor peasants and making them the mainstay in the movement, the middle peasants would not have come close to us, the enemy would not have surrendered, and the movement would have lost its drive or even petered out half-way. Since the land reform, a large number of poor peasants have moved up to become new middle peasants; but with the exception of a few upper middle peasants among them, they remain economically insecure and politically they actively support our Party. Therefore, such new middle peasants are still as reliable a force as the poor peasants. The Party's policy in this period is hence to rely firmly on the poor and the lower middle peasants and closely unite with the upper middle peasants, to draw into the co-operatives first the poor and the lower middle peasants and then the upper middle peasants, and to establish the leadership of the poor and the lower middle peasants in the co-operatives so that they will be in firm control. The mistake of Rightist conservatism that I myself and some comrades engaged in rural work committed on the eve of the upsurge of the socialist revolution was essentially due to the fact that we dared not firmly rely on the poor and the lower middle peasants to march forward in bold strides, because we underestimated their enthusiasm for the co-operative movement and were scared by the vacillation of the upper middle peasants.

However, if we had confined our attention to relying on the poor peasants and neglected to unite with the middle peasants; if we had not firmly protected the interests of the middle peasants during the land reform or firmly adhered to the principles of voluntariness and mutual benefit during the co-operative movement; if we had applied pressure on

the middle peasants instead of patiently waiting until they were enlightened, and encroached on their economic interests instead of giving them due consideration; or if we had not made efforts to draw the representative figures among the middle peasants into the leadership of the peasants' associations and co-operatives, then our Party as well as the poor peasants would have been isolated, and a solid worker-peasant alliance could not have been formed.

Apart from firmly relying on the poor peasants and closely uniting with the middle peasants, it is necessary for the Party's class policy in the countryside to approach different cases in different ways with regard to landlords and rich peasants. During the land reform, we confiscated the property of the landlords but allowed them to retain a portion to which they were entitled. We dealt resolute blows at the local despots among the landlords and those who resisted or engaged in disruptive activities. But we took an attitude of comparative leniency towards the middle and small landlords, and pursued a protective policy with regard to those who rented out small portions of land. As to the rich peasants, we only requisitioned that part of their land which was rented out and stopped their practice of usury, leaving the rest of their property intact, so as to induce them to remain neutral in the land reform. At the outset of the co-operative movement, we strictly prohibited the admission of landlords and rich peasants into the co-operatives. But since the upsurge of the movement, we have permitted them to join as members or probationary members or to take part in the work of the co-operatives. As we can see now, this policy of approaching different cases in different ways is entirely correct and has produced good results. On the other hand, such "Leftist" measures as waging indiscriminating struggles against everybody and acting on the slogan of "Down with all!" would in fact not only fail to disintegrate the enemy ranks, but would cut us off from our own masses, and make them feel that we have

gone too far. The result would be that the masses would sympathize with the enemies and thus strengthen the enemies' resistance. Such excessively "Leftist" measures are obviously wrong and run counter to the Party's policy.

3. From start to finish we must stick to the mass line in our work.

The Party is the vanguard of the working people. It is also the working people's servant, not their master nor a philanthropist; and revolution cannot be brought about by means of issuing orders or granting favours. History has been made by the people, and the people have always relied on their own efforts to achieve liberation. The Party's task in the peasant movement is to awaken the peasants' class consciousness so that they will take action to shape their own destiny. To take matters out of the peasants' hands and settle them on their behalf or to grant them favours will end in stifling their initiative and making it impossible for them to take voluntary action; it is extremely harmful.

Our Party's thirty-odd years' experience in the peasant movement has proved the following point. The peasant masses must be fully aroused, and they should consciously organize themselves, take action, establish their political superiority in the rural districts, vanquish their enemies and liberate themselves through their own exertions. If, on the contrary, the peasant masses depend on outside forces, which issue orders to them or take matters out of their hands and settle them on their behalf, or do them favours and grant them privileges, then they can never achieve liberation and their gains, if any, will prove temporary and insecure, while the worker-peasant alliance set up under such circumstances will be a mere formality incapable of weathering any storm, and consequently can never be solid.

How, then, should the peasant masses be aroused so that they can take conscious and voluntary actions and establish

their superiority in the rural districts? Our past experience has shown that we must carry on a painstaking, deep-going and lively ideological education among the peasants by linking it with their actual experience; that we must go into the midst of the masses and adopt the organizational method of "taking root and sending forth branches," i.e. discovering and training activists among the farm labourers and poor peasants and, through them, forming ties with the masses and setting the masses in activity; that we must advance the peasant movement by the tactics of "spreading from a few points to a whole area" and "co-ordinating emphasis on typical points with extension over the whole area"; and that when we rectify excesses we must keep unimpaired the activity and enthusiasm of the masses and rely on their own awakening to overcome the inevitable mistakes in the movement. Past experience has shown that whenever things were done this way, the peasant masses could certainly be aroused and grow into a gigantic political force, thereby consolidating the worker-peasant alliance. On the other hand, if we had done the opposite, if, instead of carrying on ideological education among the peasants, we had resorted to windy preaching detached from reality; if, instead of employing the organizational method of "taking root and sending forth branches," we had contented ourselves with holding mass meetings and asking the peasants to enter their names as members of peasants' associations; if, in advancing the movement, instead of applying the tactics of "spreading from a few points to a whole area" and of "co-ordinating emphasis on typical points with extension over the whole area," we had adopted the method of "making fire burn in every village and smoke rise from every chimney," or of "stirring the masses to rise in swarms"; and if, in rectifying the excesses, instead of using persuasion to enable the masses to correct the mistakes themselves, we had "poured cold water" on their activity and enthusiasm; then it is absolutely certain

that the peasant masses could not have been aroused, or, if they had been aroused and had risen up, they would have been routed. There would have been no real peasant movement and no solid worker-peasant alliance; and consequently, it would have been impossible to build up the prestige of the Party's leadership among the peasants.

Agricultural co-operation in our country has been basically realized, and the worker-peasant alliance has thus entered upon a new historical stage. In the new conditions, the maintenance and further strengthening of our Party's close relations with the peasantry by the proper application of our valuable past experience is a task of great significance for the further consolidation of the worker-peasant alliance on a socialist basis. Many comrades have an erroneous impression: they think that since the peasantry has changed over to socialist collectivism, the question of worker-peasant alliance is no longer important and close attention no longer needs to be given to the interests of the peasants. In their opinion, now that the peasants are organized, we can take advantage of the favourable situation and rely in our work among the peasants on administrative decrees rather than on the mass line. These are dangerous views to take. While it is true that a fundamental change has taken place in the relations of production in the countryside, with the peasants now engaged in collective instead of individual farming, and while it is equally true that old contradictions and old problems have been resolved, it must be borne in mind that new contradictions are constantly rising and new problems will continue to crop up. If we were to lose sight of this and think that, the goal of agricultural co-operation having been achieved, it would be all smooth sailing from now on, if we were to think that the interests of the peasants are no longer a matter for our deep concern, and, feeling blessedly unconcerned about the life of the masses, reduce our work

among them to a simple basis of subjectivism and commandism, then the worker-peasant alliance would be insecure and might even be jeopardized. In order to improve our work among the peasants under the new conditions and strengthen the worker-peasant alliance by consolidating the existing agricultural co-operatives, I believe that, besides thoroughly fulfilling the directives issued by the Central Committee of the Party and the State Council on September 12 last regarding the strengthening of leadership over production and of organization of the agricultural co-operatives, we must correctly deal with the following five problems:

1. In the course of industrialization a proper balance must be maintained between industrial and agricultural development.

In the historical period we have now entered upon, the gradual modernization of agriculture, side by side with industrialization, is the new economic basis of the worker-peasant alliance. Clearly, without the development of heavy industry it would be impossible to make a fundamental reform of our agricultural techniques and achieve the modernization of agriculture so as to obtain a large increase in agricultural productivity. In such an event it would be impossible for the peasants to become prosperous and cast off once and for all their age-long poverty and privation. Clearly, too, without the development of light industry it would be impossible to satisfy the ever-growing demands of the peasants for industrial goods needed in their production and daily life. Thus it can be seen that the industrialization of the country is in the fundamental interest of the whole people, including the 500 million peasants. Unless this basic link is well cared for, it would be impossible to maintain and strengthen the worker-peasant alliance.

But the development of industry requires a corresponding development of agriculture. Should agricultural produc-

tion fall behind the demands of industrial development, that is, should it fail to meet the requirements of a developing industry in respect of foodstuffs, raw materials, accumulation of funds and an expanding market for its manufactures, then the result would be to slow down the pace of industrial development, and possibly even give rise to a tension in the relations between the workers and the peasants. It will be recalled that because of the fairly heavy losses suffered by agriculture in 1954 due to one of the worst floods in Chinese history, the pace of industrial development was affected throughout 1955 and there was tension in the grain market in the spring of that year. Therefore, we must draw up a correct plan, throw in the necessary investments and make vigorous efforts to ensure that our relatively backward agriculture will keep in step with the developing industry. Unless this aspect of our work is well taken care of, it would also be impossible to maintain and strengthen the worker-peasant alliance.

Thus it can be seen that the maintenance of balance between industrial and agricultural development is a task of decisive importance for further consolidation of the worker-peasant alliance. The matter has been correctly dealt with in the First Five-Year Plan of socialist construction, in the proposals of the Party's Central Committee for the Second Five-Year Plan, and in the report delivered by Comrade Chou En-lai. We should follow the correct line thus laid down and push our work forward.

2. Effective and vigorous measures must be taken to increase agricultural production.

The expansion of agricultural production not only conforms to the interests of industrialization and the long-range interests of the peasants, it also meets the immediate urgent needs of the peasants. Only by helping the peasants to increase production and improve their livelihood can we consolidate the present agricultural co-operatives; only thus can we consolidate our worker-peasant alliance and

lead the peasants to march forward hand in hand with the workers in achieving the task of building socialism.

Owing to the restrictions imposed by our industrial capacity and economic resources, we cannot expect to have large quantities of agricultural machinery and chemical fertilizers in the near future, or to greatly expand the acreage under cultivation by large-scale reclamation of waste-land. In the present circumstances our principal means of increasing agricultural production lie in taking all possible measures to raise the multiple-crop index and yield per unit-area of the land already under cultivation, while at the same time, so far as conditions permit, a certain amount of waste-land should be reclaimed to increase the cultivated area. For the present these will be our primary means of increasing agricultural production. On the other hand, it must be emphasized that our country is richly endowed by nature and possesses vast manpower resources and age-long experience of intensive farming and, in addition, has practically achieved agricultural co-operation on a nation-wide scale. With these favourable conditions, we are in a position to fully exploit the great latent productivity of the land by relying on the labour enthusiasm and creative ability of our peasants, now engaged in co-operative farming. Provided that energetic measures are taken to develop water conservancy and prevent flood, to find new fertilizer resources and improve the soil, to make extensive use of improved seeds and new-type agricultural implements, to eliminate insect pests and plant diseases, to improve farming technique and reform our cropping system, then we shall certainly be able to raise the multiple-crop index and the yield per unit-area so as to increase our total agricultural output. This has already been made clear in the reports delivered by Comrades Liu Shao-chi and Chou En-lai. We should follow the direction they have pointed out and vigorously carry out the various measures just mentioned. It would be wrong for any of us to remain

passive or conservative in this respect. But at the same time we must take into account the diversity of local conditions, aim at steady progress and act resolutely against all forms of subjectivism and arbitrary action. Judging from our experience in the past few years, we shall certainly be able to fulfil or overfulfil the target of increased agricultural production set by the Second Five-Year Plan, if we do a good job in carrying out the various measures I have just mentioned.

In their reports, Comrades Liu Shao-chi and Chou En-lai have pointed out another way of expanding agricultural production, that is, to develop a diversified agricultural economy. The peasants of our country have a tradition of diversified work. Since there is not sufficient arable land in our country, the peasants in many districts cannot live on farming alone. They have to find various other means of subsistence. Thus, while we emphasize the increase of grain and cotton output, we should also develop animal husbandry, forestry, fishery, horticulture, transport, handicrafts and other subsidiary occupations suited to the local conditions. Production in these fields and agricultural production proper are interdependent and mutually supplementary. It would be disadvantageous to emphasize one and neglect the other. Further, we must maintain a suitable proportion between the production of grain and that of industrial crops. At present there is a sort of contention for land between grain-growing and the growing of industrial crops, and there is a shortage of fodder. These call for our attention. Our grain production is by no means sufficient. In certain areas, such as the provinces of the North China Plain, the per capita yield of grain is the lowest in the whole country, while at the same time the production of such major industrial crops as cotton, peanuts and soya beans is concentrated there. A similar situation can be found in some other areas. Whether to grow grain or industrial crops — such is the dilemma in which the

peasants of these areas find themselves. In order to solve the grain problem of these areas and at the same time guarantee the production of industrial crops according to plan, we must of course redouble our efforts to increase grain production with the above-mentioned measures. But apart from this, I think it is quite necessary that the state should suitably increase agricultural investment for water-conservancy projects in these areas so as to entirely remove the menace of floods, extend irrigated areas and, if conditions are favourable, reclaim some waste-land.

In order to develop both agricultural and subsidiary production, it is also necessary to adopt a correct price policy and to carry out the purchase of agricultural products satisfactorily. Reasonable prices will give impetus to agricultural and subsidiary production, whereas unreasonable prices will act unfavourably on production, as the peasants will find it unprofitable. At present, the procurement prices for agricultural and subsidiary products are on the whole reasonable, and in general purchasing is done satisfactorily. But for certain products the procurement prices are still unreasonable and the purchasing procedure is too complicated, and purchasing personnel are not all well-mannered. These act to some extent unfavourably on agricultural and subsidiary production. In order that agricultural and subsidiary production may thrive, we must have the unreasonable prices properly readjusted and the purchasing procedure simplified. We must see to it that the co-operatives and peasants are benefited and that buying and selling are made convenient, so as to raise their enthusiasm for production. Of course, in readjusting the prices, we must take care to maintain a reasonable ratio between the prices of various goods so as to prevent a series of subsequent rises in turn in commodity prices.

3. It is necessary to deal correctly with the relation between the state and the peasants, and primarily, the rela-

tion between the state's accumulation of capital funds and the individual consumption of the peasants.

For the sake of our great socialist construction, it is necessary to accumulate a certain amount of capital funds from agriculture. Such accumulation has for its purpose the creation of a happier future for the peasants as well as for all the working people, and is therefore in the fundamental interest of the peasants. But if this accumulation is carried on to such an excess or at such a rate that the standard of living of the peasants is lowered instead of being raised year by year with the increase of production, then the peasants will feel discontented, the worker-peasant alliance will be affected, and the successful progress of the state's construction task will be impeded. Of course, the state's accumulation of capital funds must not be too much reduced either, or our industrialization will be retarded, which will be equally disadvantageous to the consolidation of the worker-peasant alliance.

Thus it can be seen that a correct handling of this relation together with a correct ratio between the state's accumulation of capital funds and the peasants' individual consumption is an important aspect in the consolidation of the worker-peasant alliance under the present conditions. Therefore, in setting taxes on agricultural and subsidiary products and in pricing industrial and agricultural products, we must constantly see to it that a correct ratio be maintained. In the requisition of farmlands and labour, we must also pay due attention to the interests of the peasants. A one-sided emphasis on the interests of the state would be just as incorrect as a one-sided emphasis on the interests of the masses.

There is another aspect of the relation between the state and the peasants. We must correctly deal with the matter of the guidance of the agricultural co-operatives by state planning. That is, we must place the chief items of a co-operative's production under the guidance of the state plan,

and on the other hand we must keep the independence of the co-operatives in their production and management. Ours is a large country, our agricultural and subsidiary products are extremely numerous, and there are too many restrictions imposed by local characteristics and natural conditions. For these reasons, the state's agricultural production plan must not be drawn in a too meticulous or too rigid fashion; there should be a certain amount of flexibility. At present the state sets the production targets, but we must gradually make a change and evolve a new system, in which the state only sets the distribution targets for the various provinces, and each province or county only sets the government purchase quotas for the various co-operatives, while the economic departments of the state draw up purchase contracts with the co-operatives. The co-operatives, after they have fulfilled the state's purchase quotas and the obligations laid down in their contracts with the economic departments, should have the right to draw up their own production plans suited to the time and the locality and in accordance with the needs and possibilities of the members. When the state purchase quotas and the contracts are fulfilled, the surplus products should be fully disposed of by the co-operatives without interference from the state. This will greatly raise the enthusiasm of the peasants for production and will not bring any harm to the state.

4. It is necessary to deal correctly with the relation between management and members in an agricultural co-operative in order to bring out the enthusiasm of all the members.

After agricultural co-operation is realized, that is, after the basic contradiction between the small-peasant economy and socialist economy is resolved, the most salient problem in the co-operative itself will be the relation between personal and collective interests. A correct handling of this problem is of vital importance to the consolidation of the

co-operative and to that of the worker-peasant alliance. Hence the following requirements:

In regard to the distribution of products in the co-operatives, we should adopt the policy of "less for public reserve funds and more for distribution among co-operative members" — a policy which "guarantees the requirements in collective production and at the same time takes into account the requirements in the livelihood of co-operative members." According to the directive of the Central Committee, 60 to 70 per cent of the total income of a co-operative should be distributed among its members, and efforts should be made to enable 90 per cent of the members to increase their income. This is really a clear definition of our present requirement in carrying out the above-mentioned policy. The actual distribution of this year's summer crops has proved that the Central Committee's directive is entirely correct. Henceforward, in our distribution work we must continue to follow that directive. We should see to it that, with the increase of production from year to year, more and more co-operative members shall be able to increase their income.

In regard to the management of production in the co-operatives, we should adopt the policy of "collective management for the big things and separate management for the small things." Under present conditions, the co-operatives should concentrate their efforts on the main agricultural production and such large-scale subsidiary production as should be collectively managed, while the subsidiary occupations fit for decentralized management and the domestic handicrafts should be left to the members for separate management. Thus, on the one hand, the members can increase their income and display their initiative, and on the other the co-operatives can concentrate on doing a good job in the main production. This reasonable division of work conforms with the requirements of the production and livelihood of the co-operatives and

co-operative members. Therefore, when the members have completed their production tasks and put in the required number of work-days in accordance with the plans of the co-operatives, they should be permitted to have a certain amount of working time at their own disposal so that they may manage their domestic subsidiary occupations and the plots of land they retain for themselves, and no restriction should be placed on these activities. In some co-operatives at present, members are restricted in their subsidiary occupations and even in the growing of vegetables, feeding of pigs and keeping of poultry. This has caused dissatisfaction among the co-operative members and has resulted in certain losses. This mistake must be speedily rectified.

In dealing with the means of production, we should adopt the measure of "public ownership of the primary things and private ownership of the secondary things." According to the regulations of the co-operatives, the primary means of production such as land, draught animals, large farm tools, etc. must be collectively owned, whereas small farm tools and handicraft implements used in domestic subsidiary occupations and small holdings of trees, and domestic animals and poultry are privately owned by the members. This provision is fair and reasonable, and is necessary for the development of production. For in this way we can help the members meet their needs in daily production and life, forestall the complaints and grievances of the members whose daily needs are not satisfied by the co-operatives, and therefore this is beneficial to unity within the co-operatives. As for those peasants who have not yet joined the co-operatives, this measure can dispel their misgivings and help induce them to join.

In dealing with the relations among the co-operative members, it is necessary to adopt the policy of "taking into account the interests of both parties" — that is, "taking into account the interests not only of the poor peasant mem-

bers, but also of the middle peasant members." Since agricultural co-operation was introduced the relations between the poor peasant and the middle peasant, on the basis of a general improvement of economic status and general increase in wealth, have been much closer than before; and following the public ownership of the primary means of production, the distinction between the poor peasant and the middle peasant will gradually disappear. But for a certain period of time after the establishment of co-operatives, some difference will still exist between them in economic interests, and certain differences in outlook will exist for a considerable time. For this reason, the Party's class policy in the rural districts at present is still that of relying on the poor peasants and closely uniting with the middle peasants. In tackling those economic problems left over from the transformation of co-operatives from elementary into advanced ones, or from their amalgamation, and problems in regard to the distribution of income and management, the views of both the poor and the middle peasants should be taken into account so that they may become better united and do better work in production.

In regard to the organization and leadership of the co-operatives, it is necessary to keep to the principle of "combination of democracy and centralism," of "running co-operatives in a democratic way." To be able to practise centralism is one of the superiorities of the advanced co-operatives. But centralism must be built upon the basis of democracy. All decisions on production plans, measures for increasing production and projects for distribution should come from the masses and go back to the masses. Without democracy, centralism will become subjectivism, exclusive control, autocratic management, and arbitrariness. In a large collective economic organization like the co-operative, which may include several hundred or even over a thousand households, if democracy is not practised

fully among the members and the mass line is not consistently followed so as to bring into play the initiative of all the members and rely on their collective wisdom and strength in the management of the co-operative, and if the handful of local co-operative cadres, technicians, or cadres sent from above take all the things into their own hands, the co-operative can never be run satisfactorily. The chief problem in this respect today is that excessive centralization, insufficient democracy, subjectivism and commandism are by no means isolated phenomena. Many of our comrades only make use of one aspect of the principle of democratic centralism in their work without paying any attention to the other — to the promotion of democracy and the mobilization of the masses for their work. All this must be changed speedily.

5. It is necessary to strengthen the Party's political leadership and ideological education among the peasants.

When the peasants have joined the co-operatives, it is easier for the Party to do political and educational work among them through the co-operatives. At the same time, since the introduction of co-operation, it has become necessary that the Party should strengthen its leadership over the co-operatives. The reason is this: in times of individual economy the peasants themselves were responsible for the management of their production and their livelihood, but after the establishment of the co-operatives the chief responsibility for the leadership of production shifts to the co-operatives. In order that the co-operative cadres can really shoulder this responsibility and be worthy of the high hopes which the peasants have set on them, it is necessary that the Party should give assistance to the co-operatives politically, economically and organizationally. It must be understood that, although the peasants have joined the co-operatives, their ideology, viewpoints and traditional habits cannot be completely transformed in a short time. In order that such ideology, viewpoints and traditional

habits may not harm the common cause, the Party must continue to strengthen ideological education among them. In particular, the Party must strengthen ideological education among the cadres and Party members, and thereby prevent bribery, corruption and isolation from the masses that may occur. Therefore, the Party committees at all levels must, in the spirit of the decisions of the Sixth Session of the Seventh Central Committee, continue to strengthen their leadership over the co-operatives. In particular, the Party's organizational work must be strengthened in the basic units so that the Party branch can really become the nucleus guiding the co-operatives and uniting the broad mass of co-operative members. Recently, owing to the rearrangement of certain districts and the combination of certain townships, cadres have been transferred from lower to higher levels, and the leadership of the Party branch has been weakened. This must be rectified. We must use the co-operatives as schools for socialism and strengthen socialist and collectivist education among the peasants in their everyday life and work so that politically, economically and ideologically they may work for the further consolidation of their alliance with the workers and advance triumphantly under the leadership of the Party and the working class.

SPEECH BY COMRADE LIN PO-CHU

Comrades:

I am in full agreement with the political report made by Comrade Liu Shao-chi, the new Party Constitution and Comrade Teng Hsiao-ping's report on it, the Proposals for the Second Five-Year Plan and Comrade Chou En-lai's report on them.

In the eleven years between the Seventh and the Eighth Congress, our Party led the people of the whole country in carrying out two revolutions—the bourgeois-democratic revolution and the socialist revolution. Our country has not only freed herself from the oppression of imperialism and feudalism and won liberty and independence, but has also entered the great epoch of the building of socialism.

These great developments have made considerable changes in the features of our country. Although China is still economically backward, there is a vast difference between our present and our past: our past was hell and our present is paradise.

For a long period after the Opium War, foreign colonialists looked down upon the Chinese people as an inferior race and thought they could overbear and insult us at will. People of my generation grew up in this period, when China suffered from constant invasion and oppression by foreign nations. All I saw, heard and experienced from my childhood up were the threats of foreign aggressors. During this time, because of the dumping of foreign manufactured goods and the import of capital, the disintegration of Chinese feudal society went on at accelerated speed.

A multitude of peasants and small handicraftsmen lost their livelihood. The national bourgeoisie which was emerging in very difficult circumstances, the petty-bourgeoisie of the cities, and even part of the landlord class became involved in an upheaval of unprecedented magnitude and violence.

Where was China's way out then? That was a big problem. Some of China's earliest bourgeois statesmen, such as Kang Yu-wei, Liang Chi-chao and others, demanded that the emperor of China should make up his mind to imitate Peter the Great of Russia and Emperor Meiji of Japan, and carry out over-all reforms. They called for reforms, launched a political movement, and waged a direct struggle against the conservative group in the Ching Government. Although their struggles ended in failure, they nevertheless exercised a tremendous and lasting influence upon the intelligentsia. As a result, more and more people came to feel concerned about the destiny of the nation. It was on this basis that the bourgeois revolutionary movement led by Sun Yat-sen developed. Sun Yat-sen did not advocate our imitating the reforms of Peter the Great and Emperor Meiji; he maintained that we should follow the example of the American and French Revolutions. He put forward a programme for overthrowing the Ching Government and establishing a bourgeois republic. This programme won people's support. The rule of the Ching Dynasty was looked upon as an evil thing and the parliamentary system came to be regarded as a panacea. Thus broke out the Revolution of 1911.

The Revolution of 1911 was an historic democratic revolution led by the bourgeoisie. This revolution overthrew the Ching Government, put an end to monarchy and swept away a great barrier to progress. At that time, people were literally transported with joy. They thought that with the establishment of a parliamentary government

China's position in the world would be elevated. But things turned out differently. The revolution did not fulfil the task of combating imperialism and feudalism, and Parliament, therefore, did not show any strength. Although under certain historical conditions the parliamentary system is superior to the monarchical system, in China the parliamentary system went completely bankrupt. Furthermore, the warlords of that time would not allow it to live. First, Yuan Shih-kai abolished it, restored the monarchy, and crowned himself emperor. After his death, the northern warlords also repeatedly abolished it. The movement to oppose Yuan Shih-kai and defend the Constitution that took place after the 1911 Revolution was an attempt to save the parliamentary system. Many comrades, myself among them, joined this movement. Facts had already proved at that time that the bourgeois parliamentary system was not suited to the conditions of China. But we had nothing to put in its place, because we did not know about Marxism, and we did not understand that it could show us the best way to China's salvation. This problem was not solved until the salvos of the October Revolution of Russia shook the world. I think those who have first-hand recollections can appreciate the influence that the October Revolution exercised not only on China's working class and the new intellectuals, but also on many other people who had entertained illusions about the bourgeois state system and subsequently became disappointed with it. They cherished the sincere hope of reforming China completely. Some of them joined the Communist Party of China without a moment's hesitation; others became its friends. It had been so difficult to find the way out for China that Sun Yat-sen, who had been searching for it, greeted the Russian Revolution with cheers. He said: "Since the victory of the Russian Revolution, a great hope has been born to mankind." Sun

Yat-sen also became the person inside the Kuomintang who advocated co-operation with the Communist Party.

How ridiculous it is that in the past few years many bourgeois commentators in foreign countries have still been trying to convince the Chinese people of the superiority of the capitalist system over the socialist system. One cannot help thinking these attempts very foolish, because it was only after we had realized the unworkability of the capitalist system in China that we chose socialism. Now, when socialism has already proved itself a superior system that really suits conditions in China, how can we be persuaded that the capitalist system is better? Certainly we cannot.

But at the time Marxism-Leninism was accepted in China and the Communist Party of China was founded, there were no set formulas to be looked up in books to find out how to apply Marxism-Leninism to the solution of China's problems, or the way to achieve socialism in China's specific conditions. Backward countries cannot simply copy the methods of capitalist countries and start the socialist revolution at once; they must carry through a bourgeois-democratic revolution before they can transform it into the socialist revolution. This principle was early established in the works of the great Lenin. But how to lead China's bourgeois-democratic revolution and transform it into a socialist revolution? That was a problem which the Chinese Communists had to solve for themselves. And did our Party find a satisfactory solution at the very outset? No, it didn't. In the period from 1922 to 1925 we co-operated with Sun Yat-sen, re-organized the Kuomintang into an alliance of all revolutionary classes, mobilized the people extensively, and assisted Sun Yat-sen in building up the revolutionary armed forces. In 1926, the Northern Expedition was launched. All this was good and correct, and contributed to an unprecedented development of the revolution. But there was one bad thing and that was the

leadership of Chen Tu-hsiu. Our Party was then still in its infancy. Most comrades had reached only a very low level of Marxist understanding and had not seriously studied China's history and social conditions. Thus, bad as Chen Tu-hsiu's leadership was, it wasn't corrected in time. Chen Tu-hsiu's views on the Chinese revolution were Right-opportunist. It was his opinion that, since the Chinese revolution was a bourgeois-democratic one, then, like the French Revolution of 1789 and the Chinese Revolution of 1911, it was the concern of the bourgeoisie. Hence he held that in its alliance with the bourgeoisie, the proletariat should be particularly gentle in its attitude. It should not try to take over the leadership, or control the army, or boldly mobilize the revolutionary people, or support the peasants in carrying out an agrarian revolution. As a result, when Chiang Kai-shek launched his counter-revolutionary attacks, our Party was not able to make effective counter-attacks and finally the failure of the revolution became inevitable.

This was a most bitter lesson. After 1927, the Party grasped it, and resolutely conducted armed struggles against the Chiang Kai-shek reactionaries. But in the first seven years following 1927, there were three occasions when we were still unable to prevent the Party from falling into the error of a "Leftist" line. Though they differed from each other in actual content, the "Leftist" lines had one characteristic in common, namely, subjectivism, no respect for facts, the practice of fixing the line of the revolution arbitrarily and dogmatically instead of proceeding from China's specific historical conditions. The opportunists called themselves Marxist-Leninists, but actually they went counter to Marxism-Leninism. Marxism-Leninism is a science. When we apply it to determine the line of the revolution, we should likewise base ourselves on scientific data, that is, on concrete, objective facts. If it has no such

basis, or only an unreliable one, the line, of course, can only lead the revolution to failure and not to victory.

Ever since the Tsunyi Conference corrected the mistakes of the "Leftist" line represented by Wang Ming and Po Ku, our Party, led by Comrade Mao Tse-tung, has pursued a Marxist-Leninist line based on China's specific historical conditions, and we have witnessed the vigorous development of the revolution. Not only did we bring the Long March to victory, we established the anti-Japanese national united front and launched the War of Resistance to Japanese Aggression. By 1945, when our Party held its Seventh National Congress, it had already achieved widespread developments on all fronts of the revolution and had become a strong, invincible force. In the period between the Seventh and the Eighth Congress, the Party has led the people of the whole country to complete victory in the democratic revolution, and the victory of the socialist revolution is being won. Our country is advancing by leaps and bounds. Looking back from today, people are staggered by the stupendous changes that have taken place and can no longer believe that China was ever a humiliated, backward country.

Comrades, from what I have said we can see that before we came to know Marxism-Leninism it was impossible for the Chinese revolution to avoid failure, and after the introduction of Marxism-Leninism but before it was integrated with the practice of the Chinese revolution, it was still impossible for the Chinese revolution to avoid failure. The moment we effected this integration, however, we were launched on a glorious path from victory to victory. Is this not an ample demonstration of the danger of subjectivism and the extreme importance of the creative application of Marxism-Leninism? If we are to continue to win victories in the socialist revolution, we must never forget the lesson we have learnt at such heavy cost. For we must know that the integration of Marxism-Leninism with

the practice of the Chinese revolution was not only important for the bourgeois-democratic revolution in the past, it is just as important for the socialist revolution today. And subjectivism, the cause of our past failures in the democratic revolution, can also make us suffer serious reverses in the socialist revolution at the present time.

We must make great efforts to study Marxism-Leninism. In the political report he made on behalf of the Central Committee, Comrade Liu Shao-chi particularly emphasized the necessity for senior cadres to study the theory of Marxism-Leninism systematically. I think this is an extremely important suggestion. Only when more and more people really understand Marxism-Leninism and can put it skilfully into practice will there be a reliable guarantee for the victory of socialist construction in our country.

SPEECH BY COMRADE LI HSIEN-NIEN

Vice-Premier and Minister of Finance

Comrades:

I am in complete agreement with Comrade Mao Tse-tung's opening speech, and the Central Committee's political report, the report on the revision of the Constitution of the Party, and the report on the Proposals for the Second Five-Year Plan for Development of the National Economy. I would now like to make a few remarks on the question of commodity prices at present.

I

Any examination of the price policy in our country demands a consideration of the historical conditions that determine our market prices. When our country was first liberated, we had gone through twelve years of war and a long period of currency inflation, and the people had suffered untold hardships as a result of currency depreciation and wild price fluctuations; the war and price fluctuations had wrought havoc with industrial and agricultural production, and greatly widened the disparity in prices between industrial goods and farm produce. Moreover, capitalist industry and commerce still formed a considerable sector of our national economy at the time, and private industrialists and merchants were given to speculation and black market operations. On the other hand, the state's control over the market was still weak. These

were the conditions that then confronted us. It was clear that unless speculative activities were quickly checked, and firm steps taken to stabilize market prices, it would be impossible to guarantee security of the people's livelihood, and rehabilitation and development of production would be out of the question. In view of this, the Party promptly adopted a firm policy of stabilizing prices; and, as a first step, set about stabilizing the prices of various commodities at the current levels. On this basis, it then took a further step to make certain necessary adjustments aimed at promoting the development of production and also facilitating the utilization, restriction and transformation of capitalist industry and commerce.

What have been the results of implementation of this policy in the last few years?

(1) *Market prices have, in the main, been stable.* Prices began to get stabilized after March 1950. In the period following this, the country had to give support to the movement to resist U.S. aggression and aid Korea, while at the same time it had to devote a considerable portion of its resources to investments in production and construction. Thus it was engaged in the threefold task of stabilizing the market, supporting the movement to resist U.S. aggression and aid Korea, and carrying on national construction. Nevertheless, market prices remained stable. Especially after 1952 when our national economy had been basically rehabilitated, land reform had been completed, and the Korean war had ended, market prices were stabilized once and for all. This was a major victory for the Party on the economic front; it was the necessary prerequisite for a whole series of victories subsequently achieved on that front.

(2) *The purchasing prices of staple farm produce and the price ratio between various kinds of farm produce have generally been appropriate.* After price stabilization was achieved, the state made appropriate readjustments in the

purchasing prices of grain, cotton, tobacco, sugar-cane and other kinds of staple farm produce. The amount of the above-mentioned farm produce on the market is about 70 per cent of the total amount of farm produce on the market, and is worth approximately 20,000 million yuan. The appropriate pricing of these commodities helps to encourage the peasants to step up production.

(3) *The price disparity between industrial goods and farm produce has been narrowed down.* Thanks to the basic stability of the market prices of industrial goods, and an appropriate upward revision of the purchasing prices of staple farm produce, there has been a gradual narrowing down of this disparity in the past few years. Statistical data gathered in 1955 on 107 commodities (in 118 markets below the county level, situated in 24 provinces and regions) show that this disparity had narrowed down by 17.25 per cent as compared with 1950. Peasants can now get more industrial goods in exchange for the same amount of farm produce. In other words, besides the benefits they got out of land reform and increases in production, and from their emancipation from exploitation by usurers and the fraudulent practices of private merchants, they have benefited from our price policy. This has helped to consolidate the worker-peasant alliance.

(4) *Our price policy has helped us to use, restrict and transform capitalist industry and commerce.* Over the past few years, we have given capitalist industrial enterprises government contracts for manufacturing and processing goods and the state has purchased and marketed their products; in this way we ensured a reasonable profit for private industrialists, and also prevented them from making excessive or unreasonable profits. In dealing with capitalist commerce, we narrowed the differences between prices in different areas and between wholesale and retail prices. That made trading with distant places unprofitable for wholesale merchants and prevented big retail merchants

from making excessive profits. These measures played a historical role in helping forward the socialist transformation of private industry and commerce.

I would like to mention, by the way, that to curb hoarding, profiteering, and the practice of withdrawing goods from sale in expectation of better prices, the state has, over the past few years, taken measures to gradually narrow and finally eliminate differences between seasonal prices of staple farm produce. Moreover, these differences were eliminated when prices stood at or near the peak levels of the year. This, in reality, raised procurement prices for farm produce and increased the peasants' income. The state, however, did not push up selling prices of farm produce. The storing of farm produce, as a rule, involves certain damages, expenses and losses in interest and profit; certain seasonal differences in prices are, therefore, justified. But the state sells farm produce at the same prices all the year round. That is why the state generally does not gain anything, and in certain cases, even incurs losses in its trading in grain and some other kinds of farm produce.

In short, in view of the achievements mentioned, we have good grounds for saying that the Party's price policy is correct and its execution has been, in the main, successful.

II

It should be seen that, in the first few years after liberation, prices were stabilized at the then prevailing levels, which were not entirely reasonable. In implementing our policy, we concentrated most of our attention on stabilization, and did not pay enough attention to making timely readjustments in prices. In the last seven years, a fundamental change has taken place in our economic and political situation, production has grown, the network of

communications has expanded, the socialist transformation of agriculture, handicrafts, capitalist industry and commerce has, in the main, been completed. In the new circumstances, certain prices have again got out of step with reality and various disparities in prices that were considered not unreasonable in the past have now become questions that have to be settled. Moreover, departments in charge of commerce and prices are by no means free from defects and mistakes in fixing prices and in putting the related systems into effect. So we still face problems in price control and it is natural that critical opinions have been raised in different quarters. The main current problems that we face in price control are as follows:

(1) While the general level of prices has been stable, prices for certain non-staple foods have gone up. At the beginning of 1953, the scale of national construction was expanding, cities and towns were flourishing, the number of people in employment was growing, and the people's purchasing power was noticeably increasing. At that time, however, state commerce did not make a serious effort to deal in non-staple foods. As a result, supplies of non-staple foods like vegetables, meat, edible oils and fats, and bean curd were in short supply and their prices went up. Since 1954, we have been paying attention to work in this field and adopted a number of measures to remedy the situation. But the strain on the supply of non-staple foods, on the whole, still remains. As shown by their annual averages over the last few years, the prices of some non-staple foods have not yet been stabilized at a reasonable level.

(2) Although we have suitable procurement prices for staple farm produce, the procurement prices for some other farm products are still too low. The procurement prices for tung oil and tea oil, reckoned in terms of grain, still remain lower than the pre-war prices for these products. The procurement price for rape-seed, in terms of grain, is more or less on a par with the pre-war price. However,

while the yield per unit area of grain has increased in the past few years and that of cotton has also increased markedly, the yield of rape-seed, except in a few areas, has decreased, compared with pre-war years. The peasants are finding it more profitable to grow cotton and grain than rape-seed. The procurement price for pigs, in terms of grain, has gone up by ten per cent compared with pre-war years. But since the development of agricultural co-operation, conditions for pig-breeding have changed. In the past, the peasants, as the old saying goes, could "lose on pig-breeding, gain in harvesting." Now costs of pig-breeding must be put to the account of the agricultural producers' co-operatives, and their members must needs compare the profits of pig-breeding with earnings from taking part in collective labour before they engage in it. Under such new conditions, procurement price for pigs appears to be too low. Procurement prices for peanuts, sesame, tea and silk cocoons in certain areas of the country have also tended to be too low. At the present time, the output of some of these products has not yet regained the pre-war levels. Although the number of pigs has increased, compared with pre-war years, the rate of increase still lags behind the growing needs of the people in town and countryside. This is due, in some measure at least, to the low procurement price, which does not act as an incentive to the producers.

(3) Generally speaking, state commerce does not make any profit by dealing in products of agricultural subsidiary occupations, but glaring disparities have occurred between buying and selling prices for some such products in the same localities. In many places, for instance, a low price is paid for oil crops but a high price is charged for edible oils and oil-cakes. In many places the difference between the price paid for pigs and the selling price of pork is too big. The peasants are greatly dissatisfied because they have to pay a high price for pork, while getting a low

price for their pigs, which is unreasonable. In some cases, the great disparity between buying and selling prices is due to a mechanical way of reckoning prices according to fixed formulae; in other cases, it is due to the fact that products have to be transported over long distances for sale or for processing, and also to the fact that there are too many steps in the process of management, thereby increasing costs; while in still other cases, the business tax and the margin of profit are fixed too high.

(4) The transportation of farm produce from those hilly and out-of-the-way areas which are far away from purchasing centres and have very poor means of transport, should be subsidized by the state, but in the past not enough attention has been given to this matter. Consequently, there has been much dissatisfaction among the peasants of those areas, who not only have to put up with low incomes due to low purchasing prices but, in addition, have to haul their products to places scores of kilometres away.

(5) With regard to differences in prices between goods of different quality, we have not strictly adhered to a policy of high prices for high quality goods, nor have we adopted a policy that would encourage the manufacture of new products. Consequently, our price policy has failed to stimulate a rise in the quality of industrial goods, or effectively encourage the production of new kinds of goods. On the contrary, our policy has to share some of the blame for the fact that the variety of goods has decreased and quality has deteriorated. Some goods which were easily obtainable in the past are no longer available now; and goods once noted for their excellence are now of low quality. This in fact amounts to an increase in prices for the consumer.

In the purchase of agricultural products, the provisions governing standards of quality and differences in price between goods of different grades have not proved wholly satisfactory. There have been cases in which some of our

purchasing agencies have graded agricultural products too low or paid lower prices than they should have done. This, in particular, has caused dissatisfaction among the peasants.

(6) With regard to differences in price as between different localities, the following points deserve special mention. First, in places like Southwest and Northwest China with transport difficulties or other factors of long standing, prices of agricultural products were in the past relatively low, while those of industrial goods were relatively high, and there were also big differences in price between different localities. But now as railway lines have been built to these areas and conditions have changed, there is no longer justification for such disparities. (Various readjustments in prices have recently been made.) Secondly, in the past the difference in the prices of industrial goods in different localities was in general based on the prices prevailing in the main production centres where they were lower than in other places. But modern industries have now been set up in some places, and their products meet not only local needs, but also the needs of other localities consistent with the direction of commodity circulation. For instance, some kinds of cotton cloth made in Sian are now adequately meeting the needs of various provinces in the Northwest. Under these circumstances, it would be unreasonable if we should continue to maintain the former disparities in prices based on prices in Shanghai as the main production centre. Thirdly, in some places the purchasing prices of agricultural products were mechanically arrived at by taking the prices at the centres of collection and distribution as the starting point and then working backwards, deducting transportation charges all along the route. The result was that the purchasing prices fixed for these agricultural products were too low, and out of all proportion to the grain prices prevailing in the locality. This violates the principle that the prices of products at

places where they are sold should be fixed on the basis of prices at places where they are produced.

Such are the main problems relating to commodity prices at present.

Taken as a whole, the situation in regard to the prices of agricultural and industrial products since liberation may be briefly described as follows: (1) The prices of staple products were reasonable in the past, and are still reasonable at present. (2) The prices of some commodities were reasonable in the past, but are not so at present. (3) The prices of a few commodities have at no time been reasonable and readjustments have still to be made. One of the important reasons why we have failed to take note and make timely readjustments in prices which have always been unreasonable, or have since become unreasonable, is that, generally speaking, there is no price competition from other sources in our country, so shortcomings in our price policy are not easily detectable. Other reasons are: constantly changing conditions, lack of experience on our part, and the fact that we have not paid enough heed to opinions expressed in various quarters. It should be noted that socialist commerce is now almost the only type of commerce in our country; that price policy occupies an especially important position in state commerce; and that the reasonableness or otherwise of prices will now more than ever before have a direct and extensive effect on production, consumption of the people and accumulation of funds by the state. We made no serious effort to study prices or sum up our experience in the past few years. This state of affairs must not be allowed to continue.

III

In order to solve existing problems so that prices may be better adjusted to suit the actual situation, we consider

that the following measures should be adopted in accordance with our fundamental policy of stabilizing prices and the principle of facilitating the development of production and the circulation of commodities, taking into account both the accumulation of funds for the state and the interests of the consumers.

(1) We should considerably raise procurement prices of pigs, rape-seed, tung oil and tea oil; suitably raise procurement prices of sesame and tea, and, in some areas, of peanuts and cocoons.

(2) In the case of commodities purchased and sold at the same place, if the difference between buying and selling prices is too big, it should be suitably reduced. Grain, edible oil and flour processing industries and breweries should be suitably scattered and small processing mills in towns and villages restored so as to reduce the need to haul materials over long distances for processing. In this way costs will be reduced and more fodder will become available in the countryside.

(3) Subsidies should be paid for delivery of products in hilly areas or out-of-the-way areas where transport facilities are lacking, if agricultural products purchased by the state have to be sent outside the area. That is to say, peasants who have to bring their goods over considerable distances will receive transportation subsidies.

(4) We should suitably raise procurement prices of coarse grain produced in small quantities. There should be, in general, no change in grain prices throughout the country. In a few areas where grain prices are somewhat too low, the procurement prices may be gradually readjusted.

(5) We should correct what has been found unsatisfactory in the standards adopted for the grading of farm produce and in the price arrangements for goods of different grades. We should also stop buying agents from grading farm produce too low or otherwise forcing down

their prices. The standards for grading and the price arrangements for goods of different grades should be widely publicized. In testing and grading farm produce, it is necessary to let the people have their say. We should organize experienced members of the co-ops to grade products themselves; the grading will later be checked by the state purchasing agency and, in case of any difference of opinion, agreement will be reached through consultation. In addition, state purchasing agencies may leave some leeway or margin within which buying agents may deviate from set standards in the grading of farm produce; this will check their tendency to "play safe" by being over-exacting in grading or otherwise forcing down prices.

(6) We should strictly adhere to the policy of fixing prices according to quality and giving higher prices for better quality. Prices fixed in this manner will in themselves constitute an encouragement to factories producing goods of better quality and an effective admonition to those producing low-quality goods. Effective measures should be adopted to encourage the production of new varieties of industrial goods so that a factory will be compensated for the increased costs incurred in the trial manufacture of new products and the designers and all the workers and employees concerned will be suitably encouraged. At the same time, the commercial departments which fix selling prices should also firmly carry out the policy of higher prices for better quality. Local people's councils should be empowered to authorize the reduction of prices of spoiled or damaged goods.

(7) In regard to industrial goods, we should readjust the differences in price as between different areas until they are, in the main, found reasonable. In areas where transport facilities have improved and price disparities with other areas require readjustment, prices should be lowered step by step to a reasonable level. We may also consider suitably reducing prices in these areas and at the

same time suitably raising prices in other areas so that a reasonable price level may be attained by a two-way adjustment. In areas where conditions of production have improved and price disparities with other areas have become too great, we should no longer follow the former practice of basing local prices on those obtaining in the locality where the industrial goods used to come from. Instead, prices should be gradually reduced until they are on the same level as prices in the latter locality, provided that the goods are of the same quality and that they are plentiful enough to meet local needs and the needs of other areas consistent with the direction of commodity circulation.

It should be pointed out that the chief purpose of our measures concerning farm produce and products of agricultural subsidiary occupations is to stimulate production, especially that of non-staple foods. As purchasing prices for farm produce and agricultural subsidiary products are raised, the selling prices of some products should also be suitably raised. But considering that these products, or goods made from them, are daily necessities of the people, no changes in the selling prices should be made for the time being, lest the livelihood of the broad masses of the people should be affected too much.

What then should be done in these circumstances?

First, the whole process of management should be simplified and marketing costs reduced as much as possible. In a socialist enterprise the usual solution in such cases can be found by improving our work.

Secondly, the state may consider lowering the rates of taxation for these agricultural products while the state trading departments may lower the margin of profit on such farm produce. These are provisional measures to be taken under special circumstances.

If the above-mentioned measures are adopted, will other industrial crops make competitive claims on land usually

sown to grain and so cause a drop in grain production? This is a question which must be considered. It is out of consideration for this that prices for cocoons and peanuts will be raised, not on a nation-wide scale, but only in areas where they are not the main produce. The question of tung oil, tea oil and tea making claims on land in competition with grain generally does not arise; the main threat comes from rape-seed. It is anticipated that once the price for rape-seed is raised, tens of thousands of *mou* of wheat-land in the Yangtse provinces will probably be turned into rape-seed fields. But it is advantageous to do so. These provinces used to be rape-growing areas, although a large proportion of land formerly sown to rape-seed was converted into wheat-fields during the anti-Japanese war. The wheat grown in this region is of poor quality, and its flour extraction rate is rather low. At the same time, as a result of the fall in the production of rape-seed, we have been compelled to use soya beans for oil-pressing, and this has brought forth another adverse effect. As soya beans are used for oil-pressing, the supply of bean curd has decreased in both town and countryside. As everybody knows, bean curd and green vegetables are almost indispensable items in our national diet. If we succeed in raising rape-seed production by 1,000 million cattles, the present strain on the supply of edible oil will be eased to a certain extent and some 2,000 million cattles of soya beans can be spared for the making of bean curds to meet the needs of the people throughout the country. It will, therefore, be in many ways to our advantage to increase the production of rape-seed. As to the consequent reduction in wheat production, it can be made up by raising yields of wheat in the northern provinces.

The price of grain forms the backbone of the prices of all agricultural products and occupies a pivotal position in the market. Any rise or fall in the price of grain is bound to start a chain reaction and affect all other commodity

prices. We must therefore exercise great caution in readjusting grain prices. In specific areas where such a readjustment is necessary, it is essential that we should proceed by stages, gradually making an upward revision in the prices of all kinds of grain, but not all at once.

IV

It will be some time before we can carefully work out and submit to the Central Government for approval detailed plans regarding the range of the price readjustments contemplated and measures for carrying them through. But generally speaking, it may be said that the measures concerned with farm produce will involve an increase in state expenditure, while those concerned with industrial goods will mean a diminution in state revenue. Whether we raise purchasing prices or lower selling prices, whether we lower the tax rate or reduce the margin of commercial profit, it will all amount to a diminution of state revenue. According to preliminary estimates, the loss of revenue will be between ten and twenty thousand million yuan a year. Of course, the price readjustments will greatly stimulate the growth of production, which in turn will help to increase government receipts. But this growth of production and increase of revenue will take some time to materialize, while the diminution in revenue will come about immediately. For instance, if we reduce the tax and the margin of profit on each pig for sale by two-thirds and try to make up for the loss in revenue by expanding pig-raising, it will be necessary to raise three times as many pigs as there are now in the country, that is, to increase the number from the present 100 million head to 300 million head. This will only be possible when there is considerable increase in grain output. Obviously this cannot be done within a short space of time.

A reduction in revenue would necessitate a corresponding reduction in expenditure. Under the principle of balancing the budget, there are few ways to get round this except by increasing production and practising strict economy. This will in various ways affect relations between industry and agriculture, between heavy and light industry, and between the demands of national construction and the people's needs in the way of consumer goods. By raising the purchasing prices for farm produce, the state will have to spend more in buying. The income of the peasants will be increased and their purchasing power raised. Besides having to supply the peasants with more means of production to guide them to expand production, the state must also be ready to meet the peasants' increased needs with greater quantities of consumer goods. Consequently, the share of our total investments on light industry has to be raised and a suitable revision will have to be made in the proportion of investments in heavy industry and in other fields. Under the condition of ensuring a fairly high rate of industrial development, it is proper to make necessary changes in keeping with the changing situation. It seems to me that in our country where the revolution has been crowned with victory, we should, in accordance with actual needs and possibilities, place state planning on a forward-looking and yet sure and steady basis, so long as there is an environment in which we can carry on our peaceful construction.

Of course, the policy of industrialization, of giving priority to the development of heavy industry and strengthening national defence is a policy which represents the fundamental interests of the people of the whole country. We are an economically backward country; we must be industrious and frugal and devote ourselves to construction. We are still being threatened by the imperialists; Taiwan, part of our territory, is yet to be liberated. We must not endanger the long-range and fundamental in-

terests of the people by immoderately catering to their immediate interests. If we should do so, the people would sooner or later blame us for it.

The seven measures mentioned above are intended to effect limited price readjustments according to specific conditions. I don't think they are at variance with the policy of industrialization and of giving priority to the development of heavy industry and strengthening national defence. Considering our long-range interests, it might even be said that these measures would be helpful to the carrying out of this policy. It is my suggestion that the principles for price readjustments I have mentioned above should be affirmed. As to the specific range of readjustments and the measures to be taken, we must take every factor into account when these are being weighed and considered. The line will be drawn at a point where both the needs of national construction and of the consumers are adequately considered, and where the purchasing power of the people will be raised without upsetting the balance between the supply and demand of consumer goods. It would be wrong to over-emphasize any one aspect of the matter at the expense of others. It would also be unrealistic to expect that everything will get nicely readjusted all at once, without making distinction between various degrees of urgency or importance.

V

Here, I should like to take this opportunity to clear up one or two points. Recently we have been receiving letters from cadres, workers and employees in which it is asked: Why have we adopted the policy of stabilizing, in the main, the prices of industrial goods, instead of lowering the prices of all industrial goods every year?

First of all, I must point out that adoption of our present policy has little to do with whether or not we want to bring about a universal reduction in the prices of industrial products; it is due to the fact that objective conditions do not as yet exist for taking such a step as making annual reductions in prices. The output of our light industry is limited by the supply of agricultural raw materials and, with very few exceptions, the question is not one of supply exceeding demand, but the contrary. Under such circumstances, if we should rashly make universal price cuts, this would inevitably result in a serious shortage of supplies. Consequently, we would either be forced to raise prices again, or, with the consumers finding it difficult to buy what they want, black market would arise, or the state would be compelled to extend the scope of planned supply of commodities. In the final analysis, the attempt to reduce prices would be vain. We have no lack of this kind of experience. In 1953, we began selling a number of commodities at reduced prices because there happened to be a surplus of them. The outcome was that many commodities went out of stock and we had to raise prices again. It may also be pointed out that there are two ways of expanding the market, stimulating production and improving the people's livelihood. One is by lowering the prices of industrial products, and the other is by raising the wages of workers and employees and appropriately raising the purchasing prices of certain farm produce and certain products of agricultural subsidiary occupations. The choice between the two is determined by actual conditions. Under the conditions obtaining in our country, adoption of the latter measure has an additional advantage, that is, it can directly stimulate the enthusiasm of the producers and induce them to develop production in line with the needs of the state.

The measures of price readjustment we have put forward are aimed, first and foremost, at developing our production

and ensuring an even more reasonable price level, which, of course, will be a great help in bringing about a rise in the people's living standards.

Some comrades have asked why we do not adopt the principle of "small profits and quick returns" on certain commodities. This is because the price of a commodity is dictated by the specific conditions pertaining to it. We are justified in applying to a certain extent the principle of "small profits and quick returns" to those commodities that are produced in large quantities, thanks to an adequate supply of the necessary raw materials and equipment. But the result would be "small profits and shortages" should we apply the same principle to commodities which are not available in sufficient quantities due to lack of raw materials and temporary difficulties in adding to the existing industrial equipment. What is more, when fixing the price of a commodity we have also to take into account its importance to the consumer as well as to accumulation of funds by the state. We may make less or practically no profit on certain commodities while in the case of others we may so fix prices that more funds will be accumulated for the state. Thus it should be understood that it is wrong to work for profit, and profit only; and that it is likewise wrong to demand in all cases that we make less profit and sell more, irrespective of actual conditions. In the past few years, our people's purchasing power has increased; we have, in the main, ensured a regular supply of goods to cope with the demands of the market; there has been virtually no black market in this country for industrial products; and, except for some non-staple food-stuffs that have been in short supply, there has been on the whole no scramble for anything on the part of buyers. All this testifies to the soundness of our policy of stabilizing, in the main, the prices of industrial goods and the feasibility of fixing these prices by taking into due account the principle of a general equilibrium between the people's pur-

chasing power and the supply of commodities. Incidentally, I should like to draw your attention to the fact that regarding such agricultural products as grain and cotton which are subject to planned purchase by the state, the peasants, after the quota is fulfilled, are ready to sell more to the state at the same fixed prices; and that the prices of the part that is bought or sold on the open market are approximately the same as those fixed by the state for its planned purchase and distribution of these commodities. This goes to show that our price policy is readily acceptable to the peasants, and hence is also practicable.

I have mentioned four of the achievements of our price policy, brought up six existing problems and proposed seven measures for readjustment of prices. All these opinions are far from mature. As the question of prices is an extremely complex one, a problem with far-reaching ramifications, we should consider it carefully. I welcome any suggestion or criticism from any of you comrades.

SPEECH BY COMRADE TENG YING-CHAO

*Vice-Chairman of the All-China Democratic
Women's Federation*

Comrades:

I fully endorse Comrade Mao Tse-tung's opening speech, the reports given by Comrades Liu Shao-chi, Teng Hsiao-ping and Chou En-lai on behalf of the Central Committee of the Party, the draft of the revised Party Constitution and the Proposals on the Second Five-Year Plan. Now, I shall speak on the question of uniting the broad masses of the women and bringing all their strength into play so as to build our country into a great socialist land.

The eleven years between the Seventh and the Eighth National Congresses are the greatest period in the history of our country. During these years the people of our country, under the correct leadership of our Party, completed the bourgeois-democratic revolution and achieved the decisive victory of the socialist revolution; they are now carrying on socialist construction. In the course of the revolution and our national construction, the Party has given special importance to the strength and revolutionary aspirations of the women of our country and, taking the level of their political awareness and their specific situation into account, has laid down the principle of mobilizing both men and women at the same time. In line with the general task of the revolution and the central tasks at different periods, our Party defined the tasks for the work among women and co-ordinated it closely with the revolutionary work as a whole. The Party's principles and policies for the work

among women have been thoroughly implemented by the Party organizations at all levels. As a result, more and more women have rallied around the Party and actively participated in the revolution and the national construction. This, in turn, has stimulated an unusually rapid development of the women's movement.

Since the founding of the People's Republic of China, the Chinese women, together with the whole people, have become the masters of the country. The Constitution safeguards women's equal rights with men in the spheres of political, economic, cultural, social and domestic life, and gives protection to marriage, the family, and mother and child. This is the result of long years of struggle waged by the broad masses of women and the whole people under the leadership of the Party. To guarantee the enjoyment of these rights, the state has taken a series of practical measures, and the masses of women have exerted great efforts themselves. Since the decisive victory was achieved in the socialist revolution, still more profound changes have taken place in women's conditions, and a new situation, unprecedented in history, has come about. The most marked change is that the overwhelming majority of the women of the whole country have been organized and are advancing with growing consciousness towards socialism and actively taking part in the socialist transformation and socialist construction of our country. Over two million women workers and office employees, over 100 million peasant women, over two million women handicraft workers, over 700,000 women cadres at various posts—all of these are showing a greater labour enthusiasm and a gradual improvement of their working ability. Their demand to join in cultural, technical and scientific studies is mounting continually. Very many of the womenfolk of workers, office employees and handicraftsmen are playing an energetic part in the socialist construction of the country, either at home or through their participation in

the basic organs of state power or in various kinds of social activities. Women industrialists and business women, as well as the womenfolk of industrialists and business men, are striving to become people who live by their own labour.

But this does not mean that in our present-day society the question of the emancipation of women has been completely solved. A great deal remains to be done before the emancipation of women can be complete. Our country was formerly a backward country, economically and culturally. And even now, there is still a high percentage of illiteracy among the women, and women intellectuals are very few. Generally speaking, the professional knowledge and technical skill of those who are now taking part in social labour are limited, they have not sufficient experience and most of them find that going out to work interferes with their household duties and the upbringing of their children. The slight of and discrimination against women which are manifestations of ideas left over from the old society still occur fairly extensively and in varying degrees in the general attitude towards women and children, and in all aspects of marriage and family life. If these questions are not solved step by step, the masses of women will be prevented from exercising their full initiative. Our Party must further strengthen its work among women. In this connection, I want to raise three points.

First, since our Party's present task is to build China into a great socialist country, the central task in regard to our work among women is to mobilize them on a wider scale to take their part in all fields of socialist construction. As early as 1943, our Party Central Committee clearly showed us that the policy we must follow in our work among women after the seizure of state power by the people would be to mobilize and organize the broad masses of women to take an active part in production and, on the basis of the development of production, to improve the people's livelihood and raise the social status of women.

The experience gained during the past ten years and more has proved that this policy was entirely correct. Before the liberation of the whole country, it was carried out in the revolutionary bases, where women were extensively mobilized to take part in production; this played an important role in defeating the enemy, establishing bases, improving the people's livelihood, dissolving women's feudal bondage, and raising their position in society and the family. We must continue to carry out this policy, for it is essential for the strengthening of the forces for the building of socialism as well as for the achievement of complete emancipation for women.

To meet the needs of the advance of socialist construction, it is necessary to draw women into all sorts of work in a planned way. Women's labour power should be properly used in accordance with the over-all plan for the assignment of labour forces and due consideration should be given to women's special capabilities and specific characteristics, so as to ensure that each shall do the best she can. The labour departments in some places have consulted the organizations and enterprises concerned on needs and possibilities, and have rationally fixed the proportion of men and women to be employed. Quite a lot of agricultural producers' co-operatives have made unified plans for the employment of women according to the need for increasing production and the women's actual conditions. They have drawn in a great number of women to take part severally in the farm work and subsidiary occupations which they are able to perform, so as to enable them to exercise their special capabilities in various fields. All this is good experience. But in other places there is still a tendency to look down upon women's abilities or discriminate against them, or to employ women's labour power improperly. For instance, some departments whose work is suitable for women have flatly refused to engage women workers and employees, or have laid down all sorts of "commandments

and taboos" to restrict their chances of being employed. Other departments have overlooked women's physiological characteristics and their household duties, and have set the targets for their work too high. As a result, there has been too much strain on women, and their health has been affected. These deviations have already been brought to the attention of the Party committees in various places. It is hoped, however, that from now on further steps will be taken to rectify these deviations effectively.

In mobilizing women to take part in productive work, it is necessary to pay close attention at the same time to protecting their safety, health and due rights and benefits and those of their children and to take effective measures to that end. As for those who are already working, the principle of equal pay for equal work for men and women should resolutely be put into effect. In some joint state-private enterprises and agricultural producers' co-operatives, there is still a situation where men and women are doing the same work but getting different pay. This has prevented women from exercising their initiative at work. Therefore, this state of affairs should be drastically changed during the readjustment of wages or the revision of the system of fixing norms for labour units.

To enable women to work without worries and cares, it is necessary to establish as many as possible child-care organizations of various kinds. This is an urgent task today. At present we are relying chiefly on the industrial and other enterprises, the government departments, the schools, and the agricultural and handicraft producers' co-operatives to establish child-care organizations; but, it is also necessary to enlist the support of the public and rely on the people to establish child-care organizations of a mass character. Vigorous steps should be taken for the establishment of city street child-care organizations to help women whose homes are far away from their place of work, and the people should be allowed to start the thing going with

financial aids from the state. The bodies in charge of the different kinds of child-care organizations should strengthen their leadership, and, in the spirit of industry and economy, improve and expand their work. Attention should be given to the political and vocational education of the child-care workers and the amenities in their life, and their request to join the trade union should be granted.

Housework is a worthy job to which due regard should be given in the present conditions of our country. In the past few years many housewives have worked hard and practised economy. They have done their housework well, reared and educated their children, and given support to national construction by encouraging the members of their family to fulfil their tasks in this respect. Thus they have exercised the special function of housewives in the new society. From now on, we should broaden and strengthen our work among the womenfolk of workers and employees, handicraftsmen, industrialists and merchants. As regards women who are already working or taking part in social activities, we should see to it as far as possible that they shall have time to attend to their household affairs. At the same time, we should endeavour to expand and develop social services so that we can eventually satisfy the demand of women for lighter housework.

In regard to the broad masses of women, whether or not they go out to work, we must strengthen their day-to-day political education; in particular, we must help them to get more opportunities and facilities for study, so that they can be constantly deepening their socialist consciousness and raising their cultural level. Hence in our plan for developing education, attention should be given to the gradual elimination of illiteracy among women, while in middle schools and institutions of higher learning the proportion of women students should be properly increased and a larger number of young women admitted. This is an important measure for removing the cultural backwardness of women.

My second point is the question of further enlarging and consolidating the unity among women at home and abroad. United front work among women is an aspect of our work for the people's democratic united front. During the anti-Japanese war, our Party co-operated with the representatives of patriotic democratic women of various social strata and democratic parties, and those who had no party affiliations. Since the founding of the People's Republic of China, this unity has become more extensive in scope. Working through all channels, with the help of the Federation of Democratic Women and other women's organizations, we have achieved a more widespread unity with the women of all nationalities, all social strata, all democratic parties and all religious faiths. In the upsurge of the socialist revolution in particular, the women's united front has been further consolidated and enlarged. Under the leadership of the Party, many women of the national bourgeoisie have become more patriotic as a result of the education they have received in the past few years. Heartened by our policy of peacefully transforming capitalist industry and commerce, they have come to see that socialism is already a general trend and that the people want it, and so they have accepted transformation. They have thus become a positive force within the bourgeoisie and played a considerable part in helping the capitalist industrialists and merchants to accept transformation.

However, some of our cadres engaged in the work among women have not fully appreciated the positive role which the people's democratic united front plays in our revolutionary cause or the significance and possibilities of uniting with and remoulding women of all strata to help them work for socialism. When they work with non-Party women, they have many scruples. They think working with them is too much bother, they are afraid of being contaminated with bourgeois ideas, or departing from their political stand and making mistakes. The result is, they are unable to

unite with them and help them earnestly and patiently. On the other hand, there are also cadres of our Party who make unprincipled concessions and abandon their grave responsibility for helping these women to remould themselves. All this is wrong.

From now on, we must further consolidate and enlarge the women's united front. The Federation of Democratic Women is a women's united front organization under the leadership of the Party, a mass organization on the broadest possible basis. It should give constant attention to bringing into its activities new active elements from among the women of all nationalities, all social strata and all democratic parties. In the leading organs of the Federation, the proportion of non-Party women should be appropriately increased. Party cadres in the Federation should strengthen their unity and co-operation with non-Party leading cadres. They should take practical steps to rid themselves of sectarian ideas and styles of work. In daily work and study, they and the non-Party cadres should work together; learn from one another; consult one another and treat one another with earnestness and sincerity. They should see to it that the non-Party cadres shall have the power their posts entitle them to. They should create conditions favourable to the latter's success in work and help them to play their role fully.

In our revolution and socialist construction, we have won the sympathy and support of the women of the Soviet Union and the People's Democracies and the women of all countries who love democracy and peace. In the past few years our women have taken an active part in all major international activities of women. At present the All-China Democratic Women's Federation has established friendly contacts with the women of fifty-six countries. On this basis we must further consolidate and develop our ties with the women of all countries in the future, promote mutual understanding and friendship, strengthen our soli-

arity, defend the rights of women and children and safeguard world peace.

My third point is the question of further strengthening the Party's leadership of the work among women. The key to success in this work lies in putting into practice the policy that the whole Party should engage in it, and in comprehensively and systematically strengthening the Party's leadership of it. In the past few years many Party committees have included the work among women as part of their over-all plans, and have charged the various units concerned to devise practical ways of carrying out this part of the plan according to an agreed division of labour. Moreover, they have periodically examined the progress of the work, summed up and popularized their experiences. In this way they have been able to develop the work among women on a widespread scale, which in turn has made it possible for them to push their work ahead in every field. But there are also Party committees which have not exercised a constant or practical leadership over the work among women; they have adopted the attitude of "I'll attend to it when it is brought to my notice," thus neglecting to bring the function of women's organizations into full play. This state of affairs must be improved. At the same time, it has now become more necessary than ever to establish and strengthen the departments in charge of the work among women in the Party, to make them improve their work and successfully carry out their duties and functions.

In addition, the Party, Youth League and trade union organizations in the state organs, factories and mines, state farms and co-operatives must strengthen their leadership of the work among women, because more and more women have come to work in these organizations and the number of the womenfolk of workers and employees is always on the increase. All these women have their special demands, which will have to be satisfied as our work ad-

vances from day to day. I should like to propose that the Party, Youth League and trade union organizations (including primary organizations) in various units should set up specific organs or appoint specific personnel to take charge of the work among women in the light of the needs and actual possibilities.

In such circumstances, do we still need women's organizations? Yes, we think we still need them. Women's organizations are the products of definite social and historical conditions. Their historic mission is to carry on specific work among the masses of women in connection with their special problems. Therefore, whether or not they are to exist depends on social development and on the needs of the masses of women themselves, and not on our subjective wishes. At present the broad masses of women still have their special problems. A section of them have not yet joined any organization. They don't know yet how to exercise their own rights. Hence, they are still in need of organizations of their own which will unite their forces, give expression to their aspirations, protect their rights and interests and those of their children, and supervise the implementation of the policy and decrees regarding the equality of men and women. As for the work of maintaining friendly relationships with the women of other countries, this is still a long-term and very necessary task. So our Party should continue to strengthen its leadership in the democratic women's federations at all levels (including women's congresses at the primary level) and help them to play their role fully as organizations. It should also help them to improve their working method in the light of the new situation and needs of the present moment. In the high tide of the socialist revolution, some cadres in charge of the work among women proposed that women's primary organizations should be abolished. They underestimated the role of the democratic women's federations at various levels. Obviously, their view is incorrect.

The Central Committee's policy and directives with regard to the work among women have been entirely correct. However, in the leading organizations in charge of the work among women we failed to make an adequate study of the Party's directives and policy; we didn't fully understand that keeping in close touch with the masses and with reality was the key to the improvement of our style of leadership; we didn't pay sufficient attention to the essential needs and general welfare of the masses of women, although we were kept informed of their demands by local organizations; and we failed to study and sum up promptly our experience in the work among women. In addition, in the face of our work which was nation-wide in scale, rapidly developing, arduous and complicated, we found ourselves inexperienced; we failed to arrange our work properly or to exercise our leadership systematically by grasping the central links. We were not skilful in bringing our collective strength into play and in practising criticism and self-criticism, and we did not check up our work regularly so as to rectify our shortcomings. Moreover, when we scored some successes, we gave way to blind complacency. Although we criticized these shortcomings several times under the guidance of the Central Committee and made some improvements with its help, yet we failed to achieve a thoroughgoing rectification. Therefore, subjectivism and bureaucracy, which find expression in isolation from the masses and from reality, are still serious shortcomings in our leadership of the work among women. In future, we must make earnest efforts to overcome them and improve our work.

I am confident that after the Eighth Congress the Party's leadership in the work among women will make notable improvements and become further strengthened. We shall certainly be able to bring the socialist initiative and creative ability of hundreds of millions of women into full play in the struggle to build China into a great socialist country.

SPEECH BY COMRADE LAI JO-YU

*Chairman of the All-China Federation
of Trade Unions*

Comrades:

I fully agree to the political report made by Comrade Liu Shao-chi, the report on the Proposals for the Second Five-Year Plan by Comrade Chou En-lai, the report on the revision of the Party Constitution by Comrade Teng Hsiao-ping, and the Draft Party Constitution. I shall express some views on the work of the trade unions.

The victory of the great people's revolution has brought about an epoch-making change in the position of the Chinese working class. It is no longer an oppressed, ruled and exploited class; it has become the class that wields state power. With this change, the work and role of the trade unions have also fundamentally changed.

The fundamental task of the working class after coming to power is to energetically develop production, to bring about the steady growth of the productive forces of society, and to build China into a great socialist industrial country. During the past few years, the broad mass of workers and employees have shouldered these great tasks in a responsible way as masters of the country, and displayed a high degree of initiative and creative ability. This is the basic factor that has enabled us to proceed at a fairly rapid rate with our socialist construction. The trade unions have done a great deal of work and made important contributions to all this.

But the question may be asked: When the working class has gained state power, the development of production and socialist construction are tasks not only of the trade unions alone; they become common tasks of all Party organizations, state organs, economic bodies, and indeed, of the whole people. What, then, is the particular role performed by the trade unions in carrying out these common tasks?

The role of the trade unions in socialist construction is to bring together and unite the entire working class, to protect the welfare and democratic rights of the mass of workers and employees, to influence and imbue them with the spirit of communism, and so to closely cement the bonds between the broad masses and their own vanguard. On the basis of the growing class consciousness of the masses and their higher degree of organization, the trade unions should develop the fine traditions of perseverance, industry and thrift among the working class so that the workers will tackle the task of building the new socialist life with creative effort and a full sense of responsibility. Only a trade union that does all this is worthy the name of "the school of communism."

Have our trade unions, up to the present, played this role? I think we can say that, to a certain extent, they have. But, so far as the leadership of the trade unions is concerned, we have not as yet systematically summed up the experience we have gained in actual work. As a result, trade union functionaries have as yet no clear notion about how the trade unions should play their role. As socialist construction is proceeding at a rapid pace in our country, and the ranks of the working class are being steadily expanded, further improvement in trade union work is called for. It is therefore absolutely necessary to clarify this essential question according to our past few years' experience.

The primary condition for doing trade union work well is to keep in touch with the masses. Only by maintaining close ties with the masses, can the trade unions play their role. If they drift away from the masses, they cannot play an active role at all.

How can the trade unions maintain close ties with the masses? Briefly, they must show a serious concern for the interests of the mass of workers and employees and conscientiously safeguard those interests.

Some people seem to think that because the working class wields state power, the state as a whole will safeguard the interests of the working class, and the trade unions have lost their function as protector of the workers' interests. This view is wrong. The reason is that classes have not yet been completely eliminated in our country, while various bureaucratic tendencies will inevitably continue to manifest themselves among us and it will take us a long time to overcome them. Under these circumstances, the material interests and political rights of the mass of workers and employees are not safe from damage by bureaucracy.

So the question is not whether the trade unions should safeguard the interests of the workers and employees, but how they should safeguard them.

Before the liberation, there was a clear line of demarcation between what had to be safeguarded and what had to be fought against. After the liberation, this line has been fairly easy to draw in private enterprises. In enterprises under the control of the working class itself, however, the problem is not so simple. It is precisely the problem in the socialist enterprises that I wish to deal with here. In such enterprises, the working class is the leading class, but as an individual, each worker or employee is led by the management; the fruits of labour belong to the working class, but as an individual, each worker or employee receives only a fixed wage. Under these conditions, what are the primary interests that have to be safeguarded, and what

are the interests that should be temporarily relinquished? The distinction is not easily made. The essential question turns on the relationship between the interests of the state and the personal interests of the workers and employees.

In our country, there is unity between the interests of the state and those of the individual workers and employees. If we overlook the unity of the two and set one against the other, we shall certainly make mistakes. At the same time, we should also note that the two are often at odds with each other, i.e. there is a certain contradiction between them. If we overlook this point, we shall likewise make mistakes in actual work. The policy of the Party is to co-ordinate correctly these two kinds of interests. So far as the trade union organizations are concerned, we should, on the one hand, educate the workers and employees to take a correct attitude towards the interests of the state and, on the other, organize them to safeguard their personal interests. Only in this way can we form close ties with the masses and fully arouse their socialist enthusiasm.

The relationship between the interests of the state and those of the individual is concretely reflected in the relationship between growth of production and improvements in the livelihood of the people.

After it takes power, the fundamental interest of the working class is growth of production. Improvements in living conditions presuppose growth of production. The trade unions, therefore, must centre their activities around this central task. They must strive for higher productivity and for technical progress. But the ultimate purpose of developing production is to raise the standard of living of the people. We must gradually raise the people's living standards in line with the growth of production. Only by so doing can we effectively stimulate the labour enthusiasm of the masses. Socialist emulation must bring out clearly this relationship between the growth of production and improvements in the livelihood of the people. The trade

unions, through socialist emulation, should teach the mass of workers and employees to keep fully alive the fine working class traditions of perseverance, industry and thrift, consistently reform and improve their techniques, and learn and master new techniques to raise labour productivity. On the other hand, we must pay attention to the smallest details in the life of the masses and make every effort to improve their living and working conditions. The trade unions should help management to work out comprehensive plans for developing production and raising the standard of living of the masses, or to conclude collective contracts with management, check up on them periodically, and carry them out faithfully. To talk boldly about raising the standard of living of the masses regardless of the growth of production is a tendency of economism. Conversely, to focus attention on production without taking account of the welfare of the masses is a bureaucratic tendency. Both are wrong.

In the first few years after liberation, the leadership in trade union work fell into the ideological mistake of economism. After combating economism, however, it fell into another mistake, namely, exclusive attention to the development of production and neglect of improving the livelihood of the workers, which resulted in serious loss of contact with the masses. A worker in Szechuan paid only half of his monthly union dues, saying that he would pay the other half when the trade union began to take care of the livelihood of the workers. This criticism from the masses is highly significant. We are correcting our mistakes, as you know. However, I should like to mention one thing in passing. Now that we are determinedly combating bureaucracy with its lack of concern for the life of the masses, some people think that we were wrong to oppose economism in the past, or that we are not likely to commit the mistake of economism again. This to my mind is a mistaken view. Economism must be opposed. Further-

more, both economism and bureaucracy have deep social roots, and will manifest themselves for a long time to come in trade union work. We must be constantly on our guard against them.

The trade unions must protect the material interests and democratic rights of the workers and employees. To put it specifically, they should see to it that the policies of the Party and the laws of the state are not violated, because these provide all-round protection for the interests of the working class. That is the first thing. Secondly, they should find out what problems the masses face in their work and life and solve these in good time, as they endeavour to improve their working and living conditions. Thirdly, they should give support to the sound proposals and criticisms put forward by the masses, and see to it that these are treated with respect and there is no suppression of proposals or reprisal against those who criticize. All this concerns the question of relations between the masses and the leadership, that is, the question of relations between the trade unions and management.

In socialist enterprises, the fundamental task of management coincides with that of the trade unions, that is, fulfilment of the state plan. One should never think that management represents only the interests of the state while the trade unions represent only the personal interests of the workers and employees. Such a view is incorrect. However, due to the difference in the nature of their work, and the difference in their approach towards problems, the trade unions and management differ in their views on a number of matters. It is likewise incorrect to ignore the difference or contradiction between the two.

In modernized socialist enterprises, it is necessary to establish a system of management and labour discipline that is capable of unifying the will and action of thousands of people. It is the duty of the trade unions to teach the mass of workers and employees to uphold and consolidate

this system and discipline. But it should never be forgotten that what among other things fundamentally distinguishes a socialist enterprise from a capitalist one is that it relies for its success on the mass of workers and employees. The fulfilment of its plans depends on their initiative and creative ability. Its system of management is based on mass participation in the management of production. Its labour discipline is not maintained by means of punishment but the conscious observance of discipline by the masses.

In the past few years, in various places all over the country there have emerged a number of enterprises which are marching in the van of things. In such enterprises, economic work and political work are closely united, and leaders of production and producers are working in intimate co-operation.

But there is another type of leadership in economic organs and enterprises. These leaders usually pay attention only to fulfilment of production plans and disregard the vital interests of the masses. They attach excessive importance to administrative authority, but fail to see the importance of the initiative and creative ability of the masses in production. They usually mete out severe punishment to those working under them, but never listen to their criticisms and proposals. Such cases are by no means rare.

One of the effective measures of preventing and correcting this sort of bureaucracy is mass supervision. As Comrade Liu Shao-chi has pointed out in his report, we should confidently and unhesitatingly mobilize the mass of workers and employees to criticize and exercise supervision over our state organs and economic and cultural organizations in order to end the evils of bureaucracy. The trade unions must give full play to mass supervision.

Some of our comrades disapprove of mass supervision and think that it will obstruct administrative authority. True, mass supervision is bound to obstruct the improper

exercise of administrative authority, but will not hinder its proper exercise. Mass supervision is in reality the best help to management, because management can turn it to its own advantage and in good time discover and eliminate shortcomings in its work.

The most important method of mass supervision is to establish and perfect a democratic system which induces the masses to take part in production management, and encourages criticism from them. The most important platform for the masses is the conference of workers and employees or the meeting of their delegates. At the present time this platform has in general become a platform for the cadres only, and so lost its significance. This state of affairs must be changed. At the same time, the various organizations of the trade unions should also become forums where the masses can voice their opinions. Through the activists in their own organizations the trade unions should find out what is the state of affairs in the various fields of work of the enterprises, and put forward to the management opinions and proposals for improving the work. Management should pay attention to the opinions of the masses, give consideration to their proposals, and make responsible replies. Moreover, by thus encouraging the masses to supervise things from below, we can effectively foster their ability in economic management, raise their sense of responsibility as masters of the enterprise, improve the work of management, and thereby bring about a rapid development of production.

At the present time, the trade unions have not yet given full scope for mass supervision to function, and what mass supervision there is, is still very inefficient. What is the reason? Besides the misgivings felt by trade union cadres owing to lack of the necessary support, an important reason is that bureaucracy exists in the trade unions themselves.

The trade unions must be fully democratic organizations. Under all circumstances, the trade unions' basic method

of work must be one of persuasion, education, inducement and patient guidance, not one of commandism. Although many trade union organizations and trade union functionaries have carried out this method, there are still widespread manifestations of commandism. Even "persuasion," "education," "inducement" and "patient guidance" have been misused as disguises of commandism. For instance, in all types of work an indispensable form of education is "to convince people ideologically," because if the masses are not convinced ideologically, they will not voluntarily and consciously do anything, and without their voluntary and conscious participation, nothing can be done satisfactorily. But this may also degenerate into a case where one tries to overbear rather than to convince, and the other has to profess himself convinced or suffer being labelled "backward."

Why is it that there is so much commandism in our work? It is chiefly because there is still subjectivism in our way of thinking. It is also because we are in power and are in a position to issue orders and commands. Thus, we are apt to neglect the need to work from below. Most of our trade union work consists in carrying out the directives and decisions of the Party and the government and issuing all sorts of calls to the masses. Very little has been done in the way of understanding, expressing and summing up the opinions and demands of the masses. True, to work from above is necessary; but, as far as the trade unions are concerned, it is even more important to work from below. Work from above and work from below should be co-ordinated. If the trade unions do not go deep into the midst of the masses and identify themselves with them, when decisions are in process of being made from above by the Party or the government, they will not be able to put forward suggestions from the point of view of the masses so as to make such decisions more comprehensive and more correct, nor will they be able to carry them

out thoroughly when the decisions are made. We are already too much accustomed to looking at things solely from above, and at several levels away from the people. It is dangerous if we do not take special care to go deep into the midst of the masses.

The co-ordination of work from above with work from below is an important aspect of the mass line. This should be embodied in the organizational system of the trade unions. The trade unions must have a sound democratic system, and call delegate meetings of workers and employees, meetings of trade union members or trade union congresses at regular intervals in order to listen to the opinions of the masses. The leading bodies of the trade unions must improve their methods of leadership, cut out the red tape and hold fewer meetings. They must also visit organizations at subordinate levels, get a firm grasp of the situation, sum up experience gained and so improve their work. The trade unions should not have too many full-time functionaries on their own staff, but should have large numbers of activists working under them.

Moreover, it should be noted that, with the working class holding power, the trade unions enjoy many rights. They naturally share in and perform certain functions of government organs, such as fixing wage scales and the work norms, taking charge of labour insurance, supervising safety and sanitation measures in production, etc. Such functions of the trade unions are tending to increase. Is this tendency normal? I think it is. Because the fundamental task of the trade unions is to bring into full play the initiative and creative ability of the masses so as to build their own new life. The main obstacle in the way is bureaucracy which tends to cause a drift away from the masses and from reality. In order to combat such bureaucracy, the mass of workers and employees do not resort to antagonistic action as they do in fighting the capitalists in capitalist society, but adopt the method of supervision

and of criticism and self-criticism. This requires that the trade unions should be given the legal right to take part in labour legislation and supervise its implementation.

Of course, bureaucracy will breed easily in trade unions invested with such authority. That is why the trade unions have to function under the strict surveillance of the Party and the masses.

The Party must strengthen its leadership in the trade unions. Without the leadership of the Party, it is impossible for the trade unions to play their role correctly. In the last few years, the trade unions have been functioning with the care and leadership of the Party committees at various levels. And the Party has gradually strengthened its leadership in the trade unions. So, it has been possible for the trade unions to overcome in time their defects and mistakes in work. But there is no denying that certain Party organizations have failed to recognize fully the functions of the trade unions and even thought that they could be dispensed with. So they have either adopted a *laissez-faire* attitude towards the trade unions, failing to give them any concrete guidance or support, or taken everything into their own hands without making use of the trade union as an organization. Both deviations tend to weaken the role of the trade unions and hamper close contacts between the Party and the masses.

We request that all Party organizations give constant guidance and help to the trade unions. Party members and Party organizations in the trade unions must strictly carry out the Party's instructions and work under the supervision of the Party. Only thus can the Party rally the mass of workers and employees around it and bring them under its influence. But, under the leadership of the Party, the trade unions must actively carry out their own independent activities. The Party's leadership in the trade unions should be mainly ideological and political. The trade unions must formulate their policies, principles and im-

portant measures in accordance with the Party's directives, while all trade union activities must be conducted according to the opinions, habits and inclinations of the masses. Such trade union activities are indispensable in ensuring the Party's ideological and political leadership, because it is through them that the Party's directives can be translated into mass action. If the trade unions permit their own independent activities to be circumscribed, they will be unable to rally the masses around the Party.

Trade union organizations at all levels should carry on their activities on an extensive scale. They should keep themselves thoroughly abreast of the ideas, sentiments and demands of the masses, and make the necessary suggestions to the Party in good time. At the same time, they should intensify their activities under the leadership of the Party.

We are confident that, under the Party's leadership, the defects and mistakes found in our trade union work at the present time will be overcome and that, in the course of our great socialist construction, the trade unions will function with ever greater efficiency.

SPEECH BY COMRADE LI LI-SAN

*Deputy Director of the Department of Industrial and
Communication Work of the Central Committee
of the Communist Party of China*

Comrades:

In the period between its Seventh and Eighth National Congress, our Party has led the entire people in bringing the democratic revolution to a thorough conclusion, and in accomplishing, in the main, the socialist revolution. The world communist movement has thus witnessed another great and historic victory. We have won these successes because, since the Tsunyi Conference in 1935, our Party, under the leadership of the Central Committee headed by Comrade Mao Tse-tung, has established a correct political line in the course of repeatedly overcoming "Leftist" and Rightist opportunism, and a correct organizational line in the course of repeatedly overcoming all kinds of sectarianism. We have thus been able to unite the whole Party and the entire people, and have marched on from victory to victory.

The ideological basis for the correctness of the Party's political and organizational lines rests in the principle, consistently and resolutely adhered to by the Central Committee, of combining the universal truth of Marxism-Leninism with the actual practice of China's revolutionary struggles. As Comrade Liu Shao-chi puts it in the political report, "The Central Committee of the Party systematically helped all Party cadres to gradually grasp the principle of integrating Marxist-Leninist theory with prac-

tice and to understand the principle that our subjective knowledge must conform to objective reality." To this end, Comrade Liu Shao-chi continues, "The Central Committee launched throughout the Party the famous 'Rectification Campaign' to combat subjectivism, sectarianism and Party jargon and, in the course of the campaign, organized all Party cadres carefully to check up on their own ideas and work, check up on the Party's leadership on the ideological, political and organizational planes and conduct sharp criticism and self-criticism — all in accordance with the Marxist-Leninist stand, viewpoint and method." Furthermore, "The Party steadfastly adheres to the following principle in dealing with any comrade who has made mistakes in his work owing to faulty ideological understanding: 'take warning from the past in order to be more careful in the future; treat the illness in order to save the patient'; and 'clear up a man's ideological problem and unite with him as a comrade.'"

From the lessons drawn from my own mistakes I have come to realize in a very deep way how correct and great this policy of the Party is. As is generally known, I was responsible for the mistakes of the Second "Leftist" Opportunist Line, otherwise known as the Li-san Line, and took an active part in carrying out the First "Leftist" Opportunist Line. At its Sixth National Congress the Party in no uncertain terms repudiated the mistakes of the First "Leftist" Opportunist Line and pointed out that the chief danger in the Party came from putschism, military adventurism and commandism. Why was it that shortly after the Sixth National Congress I again made these mistakes? And why did these mistakes of mine assume even greater and more serious proportions? The most important reason was that although I had nominally admitted the mistakes of putschism, I did not go into their ideological roots. I merely repudiated certain obvious manifestations of my mistakes, but failed to use, and did not know how to use,

the Marxist-Leninist stand, viewpoint and method to make a penetrating analysis of their essential nature and ideological roots. And so I failed to change by one iota my deep-rooted evil traits of the petty-bourgeoisie, and the resultant subjectivist way of thinking which leads one to alienate oneself from reality and from the masses. When things turned to the better for the revolution, these evil traits of mine, typical of the petty-bourgeoisie, once again developed into a much worse "revolutionary" fanaticism. And at the same time, my subjectivist, unrealistic and self-opinionated ideas expressed themselves in more and more frantic ways.

Such unbridled subjectivism expressed itself politically in letting oneself be swayed by the passions of the moment, taking wishful thinking for reality, issuing arbitrary orders at will, doing things without either modesty or prudence, or with regard to consequences. Such a blind, impetuous and desperate way of doing things ignored the actual situation and conditions facing us. In cities where the White Terror was strongly entrenched, instead of taking pains to carry on hard work among the masses and build up the revolutionary forces bit by bit, the opposite was done: strikes and demonstrations were frequently called and uprisings repeatedly organized. In the rural areas, instead of going all out to set the peasant masses in motion to wage a revolutionary struggle for land reform, to develop guerrilla warfare and gradually build up revolutionary bases, the revolutionary armed forces, young and numerically small at that time, were ordered again and again to storm the major cities. Then, instead of turning back after having been repeatedly and badly battered and knocked about, desperate and headstrong attempts were made to carry on the struggle to the bitter end. As a result, the revolutionary forces suffered serious losses. Whenever I recall all this, I am mortified at the fearful extent of the follies to which people can be driven by the venom of subjectivism.

In organizational matters, such violent subjectivism took the form of an excessive sectarianism. As the result, one could hardly keep a cool head and listen to the opinions of others. Comrades putting forward different views would be accused unwarrantedly of opportunism or misguided compromise; they would be discriminated against and vilified. And so an extremely abnormal situation arose in the Party and even led to the death of a number of splendid cadres. I would cite the example of the death of Comrade Yun Tai-ying which I always recall with remorse. Comrade Yun Tai-ying was working in the Propaganda Department of the Central Committee. Because he had on several occasions opposed adventurism in our way of doing things, he was accused of misguided compromise, removed from his position in the Party Centre, and given the post of secretary of the Party Committee of the Eastern District in Shanghai. Comrade Yun Tai-ying was one of the comrades the enemy was looking for. He was not well acquainted with the conditions in the Eastern District of Shanghai and, moreover, his eye-sight was very poor. One day he was challenged by the police in a general search in the streets and was thrown into jail. A renegade informed against him and he was done to death. It all goes to show that a cadres' policy riddled with sectarianism, such as it was then, constituted not only a serious political mistake but also a crime against the revolution.

Here I have confined myself to citing an example or two to illustrate the baneful effect of subjectivism and sectarianism in the period when the Li-san Line held sway in the Party. I shall not go into all the many, many instances during the period of ascendancy of the Li-san Line of doing things which in effect damaged the revolution. Nor shall I dwell on the various absurd "views" and "theories," associated with the Li-san Line. These are already well known to many comrades. As to the ideological, historical

and social causes for the mistakes of the Li-san Line, these have been analysed with great clarity, and censured by the Sixth Central Committee in the *Resolution on Some Questions in the History of Our Party* adopted at its Seventh Plenary Session in 1945. I fully endorse and support this resolution. This resolution sums up the historical experience of our Party and is an important contribution to the treasury of Marxism-Leninism. It is a summation of the rectification campaign conducted in Yen-an — which was a great Marxist-Leninist ideological campaign. Since I did not take part in that campaign nor in the Seventh National Congress of the Party, even today I cannot say that I have a really deep understanding of this document. I must apply myself earnestly to a further study of it.

At the Third Plenary Session of the Sixth Central Committee in 1930 I began to acknowledge such of the mistakes as I understood, and I must say that I did make up my mind to correct them. Nevertheless, almost twenty years later, in 1950, I once again committed serious mistakes of a subjectivist nature when I was working at the All-China Federation of Trade Unions. The chief cause lay in the fact that over the years I had not made any thoroughgoing and painstaking ideological examination of myself. Although meanwhile I had read some of Marxist-Leninist literature, I failed to digest it in connection with my own mistakes and the experience and lessons in my own work. The result was that I made little progress in ideological understanding.

Here, I must say something about the Wang Ming Line. When the Wang Ming Line held sway, malignant sectarianism and a paternalistic way of getting things done was the vogue in the Party. Comrades who made mistakes were subjected without fail to what was then known as “ruthless struggle” and “merciless blows.” Far from helping errant comrades get a real understanding of their mistakes and

correct them, it put a heavy strain on them. The psychological pressure was great, and the atmosphere choking. What made things worse was that, compared with the “Left” deviation of the Li-san Line, the Wang Ming Line “was even more resolute, more fully ‘armed with theory,’ more overpowering and more full-fledged in form.” (See *Resolution on Some Questions in the History of Our Party*.) In the circumstance, it was out of the question for me to get any help in eradicating the ideological roots of the Li-san Line and its mistakes. I had worked directly under Comrade Wang Ming for seven years. Those seven years were like seven years endured by an unwelcome daughter-in-law under the rule of overbearing in-laws. I was in such a state that all day long my heart was in my mouth; I went about gingerly and watched my steps carefully, for fear of bringing wrath down about my head. Still I was often taken to task. The circumstances exposed another of my weaknesses — the feebleness of the petty-bourgeois. At the time I took exception to many mistaken views and acts of Comrade Wang Ming. But although I did not go so far as to obey him blindly and echo his every word, my weakness was a serious one in that I did not make bold to put up a resolute fight in defence of the Party’s interests even when important questions of principle were at stake.

In the years that followed, I experienced even greater difficulties. At the end of 1945, I suddenly received the information that I had been elected a member of the Central Committee. This was entirely beyond my expectation, and of course it was a great encouragement to me. But I didn’t really know how it all happened. Early in 1946 I returned to Harbin, and for the first time I read the *Resolution on Some Questions in the History of Our Party*, documents of the rectification campaign in Yen-an, and some important writings of Comrade Mao Tse-tung. From these documents and writings I, who had lost touch with the ac-

tual struggles of the Chinese revolution for fifteen years, really received an enlightening lesson in Marxism-Leninism. I learnt for the first time the term: "the principle of integrating the universal truths of Marxism-Leninism with the actual practice of China's revolutionary struggle," and came to know that, on the basis of this principle, Comrade Mao Tse-tung created and formulated a body of political, economic and military strategy and tactics with which our Party guided the Chinese revolution. I also came to know how, during the rectification campaign in Yen-an, Comrade Mao Tse-tung in accordance with this principle penetratingly and sharply criticized subjectivism and sectarianism and the harm they wrought, and formulated the principle and line to be taken by the Party in combating wrong tendencies in the Party, with the aim of "taking warning from the past in order to be more careful in the future, and treating the illness in order to save the patient," and "clearing up a man's ideological problem and uniting with him as a comrade." It was particularly when I heard how, at the time an examination of the records of cadres was being made in Yen-an, Comrade Mao Tse-tung had put forward the "nine principles," that I made a comparison with what I had experienced, and realized profoundly what an important role the helmsman and leader plays in the tidal flow of the revolutionary movement. You comrades have thoroughly grasped the meaning of all these things in the practical work of the revolutionary struggle, but to me, who was like a countryman going to town, they were like so many gems that dazzled and fascinated me. But I could not for the moment grasp their real significance and meaning. If you consider the number of years I have been in the Party, I may be called a "veteran," but as far as revolutionary thought, knowledge and experience are concerned, I am really a novice. After I had read the aforementioned documents and writings, I realized that the root of my mistakes was subjectivism, and I immediately made

up my mind to rid myself once for all of subjectivism, and to try my very best to learn to base everything in my work on actual facts and give honest consideration to facts. But subjectivism — that damned idealistic way of thinking — cannot be got rid of by cursing and swearing, or by issuing orders and writing magic formulae. When you haven't got the help of a good doctor to inject enough anti-toxin into your body, and when your understanding of Marxism-Leninism has not yet reached a sufficiently high level, this subjectivism will crop up again whenever conditions permit it to do so.

The mistakes I made when I was working at the All-China Federation of Trade Unions were recurrent manifestations of this subjectivism. I am greatly indebted to the Party for giving me a good cure. The Central Committee told me the mistakes I made immediately upon discovery, and criticized me roundly; it exposed the essence of my mistakes and adjudged them according to the principles of Marxism-Leninism, pointing out at the same time the harm done by such mistakes. By calling out aloud to me: "There is something wrong with you!" the Party made me realize my mistakes fairly quickly and thus prevented me from making graver errors. Still more important than this was the fact that, by so doing, all the members of our Party were taught to understand the gravity of these mistakes. Their understanding enhanced, they resolutely struggled to combat the influence of these mistakes, thus making it easier to check the spread of these influences and preventing them from causing greater damage to the cause of the Party. While I made a self-examination of my mistakes and after it, members of the Central Committee and many other comrades holding responsible positions expressed their solicitude, like doctors who show great concern for their patient, and I was given the chance of correcting my mistakes through actual work. The comrades with whom I came in touch not only did not show any discrimination

against me, but gave me comradely help, consolation and encouragement. I have been deeply affected by such comradely warmth. To me, all these were like tonics to a patient during recuperation, enabling me to regain my health and working ability at a faster rate. Through the mistakes I made this time and the valuable lessons I learnt therefrom, I made up for the loss for not having taken part in the rectification campaign in Yen-an. Following that, I was again greatly enlightened during the struggle against the anti-Party bloc of Kao Kang and Jao Shu-shih at the time when the Seventh Central Committee held its Fourth Plenary Session in 1954.

I dare not venture to say, however, that the root of my mistakes has been got rid of completely, nor do I venture to say that I have entirely corrected my mistakes and that I shall be free from mistakes from now on. If I do not keep up my vigilance, conduct myself with modesty and prudence, or continue to learn earnestly and industriously; if I do not thoroughly rid myself of cocksureness, conceit and self-complacency, or earnestly learn the style of work of giving honest consideration to actual facts; and, particularly, if I do not receive constant supervision and education from the Party, it is very likely that I shall make mistakes again. This is because these evil traits of the petty-bourgeoisie are like rank weeds that, even after a prairie fire, revive at the first breath of spring. I hope that, from now on, you comrades will constantly supervise my work and give me more help.

The lessons I have learnt from my mistakes have enabled me to come to the understanding, rudimentary as it is, that if I do not honestly examine and criticize my mistakes, they will remain as an ideological burden in my mind, and may plunge me into greater and more serious mistakes. However, after I found that I had committed mistakes, I did not lose the faith a Communist should have, that is, faith in the cause of communism, but maintained my en-

thusiasm in working for the Party. This, perhaps, was one of the reasons why, after I had committed many serious mistakes, I did not become downcast and despondent and why I did not conceal my mistakes and did not show reluctance to have them corrected, but instead earnestly made examination of my mistakes and strove my utmost to correct them. Under the direction of the Party and with the supervision and help of the comrades, I shall work and learn to the best of my ability — learn from the comrades and the masses, overcome the serious defect of isolating myself from the masses and reality, which has existed in me for a long time, rid myself of the evil traits of the petty-bourgeoisie, so as to really correct my mistakes in practice, and not merely paying lip-service to correction.

From the lessons I have learnt from my mistakes, I have come to realize deeply that, on the question of rectifying mistakes in the Party, the methods adopted by our Party aimed at treating the illness in order to save the patient — from performing operations to taking proper measures for recuperation — make it possible for our Party to continually overcome various kinds of big and small mistakes and, at the same time, save in good time those comrades who have erred (if they do not conceal their mistakes and are not reluctant to have their mistakes corrected), to continually overcome contradictions inside the Party and, at the same time, prevent damage being done to the unity of the Party and also further consolidate this unity. This is an important development of Marxism-Leninism on the question of Party building.

I am in full agreement with Comrade Mao Tse-tung's opening speech, Comrade Liu Shao-chi's political report, Comrade Teng Hsiao-ping's report on the revision of the Party Constitution, and Comrade Chou En-lai's report on the Proposals for the Second Five-Year Plan. I am convinced that if the policies, lines and measures put forward

in the opening speech and in these reports are thoroughly carried through, our Party will certainly be better able to unite its own ranks, the working class and the people of the whole country, and unite with all the forces in the world that can be united with, to accomplish the historical task of building China into a great socialist land.

SPEECH BY COMRADE TAN CHENG

*Deputy Director of the General Political Department of
the Chinese People's Liberation Army*

Comrades:

I fully agree to Comrade Mao Tse-tung's opening speech, the political report delivered by Comrade Liu Shao-chi, the report on the Proposals for the Second Five-Year Plan for Development of the National Economy delivered by Comrade Chou En-lai and the report on the revision of the Party Constitution delivered by Comrade Teng Hsiao-ping. Now I should like to express my opinions on certain questions concerning the political work in the new stage of building up the Chinese People's Liberation Army.

After the liberation of the whole country, the building-up of the Chinese People's Liberation Army, under the guidance of the correct principles laid down by the Central Committee of the Party, gradually passed from the old stage into the present new stage. The beginning of the new stage is marked by an improvement of technical equipment, which in turn brings about a series of reforms in our army's command, organization, training, systems, etc. This is a leap in the building-up of our army, a tremendous change in its history.

This tremendous change is dictated by the new situation following the victory of the revolution in China and is also a result of our long years of unsparing effort. Now our army has developed from a military force of a single arm into one of combined arms. An end has been put to the decentralized leadership carried over from the period when

we established ourselves in separate bases, and a unified and centralized system of command has been set up and is being gradually perfected. The combat training in joint operations has borne fruit, our officers have improved their capability as trainers and commanders, and our men have achieved a measure of success in learning to master the technique of modern equipment. The sense of organization and discipline has been strengthened in the army, and guerilla habits have been greatly reduced. Recently, the system of voluntary military service was replaced by that of obligatory military service, and the supply system for officers by the salary system. We have also set up a system of military ranks and a system of awarding orders and medals to those who have rendered meritorious services. As a result, the country is assured of recruits, the morale of the army is raised and the servicemen are inspired to greater efforts in self-improvement. All this shows that we have made remarkable achievements in effecting this change.

It should be pointed out that the above-mentioned achievements are inseparable from our assimilation of the best experiences of the Soviet Union. Over the past few years, we have made great efforts to educate a section of our officers to help them get rid of their self-exaltation, self-conceit and complacency over past achievements and to make them see how wrong it is to refuse to learn new things or to fail to learn with modesty from the Soviet Union. Such education has proved to be entirely necessary. Without it, we would not have been able to overcome conservatism, departmentalism and guerilla habits in time, we would not have been able to arrive at a common understanding of the change, and the great change itself would not have been brought about so successfully.

This change or reform is bigger in scope than any we had in the history of our army. Yet, in effecting this change, the army encountered fewer obstacles and disturbances,

and made greater achievements than any time in the past. This was due to the correctness of the principles laid down by the Central Committee of the Party, the efforts made by the comrades at different levels and the disinterested help given us by the Soviet Union. This also proves that our army, well-seasoned through long years, especially through the last three and half years of the War of Liberation, is matured ideologically, politically and organizationally, thus preparing conditions for the change. Herein, then, we have the material foundation of the change, a thing of the utmost importance. Besides, in the course of the change, we adhered to two principles. In the first place, we adhered to the principle that in assimilating foreign experiences we must adapt them to the actual conditions and traditions of our own army, and learn them with determination as well as judgment. In the second place, we adhered to the principle of effecting a gradual transition suited to the actual conditions, and brought about the reform in various fields of our work and various systems and regulations only after the necessary preparations were made and the various stages mapped out. Adherence to these two principles was essential to the successful completion of the change, and the principles themselves constituted the two important points in our experience gained in the course of the transition. These two points will still be of service in our future work.

We were not, however, free from defects and mistakes during the transition. At the outset when our army was to be modernized, not all people correctly understood the aim and principles of modernization. In actual work deviations occurred; and on certain questions there were confusion of ideas and a feeling of unrest and misgivings. This state of affairs was, in the main, remedied after the conference of high-ranking Party cadres in military organizations held in the winter of 1953 and again after the enlarged conference of the Military Council held in the

spring of 1956. But, as some officers still take a somewhat different view on a number of major questions, wrong-headed ideas yet frequently gain wide currency and every now and then cause deviations in our work. These we must continue to check over and put right. Of course, it is in varying degrees that these deviations have been found in different organizations. In our actual check-over, we should analyze the deviations in the light of the specific circumstances in each case, and should not deal with all of them in the same way. Also, many problems have cropped up because certain higher organs, including the General Political Department, had defects in their ideological guidance and in certain practical measures. Therefore, in our check-over, we should, first of all, focus our attention on the higher organs; thus, in reviewing and remedying the defects, we must begin with them. We must follow the principle of "taking warning from the past in order to be more careful in the future and treating the illness in order to save the patient," and our aim in the check-over should be to clarify confused ideas and forge a closer unity so as to give free scope to all positive factors and more successfully fulfil our task of building up the army and national defence.

The deviations manifest themselves, roughly, in the following ways:

(1) *Negligence of our tradition of unity of officers and soldiers, and of higher and lower levels.* It has been more widely felt in the last few years that the relations between officers and soldiers and between higher and lower levels are not so congenial and close as they used to be. In certain companies of our army, and in certain military organs and schools, artificial barriers are being set up and estrangement is growing. The naturalness and freedom with which officers and men used to talk to one another has been replaced by reserve and stiffness. Disregard for the welfare

of the soldiers, abuse of power over soldiers and punishment in lieu of education are gaining ground.

(2) *Negligence of the function of democracy.* Democracy is mistaken as an obstacle to centralism and considered incompatible with regularization. Under this pretext, democracy is being narrowed down and restricted. Much of the "Three Democracies"—democracy in political matters, democracy in military matters and democracy in economic matters—which well proved their worth in the past, have been pigeon-holed. The rational proposals put forth by soldiers and junior officers are not given due attention, and they do not know where to express their opinions and feelings about things. The cadres are not encouraged to follow the principle that officers and men should profit by learning from one another. On the contrary, the arrogant attitude of the officers who assume that they are above everything and know everything is countenanced.

(3) *In method of leadership, as often as not orders and administrative means are stressed, while ideological work is overlooked and the mass line neglected.* The directives and plans of the leading organizations and the decisions made by responsible personnel are considered perfect and flawless, and the only thing one needs to do is to follow them to the letter. No trust is placed in the rank and file, while leading organizations are regarded as all-powerful. The style of work tends more and more towards over-simplification and bureaucracy. In other words, there is a tendency to depart from reality and be isolated from the rank and file.

(4) *Our military school education and troop training suffer from doctrinairism and formalism characterized by separation from practice.* For instance, education takes the form of "cramming"; stress is laid on quantity only, without paying any heed to the effect; in class, the instructor only reads the text word by word; in examinations,

memorization, instead of apprehension, is emphasized; in regard to the training systems and methods, no attention is paid to actual conditions, and foreign experiences are mechanically transplanted, etc.

(5) *The army's relations with the people and with the local Party organizations and governments are not so close as before.* The people's interests are less attended to than before. For instance, in building barracks, defence works, drilling grounds and aerodromes, often the unit concerned makes more inhabitants move from the sites than is necessary, occupies more farm land than necessary and over-expands restricted zones, thus paying no attention to, much less showing sufficient concern for, the cause of socialist construction and socialist transformation.

Negligence of our tradition of unity of officers and men and of higher and lower levels, and negligence of the function of democracy, have their ideological origins. Some people hold that in the past, because we had to defeat an enemy whose equipment was superior, we had to rely on the people and the soldiers, in other words, rely more on the human element. Hence the importance of the principle of unity of officers and soldiers, of higher and lower levels, of the army and the people and a democratic life under centralized leadership; hence it was proper for us to stress them. Now, after being re-equipped, our army has changed from a military force of a single arm to one of combined arms, and the demand for technique is greatly increased. Under such circumstances, they hold, we should only stress the function of technique and not that of political work and man. The function of technique, so they say, has leapt to a place of primary importance, while the function of political work and man has come down to a second place. In their opinion, in the past we fought with the help of political work, in future we shall fight with the help of technique.

Such ideas are evidently wrong. Those who hold such ideas forget our army's basic feature, namely, that our army is a people's army, and no amount of modernization will ever change this feature. On the contrary, we should make every effort to keep up and display this feature and bring out its superiority. It must be pointed out that modernization itself bears no class character — a people's army can be modernized just as much as an army of the bourgeoisie. From the point of view of equipment and organization, the two kinds of army are more or less alike. Many systems, military courtesies, and relationship of commands, if judged by appearance alone, are also alike. The difference lies in the fact that these systems and forms have different contents and embody different political relations. The salient features of our army are: education conducted in the revolutionary spirit of Marxism-Leninism; the principle of unity of officers and men, of the army and the people and of our own army and our allied forces; the leadership of the Party and revolutionary political work, and so on. By unity of officers and men is meant a relationship in which men are required to respect officers and obey their orders, and on the other hand, officers are required to care for their men and respect their personal dignity. In short, officers and men should respect each other. Only by mutual respect can a relationship of equality and friendliness be established, and only thus can be realized a unity of officers and men worthy of its name. If we only require soldiers to respect and obey officers, while allowing officers not to care for men and have no respect for their personal dignity, or even abuse their power and do what they please, we shall never be able to rally the soldiers. Under such circumstances, we cannot, of course, expect to establish good relations between officers and soldiers. For several decades, the internal relations of our army, including those between higher and lower levels, have developed along the principle of equality and friendliness. Relations

were very good if this principle was followed, and were unsatisfactory or downright poor if this principle was violated.

In modern warfare, the importance of technique is greatly enhanced. Without modern technical equipment and without joint operations of units of the combined arms which have attained a high level in military technique, the bravery of man by itself cannot win a war. At present, our knowledge in military science, in technique and in modern ways of commanding the army is not too much, but too scanty. Weakness in technique is still one of the main problems in our present work of building up our army. We must do all we can to overcome this backwardness and try, within a prescribed number of years, to catch up in the fields of military technique with the armies of technically advanced countries. It would be wrong to shut one's eyes to the development of military sciences and assume that we can win a war, just as we did in the past, with inferior weapons alone, with a single arm and simple techniques, and thereby underestimate the importance of technique and refuse to press ahead with the key task of raising our level of technique. But by emphasizing the importance of technique we do not mean to reduce the role played by man and the function of political factors. On the contrary, the human factor is always a determining factor in war, a factor that always counts. Under the circumstances where technical conditions are getting more complex from day to day, the diversity of arms in the army is increasing and the war is getting to be more cruel than ever, it is all the more necessary to bring into play the role of man. Technique is, after all, employed by man; no technique can be of any use if not combined with man. Further, mobility in warfare and co-operation in joint operations are possible only when there is political unity among men. Without this, there can be no mobility in warfare and no real joint operation in action.

We must give free scope to democracy if we want to consolidate unity inside our army.

Democracy has performed a positive function throughout the history of our army. As far back as the time of the founding of our army, because we relied on the mass of the people and gave free scope to democracy, we reformed the old-type troops which were joining the revolutionary uprisings. In those troops we succeeded in thoroughly breaking down their old-type traditions and establishing a new revolutionary tradition. From then on, officers in our army have ceased to be a privileged class lording it over the rank and file, and men have ceased to be slaves at the beck and call of officers. Both have become masters of the army, firmly united to share the responsibility, whether of victory or defeat in war, of honour or disgrace and of good or bad discipline. It was no accident that in those trying days, especially at the critical moments when things seemed hopeless, our army could remain solid like steel, buffeting with difficulties and finally getting the better of them.

This democratic tradition was developed during the War of Liberation, and summed up into the "Three Democracies" — political democracy, military democracy and economic democracy. By political democracy we mean that officers and men are equal. On certain occasions and under centralized leadership, men are allowed to criticize defects of officers and in army work. That is to say, officers should accept the supervision of the rank and file. By military democracy we mean that, conditions permitting, men are allowed to make suggestions as regards the ways of fulfilling a task in fighting, in training or in other work, and discuss the ways and means of putting them into practice and make utmost effort towards their completion. By economic democracy we mean that the men of a company should supervise and participate in the management of all its expenditure on their maintenance and welfare, so as to improve their own provisions and prevent possible corrup-

tion and waste. Past experience has more than once convinced us that, with the help of such a democratic life, men invariably become keener in their political understanding; officers with defects, helped by the criticisms from the rank and file, begin to make progress; officers and men become more united, and discipline more consolidated; and the initiative and creative ability of officers and men are given freer scope. As a result, work and study go on smoothly, combat duties are performed with credit, and the fighting power of the troops is greatly increased. Such democratic life, if lived under good leadership and in an orderly way, will definitely achieve the aims listed above. There will be no ill consequences or disadvantages. It will in no way impair centralism; on the contrary, it will only help bring it into effect. In all our work, we need both leadership from above and mass line from below — that has always been a rule with us. The combination of democracy and centralism, the unity of the leadership and the rank and file — this is the line we must follow steadfastly in all our work.

As I said above, democracy has performed a tremendous positive function in maintaining the internal unity of our army, in strengthening the bond of fraternity and friendship between officers and men and between higher and lower levels, in arousing the sense of responsibility and initiative of the broad mass of officers and men, in giving effect to self-education and self-reform among the broad mass of officers and men, and in helping the leading organs to improve their leadership, correct deviations, stave off warlordism and bureaucracy and maintain law and discipline. Take the case of maintaining internal unity. When we found in a company or a military organ a breach in the relations between officers and men, or between higher and lower levels because of warlordism or bureaucracy, we would call a democratic meeting within the company or the organ, and, by means of criticism and self-criticism, first

let the men and junior officers give vent to their complaints and opinions. Then we analyzed them, sifting what was right in their opinions from what was wrong, accepting the former and making explanation or criticism in regard to the latter. Those officers who committed serious mistakes and detached themselves from the masses were urged to make a self-criticism in public and were dealt with according to the nature of their mistakes and the degree of their repentance — either kept on their jobs, or transferred or duly punished. In this way, we educated the erring comrades as well as all other officers and men. And through rectification by this method, the once impaired or disrupted relations between officers and men, or between higher and lower levels, were restored to unity. Such was the way in which we constantly regulated the relations between officers and men, and between higher and lower levels in the army; such was the main method by which we maintained and consolidated our internal unity.

Now as the unity within our Party is further strengthened and our society is advancing towards the elimination of the exploiting classes, the internal and external conditions contributing to the unity of our army are vastly different from those in any former period of our history. The elimination of the long-standing guerilla habits and mountaintopism in our army is of great significance to the regularization of our army and to the attainment of a high degree of unification and centralism in our leadership. But under the new conditions, we cannot say there are no longer any problems about our internal unity. As I mentioned above, there are problems, only they have acquired new contents, that is, new contradictions. How to keep consolidating our inner-army unity and carry on our tradition of the unity of officers and men under the new conditions, so as to make our army always full of vitality and always invincible, is still a question that our army cannot afford to overlook. In this connection, it is extremely

necessary for us, apart from strengthening the leadership of the Party and political work, to insist on democracy and on the practice of criticism and self-criticism, to combat the tendency towards renouncing democracy and criticism, and to struggle against the attempts to suppress democracy and retaliate upon those who criticize. By so doing, we will enable our officers and leading personnel to hear constantly opinions from below and keep sober-minded, to be modest and prudent and not getting swell-headed and impetuous. Of course, the democracy we want to keep up and foster has nothing in common with the ultra-democracy we have all along opposed. Ultra-democracy and acts against discipline and detrimental to the organization such as refusal to carry out orders are impermissible at all times. Moreover, democratic life in our army must be placed under centralized leadership and kept within proper bounds; it bears no resemblance to ultra-democracy which defies all leadership and breaks all bounds.

In the past few years, another view has been prevalent in our army which is also harmful to the promotion of democracy, and should, therefore, be criticized. This view is that officers should not be criticized openly, and that criticisms against them even inside the Party should be restricted. It is said that open criticism will impair the prestige of the officers. According to those who hold this view, officers should only be subject to supervision by leading organs and superiors, but not to supervision by the rank and file at the same time. In case officers commit mistakes, they should only be dealt with by the leading organs; the rank and file cannot look into the matter. This view is wrong. If it is followed, the officers would cut themselves off from the masses, and be liable to get swell-headed and self-conceited. When they commit mistakes, it would not be so easy to uncover them, or to correct them when uncovered, since there is no supervision and education by the rank and file. And a small number of persons

of bad character would be able to abuse their power unscrupulously and do all sorts of evil things. So, this will do more harm than good in every respect.

Officers should indeed enjoy prestige. But an officer's prestige must be established through his own hard work and his close touch with the rank and file, and it should be based on general recognition. Prestige cannot be established and enhanced at will; one cannot build up one's prestige by merely relying on the help of others or by other artificial means. The prestige that is not established on solid ground, but merely by reliance on others and by artificial means, is not real prestige. The slogan that "political work should guarantee officers' prestige" is logically untenable. For one who has real prestige needs none of your guarantee. While to one who has no prestige or has lost his prestige, your "guarantee" will get him nowhere. No amount of guarantee can give prestige to one who has not got it, or recover it for one who has lost it. The only way for one to regain one's prestige is to practise self-criticism openly and correct one's mistakes. That is our view of the unity of criticism and prestige, and that is how we have gone about our work. As shown by our experience, this way of going about our work has enabled us to correct the mistakes of our cadres and at the same time show consideration for them—a good way of caring for them and an effective method of keeping up their prestige. Of course, this does not mean that we will allow undesirables and ill-wishers to launch personal attacks by libel and other foul means to undermine the prestige of our cadres and our leaders. If such a thing happens, those in charge of political work are duty-bound to conduct struggles against it so as to protect their prestige. It would be wrong to fail to do so.

In view of the fact that one of the causes that lead to the violation of the principle of unity of officers and men

is that some people, on the pretext of instituting regulations and tightening up discipline, have sought to build up personal authority, make a constant practice of penalization, erect artificial barriers and engineer breaches between officers and men, I find it necessary to say a few words about regulations and discipline. In regularizing our army, it is only natural that we should draw up regulations in regard to duties, discipline, military courtesies and daily life of soldiers, and all officers and men must abide by them. For without regulations, life in the army will have nothing to go by and the bad habits and defects left over from life during the guerilla warfare, such as lack of clearly defined responsibilities, slovenliness and lack of courtesy, cannot be done away with. Then it will do harm to our day-to-day work as well as hamper the function of the commanders in wartime. But to make our regulations embody the characteristics of a people's army, carry on the fine tradition of our army and uphold our internal unity, we must study the matter realistically in the light of our army's traditional characteristics and present-day situation. Our regulations must be permeated with the spirit of democracy and education, and many forms of organization and ways of life our army has been accustomed to should be incorporated into them. It is not advisable to carry over mechanically the experiences of foreign countries. For foreign troops have their own traditions. Some ways of doing things are a matter of habit with them, but not so with us. If we forced ourselves to follow them, we would only find them impracticable. Some provisions are mere formalities without any substance, the implementation of which will only estrange officers from men and the higher level from the lower, and will be detrimental to unity. For instance, provisions in military courtesies which may make soldiers and junior officers feel ill at ease and wearisome, or wrap the officers in an atmosphere of mystery, and provisions which unnecessarily impose uniformity in

certain spheres of daily life should find no place in our regulations. If it is already done, they should be deleted or modified. In short, it is necessary for us to have regulations, systems and certain forms, but they must not be of the kind that will jeopardize the unity between officers and men and between higher and lower levels. This is very important.

The same is true with discipline. We must maintain strict discipline in our army; and discipline, by its very nature, is compulsory. In order to keep up discipline, it is absolutely necessary to give due punishment to those who violate discipline in spite of repeated admonition. We must set ourselves against the tendency towards excessive leniency as well as the tendency towards discarding discipline altogether. But our discipline is built on political awareness. We have all along maintained and practised the principle that persuasion and education should be the chief means to uphold and strengthen discipline, and punishment is only a secondary and supplementary means. If education could serve our purpose in settling questions that may arise in our army, then it is not necessary to resort to punishment; where only a light disciplinary measure is called for, we should not resort to a severe one. And punishment, in whatever form, should always aim at education — an education for those who commit mistakes as well as for all officers and men. When a disciplinary measure is taken, we must fully explain the reasons why it is taken and the person involved should be allowed to plead for himself. When the punishment is unjust or the punished is found to be the wrong party, he is allowed to appeal to the proper authorities who, upon receiving such appeal, must make serious investigations and deal with the matter in a responsible way, and must not lay it aside unheeded. This kind of discipline alone is in conformity with our principle of the unity of officers and men and with our democratic spirit, and such discipline alone is durable. All discipline

maintained by force and penalization is, for all its superficial strictness, undependable.

So far I have dwelt on some problems concerning the internal unity of our army. Now I am going to speak on the relations between our army on the one hand, and the people and the local Party organizations and government organs on the other.

I mentioned above that many of our units, since they were quartered in barracks to undergo regular training, have begun to estrange themselves from the people and from the local Party organizations and government organs. For instance, quite a number of our military organs have been stationed at one place for several years, but have seldom come in touch with the local organizations; they know little about local social conditions and render little help to local undertakings when they are able and ought to do so. Quite a number of units, as soon as they are quartered in barracks, begin to detach themselves from the local people and local society. Sometimes, there are even interference with and restriction on the correspondence of soldiers with their families. It is thought by many to be an extra burden and impediment to training that our troops should spare part of their time to help the local people in production and take part in certain public activities. To them, only training in isolation is training worthy of the name, while it is no training when the troops help the people in production and take part in public activities. Though they profess themselves in support of the idea that our troops should keep in close touch with the people and be concerned about their welfare, breathe the same air with them and throw in their lot with them, they immediately withdraw their support when it comes to putting the idea into practice. In reality they support the idea that our troops should separate themselves from the people, from production and from the practice of social struggles. This state of affairs, however, exists only in some sections of

the army, and is by no means universal. The greater majority of our units have got along very well with the people and with local organizations. Nevertheless, the tendency I have just described is something to be guarded against. If it is allowed to develop, our troops are in danger of gradually drifting away from the supervision of the people and from the leadership of local organizations. Besides, if the personnel in our army are isolated from the people and from social practice for a long time and unable to obtain first-hand knowledge and experience of production and social struggles, their political understanding definitely cannot be raised. Politically, they will not only lag behind but may even deteriorate. This is extremely harmful and indeed dangerous to a revolutionary army charged with political duties.

It should be pointed out that it is above all to the advantage of our troops that they spare part of their time to help the people in production and take part in public activities. It will help our army personnel to acquire a better idea of the mass line and a greater respect for labour. In such ways they can keep in touch with the people and forge a closer unity between the army and the people. In the past few years, our army units in different localities spent part of their time every year in helping the local people in spring ploughing and autumn harvest; some of them helped the local people to build dams and dig irrigation canals; and in time of natural calamities, they always rushed to the people's aid. The units stationed in border areas, on sea islands and in areas of the national minorities have in fact become important forces in local undertakings and in our work among the national minorities. Because of their correct implementation of the policies of the Party and the government, and through their hard work, they have united themselves with the local people and our fraternal nationalities. Together with the people, they have set up a system of joint defence by

the army and the people, thus consolidating the defence of our frontiers and islands. With the advent of the nationwide high tide of agricultural co-operation, the entire army, under unified leadership, started all kinds of activities to support socialist construction in a planned way. In all this the army has done the right thing and done it well. And doing it brought no harm to our training, but much good to the broad mass of the people and to the cause of national construction. It also exercised a good influence on the people at large and on the comrades doing local work. This, too, has its place in the good tradition of our army, something which we should develop, not abandon.

Since the modernization of our army, our military command has been highly centralized. But still all parts of our army should continue to receive, as before, the supervision of the local bodies of the Party, of the government and of the mass organizations. They should not reject such supervision on the pretext of centralized command. By supervision we mean: when any army personnel detach themselves from the people, violate the policies of the Party and the state and commit other offences against law and discipline, the local organizations may directly stop them from doing so or appeal to higher authorities. In addition, on certain questions and on certain kinds of work our army units should accept the leadership of competent local organizations, apart from accepting the leadership of higher levels in the army. For instance, in military engineering work, in questions like the purchase of farm land, removal of inhabitants and relocation of tombs from areas purchased, laying out restricted zones and collecting and managing labour power, the units concerned must accept the leadership of the local organizations and respect their opinions. The General Political Department put forth, in January 1954, a proposal that responsible comrades of army units should sit on local Party committees and information should be exchanged between local authorities and army

units; the proposal, approved by the Central Committee of the Party, provides a proper mode of contact between Party committees of army units and local Party committees. Those army units which have not acted according to this proposal should do so. History and recent events have all proved the soundness of this system of dual leadership and the system that local organizations have supervisory power over army units. They have only done good to our army units and will not hinder the centralization of our command.

Finally, I should like to touch briefly upon the question of the work style of leadership. I have mentioned before that in our training and in our school education there exist doctrinairism and formalism. The same undesirable styles of work also exist to a greater or lesser degree in other fields of our work. The deviations that occurred during the new transition our army went through had, on an extensive scale and to a rather high degree, something to do with these styles of work. That is to say, they stemmed from the ideological foundation of these styles of work. Besides, shortcomings resulting from subjectivism, bureaucracy and commandism are still found in our work. Of these styles of work, the glaring instances are the following: separation of the work of military organs from the needs of the troops; failure of the officers in the organs, especially the responsible officers, to go frequently to the army units to inspect the work there, and, even if they do so, more often than not the inspection is only superficial and sample investigations are seldom conducted; indulgence in empty talk and generalization; undue emphasis on the importance of specialization; separation of the work in their departments from the current and key tasks, so that the work in these departments is reduced to matters of a purely business and technical nature, without ideological guidance or clearly-defined political orientations; lack of ideological preparation when they set about to do a task or

assign work to others; failure to encourage cadres to express their views and conduct full discussions, but simply passing on the directives of the higher-ups, assigning tasks, allocating figures and drawing up time-tables, thus reducing the relation between higher and lower levels into merely one of passing on and taking on tasks; and so on. All this amounts to detaching oneself from reality and from the masses, and is contradictory to our consistently promoted and practised style of work of going deep into realities and seeking truth from facts, and our line of relying on the masses. If we do not correct these defects, the initiative of officers and men will be impeded and the internal unity of our army weakened; while our work, so far from achieving anything, may become a complete mess. In the past we have to some extent checked and corrected such bad styles of work, and now we are ready to make another over-all check-up in the spirit prevailing in the present Congress of our Party so as to correct these defects and mistakes more thoroughly. We believe that enlightened and inspired by this historic Eighth National Congress, all comrades in the army can definitely overcome these defects and mistakes, rally more closely round the Party, and brace themselves up to fulfil with credit the tasks entrusted to them by the Party and the state.

SPEECH BY COMRADE TSAI CHANG

First Secretary of the Commission in Charge of Work Among Women, the Central Committee of the Communist Party of China

Comrades:

I am in full agreement with the reports made on behalf of the Central Committee by Comrades Liu Shao-chi, Chou En-lai and Teng Hsiao-ping. I should now like to give my views on the question of the training and promotion of women cadres.

With regard to women cadres, it is our Party's policy to train them with patience, to have confidence in their employment, and to promote boldly those who deserve promotion. As the Party's Central Committee particularly points out in its report on revision of the Party Constitution, "Our Party must be very firmly resolved to train and promote women cadres and help and encourage them to advance unceasingly since women form one of the greatest reservoirs of Party cadres." Faced as we are with the great task of socialist construction, the Party's Central Committee is, in my opinion, entirely justified in attaching such importance to the training and promoting of women cadres. This directive must be thoroughly carried out in actual practice.

In the various stages of our revolution, our Party has trained and promoted large numbers of women cadres from among women workers and peasants as well as from women intellectuals. In all fields of work in the revolutionary bases, in underground activities and legal struggles in areas

dominated by the reactionaries, these women cadres kept close contact with the masses. They worked industriously, fought heroically, and in general played a key part in our revolutionary work.

Since the founding of the People's Republic of China, our Party and government have trained and promoted many more women cadres. Their number is increasing each year. In 1951, there were 150,000 women cadres working at various posts in all fields of work; they made up 8 per cent of the total number of cadres. By the end of 1955, their number had increased to more than 764,000, or 14.5 per cent of the total number of cadres. In the upsurge of the great socialist revolution, tens of thousands of new women activists have come to the fore, and a number of them have been promoted as cadres. All of them now have their posts in different fields of Party and government work. The Party and the state have treated them with solicitude and educated them. They have been tempered in the course of practical work, and gradually become more politically conscious and more capable in their work. The vast majority of them have been working honestly and industriously and learning on the job. They have fulfilled the tasks entrusted to them by the Party and the state. A number of them have mastered the technical knowledge needed by their jobs and have familiarized themselves with the work of national construction they are engaged in.

Even the present increase in the number of women cadres cannot keep pace with the demands which the rapid development of socialist construction makes on us. Three problems have to be considered at the present time.

(1) Though the number of women cadres is increasing, they still constitute a relatively small proportion of the total number of cadres, while the number of leading women cadres and scientific and technical personnel is still smaller. Only 6 per cent of the cadres with rank equal to that of county leading personnel and section chief are women;

only 3 per cent are women among those with the rank of department chief or bureau director, while among mayors and county chiefs, the figure is only 2.8 per cent. Women make up only 9 per cent of our engineering and technical personnel in the central leading organs and in enterprises directly under their authority, while only 0.8 per cent of our engineers are women.

(2) While the ability of women cadres is much higher than before, in most cases their cultural, scientific, and theoretical levels are relatively low, and they do not have a high level of professional knowledge and technical skill either. Our veteran women cadres have had a certain amount of experience in the revolutionary struggle, but they are not familiar with present-day construction work.

(3) In present-day conditions of peaceful construction, the overwhelming majority of women cadres are now rearing more children, and have many household tasks to look after. They have more work to do and they take a bigger part in various studies. Though there has been a big development of child care and social service establishments, these still lag behind the needs. So the problem of reconciling work and studies with the rearing of children and looking after the home is becoming of greater urgency than ever before.

These problems have their roots in social and historical conditions. Because our country is economically and culturally backward and because our women were for ages past bound by the shackles of feudalism, their opportunities for work and education have been very limited, and so have conditions for developing welfare facilities for women and children. There has, it is true, been a great change in this respect since the liberation, but a fundamental change cannot, after all, be brought about in a short time. Nor have we made a sufficiently big effort on our own part. Take the question of leadership. Certain leading organs and leading personnel tend to underestimate the strength

of, and the positive contributions made by, women cadres in revolutionary and construction work. They have not planned the training and promotion of women cadres in a purposeful and systematic manner suited to the special abilities of women cadres. Nor have they made use of every possibility for the practical solution of problems peculiar to women cadres. Instead, they have left these problems to be solved by the women cadres themselves. We have even found that a few organs and a few leading cadres tolerate ideas and attitudes which lead to actual discrimination against, and contempt for, women cadres. They think that "even three women are not the equal of one man." When it comes to the question of promoting women cadres, they are troubled by endless misgivings. They are afraid that women cadres, if promoted to a higher position, will not prove equal to the tasks assigned them, that they cannot work perseveringly, that they will be burdened with looking after their children and will themselves be a "burden" to the organizations they work in. So they tend to promote more men cadres than women cadres even when choosing between men and women of equal competence. It has even been found in a few cases that although there have been more women than men among the model cadres elected by the masses, extremely few women are among those promoted. All this reflects the attitude of valuing men and belittling women, an attitude which has survived from the old society and which can still be seen in the implementation of our cadre policy. Apart from this, there are a few women cadres themselves who do not work hard enough, or do not have a sufficient urge for progress under present conditions of peaceful construction. They tend to be satisfied with things as they are; they have no desire for advancement; they hesitate when faced with new tasks and fresh difficulties. These are the major reasons why they have not made sufficient progress.

In order to train and promote more and better women cadres and to give full play to their initiative and creativeness in socialist construction, I would like to make three proposals:

(1) We must systematically train Party and non-Party women cadres; steadily raise their level of socialist consciousness; help them study Marxism-Leninism and acquire professional knowledge and skills; make them settle down in their present posts as far as possible; and encourage them to apply themselves closely to their professional skills and stick to their jobs so that they may become skilled in their own lines.

Since there are very few women specialists at present, we must, apart from actively training large numbers of new young cadres, show our love and concern for those women cadres who are already equipped with specialized knowledge and skills, help them engage in serious studies, and assist them to overcome difficulties and pursue advanced studies so that they may eventually become specialists. Institutions of higher education and scientific research should suitably raise the percentage of women in enrolling students and post-graduates.

We should show our warm solicitude for those older women cadres who have not attained a high enough cultural level; we should systematically help them raise their cultural and professional levels, and make it possible for them to do a better job.

We must also, in the light of the special conditions existing among our fraternal nationalities, train and promote women cadres of different nationalities in various fields of work.

(2) Our policy is to make cadres of "those who are of good character and show real ability." We should continue to follow this policy and on this basis boldly promote women cadres, Party members and non-Party members alike, to all kinds of work and to posts of leadership

at all levels. In doing this, it is important at all times to see to it that we have no reservations about employing them and give them constant training and education. Leading organizations at all levels, and personnel departments especially, should carefully consider the special needs of women cadres, assign them suitable work, and give them opportunities to try out their abilities. They should be given constant education and help in their work. They should be encouraged when they have achievements to their credit and helped to get ahead. They should be given timely advice in getting rid of and correcting their defects and mistakes. In this way, we will have a constantly new crop of fine cadres, while those women cadres who have already been promoted will be able to accomplish their tasks competently and successfully. Speaking of cadres, Comrade Mao Tse-tung has said, "Send them into action; they will learn on the job and become more capable; large numbers of people of fine calibre will come forward." This is the most important principle for the training and promotion of cadres, especially of women cadres.

In socialist construction, there is work suited to women in every field and every profession, and women cadres can be trained and promoted to all such work. At present there are more women cadres in the fields of culture, education, medicine, public health, child care, trade, light industry and law, than in other spheres of work. This shows that women cadres are fitted to undertake work in these fields, and leading personnel in these fields should, therefore, train more women cadres.

(3) What troubles many of our women cadres is the contradiction between work and study on the one hand, and the rearing of children and care for the home on the other. We Communists must take a sympathetic and solicitous attitude in dealing with these difficulties and try to remove them step by step. Lenin has said, "Unless complete freedom is won for women, no complete freedom for

the proletariat can be won." It follows, then, that Communists must never discriminate against women cadres, look down upon them, or consider women cadres burdened with child care as a "burden" to them. On the contrary, they should consider it their duty to protect women and children, to help women cadres solve their problems and make steady progress.

I propose that all departments concerned make every effort to set up various types of nurseries according to needs and possibilities. These nurseries should be run in an economical way. Their management should be improved, their fees reduced, and they should take in more children. In towns and industrial areas public service undertakings should be suitably expanded. For example, there should be more public dining-rooms, laundries and other services so that women cadres can gradually get their children looked after in nurseries and lighten the load of their household tasks. On the other hand, we must explain to our women cadres that welfare facilities for women and children and other public services can only be provided gradually as our economic construction develops. What they themselves should do is to give the most energetic help to the leading organs concerned in getting these services going on as wide a scale as possible. It will do no good simply to make complaints or put forward requests that cannot be met under present conditions. Furthermore, women cadres should learn to organize the rest of the family to each take a share in household work and in bringing up the children. The leading personnel on their side should pay as much attention as they can to the problems of women cadres, and see to it that the necessary time and facilities needed for their solution are given to the women cadres.

In addition, we must pay heed to the desire of large numbers of men and women cadres and the masses of the people for birth control and to devise suitable methods

of carrying it out. In March 1955, the Party's Central Committee issued a directive regarding the question of birth control. The directive clearly pointed out that "birth control is a problem which involves a policy having an important bearing on the livelihood of the broad masses of the people. Under present historical conditions, and for the benefit of the country, the family and the new generation, our Party deems it proper that birth control should be practised to a certain extent." In his report Comrade Chou En-lai reiterated this decision that birth control should be practised to a suitable extent. I fully agree with what he said, and I feel that this decision should be firmly put into practice. I am of the opinion that it conforms with practical conditions in our country to publicize and give guidance in birth control to our cadres and the broad masses of the people so that they may regulate the frequency of child-births and practise birth control in the light of their own conditions and expectations. This will be of great benefit to women's health, child care, home life and national prosperity.

To thoroughly solve the problem of training and promoting women cadres and successfully carry out the above tasks, the key point lies with all Party committees: they must strengthen their leadership, and draw up suitable over-all plans.

Some Party committees have already made over-all arrangements for cadres of both sexes. They have worked out concrete plans and practical measures for the training and promotion of women cadres as an integral part of their over-all plan, taking into consideration the special abilities of women cadres and the special difficulties they face. They have called upon each of the departments concerned to assume its special responsibilities and make joint efforts to carry these arrangements through. Wherever such efforts have been made, the latent capabilities of women cadres have been given full play, large numbers of women

cadres have been trained and promoted, and the question of lack of women cadres has been solved. Efforts should therefore be made to correct the situation in those cases where no leadership is given to the work of training and promoting women cadres and where women cadres are discriminated against.

Another important factor in the education and progress of women cadres is the effort made by women cadres themselves. All women cadres should respond to the training and education given by the Party, by developing their spirit of enterprise for the good of the cause of socialist construction. They should study and work perseveringly. They should keep close contact with the masses and modestly learn from them. They should strengthen their unity and temper themselves in overcoming the difficulties they encounter.

There are, however, shortcomings in the work of leadership in work among women. I agree to the appraisal of our work given by Comrade Teng Ying-chao in her speech. We will make a serious study of the instructions of the Party's Central Committee, the teachings of Comrade Mao Tse-tung's, and the documents of this Congress. As Comrade Mao Tse-tung once advised us, we will "go down into the midst of the masses and not indulge in idle talk." We will conscientiously overcome our shortcomings, make a great effort to push ahead work among women and concern ourselves closely with the education and advancement of women cadres and give them every support, so that the needs of socialist construction may be met.

I am confident that in this period of the rapid growth of socialism, the Party will succeed in training ever larger numbers of women, turning them into new cadres of good character and real ability, and helping them to devote all their efforts to building up a great socialist motherland.

SPEECH BY COMRADE LI FU-CHUN

*Vice-Premier and Chairman of the
State Planning Commission.*

Comrades:

I fully support Comrade Mao Tse-tung's opening speech and fully endorse the three reports of the Central Committee, the draft of the revised Party Constitution and draft Proposals for the Second Five-Year Plan. Now I would like to state my views on our work of planning the national economy. Criticism by comrades will be appreciated.

In order to build socialism, we must have a planned economy so that production and construction in the various branches of the national economy will proceed according to the law of planned and proportionate development. This has long been proved by the experience of the Soviet Union and other fraternal countries. We on our part, however, must solve the problem of establishing a planned economy step by step in accordance with actual conditions in our country.

The founding and consolidation of the people's democratic dictatorship led by the working class; the nationalization of key branches of the national economy and the successful completion of democratic reforms; the rapid rehabilitation and development of the national economy with the socialist economy in the lead; particularly the adoption of the general line of the Party for the transition period; plus the example of planned economy set by the Soviet Union, as well as the enormous assistance rendered by the Soviet Union and other fraternal countries to our

economic construction—all this has provided us with the fundamental conditions for a planned economy.

In establishing a planned economy, however, we were not without our difficulties. Ours is an agricultural country, characterized by a backward economy with a very unbalanced development. Our industry is not well developed; the foundation of heavy industry is weak. Good or bad harvests in agriculture have a great influence on the development of our national economy. Before the high tide in socialist transformation, individual economy and capitalist economy still constituted a fairly large proportion of the national economy. A clear appraisal of our underground resources was lacking. The basis of our statistical work was still weak, and in drawing up plans, we had no complete data to base ourselves on. We were still inexperienced in the work of large-scale economic construction, particularly that of industrial construction, and above all, we had no knowledge and experience in planning on a nation-wide scale. These were the difficulties we came across in our work of planning.

In view of the situation described above, the Party and the government have embarked on a planned economy along the following two lines of action.

Along the first, or fundamental, line of action, the Central Committee, in the light of the trends of our economic development, and in accordance with the general line of the Party in the transition period, adopted a series of policies and measures, and undertook varied and difficult organizational work in the course of rehabilitation and development of our national economy. As a result, the various branches and sectors of the national economy have been brought step by step into the orbit of the planned economy. The main policies and measures taken are:

(I) The policy of giving priority to the development of socialist economy.

As socialist economy is the main body of the whole national economy, so is the plan for socialist economy the main part of the plan for the whole national economy. In the periods of economic rehabilitation and of economic construction, the Party has paid particular attention to the development of socialist economy. Thus the socialist sector of our national economy has assumed the undisputedly dominant position in industry, transport, building industry, commerce, foreign trade and banking, and exercised its leading role over the other economic sectors, thereby built itself up as the mainstay of our planned economy.

(II) The policy of promoting co-operation in agriculture, handicrafts and other branches of individual economy.

In the past few years, the Party has adopted various transitional forms through which scattered individual trades have been organized step by step into co-operatives. Meanwhile, the Party has adopted the policy of planned purchase and distribution of a few staple agricultural products; the policy of fixed quotas of production, purchase and distribution of grain, and correct policies regarding prices and agricultural loans. As a result, the link between individual economy and capitalist economy has been cut off, and scattered individual production has advanced in the direction required by the state. In this way, the various branches of individual economy have been brought step by step into the orbit of the state's plan by different methods according to their different conditions.

(III) The policy of utilization, restriction and transformation of capitalist industry and commerce.

In this respect, the state made use of various forms of state capitalism and took various measures in taxation, prices, range of activities, and the working conditions of the workers, so as to make capitalist industry and commerce accept the leadership of the state and gradually change into state capitalist industry and commerce. Capitalist in-

dustry and commerce were thus gradually brought into the orbit of state planning by different forms of transition suited to different conditions.

The experience of the past few years shows that without the rapid development of a socialist economy, it is impossible to establish a planned economy; and that the more powerful our economy of a socialist character is, the better can we plan. However, the process of establishing a planned economy in our country is determined not only by the development of socialist economy as the main body of the national economy, but also to a very large extent by the gradual development of the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. The process of gradual socialist transformation of non-socialist economy is at the same time a process of gradually bringing it into the orbit of planning.

Along the second line of action, the state organs, guided by the general line of the Party in the transition period and following the above-mentioned policies of the Party, have carried out their work of planning in accordance with an appropriate division of labour and by adopting different methods and forms to suit different conditions. The planning for those sectors of the national economy other than the socialist enterprises is inevitably and to a considerable extent still in the nature of making estimates. Hence, in the method of planning, direct planning has been adopted in some cases, and indirect planning in others. In regard to data upon which plans are based, statistical figures have been used in some cases, and estimated figures in others. In the scope of planning, some of the chief targets of production, construction and public institutions have been specified in the state plan, while others have not. In the division of labour in planning work, the planning organs at various levels, in addition to taking charge of getting a well-integrated economic balance, have laid emphasis on direct planning, while the indirect planning work (as in

the case of agriculture, handicrafts and private industry and commerce) has been carried out on the principle of separate management by the Offices of the State Council, the Ministries, and the provincial (or municipal) and autonomous regional authorities. This method of combining over-all planning with individual approaches, of combining unified responsibility for getting a well-integrated balance with separate management, is in the main suited to our actual conditions.

In the period 1951-1952, we started to work out control figures for the national annual economic plans, and from 1953, we began to carry out the First Five-Year Plan and to work out annual plans year by year. The First Five-Year Plan embodies the general line and various specific policies of the Party. It is a correct plan and in the main conforms to the conditions of our economic development. The steps it laid down for socialist transformation were rather slow. However, as the Central Committee gave timely and correct leadership to the work of stepping up socialist transformation, we were not restrained in our actual work by the original provisions. In the annual plans, some targets were also somewhat too high or too low, and certain aspects were not given full consideration. However, the results of implementation show that the annual plans of the last few years largely reflected the actual conditions of those years and played an active role in mobilizing the people of the whole country to ensure the overfulfilment of the Five-Year Plan.

Generally speaking, under the leadership of the Central Committee and the Party committees at various levels, the economic departments and the planning organs at various levels have overcome the difficulties, learnt on the job and achieved results after several years of concerted efforts. The chief results are that gradually, and with due consideration of the different factors involved, the various aspects and sectors of our national economy have been

brought into the orbit of state planning, a foundation for our planned economy has been laid and the First Five-Year Plan is being successfully implemented.

However, there were not a few defects and mistakes in our planning in the past. Chiefly, it was not comprehensive enough, inaccurate, inflexible and lacking in foresight. These defects are concentrated reflections of discrepancies existing between subjective understanding and objective reality when we were drawing up the plans. In order to rectify the defects and mistakes in our work and improve our planning, I would like to dwell mainly upon the following three problems in the light of the experience gained and lessons learnt in the work of planning over the past few years.

(1) Improving our understanding of and grasp over the objective laws of economic development by undertaking a systematic study of economic conditions in China.

To plan well, we must go deep into realities and into the midst of the masses, make thorough investigations and studies, have a clear idea of the economic situation in China and the trends of its development and grasp the economic features of the various localities and departments so as to obtain accurate data for drawing up plans. But the work done by the State Planning Commission in this respect is far from adequate. In the past, the Planning Commission was in charge of both long-term and annual plans, and once had to attend to industrial administration and capital construction as well. Consequently, it often busied itself with drawing up and revising plans and with routine economic affairs, so that it lacked systematic investigation and study, lacked foresight, and was prone to be influenced by temporary and local phenomena. It did not make an exhaustive study of the objective laws of economic development, in particular the economic characteristics of the transition period. Its plans were slow in reaching the lower levels and subject to frequent changes. It lacked

a deep understanding of the different features of the various localities, their specific needs and the conditions of their economic development. Added to this was the failure to follow the mass line all the way in drawing up plans and settling certain important questions of the national economy. As a consequence, it was liable to commit subjectivist and bureaucratic mistakes. The decision to increase exports of small steel products and cement in 1955, the case of double-bladed, two-wheeled ploughs in 1956 and other cases are concrete manifestations of these mistakes.

To overcome the foregoing shortcomings, the planning organizations at all levels and the economic departments, in addition to studying more of Marxism-Leninism, and particularly political economy, should intensify their efforts to understand conditions at the primary level, make more systematic investigations into and study the trends of economic development, ascertain the immediate and long-term needs of the various departments and areas, acquire a clear idea of the potentialities and weak links in the national economy, analyse the situation in fulfilling the various technical-economic quotas and sum up and popularize advanced experience in production and construction. It is only in this way that we can obtain reliable data for calculating needs and possibilities, so as to build a sound foundation for balancing our plans in a well-integrated way.

The Central Committee of the Party and the State Council have decided this year to put long-term planning and annual planning under the charge of two separate organs. This is necessary, and will help us go deep into realities in our planning work. To plan well, it is necessary to link closely together the work of drawing up both long-term and annual plans and making them supplement each other. Long-term plans should be reliable, point out the generally appropriate direction and outline for the annual plans and

lay down annual targets on the basis of striking a balance every year. In determining annual targets, we should take into account the new conditions and new questions which may occur in the coming years and keep a certain amount of reserves by us so as to facilitate arrangements in the annual plans. In an annual plan, it is necessary to go still further in taking specific account of the actual conditions of the year, see that it dovetails with plans for the preceding and the following years, and tap potentialities in every way. Appropriate readjustments should be made in the annual targets under the long-term plan so as to ensure the fulfilment and overfulfilment each year of the tasks laid down in the long-term plan. At the same time, particular care must be taken so that when economic conditions are encouraging, we should not lose sight of possible difficulties and become dizzy with success. On the other hand, when there are difficulties, we should take note of the favourable conditions existing and must not become panic-stricken. Only in this way can we make both long-term and annual plans at once forward-looking and in agreement with current conditions; only so shall we be able to make fewer or no mistakes due to rashness or conservatism.

Nevertheless, it is impossible for both long-term and annual plans to take into full account all the new conditions and new questions that may occur in economic life. Therefore, to bring the plans more in agreement with realities, to make them play a greater role in guiding economic development, we should thoroughly examine implementation of the plans, rely on the masses, constantly discover and solve new problems so as to add to and improve our understanding in the course of the actual development and use our improved understanding in turn to guide us in readjusting and drawing up plans. In this way, it is possible for us to gradually develop greater foresight and grasp better the objective laws of economic development.

(2) Strengthening our work of achieving a well-integrated balance and over-all arrangement, and grasping the law of systematic and proportionate development.

The various branches of the national economy form an organic whole; they influence and check each other. Any branch of the national economy, advancing too far ahead or lagging too far behind other branches, will throw the proportions out of balance and hamper the development of the entire national economy. Therefore, in our planning, we must gradually overcome the shortcomings mentioned in the previous section, acquire a better knowledge of the conditions, maintain an objective and all-round point of view, study the inner connections of things and grasp the law of systematic and proportionate development of the economy so as to complete successfully our work of achieving a well-integrated balance and over-all arrangement. This is the fundamental duty of planning organs at all levels.

What the State Planning Commission did in the past in this respect was far from enough. In our practical work, we paid more attention to the state industries under the central authorities and gave insufficient attention to local industry, agriculture, commerce, culture and education and other fields. We even failed to attend to some of the things which we should have taken care of, but handled things which we should not have laid our hands on. In short, we failed to do sufficient work in achieving a well-integrated balance of the economy and our study of the problem was inadequate. That is why on certain questions we easily fell into a one-sided and isolated point of view and let things run their own course in guiding the drawing up of plans. For instance, when agricultural development lagged behind the needs of the people's consumption and national construction, we failed to introduce effective measures to improve the situation. On the relations between the coastal areas and the interior, we did not pay enough

attention to the full and rational use of industry in the coastal areas. On the relations between wages, labour productivity and the supply of daily necessities, we failed for a time to make proper arrangements and some deviations occurred. As the work of assuring a balance between the supply and demand of materials was not well done, the capital construction plan of 1956 suffered from a discrepancy between the demands of construction projects and the possibilities of supplying certain materials. This and lack of sufficient control in the execution of the plan brought about economic and financial tensions which should not have occurred. Although the Central Committee of the Party and the State Council gave instructions and solved the foregoing problems, we still have to pay constant attention to the matter. Otherwise, the economic construction of the country will suffer still greater losses.

To overcome the above-mentioned defects, we must conscientiously strengthen the work of achieving a well-integrated balance and over-all arrangement. We should make over-all arrangement for, and maintain a well-integrated balance of, all branches of the national economy which are inter-related, that is, industry and agriculture, production and circulation, productive construction and communications and transport, economy and finance, accumulation and consumption, work and wages, production costs and commodity prices, production and distribution, supply of materials and stock-piling, economy and culture and education, construction in the economic, cultural and educational fields and national defence and state administration, the central and the local authorities, as well as various nationalities and areas. We should also attend to this in every branch of the national economy and within each area. In industry for instance, we should make over-all arrangement and see to it that a well-integrated balance is maintained between heavy industry and light industry, between the different branches of heavy and light indus-

tries, between raw material producing industry and processing industry, between production and construction, between the scale of construction and underground resources, between supply, production and marketing, between long-existing industry and newly-built industry, between the industry in the coastal areas and that in the interior, between the industry under the central authorities and local industry, between state industry and joint state-private industry, between the big and small enterprises, and between industrial construction and urban construction. This is indeed extremely complicated and elaborate work. The slightest lack of attention can easily lead us to overlook one aspect or another and commit the mistake of one-sidedness.

Therefore, to do this work well, we must first of all base ourselves on the general line and various principles and policies of the Party, and co-ordinate priority needs with over-all arrangement. The equalitarian ideology which overlooks or attempts to weaken priority projects, the isolationist ideology which pays attention to priority projects only and neglects others, and the one-sided way of thinking which lays too much emphasis on one aspect of things or one district — all these run counter to the principles and policies of the Party and are detrimental to the planned development of the national economy.

Secondly, attention must be paid to grasping correctly the law of systematic and proportionate development of the national economy. Proportions are governed by their own laws and must be planned in accordance with the specific conditions of our country. But proportions that have been laid down are not rigid formulae. Proportions inevitably vary under different economic conditions. A fairly suitable proportion between the various branches of the national economy can be arrived at only by repeated weighing up and calculations according to actual needs and

possibilities, and it must be revised and supplemented as things go ahead.

Thirdly, we must set about the work with a forward-looking viewpoint and always bear future developments in mind. Balance in economic life is relative. When old imbalances are rectified, new ones will emerge. Life itself is developing amidst contradictions between balance and imbalance. Our responsibility is to proceed from a forward-looking viewpoint and take positive measures to continuously detect and eliminate weak links, rectify new imbalances, and thus ensure that the national economy as a whole will advance step by step towards a new upsurge.

Fourthly, we should effect unified leadership, division of labour and co-operation. The central planning organizations should take charge of the comprehensive integration and balance of the country's economy as a whole; the planning boards of various localities and departments should also conscientiously strengthen their work to achieve a well-integrated balance in the economy, think more of the over-all situation of the country and improve their methods for achieving such a balance. The integrated balances achieved by the various localities and departments must be dovetailed into an organic whole on a nation-wide scale.

(3) Improving the system and methods of our planning in conformity with new conditions and with the principle of combining unification and centralization with adaptability to local conditions.

Planning is an entirely new branch of work in our country. We must therefore learn from the Soviet Union and other fraternal countries modestly and systematically. We must be proficient in combining their advanced experience with the actual conditions in our country. In the past few years, on the basis of learning from the Soviet Union and other fraternal countries, we have worked out a number of systems, procedures, forms and methods for the work

of planning, which are necessary and are fundamentally suited for establishing this branch of work in our country. The experience in planning of the fraternal countries, especially the Soviet Union, has on many occasions helped us a great deal in this respect. Our shortcomings are that we have not learnt enough from them, that we are not yet adept in combining the need for unification of the state plan with the need for adaptability to different times, places and questions, and that we have failed to take timely measures to improve our system of planning in accordance with changed conditions. For example, the state plan did not appropriately specify the jurisdiction of various levels, nor did it provide the various departments and localities with scope for free readjustment within certain limits. The investment quotas fixed for some capital construction projects were too low. For a time, the authority to examine and approve certain kinds of documents defining the general provisions for designing was over-concentrated. The items contained in some forms were far too detailed. All this has handicapped to a certain extent the initiative and creative ability of various departments, localities and enterprises at the primary level. This defect of over-extensive and over-rigid control must be overcome.

The present situation in our economy is that socialist transformation has won decisive victories and, with the successful carrying out of the First Five-Year Plan, there is a new upsurge of socialist construction. The system and methods of planning must be modified to suit the new conditions so that our work of planning will, to a still greater extent, conform to the general need to mobilize all positive factors for socialist construction. We must see to it that, in the plan, the various major targets which come under the control of the central authorities and which have an enormous bearing on the national economy will play a bigger part in directing economic activities, and the targets which come under the control of the various de-

partments and local authorities will be more flexible. In this way we shall be able to bring into fuller play the initiative of the various departments, localities and enterprises at the primary level and ensure fulfilment of the plan ahead of schedule and its overfulfilment.

Therefore, a level-to-level method of administration should be adopted for our planning system. The principle is, on the one hand, centralization and unification; and on the other, adaptability to local conditions. All important targets that require to be balanced one against another on a national scale should be weighed and integrated by the State Planning Commission and State Economic Commission, and sent to the State Council for approval and then incorporated into the state plan and passed in a unified way down to the lower levels through the State Council. All local and departmental targets to be balanced by the local authorities and departments should be balanced and arranged by the various provinces, municipalities, autonomous regions and departments with full consideration for what is appropriate in each locality and in each case. At the same time, they should send these targets to the State Council for official registration so that the latter can integrate them and fit them into the state plan. As to targets of secondary importance, which are too varied and complicated to be incorporated into the state plan, they should be left to free arrangement by the various localities and primary units. The state only makes general arrangements for these targets; it adjusts them through price policy and through supply and marketing.

The targets incorporated into the state plan can be classified into three categories, i.e. targets set down as orders or directives, targets subject to adjustment, and targets for reference only. If any department or locality wants to revise targets of the first category, it must obtain the approval of the State Council. Targets of the second

category can be adjusted within certain limits and to a certain extent as determined by the State Council.

In keeping with the above-mentioned methods, certain out-of-date and unsuitable provisions in the systems, procedures and forms in our planning and statistical work should be looked into as soon as possible and revised accordingly.

In order to bring about a rapid improvement in the work of planning, we call upon Party committees at different levels to strengthen their leadership over this work. Planning is an important and also a difficult task in carrying through our socialist construction and a planned economy. It is also a key link that the Party committees at different levels must grasp in order to strengthen their over-all leadership in socialist construction. Therefore we want Party committees at the various levels to put the planning organizations on a sound basis; help planning personnel to acquire a better understanding of our policy and a balanced viewpoint; raise their theoretical level and increase their scientific knowledge; see to it that the planning organs are not engrossed in purely technical calculations and day-to-day routine work; educate all planning personnel to follow the mass line; help them keep in close touch with the scientists, specialists and outstanding office and factory workers so that they may improve their planning abilities by going deep into reality and studying actual problems and can gradually become specialists in economic planning, who are able to carry out the Party's policy, have a good knowledge of their work and keep in close touch with the people. In addition, we must correspondingly improve and strengthen our statistical work.

The Central Committee has already submitted to the Eighth Congress the "Proposals for the Second Five-Year Plan for Development of the National Economy." In my opinion, the proposals are correct and suitable. The immediate task of the planning departments at all levels is to

help draw up the Second Five-Year Plan on the basis of these proposals in conjunction with the various economic departments and local authorities. We are confident that, in response to the call of the Eighth National Congress of the Party, under the correct leadership of the Central Committee and Comrade Mao Tse-tung, and with the concerted efforts of the entire Party and the people throughout the country, we, working diligently and carefully, will definitely be able to accomplish this task successfully. Moreover, the tasks outlined in the proposals for the Second Five-Year Plan will also certainly be accomplished successfully provided we make good use of all positive factors within our country as well as assistance from the Soviet Union and other fraternal countries.

SPEECH BY COMRADE LI HSUEH-FENG

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Comrades:

I am in full agreement with the reports delivered by Comrades Liu Shao-chi, Teng Hsiao-ping, and Chou En-lai. Now I would like to express some opinions on the question of the Party's work in state industrial enterprises.

Under the Party's correct leadership, great achievements have been made in the work of our state industrial enterprises over the past few years. However, since the management of modern large-scale industrial enterprises is a new task for us which only began after our victory in the revolution, there have naturally been many defects and some mistakes. What deserves serious attention is the fact that in the state industrial enterprises, there has arisen a tendency to belittle the leadership of the Party, and a subjectivist, bureaucratic style of work characterized by detachment from reality and aloofness from the masses. Hence, to strengthen the Party's leadership and carry through the Party's mass line becomes an extremely important task for the improvement of our work in the industrial enterprises.

With regard to the strengthening of the Party leadership in the state industrial enterprises, the Central Committee of the Party has decided to put into effect the system whereby the director (or the manager) takes the responsibility of the enterprise under the leadership of the Party

committee — that is, a system of leadership which combines the collective leadership of the Party with individual responsibility. This system has been confirmed only after summarizing the Party's experiences and lessons in the various aspects of the work in the past few years. In the period of our economic restoration, the work of getting the enterprises back into normal operation and effecting the democratic reform in the state industrial enterprises was generally carried out under the unified leadership of the local Party committee. The system adopted in the enterprises at the time was mainly that of the collective leadership of the Party combined with individual responsibility. But in carrying out this system there was a tendency on the part of the Party committee to take over all the work of the management, and this caused some confusion. Nevertheless, viewed as a whole, it gave full play to the Party's leading role in the enterprises, and ensured the successful fulfilment of the various tasks at the time. Beginning with the implementation of the First Five-Year Plan in 1953, the various localities and industrial departments introduced in the enterprises a system of unified leadership under a single head, for the better ordering of production and the improvement of management. In so far as it redressed the lack of well-defined responsibility for production and established a system of responsibility, the adoption of this measure proved effective up to a point. However, it was wrongly emphasized that the man responsible for the management of the enterprise had full authority, that the duties of the Party organization were only to guarantee production and give general supervision, and that the director or manager needed not carry out the resolutions of the Party organization regarding the management of production if he disagreed with them. In effect, this wrong emphasis placed the leadership of the management of the enterprise in opposition to that of the Party and rejected the leadership given by the Party organiza-

tion to the management of production, thereby reducing the Party organization to a subordinate position. As a result, in those enterprises which adopted this "single head" system the understanding of the Party members and the masses about the leading role of the Party was obscured in varying degrees, and the Party spirit of the cadres, especially of certain cadres responsible for management, was corroded. Bureaucracy and commandism became rife, bourgeois ideas of management thrived accordingly, arrogant and self-complacent feelings and arbitrary behaviour were common. And among the leading personnel themselves, between the cadres and the masses, and between the various enterprises, instances of bickering, misunderstanding and disunity increased. In such conditions, the work of these enterprises naturally suffered. However, even in the period when this so-called "single head" system was in operation, the leading personnel of many enterprises maintained the fine tradition which our Party had fostered in the long revolutionary struggle, and adhered to the Party's principle of combining collective leadership with individual responsibility in their work. As a result, they did somewhat better in the management of their enterprises and gained some valuable experience as to how the Party should exercise its leadership. The way of management which has been proved by experience to be effective, is that all the major questions of the enterprises, including management, should be discussed exhaustively by the Party committee, and decisions should be reached by pooling the experience and wisdom of the collective. Then, the comrades in charge of management should, in accordance with the principle of personal responsibility, be entrusted with the task of making arrangements to carry out the decisions. These comrades also have the sole responsibility of dealing with routine administrative and technical work. The Party organization should not interfere with them, but should support them in every possible way. Urgent questions that

press for an immediate decision should also be dealt with by the leading comrades of the enterprises, with the support of the Party committees. In those enterprises where the Party organization exercises its leadership correctly, the experience and wisdom of the individual and that of the collective are combined to ensure that the leaders of these enterprises, in making important decisions, will commit few if any mistakes; and even when mistakes have been made, they are comparatively easy to rectify. At the same time, thanks to its political work among the masses, the Party's decisions are translated into action by the masses of their own accord. Consequently, the orders issued by the administrative chiefs are carried out quite smoothly and they enjoy a comparatively high prestige among the masses. Thus, centralized command is achieved and management is efficient.

Since the practice of the so-called system of unified leadership under a single head has produced serious consequences in a number of our industrial enterprises, while adherence to the Party's principle of combining collective leadership with individual responsibility has brought good results, why do some comrades still keep on advocating the former system? The main reason is that these comrades have failed to seek truth from the facts and sum up the experience gained in directing our enterprises. They do not study the actual conditions of the enterprises comprehensively and they stress only one side of the question, namely, that industrial production calls for centralized management. They come to the mechanical conclusion that if the director of a factory is to be held responsible, he must be invested with "full authority" and given the freedom to disregard the decisions of the Party committee. And, they say, if the collective leadership of the Party committee is put into effect, it will inevitably lead to a situation where "everybody is in the lead," thus upsetting the system of personal responsibility. They set collective leadership

in opposition to personal responsibility and confuse personal responsibility with individual dictatorship. Moreover, these comrades ignore the way in which our Party has led all kinds of work, which has been proved by experience to be effective. They fail in particular to give full consideration to the Party's successful experience in the armed forces in instituting the system of division of responsibility among the leading personnel under the collective leadership of the Party committee. Ideologically, their mistake is that of subjectivism — mainly in the form of doctrinairism. I think it is very necessary to review the road our Party has traversed in learning to manage modern industrial enterprises, and to acquaint all the cadres with the experience gained by our Party in the course of establishing the system of leadership in enterprises, and the lessons to be drawn from it. This is necessary for the correct implementation of the system of the responsibility of the director under the leadership of the Party committee.

The collective leadership of the Party committee must be based on the mass line; and the experience and wisdom of the leaders must be combined with that of the masses. Without the mass line, we cannot ensure correct leadership, or overcome subjectivism and bureaucracy. Therefore, in carrying through the system of the responsibility of the director under the leadership of the Party committee, we must pay great attention to bringing into play the Party's tradition of working on the mass line, and must criticize and finish with the subjectivist and bureaucratic style of work.

The question of the mass line in the industrial enterprises is a fundamental question concerning the utilization of all positive factors and the development of the initiative and creative ability of the workers and staff so as to ensure the over-all fulfilment of the state plan. Our Party organizations and all leading cadres in the enterprises must trust and rely on the masses in all fields of work. They must be

clear in their mind that responsibility to the state is identical with responsibility to the masses. They must show concern for the life and thoughts of the masses and must be skilful in leading them to take an interest in the carrying out of their own proposals and in production results. They must integrate the viewpoint of educating the masses with that of learning from them, and be skilful in summing up the sound views and advanced experience of the masses and taking the resulting ideas back to the masses so as to raise all workers and staff members to a higher level. Only thus can we train the workers and staff members into a militant force with high political awareness and knowledge of production, without which it is impossible to carry out the socialist industrialization of the country successfully.

Many of the leading cadres in our enterprises have gained some experience in carrying out the mass line. But quite a few cadres are to some extent confused about it or have violated the mass line and developed a bureaucratic style of work. They overstress management and administrative orders from above and fail to rely on the initiative and creativeness of the masses, attaching no importance to the criticisms and suggestions made by the workers and staff in connection with production. In drawing up production plans, they rely only on a handful of people working in the office, make no thorough investigations and studies and do not draw the workers and staff members into the work. The result is that their plans are either too conservative or too adventurous. In carrying out the plans, they rely solely on administrative orders and pay no attention to political and ideological work among the masses. These comrades attach no importance and give no support to the rationalization proposals and advanced experience of the workers and staff in connection with production and technique and do not help to carry them out and popularize them. Some even lay down troublesome procedures to restrict them. Conferences and delegate conferences of

workers and staff members which in themselves are one of the best ways to promote democracy in the enterprises are often turned into meetings at which the leadership assigns tasks and the masses give their pledges. The leaders of the enterprises rarely criticize themselves at such meetings and take even less care to mobilize the masses to put forward criticisms from below. The mass of the workers and staff members describe such meetings as occasions when "the director makes a report, the Party committee gives instructions, the trade union issues a call and the masses give their pledges." Leaders in some enterprises do not mobilize the workers and employees to carry out orders and observe discipline of their own accord by combining persuasion and education with strict administrative discipline. They try to maintain discipline simply by means of punishment, and even wrongly and arbitrarily set up rules of punishment and make regulations at will. Some responsible cadres of the Party organizations and trade unions also use various methods of coercion, actually or in effect, to force the mass of the workers and staff members to participate in spare-time activities. More serious still, there are some leading cadres in enterprises who refuse to approach the masses, do not concern themselves with their welfare and pay no attention to solving the problems in their life which are in urgent need of solution and can be solved. This has seriously affected the relations between the Party and the masses and the labour enthusiasm of the workers and staff members and the raising of their cultural and technical levels. All this must receive serious attention from our Party.

Our comrades are indeed familiar with the Party's method of leadership which follows the mass line. Why then have they failed to apply it faithfully in leading the enterprises, and developed bureaucratic ways instead? In most cases, I believe, this is mainly due to the fact that, apart from

various objective reasons, these comrades lack a clear and comprehensive understanding of their new task — the complex work of management, or that there is a certain deviation or error in their understanding of things. As we know, the principle of management in a socialist enterprise, unlike that under capitalism, is that its highly centralized management must be based on a high degree of democracy. For only a high degree of democracy can promote the initiative and creativeness of the masses, and, on the basis of their collective wisdom and fully developed initiative, reach a high degree of centralism. Some of our comrades, however, only see the one fact that a modern industrial enterprise is a close-knit organization for production. They stress the aspect of highly centralized management but neglect the aspect of democracy, which is equally important. Consequently they pay no attention to the method of leadership which follows the mass line. A socialist enterprise should not only rely on all the achievements of science and technology, and seriously apply those technical procedures and systems of management which are practicable, it should also attach importance to all the useful proposals advanced by the workers and staff members from out of their experience for the improvement of technique and labour organization. Science and technology, regulations and systems, are for the purpose of directing and organizing the production activities of the masses; but, in the last analysis, they are themselves the results of summarizing, bringing together and improving the workers' experiences in production. The experience of the masses in production is the most important factor for steadily raising technique, improving management and tapping productive potentialities. Most of our comrades respect science and technology, regulations and systems, and this is entirely correct. But it is wrong for them to go to the length of disregarding the experiences and proposals of the workers and staff. A socialist enterprise requires men to care for the

machines and bring the capacity of the machines and equipment into full play so as to ensure the fulfilment of the production tasks set by the state. But at the same time it also requires us to be highly concerned about the men who use and control the machines in production, to pay keen attention to bringing into play the initiative and creativeness of the workers and staff members as masters of the country. It requires us to integrate these two aspects. Some of our comrades attach importance only to production, to machines, and give little or no importance to the workers and staff members who work selflessly to produce material wealth. They pay little or no regard to the material well-being of the masses and their general and technological studies. Consequently, production tasks are not fulfilled satisfactorily and they become less and less able to take initiative in their work. All this is a mistake resulting from subjectivism and one-sidedness.

In our industrial enterprises, we have not only gained successful experiences in combining the Party's collective leadership with individual responsibility; we have also gained successful experiences in the method of leadership by following the mass line. Take for instance the drawing up of a production plan. In enterprises which work relatively well, the plan is invariably put before the masses for consideration over and over again before it is given final form through discussion by the leadership. Generally, the leading cadres first analyze and study the available data, estimate the productive potentialities, find out the weak links in production and then put forward preliminary economic-technical norms and concrete measures as the first draft of the plan. This is handed over to the workers and staff for serious discussion. After it has been studied at all levels, first going downwards and then upwards, and a well-integrated balance is achieved, the plan will then be finally decided. That is to say, though the plan is mapped out in accordance with the control figures issued

by the state, it is at the same time derived from reality and comes from the masses. Many facts show that plans so drawn up are, as a rule, pretty sound and forward-looking. From the outstanding workers' campaign now going on in the enterprises all over the country, we can cite many vivid examples to show how plans have been executed by following the mass line — working patiently among the masses, and translating the plans into the action of the masses so as to achieve their over-all fulfilment and overfulfilment. Many examples tell us that without the mass line, the plans cannot be fulfilled. Even if we manage to fulfil them once, we shall not be able to do it steadily. Take another example — technical work in the enterprises. Outwardly, the mass-line method of leadership seems hardly applicable here. But actually this is not the case. In enterprises where technical work is better done, the management always goes about its work in the following way. On the one hand, they encourage rationalization proposals from among the workers and staff members and seek out and summarize their best experiences so as to improve production technique. On the other hand, they encourage the technicians to engage in scientific research and assimilate and popularize the best experiences of the Soviet Union; they also help to maintain close contact between the technicians and the workers so that they can learn from one another and advance together, relying on the hands and brains of all to solve the technical problems in production. In these enterprises, thorough ideological and political work is done among the workers and staff members so that they will observe the technological regulations and systems of their own accord; and even in drafting or revising the regulations and systems, care is also taken to incorporate into them the best experiences gained in the workers' actual work by relying on the co-operation of the technicians and workers. Thus it is perfectly possible as well as absolutely necessary to follow the mass line in our planning and technical work. It is

totally wrong to assume that the Party's mass line need not be carried through in the particular conditions of modernized industrial enterprises.

To correct the subjectivist and bureaucratic style of leadership in the enterprises and carry through the Party's mass line, we must not only constantly sum up our experiences in methods of work and leadership, but also take proper steps to improve the existing democratic systems in the enterprises. In my opinion, it may be advisable to replace the present trade union sponsored conference of representatives of workers and staff by a regular workers and staff members' congress, with delegates elected for the term of one year and held responsible to the workers and staff members who have elected them. At the regular conferences of all the workers and staff and their delegate congresses, the workers and staff members should be given the necessary time and other conditions to freely criticize the work in the enterprise in all its aspects and actively put forward proposals so that they may fully play their role of supervision over the leadership and be helped to take an active part in the management of the enterprise. The resolutions adopted at these congresses or conferences which depend on the administrative chiefs for implementation should be carried out without reserve, provided they do not conflict with the orders and instructions of higher authorities. If there are real difficulties in having them put through, the administrative chiefs should make responsible explanations to the workers and employees or their congress and also report the matter to higher authorities. If any orders or instructions of the higher authorities are found to be out of keeping with reality, they should also report the matter and ask for modification. Regarding those administrative chiefs who persistently ignore the opinions of the workers and staff members, who refuse to put the resolutions of their conferences or congresses into effect or violate joint contracts, the conference of the work-

ers and staff members or their delegate congress should have the power to recommend to the higher authorities that proper measures be taken against them, even to removing them from their posts.

The decisive link as to whether we can ensure the full development of democracy in all aspects of the work in the enterprises and the carrying through of the Party's mass line, lies in strengthening the leadership of the Party committee and bringing into play the role of all Party members in the enterprises. To achieve this, we must strengthen the Party's ideological work and inner-Party education and, according to the Central Committee's directive concerning the readjustment of leading personnel in the enterprises, suitably re-deploy a number of incompetent full-time cadres in Party work. At the same time, we must invigorate the democratic life of the Party and conscientiously practise criticism and self-criticism, so as to heighten the Party members' sense of responsibility towards the work in the enterprise and encourage their initiative in uniting with and educating the mass of workers and staff members. At present, the number of Party members in enterprises has reached 10 to 20 per cent of the total number of workers and staff, while most of the cadres are Party members. According to the system laid down by the Central Committee, the Party organization has also the responsibility to give leadership to all work in the enterprise. If the democratic life becomes vigorous, if education in the Party is strengthened, and the ties between the Party and the masses become stronger, then it will be easier to mitigate or overcome the subjectivist and bureaucratic style of leadership of the enterprise.

Many of the mistakes and shortcomings in the leadership of the enterprises as stated above are obviously inseparable from the mistakes and shortcomings existing in the organs of the Party and the government at higher levels. If we want to give better leadership to the enterprises we must

improve and strengthen the leadership of the state industrial departments and the local Party committees over the enterprises. Here, I only want to touch on the question that the organs of the Party and the government at the higher levels should direct their attention to the enterprises. Our industrial enterprises stand at the forefront of the struggle for the industrialization of our country. It is no easy matter to run a complicated enterprise well and to help the leading personnel of our enterprises to really master the art of leadership. We must not simply blame them for their mistakes, but should make greater efforts to trace the cause back to the shortcomings in our own work of leadership. Under present conditions, while our planning work and the various systems are not yet perfect, these leading cadres will come across all kinds of difficulties in their work from time to time. Some of these difficulties can never be overcome unless timely help is given by organs at higher levels. But the organs of the Party and the government at higher levels have failed, in the past, to give prompt and adequate help to the enterprises to overcome their specific difficulties. They should foster a clearer outlook of working in the service of the enterprises, adopt the method of "the leaders coming to the subordinates, the officers coming to the soldiers," "giving guidance on specific questions so as to push forward the work as a whole," and give the enterprises concrete guidance and help. They should end the present practice of giving generalized leadership, calling too many meetings, giving impracticable orders and instructions, and instituting regulations and systems which, in some cases, only create obstacles to the work. They should, in particular, rectify the situation of undefined responsibility in the leading organs, and the working style of shirking responsibility and procrastination. Some comrades below have already found this style of work beyond endurance. For instance, they say, when they go to government industrial departments at the higher level for instruc-

tions, "once you enter the office building, it will take three hours at least. You go here and there, but still get nowhere." These remarks vividly reflect their bitter disappointment and are a pointed criticism of the leading organs. The industrial departments of the government and the local Party committees should take a warning from these remarks, and take effective steps to improve their work of leadership conscientiously. Together with all the comrades in the enterprises, they should strive, in the next few years, to raise the work of our industrial enterprises to a new level.

SPEECH BY COMRADE HU YAO-PANG

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of the New Democratic Youth League of China*

Comrades:

I am in full agreement with the reports made by Comrades Liu Shao-chi, Chou En-lai and Teng Hsiao-ping on behalf of the Central Committee. I am sure the Youth League organizations at all levels and the youth as a whole will study these reports with great enthusiasm. They will study the rich store of our Party's historical experience in leading our people to victory in two great revolutions. They will study the theories and policies which guide the building of China into a great socialist country.

The Central Committee's reports set a very high value on the country's youth, and make higher demands of the Youth League than ever before. This is a great inspiration to all young people as well as to the Youth League organizations. It is now eight years since the Youth League was re-established. Looking back on these eight years, we find our young men and women have done a great deal of work. However, as far as the leadership of the Youth League is concerned, we can only say we have settled one question and half of another. By the one question I mean that we have established a nation-wide Youth League. The half-solved one refers to the fact that we have grasped, but only in an elementary way, certain methods of work suited to the characteristics of our youth.

Throughout the history of our youth movement, the Party has always considered it necessary to set up an organization as a nucleus capable of uniting and educating the broad mass of young people. In the past, revolutionary youth organizations led by the Party attracted widespread support from the youth and made great contributions to the cause of the revolution. But we learnt two lessons in the matter of organization. During the period of the revolutionary civil wars, the Communist Youth League laid stress on the need to be an advanced organization, but neglected its mass character. This led to sectarianism, and made the League a second party. On the other hand, during the later period of the War of Resistance to Japanese Aggression, the anti-Japanese youth bodies lacked an advanced organization as their nucleus, and this made them loose and ineffective. That was why the Party, in its 1949 resolution on the establishment of the Youth League, laid down that the present Youth League must be a mass organization of advanced youth led by the Party. During the last few years, we have steadfastly adhered to this line in building up the League. On the one hand, we are against making the Youth League a narrow and exclusive youth organization, and on the other we are against reducing it to an ordinary mass organization. The growth of the League has been sound. The great majority of its members are progressive in their thinking, and full of vigour in their work. By the end of last June, it had 20 million members, consisting of almost 17 per cent of the country's youth; it had 700,000 basic organizations, established in the villages, factories, schools, government organs and the armed forces. In the past eight years, 2,150,000 members of the Youth League joined the Communist Party. In view of this, it can be said that the Youth League has already become a reliable reserve of the Party and is a tremendous force attracting

the country's youth to further advance. With this ideological and organizational basis, and with the decisive victory won in the socialist transformation of our country, it is entirely in accord with the wishes of the broad mass of the young people to rename our New Democratic Youth League the Communist Youth League.

At this Congress, the relationship between the Party and the Communist Youth League is going to be written into the revised Constitution of the Party. This means that in relation to ideological and organizational work and in the matter of imbuing the youth with the spirit of communism, the Youth League will enjoy a greater degree of concern from the Party. This is sure to stimulate all members of the Youth League to strive to raise their ideological level, to take part even more energetically in the cause of socialism, and to make even more courageous efforts to help the Party eliminate the defects and errors in its work.

II

In the past eight years, our Party has established a nation-wide Youth League, and through it has united the broad mass of young people and enabled them to take an active part in the political, economic and cultural life of the nation and society. At the same time, all sorts of activities have been promoted independently by the League with methods which appeal to the youth.

One sort of activity is to help the youth acquire more knowledge and improve their physique, that is, to help wipe out illiteracy, provide education in communist ethics, organize spare-time studies, cultural, recreational and athletic activities, and so on.

Another kind, the main kind, consists of activities to increase the country's production and save materials. For example, last autumn, winter and spring, 120 million young

people joined the afforestation and tree-planting campaign. They planted various kinds of trees covering a total area of over 37 million *mou*, and in most areas the rate of survival of the trees is higher than in former years. Again, last winter and spring, 70 million young peasants took part in the campaign to stock manure, and they stocked over 400 million tons of manure. In the same period, over 100,000 young people went to the border areas to take part in construction work; nearly a million others made application to the League committees at all levels to take part in this work, but were not accepted. In industrial and mining enterprises and in transport and communications departments, there were 9,500 advanced youth groups and teams. In capital construction, there were 7,500 youth shock-brigades, the members of which frequently surpassed the normal work quotas, some by as much as five or six times. Last year, a campaign was launched in several provinces to recover scrap metal; 106,000 tons of scrap iron and steel were gained in this way. Between June and September this year, since the beginning of the activities to economize building materials, young people in various places have already saved 5,700 tons of steel and 18,000 tons of cement.

Through all these activities, we have heightened the socialist initiative of the youth, brought about closer relations between the League and the masses, and developed the ability of the Youth League cadres. This has fully confirmed the correctness of the principle laid down by the Party and Chairman Mao that the League should "carry on activities independently according to the characteristics of the youth." This was the key to a problem which the Youth League had not previously been able to solve.

But, there have also been a number of problems and defects in these activities. Because in some of our activities we do not pay attention to consulting and winning the support of the departments concerned, they are sometimes not quite in step with the work of these departments

Because our demands are sometimes too high or too pressing, and, moreover, new tasks get added on at each lower level, it has become rather difficult to get certain things done, and there have even been instances of compulsion in our work. Because we have sometimes unduly emphasized the principle that the youth should be the vanguard and "take on the whole job," some young people have been overburdened with work, and the relations between young people and adults suffered a lack of harmony. These defects constitute what I have mentioned above — the "half problem" that has not yet been solved. Some of our comrades do not heed the opinions of others with an open mind, nor face their own defects squarely. This is not right. As to other comrades, the moment they hear criticism, regardless of whether it is correct or not, they hastily "withdraw their troops and go home," and shut themselves up to write a self-examination. They have even gained such an "experience," as "the less work you do, the fewer mistakes you make." This is equally mistaken.

Youth is part of the whole mass body of the people, one of the arms in the whole revolutionary movement. Consequently, the orientation and policy of the youth movement must be identical with that of the revolutionary movement as a whole. This is one side of the matter. On the other hand, the youth movement is also a special part of the entire people's movement. Young people have vitality and vigour; they have a variety of interests and tastes. Moreover, youth is the period when there are the greatest number of contradictions in the mind. Problems which have not arisen in childhood may appear in youth; and problems that have already been solved by adults may still be unsolved for youth. Because of this, the Youth League cannot stick to a single, uniform method in leading young people; it should devise methods of work that are adapted to their characteristics, with a view to developing their socialist initiative, satisfying their demand for progress in

all fields, and helping young cadres to develop their ability in actual work. To carry on independently activities which are at once beneficial to the socialist cause and suited to the characteristics of youth is in no way an attempt to act independently of the leadership of the Party. We must not regard such activities tantamount to rejecting Party leadership, nor confuse functioning as a vanguard with the tendency to rush ahead blindly.

III

In its reports the Party's Central Committee calls on us to turn all positive factors to account for the building of China into a powerful socialist country. This requires our youth to redouble their efforts and make greater contributions to this great struggle. This question will be discussed at length at the Third National Congress of the Youth League, to be held soon. Here I will only take up the question of ideological education and spare-time study for the youth.

Our Party regards the raising of the communist consciousness of the young people as the primary aim of our educational task for them. In the past few years, the Party has continually striven to make them love their country, love the common cause of the people, work hard and earnestly for socialism, fight resolutely against all practices detrimental to the people's interests, treat the people of all nationalities like brothers, love the great international family of socialism, and strive for human progress together with the peoples of the whole world.

Education along these lines has caused the rapid growth of communist ideology and ethics among our youth. At present, sayings like "Everything for Socialism," "Ready to Go Wherever the Motherland Wants Me," and "Afraid of No Difficulty but Determined to Conquer It" have become

slogans for action on the part of the broad mass of young people. A fundamental change has taken place in the spiritual make-up of our youth. Even foreign bourgeois newspapermen are astounded. They say: "Communism has found its greatest force in China's youth," "These people possess a most praiseworthy enthusiasm," "They are filled with confidence in themselves, in the future of their country and the whole world, they are simply brimming with pride." In contrast with this active vigour among our youth, we see an altogether different situation in the capitalist countries. According to official releases of the U.S. government, for example, during the recent years, two million youths under eighteen were arrested each year for larceny, robbery and murder in their so-called "most civilized" country.

Of course, this is not to suggest that the spiritual make-up of the whole of our youth is already perfect, much less that we have reached such perfection in carrying out communist education among youth that we can really be "brimming with pride." No. Because all kinds of ideology from the decadent classes is still exerting its influence on our youth, and because socialist construction is still a very hard struggle, we must continue to arm our youth with the spirit of communism. We must make very great efforts to cultivate the spirit of collective heroism among them, to make them brave and resourceful in tackling difficulties and hard-working and thrifty in going about their work. We must be adept at developing the activeness and initiative of the broad mass of our youth through persuasion and inculcation. This is the Party's basic policy in carrying out ideological work among youth in the transition period to socialism. We must carry it through.

But some of our comrades have not fully grasped this policy, so that two major shortcomings are still found in their work. One is the lack of clear-cut demarcation lines in their judgement. They often try to rule out certain

things like personal tastes, or likes and dislikes which are not at all detrimental to collective interests. In extreme cases, some of our comrades even find fault with young people who to them are just a bit too full of life and spirit, or a little too given over to ideals, or too fond of asking questions, or too nimble in mind. They call these things individualism, thus throwing out the baby with the bath water. The other major shortcoming is an over-simplification, a desire for quick returns, which comes out in their work. For example, in dealing with backward youth some of our comrades expect them to catch up overnight with the advanced sections. If this does not happen they at once get pessimistic and jump to the conclusion, saying, "Expect backward youth to make progress! You might as well expect salted fish to swim again!" In their approach to the everyday life of youth, they often interfere too much. They arrange everything for them, when to play basketball, when to go to a film, when to sing, when to take a rest. Now these arrangements are made with the best intentions in the world by comrades who want the youth to grow faster. But they should understand that this way of doing things can only fetter the activity of the youth. We must, following the direction given by the Party's Central Committee, undertake livelier ideological work to overcome the shortcoming of isolating ourselves from the masses in this way and effect an integration of discipline with youthful initiative. We must, on the basis of collectivism, cultivate youth's ability to live and think for themselves. We must give full scope to their inclinations, specialities and initiative.

IV

Another important question in our educational work is the need to help the youth to learn, thoroughly and with their feet on solid ground, the skills required for building

socialism, so that they may not only have a communist outlook, strong will-power and a good physique, but also have a wide acquaintance with modern culture, technology and science.

Up to date, the total enrolment in our universities, colleges and secondary schools has increased to over six million and that in our primary schools, to 57 million. This represents a fairly rapid advance. Most of our young people, however, are still illiterate or semi-illiterate; the technical level of young workers is, in general, from one and a half to two and a half grades lower than that required of them in plans for production; and the number of students in universities and colleges is still too small. We must, therefore, pay special attention to the development of spare-time education while expanding our school education according to plan.

We have not, however, made serious efforts in the important field of spare-time education. We have yet to realize fully that the raising of the level of their cultural and scientific knowledge has become the most urgent demand of our young people ever since the victory of the revolution; and that the present younger generation, who in the future will be the backbone in the building of communism, will face great difficulties if they do not lay a solid foundation of knowledge now. Take, for instance, the 8.5 million young workers and employees. Since the conference on the question of intellectuals called by the Party's Central Committee, they have made more active efforts to acquire a general, scientific and technical knowledge, and they have become more enthusiastic in learning modestly from grown-ups who are experienced, learned and skilled. All this is good news. But the young people also hope that there will be more books and reference materials, that organizations for spare-time studies will be set up, and, in particular, that efforts will be made to reduce some of their social activities and the number of meetings they have to

attend, so that they can have more time to study. In the past few years, we have run four types of organization which have proved to be effective to help the young people carry on with their studies. The first is the regular spare-time schools; the second, correspondence schools; the third, spare-time courses; and the fourth, study groups. Under present conditions, the first and the second can only gradually be popularized, while serious efforts must be made to increase the third and the fourth so as to rapidly increase the number of young scientists and technicians in our country.

Another important task in spare-time education is to wipe out illiteracy. An investigation we made recently shows that, in order to improve our work in this regard, we should not only stick to the principle of doing things suited to a given place and a given time, but also add to it the principle of doing things suited to the people concerned. Take the young people in the rural districts for example. After they come of age, make a home and become parents, they have more family responsibilities, and this inevitably affects their studies. That is why we must first help those young people who are enthusiastic and able to learn to read and write, and not compel the older people to advance side by side with the young. If we work in this way, we will help the majority of the young people to become literate first and thereby make it easier to help the rest shed their illiteracy. Furthermore, we have to give more specific leadership. That is to say, we must make over-all arrangements as regards the time for studies, so that there will not be constant conflicts between the time for work and meetings on the one hand, and for studies on the other. If we work in this way, there is every possibility that we can generally wipe out illiteracy among the young people within seven years.

All this calls for a rise in militancy on the part of the Youth League. And the key to this lies in our making an even more intensive study ourselves. Now we have more

than 80,000 cadres working full time in the Youth League organizations, 80 per cent of them being new cadres trained since liberation. Though all these comrades are enthusiastic, hard-working, and amenable to the direction of the Party, they are young, immature, inexperienced and often one-sided in their thinking. This is one of the important reasons why defects and mistakes are often found in our work. To free ourselves from this predicament, we must strive to raise our own understanding of Marxism-Leninism and better acquaint ourselves with the Party's experience in struggle and its various policies, with the conditions prevailing among the young people in all walks of life, and with the scientific knowledge required in our work. In the meantime, we hope that Party committees at all levels will demand more of the Youth League and exercise a closer supervision over it with a view to helping train and foster the young people, as they did before.

Comrades, our Party is facing the great future that is ours with full confidence. Like the development of the new, socialist economy, the fostering of new men of a socialist type is also one of our Party's fundamental tasks in the transition period and these two are closely related. We are certain that the whole Party will take even better care of our younger generation, and lead them in the triumphant march towards our greatest goal—socialism and communism.

SPEECH BY COMRADE CHEN YI

The Present International Situation and Our Foreign Policy

Comrades:

I fully endorse Comrade Mao Tse-tung's opening speech and the reports which Comrades Liu Shao-chi, Teng Hsiao-ping and Chou En-lai have made on behalf of the Central Committee of the Party.

Our entire Party and people are devoting all their efforts to building China into a prosperous, strong, and highly industrialized socialist state. To fulfil this gigantic task, we must strive to create an international environment of lasting peace. It is precisely on this basis that we make our decisions on foreign policy. Here I should like to make some observations on the present international situation and our foreign policy.

The characteristic features of the present international situation are: the world-wide forces striving for peace, and defending it, are growing daily, while the international reactionary forces, which pursue a policy of war and aggression, are becoming weakened and more isolated with each passing day. With this change in relative strength, the international situation is definitely tending towards relaxation.

The U.S. monopoly circles, which sustained no serious losses during the Second World War but instead made their pile out of it, have ever since been carrying on frantic expansionist activities—military, political, and economic—in their bid for world domination. They have not only militarized their own national economy, but have

compelled the states trailing behind them to follow their example. They have imposed humiliating agreements on many countries, knocked together a number of aggressive military blocs, established far-flung military bases outside their own borders, remilitarized Western Germany and Japan, continued to create world tension, and openly resorted to the threat of atomic war. In order to carry out all these aggressive and expansionist activities, the U.S. monopoly circles have been waving the flag of "anti-communism." That they hate the socialist states and have always harboured the intention of overthrowing them is a fact that no one can deny. But the anti-communist banner has also been used as a convenient cover for their activities in countries outside the socialist camp, including political and economic expansion, interference in these countries' internal affairs, encroachment on their sovereignty and national interests, suppression of the movements for democracy and national independence in these countries and the scramble for markets. Such is the "cold war" and "positions-of-strength" policy pursued by the U.S. monopoly circles — actually a policy of intimidation and blackmail by means of war.

These U.S. monopoly circles have neglected no means — military encirclements, trade embargoes, subversive activities, and even armed intervention — to throttle the development of the socialist countries, and to attempt vainly to restore the capitalist system there. However, what the U.S. monopolists are trying to do is one thing. Whether they can succeed in their attempts is quite another. The growth and unity of the socialist states has definitely doomed these attempts to failure.

Today, socialism has grown beyond the borders of a single country into a strong world system, embracing over a third of the world's population and more than a quarter of its area. The tremendous progress which the socialist states have made in all spheres of construction testifies

beyond all doubt to the superiority of the socialist system. The great Soviet Union has successfully embarked on its Sixth Five-Year Plan. The Soviet people are full of confidence as they strive to fulfil their basic economic task to overtake and surpass the most developed capitalist countries in per capita output in the shortest possible time. China and the other People's Democracies, too, are developing their national economies at a very rapid pace.

The socialist states have forged indestructible ties of great fraternal friendship among themselves. Our relations are those of co-operation, based on equality and mutual benefit; they are relations of mutual respect and mutual assistance, and their aim is common progress. Marxism-Leninism is the guiding thought in all the socialist countries, and they have a common ideal and goal — the realization of communism. We have ample conditions for co-operation in the economic field, for the exchange of technical experience, for ensuring the most effective utilization of our natural resources, and for common economic growth. All the socialist countries pursue a peaceful foreign policy, support each other in the defence of world peace, and are marching forward shoulder to shoulder. All this provides the basis for the close unity and the invincibility of our socialist countries.

That the socialist states are strong and solid is of immense international significance. The socialist states, growing daily in strength and unity, are a mighty safeguard for world peace and have created historical conditions more favourable than ever before for the rise and victory of the national independence movements.

Another development of world-wide historic significance since the Second World War is the new high level and continued series of successes achieved by the peoples of the colonies and semi-colonies in their struggles against colonialism and for national independence. The victory over fascism in the Second World War in which the Soviet

Union was the main force was an important factor in giving encouragement to these struggles. The triumph of the Chinese revolution dealt another telling blow to the imperialist colonial system. At present, not only have the Asian and African peoples gained new victories in their struggles against colonialism, but the peoples of Latin America too have thrown themselves into the anti-colonialist struggle. During the ten years since the end of the War, over 1,200,000,000 people, nearly half the world's population, have freed their countries from colonial or semi-colonial status. Even those countries which remain in colonial or semi-colonial dependence, or are still economic satellites of imperialism, are no longer its "most reliable" and "inexhaustible" reserves. The imperialist colonial system has collapsed beyond saving.

As early as November 1919, Lenin pointed out in his report to the Second All-Russian Congress of the Communist Organizations of the Oriental Nations:

"Following the period of the awakening of the East in the modern revolution, the time is coming when all the peoples of the East will take a hand in deciding the fate of the whole world, so as not to be merely objects for the enrichment of others. The peoples of the East are awakening in order that they can take practical action, and in order that each people may join in deciding the question of the destiny of all mankind." This great prophecy of Lenin's is already coming true.

For a long time, the oppressed nations of the East, which make up the majority of the world's population, were looked down upon as backward, humiliated, and exploited at will by others. They had no say in world affairs. This situation has changed fundamentally. Now, just as Lenin anticipated, the oppressed nations of the East have awakened, and have roused themselves for practical action. They have found sympathy and reliable support in the socialist countries. They no longer form the massive

rear of imperialism; on the contrary, they are becoming a positive force in promoting the progress of mankind.

Some formerly colonial and semi-colonial nations, led by the Communists, are already on the road to socialism. Others, led by the nationalists, have won national independence. Regardless of the different steps through which they have won freedom and independence, these nations, which now hold their fate in their own hands, are at one in their effort to safeguard their sovereignty and independence.

Here, special mention must be made of the just action of Egypt in nationalizing the Suez Canal Company. This just struggle of the Egyptian people has inspired the people of various countries who are opposed to colonialism; it has won the unqualified support of the peoples of all Asian and African countries, as well as of all nations and people in the world that love peace and justice.

The days when the Western colonial powers could shape the fate of the Eastern nations at will are gone beyond recall. Certain top-ranking leaders of the Western countries are not willing to face the reality of the awakening of the East, the awakening of Asia and Africa, and this has led them to commit serious mistakes. If they still do not correct their perverted view, they will make mistakes that are still more serious. It might be of benefit to them if I stress this point here, for the purpose of opening their eyes.

The nations which have just won independence from colonial rule realize deeply the importance of safeguarding world peace and of co-operation between nations in helping them to put an end to their economic and cultural backwardness, brought about by long years of colonial rule. Therefore, they have been exerting unceasing efforts towards the realization of these lofty goals of peace and co-operation, and have made important contributions in this regard. We all remember the positive role played by the five Colombo countries — India, Burma, Indonesia, Ceylon,

and Pakistan — in bringing about the agreements reached at the Geneva Conference on the restoration of peace in Indo-China. We should also mention the outstanding contributions made by our great neighbour, India, as a world power, in striving for peace and in promoting friendship between the peoples of various countries.

The Asian-African Conference held at Bandung in 1955, the first of its kind in history, proved convincingly that the peoples of Asia and Africa have not only grown steadily more united in their common struggle against colonialism and for national independence, but have also become a new, mighty political force in the international arena, for the safeguarding of world peace and the promotion of peaceful co-existence between nations. Many important international questions, and especially those which directly concern the Asian and African countries, cannot be solved today without the participation of the Asian and African countries concerned, or if their will is ignored.

The colonialists have not reconciled themselves to the fact that their colonial system is collapsing rapidly. Being the major and most predatory colonialists in today's world, the monopoly circles in the United States are not only doing their utmost to prop up the tottering colonial system, but are also employing new methods of enslavement to expand their own colonial rule. But the peoples of countries who have long suffered under colonial rule will not be taken in — no matter how the U.S. monopoly circles dress up colonial enslavement, or in what new-fangled guises it is presented. In Asia and Africa, an ever greater number of countries which have won national independence are following the policy of peace and neutrality, and putting up firm resistance to the intrigues of the U.S. monopolists. These countries refuse to join aggressive military blocs. They spurn the manoeuvres aimed at making them into bases or tools for aggressive wars. They reject the so-called "aid," with strings attached, and will

not allow the colonialists to use such "aid" to control and enslave them once more. They oppose the attempts of U.S. monopoly circles to sow dissension and antagonism between countries in Asia and Africa. Their efforts are directed to the promotion of peaceful co-existence and friendly co-operation between nations.

It is under the banner of "combating communism" that the U.S. monopoly circles are carrying on their colonial expansion. But the peoples that have suffered from colonialism, or still groan under it, know from their own experience that the socialist states support the struggles of all oppressed nations, and oppose colonialism in whatever form. Unlike the imperialist countries, the socialist states pursue a policy of peaceful co-existence and friendly co-operation with countries which have just shaken off the colonial rule. The five principles of peaceful co-existence, initiated by China, India and Burma, are embodiment of this policy. To develop an independent national economy and raise the living standards of their peoples, the countries which have just won independence need not now go hat in hand to their former oppressors; they can look forward to assistance from the socialist states in both modern equipment and technical experience with no strings attached. The friendship and co-operation between the countries which have won national independence and the socialist states are developing and growing stronger day by day. The struggle against colonialism and the struggle for peace are now closely linked.

In the meantime, the broad masses of the people in all the capitalist countries are carrying on an extensive movement against war and for the defence of peace. This movement embraces not only workers, peasants, and intellectuals — it includes an ever growing number of people from bourgeois circles.

More and more clearly they are seeing through the "anti-communist" smoke-screen put up by the U.S. monop-

olies. It is clear to them that it is not the Soviet Union, New China, or any other socialist state, that threatens their interests, but the U.S. monopolies with their war policy. It is precisely this policy of the U.S. monopoly circles that has imposed the crushing burden of military expenses on their homelands and subjected them to the danger of war.

They support the proposals of the socialist countries for a general reduction of armaments, for a categorical outlawing of atomic and thermo-nuclear weapons, and for an immediate halt to the experimentation in, and the testing of, these weapons. They hail the practical steps taken by the socialist states in reducing their armed forces, and in cutting down their armaments and military expenditures. They realize that the socialist states have put forward a proposal for the establishment of a system of collective security and peace, which does not exclude any country; to replace the existing antagonistic military blocs and for the purpose of guaranteeing the security and peace of Europe and Asia. They also realize that the socialist states, for the relaxation of international tension, have all along upheld the principle of settling international disputes by peaceful means, stood for peaceful co-existence between countries with different social systems, and practised economic and cultural co-operation.

The struggles of the peoples of various capitalist countries for the improvement of their living conditions, against the arms drive, for peace and against war, are becoming an important factor in the defence of world peace today.

The opposition of the people in capitalist countries to U.S. aggression, and to the war schemes hatched by the U.S. monopolies, cannot but influence the foreign policy of these countries. In addition to states that have recently won their national independence, an increasing number of countries, including some in northern Europe, are unwilling to become objects of U.S. expansion; they do not

want to be drawn into the whirlpool of military adventures and the arms drive. They have refused to join the military blocs knocked together by the United States, and have adopted a policy of peaceful co-existence with the socialist countries.

In the countries which are members of the military blocs set up by the United States, there are also increasingly obvious indications of a trend towards peace and neutrality. Even in Western Germany and Japan, the defeated countries still under U.S. occupation, more and more people demand that U.S. domination be shaken off, and advocate that a policy of peace and neutrality be adopted. The U.S. monopolists have branded this policy of neutrality as "immoral." But the truth is it is not the policy of neutrality that is immoral, but the policy of war pursued by the U.S. monopolies themselves.

As the facts prove, the policies of neutrality adopted by various capitalist countries to counter the U.S. war policy conform completely to their own interests, and are of benefit to the preservation of world peace. At present, the trend towards neutrality in capitalist countries is gathering momentum day by day and is exerting a more and more important influence on world affairs.

Great changes have also taken place in the imperialist camp. As Britain and France have to a certain extent recovered economically from the Second World War, and even made some progress, the monopoly position enjoyed by the United States since the War is now shaken. This has further intensified the contradictions within the imperialist camp, particularly the contradictions between the United States and Britain.

The major European allies of the United States have followed the lead of the U.S. monopolies in the arms drive and in making war preparations, hoping in this way to ensure a steady flow of super-profits into their own coffers. They have also counted on their association as allies with

the United States to maintain their vested interests. But in both cases their hopes have been dashed to the ground. They have found to their mortification that the heavy burden of military expenditure is a blight on their own economic development, and that the United States has exactly been taking advantage of its position as their ally to strip them of their vested interests and make inroads on their sovereignty.

On the other hand, the policy of trade and economic cooperation with all countries on the basis of equality and mutual benefit pursued by the Soviet Union and other socialist countries, the initiative they have taken in reducing their armed forces and military expenditures, and many other measures they have adopted in the struggle for peace, could not but have a strong impact on these major European allies of the United States. It is, therefore, no accident that the trend towards peaceful co-existence has made some headway in these countries since the beginning of this year.

Nevertheless, these countries, Britain and France in particular, often fail to adopt an attitude that is realistic, and accords with the signs of the times, toward the national independence movements in Asia and Africa. A glaring example of this may be found in the recent British and French threats against Egypt on the question of the Suez Canal. Britain and France, backed by the United States, have threatened to use force against Egypt, and have even sought, by an adventurous scheme of war provocation, to rob Egypt of its sovereignty over the Suez Canal.

It is only too clear that, in the fifties of the twentieth century, the "gunboat policy" can no longer help the imperialists to maintain their colonial interests. If Britain and France continue with such a policy, they will come up against the resistance of the peoples that are striving for or defending their national independence, and the opposition of all upright and peace-loving people in the world.

In the end they will land themselves in defeat. On the other hand, they will let slip the opportunity of establishing, on a new basis, friendly relations of equality and mutual benefit with the Eastern countries. If they continue to rely on the strength of the United States to pursue their aggressive policy, Britain and France will only find themselves at the mercy of ever increasing U.S. dictation in engineering international tension and obstructing the peaceful co-existence of all countries, in addition to laying open their remaining possessions to the grasping hands of the United States.

Within the United States itself, the war policy of the monopoly circles has also aroused widespread discontent and opposition. While it imposes a heavy burden of military expenditures on the working people, as well as on small business, the policy of the arms drive and of war preparations has brought huge profits without precedent to the monopolies. The production and testing of weapons of vast destructive power has also made the American people realize that the war policy of the U.S. monopoly circles can only bring colossal calamities upon them. In view of this, the American people are struggling constantly to protect their vital interests and to win peace.

This being so, both political parties of the American bourgeoisie have been compelled to bedeck their present election platforms with slogans of peace. Moreover, within the ruling circles of the United States, there is a section of more sober-minded people who have begun to realize that to continue the policy of the arms drive and war preparations will result not only in the further isolation of the United States, but also in serious consequences to its economy. Of late a section of the ruling circles has also begun to call for a reduction in the armed forces, for the lifting of the embargo, and for the adoption of a more realistic attitude towards international affairs. It demands what it calls an "agonizing re-appraisal" of U.S. foreign

policy. However half-hearted these suggestions may be, and in spite of the fact that they have not gained a dominant place in the minds of the U.S. ruling circles, the very fact that they have been made indicates the sorry plight in which the war policy of the monopoly circles now finds itself.

Working for the common objective of peace, and opposing war, all the peace-loving forces in the world have now converged to form a mighty stream. The present international situation is favourable to world peace. It is unfavourable to the war schemes of the monopolies in their attempt to establish world domination. There is no doubt whatsoever that the possibilities for winning peace, and for averting war, have greatly increased.

Nevertheless, it is certain that the U.S. aggressive circles will not of their own accord give up their plots for war and aggression. The struggle between the international peace forces and the forces of war will still be one that is protracted and progresses in a seesaw fashion. It would be a serious mistake if, in this struggle, we were to lower our guard against the war danger. To win firm and lasting peace, we must continue unremittingly to make still greater efforts, together with all the peace-loving countries and people of the world.

Ever since the day it was born, the People's Republic of China has appeared in the international arena as a force that safeguards and consolidates world peace.

All the endeavours of the Chinese people are bent toward building China into a prosperous, happy, socialist, industrial country. We need a peaceful international environment for our peaceful labour. This is the essential fact that determines our policy of peace in foreign relations. As laid down in the Preamble to the Constitution of the People's Republic of China: "In international affairs our firm and consistent policy is to strive for the noble cause of world peace and the progress of humanity."

In accordance with this principle and this policy, the Chinese people have, over the past seven years, protected the independence and security of their motherland, dealt blows to the breakers of peace, and made important contributions to the relaxation of international tensions and the promotion of international friendship and co-operation.

The growing strength, solidarity and unity of purpose of the socialist countries constitute the cornerstone that safeguards world peace. The Chinese people regard as a task of first-rate importance the consolidation of China's unity and co-operation with the Soviet Union and the People's Democracies. Soon after its founding, the People's Republic of China concluded a Treaty of Friendship, Alliance and Mutual Assistance with the great Soviet Union; and this mighty alliance has become a powerful guarantee for peace in the Far East and throughout the world. China has formed unbreakable ties of lasting, fraternal friendship with the Soviet Union and all the other socialist countries. The imperialists have racked their brains to sow dissension among us in an attempt to disrupt our friendship and unity. But their despicable tricks have all ended in ignominious defeat. Continuing the tradition of modesty and respect for others, and guarding strictly against any possible tendency toward great-nation chauvinism and nationalism on our own part, China has daily further consolidated and developed its close co-operation and unity with the other socialist countries. To continue to consolidate and develop this friendship and unity is our cardinal task.

As the Chinese people themselves suffered under the scourge of colonialism for a long time, it is only natural that they should sympathize deeply with all struggles against colonialism and for the preservation of national independence. During the Bandung Conference, China and other Asian and African countries declared solemnly that colonialism in all its manifestations is an evil which should speedily be brought to an end. Whether on the question

of India's recovery of Goa, or on the question of Indonesia's recovery of West Irian, or on the question of the nationalization of the Suez Canal Company by Egypt, or on other questions relating to fighting against colonialism and safeguarding national independence, China has always stood firmly on the side of those nations which have been victims of oppression and aggression. At present, the Egyptians and the peoples of other Arab countries stand on the western advance line of the struggle against colonialism, their heroic struggle enjoys the full support of the Chinese people. Struggles to win and defend national independence, in any part of the world, are an important part of the struggle to defend world peace. We shall continue to give resolute support to all such struggles.

China is firmly convinced that countries with different social systems should live together in peace. Together with India and Burma, China initiated the five principles — mutual respect for territorial integrity and sovereignty, non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful co-existence. In its international relations, China adheres strictly to these five principles. To China, these five principles are by no means temporary or a matter of tactics or expediency. They are our basic policy in the conduct of foreign relations.

For many, many years China was under the iron heel of imperialism; it was only after untold hardships that it had won independence. We resolutely demand that other countries respect our territorial integrity and sovereignty, and we unequivocally respect the territorial integrity and sovereignty of other countries. Having grown up amidst struggles against aggression and oppression, we fully understand the bitterness of being a victim of aggression. Even now, we ourselves are still suffering from aggression by the United States. But we are fully convinced

that the aggressors are doomed to failure; and we, on our part, shall never commit aggression against others.

It was only after long years of struggle that we won the right to choose our own social system. We firmly believe that revolution is not for export; and we shall never interfere in the domestic affairs of other countries. For years we have been discriminated against by imperialist countries and shackled by unequal treaties. Through prolonged struggles for national independence, we have accumulated experience in uniting in common struggle with all nations of the world that treat us as equals.

We are willing to establish economic and cultural contacts and co-operation with all countries and peoples on the basis of equality and mutual benefit — with no strings of any kind attached. Having been compelled to undergo the throes of protracted wars, we know only too well how precious is peace. It is not only now while we are building socialism that we need a peaceful international environment. In the future, when we have brought the building of socialism to a successful conclusion, we shall also make every effort to safeguard world peace.

It cannot be denied that there are still countries and people abroad who show a lack of understanding, or even have misgivings with regard to such a new, rising country as China. This is due especially to imperialist slanders. The imperialists are afraid of the far-reaching influence exerted by the victory of the Chinese revolution, and of the mighty force which stems from the solidarity of the six hundred million people of China with other countries and peoples. They have therefore cooked up all kinds of slanders to vilify New China and cast aspersions on it among other countries, so as to drive a wedge between China and these countries. But facts have proved that such calumnies and provocations do not stand examination.

Barriers between nations can be removed and lack of understanding remedied. In this connection, the wide

contacts between China and other countries and friendly visits back and forth have played a great role. The contacts established between China's leaders and those of other states have also done much to promote mutual understanding, and to bring an improvement in our relations. We have played host to people of various walks of life from different countries who have come to China as visitors. We have sent delegations abroad to return these courtesies. We have established contacts with many countries through these comings and goings which serve to increase mutual confidence, remove misunderstanding and foster friendship. We must continue to strengthen our work in this regard.

When the People's Republic of China was founded, Chairman Mao Tse-tung on behalf of the Chinese Government announced to the whole world: "This government is willing to establish diplomatic relations with any government which is willing to observe the principles of equality, mutual benefit and mutual respect of territorial integrity and sovereignty."

Up to now we have established diplomatic relations with 28 countries, embracing a population of more than 1,000 million. We have established economic and cultural relations with a greater number of countries and peoples. On the basis of the five principles of peaceful co-existence, China has established friendly, co-operative relations with many countries of Asia and Africa. It has also established normal relations with the countries of northern Europe, and with some other countries on the European continent.

Despite the fact that normal international trade is still obstructed by the embargo, and that international cultural exchange is impeded by man-made obstacles put in its way by a few countries, great advances have been made over the last few years in the trade and cultural relations between China and other countries.

Owing to outside pressure, some countries are still temporarily prevented from establishing normal diplomatic relations with us. We are convinced, however, that this situation will not last long.

Some countries are trying to fly in the face of facts, and attempting to bar New China from international affairs. But the countries taking such an attitude can only arouse increasing opposition at home and abroad, and further isolate themselves.

Other countries are vainly trying to create a situation which they call "two Chinas," that is to say, they are trying to make out that the Chinese province of Taiwan is another China, or another independently existing country. Such plots to interfere in China's internal affairs constitute encroachment on our country's sovereignty. The Chinese people are determined to oppose such plots, which have no chance of success.

China is willing to live side by side with all countries in peace. We must make unremitting efforts to improve our relations with other countries and develop them further.

We must be active in furthering our friendly relations with the countries of Asia and Africa, and in particular with our neighbours. With regard to specific questions between these countries and China which are left over from the old regime, we must continue to exert ourselves to gradually seek solutions in the spirit of the five principles of peaceful co-existence, and by means of peaceful negotiation. We must guard against imperialist attempts to use these questions to sow dissension between us.

As regards the Western countries, we must try to improve and develop our relations with them. Our policy of peaceful co-existence excludes no one, not even the United States of America.

The United States, however, has been hostile to the People's Republic of China all along. The People's Republic of China, indeed, was established when the American

armed intervention in our country had come to naught. Not long after the founding of the People's Republic of China, the United States began menacing us, and started aggression against our country from Korea, Indo-China and Taiwan, on what it called a "three-pronged front." Up to the present, the United States occupies our territory, Taiwan, and is trying to interfere with the liberation of our offshore islands.

China has resolutely resisted the armed intervention and aggressive acts of the United States. For we know perfectly well that peace can be preserved only by determined resistance to aggression. Facts have proved that only a relentless effort to protect our national independence and security will bring the aggressors more or less to their senses and compel them to settle international disputes by peaceful negotiation. Meanwhile, we have neglected no possibility of relaxing tension: China contributed to the attainment of an armistice in Korea and of peace in Indo-China. Even with regard to the Chinese-American dispute in the Taiwan area, China has proposed a meeting of the foreign ministers of the two countries for peaceful negotiation.

The U.S. encroachment upon Taiwan and interference in China's internal affairs is being opposed by more and more countries and by wide masses of people the world over. U.S. political, economic and cultural penetration into Taiwan, and its domination there, has aroused our compatriots in Taiwan, including Kuomintang military and political personnel, to increasingly strong discontent and resistance. Our great motherland is growing mightier with each passing day. The possibility of the peaceful liberation of Taiwan is increasing, too. Whatever form the liberation of Taiwan may take, it is sure to return to the bosom of the motherland. Nothing can stop the Chinese people from liberating Taiwan. If the United States does not abandon its policy of encroaching upon Taiwan

and interfering in China's internal affairs, it will only sink deeper and deeper into the quagmire, with no way of getting out.

Comrades! The international situation is favourable to China's socialist construction and to our task of liberating Taiwan. Our country and people have gained successes in their efforts to bring about a peaceful international environment. For the sake of world peace and human progress, we must strengthen our solidarity with all the peace-loving forces in the world, and continue our efforts. We are convinced that, with the firm and correct leadership of our Party, the Chinese people will achieve still greater successes and win still more glorious victories in their great work of socialist construction and in the noble cause of world peace.

SPEECH BY COMRADE LI WEI-HAN

*Director of the United Front Work Department
of the Central Committee
of the Communist Party of China*

Comrades:

I give my full support to Chairman Mao's opening speech and the reports made on behalf of the Central Committee by Comrades Liu Shao-chi, Teng Hsiao-ping and Chou En-lai.

In the eleven years between the Party's Seventh and Eighth National Congresses, thanks to the correct leadership of the Central Committee in carrying out the Party line, all nationalities, all democratic classes, all democratic parties, all democrats without party affiliations and all people's organizations of the country have joined together in the people's democratic united front and achieved a complete victory in the new-democratic revolution and a decisive victory in the socialist revolution.

The historical and social conditions of our country have determined the need for the revolutionary united front, its broad scale and its development over a long period of time. The people's democratic united front was formed and developed under the leadership of the Chinese Communist Party in the protracted revolutionary struggle; it is a broad alliance based on the worker-peasant alliance, and includes all those people of other social strata with whom co-operation is possible. Without the worker-peasant alliance, there would be no people's democratic united front and the victory of the revolution would have been impossible. The

Party has always exerted its utmost efforts to enlarge and consolidate the worker-peasant alliance. At the same time, alliance with all those people of other social strata with whom co-operation is possible supplements the worker-peasant alliance, expands the revolutionary forces, isolates the counter-revolutionary forces, and educates our allies; it is an integral part of the united front. This is the reason why the Party has always united with all forces that can be united with. This alliance has under varying historical conditions included all classes, strata, and groups with which co-operation, whether long-term or temporary, is possible. But among these allies other than workers and peasants, one class has long occupied an important position, and that is the national bourgeoisie.

I

China's national bourgeoisie and its intellectuals have exerted, and are still exerting, a very great influence on society. At the same time, they have a dual character with regard to the revolution, whether democratic or socialist. By and large, they are anti-imperialist. For this reason, they were not only the allies of the Chinese working class in the stage of the democratic revolution, but, taking the international revolutionary front as a whole, they were also the allies of the world proletariat. In the stage of socialist revolution in our country, too, they have maintained their anti-imperialist, patriotic stand and played a positive role in the rehabilitation of the national economy, the development of industrial construction and of modern culture and technology. However, "as a result of its social and economic status, the national bourgeoisie is flabby and lacks foresight and courage, and moreover a large part of it dreads the masses." (Mao Tse-tung, "On People's Democratic Dictatorship.") For that reason in the course of the

new-democratic revolution they trod a path full of tortuous turns: first they participated in the revolution, then they sided with the counter-revolution, then they remained neutral, and finally they came over to the side of the revolution again. Besides, when they took part in the new-democratic revolution, they entertained the hope of working for a capitalist future for China. That is why after the founding of the People's Republic of China, they gradually entered into a struggle with the working class, a "who will win" struggle between capitalism and socialism.

Owing to the influence and the dual character of the national bourgeoisie, the relations of the working class with it have a bearing not only on the question whether or not the working class can win over the middle-of-the-roaders and isolate the reactionary forces, but also on the struggle conducted by the working class to realize its leadership of the peasants and the urban petty-bourgeoisie as well as on the struggle over the issue of China's two perspectives. That is why relations with the national bourgeoisie have always been an important question in our Party's general line.

Previous to the Party's Tsunyi Conference of 1935, the leading organ of the Party during some periods made on this important question first the Rightist opportunist mistake of "all alliance and no struggle" and then the "Leftist" opportunist mistake of "all struggle and no alliance." After the Tsunyi Conference, the Party's Central Committee headed by Comrade Mao Tse-tung corrected these mistakes and, taking into account the dual character of the national bourgeoisie, adopted the policy of actively winning it over, and both uniting and struggling with it, seeking unity through struggle. As a result, the Party won the national bourgeoisie over to the anti-Japanese national united front and made the majority of its members remain neutral in the conflict between our Party and the Kuomintang die-hards, while a section of them actually adopted a sympa-

thetic attitude towards us. Under the then existing circumstances this helped the Party to expand the progressive forces, win over other middle-of-the-roaders, isolate the die-hards, and overcome the die-hards' dangerous attempts to split the united front and the danger of capitulation. After the victory in the anti-Japanese war, that is, after the Party's Seventh National Congress, our Party, in the light of the new political situation, united with the national bourgeoisie to fight against civil war and dictatorship and for peace and democracy. During this struggle, there was a tendency among members of the national bourgeoisie to make unprincipled concessions to the enemy. The Party worked patiently to convince them that they were making a mistake; and also analysed their mistake.

During the period of the people's Liberation War, we continued to maintain our alliance with the national bourgeoisie in the fight against dictatorship and civil war. But we also had to wage a serious struggle against "the middle road," or "the third road" that had appeared among them; this was a line reactionary in nature; it did not support a thorough land reform, or advocate overthrow of Kuomintang rule; it fostered illusions about "the encouragement of democratic individualism" by the U.S. imperialists. Our Party helped the national bourgeoisie to learn useful lessons from the victorious development of the people's Liberation War and from the great popular movements inside the Kuomintang-controlled areas, such as the movements against civil war, dictatorship, hunger, and U.S. imperialism; and they finally discarded "the middle road."

After the founding of the People's Republic of China, through the education they received in three great movements: the movement to resist American aggression and aid Korea, the land reform, and the movement to suppress counter-revolutionaries, we gave them further help in criticizing such ideas of "the middle road" as still survived. This struggle to overcome "the middle road" ideology was

a struggle for the thorough realization of the people's revolution; a fight of the working class for leadership of the state, and was, in the final analysis, a struggle for the country's socialist future. This was also a turning point in the destiny of the national bourgeoisie, and from that time on, they began to accept in practice the leadership of the working class. With the education they received from the "wu fan" movement (the movement against five evils: bribery of government workers, tax evasion, theft of state property, cheating on government contracts and stealing economic information), they went a step further in accepting the leadership of the working class. In this way, with the growing consolidation of the people's democratic dictatorship and the steady development of our socialist economy, it has become quite possible for us to remould them by peaceful means so that they will gradually abandon the capitalist road, give up their illusions about a prolonged and peaceful co-existence of the socialist and capitalist sectors of our economy, and take the socialist road.

The history of our two revolutions shows that the united front is a weapon and a special form of the class struggle. "The united front policy is the class policy and the two are inseparable." (Mao Tse-tung, "A Review of the Repulse of the Second Anti-Communist Upsurge.") All opportunists fail to understand this. They put the class struggle in opposition to the united front. The Rightist opportunists believe that the class struggle and the independence of the proletariat have to be given up if the united front is to be maintained; while the "Leftist" opportunists believe that a class policy means denial of the united front and struggle against all. Under the leadership of the Central Committee headed by Comrade Mao Tse-tung, our Party has steadfastly carried out the policy of actively winning over allies, of uniting with them while struggling with them, and seeking unity through struggle. In this way the Party has cor-

rectly handled the relation between the class struggle and the united front and succeeded in winning over and, in the main, remoulding the national bourgeoisie. The following is the main experience we have gained in carrying out this policy:

(1) China's national bourgeoisie is an extremely vacillating and flabby class. The working class must on the one hand work unremittingly to expand and consolidate the worker-peasant alliance and strengthen the revolutionary forces, and on the other, wage resolute and skilful struggles against imperialism and the reactionary forces at home. Only in this way can the national bourgeoisie be gradually won over.

(2) A necessary condition for winning allies is to cater to their interests within reasonable limits. As far back as the War of Resistance to Japanese Aggression, our Party already drew the political representatives of the national bourgeoisie into the democratic governments at the revolutionary bases in the liberated areas; it applied the economic policy of "taking into account both public and private interests and benefiting both labour and capital," a policy which was maintained for some time after the founding of the Chinese People's Republic. Everybody knows that during socialist transformation, our government continues to give due consideration to the interests of the national bourgeoisie and assures them of a bright future, in work and in life, after classes are eliminated.

(3) A sustained effort has to be made to educate the national bourgeoisie and to use persuasion. The important thing is to educate them through practice, that is, help them learn from their practical political experience. At the same time, such education through practice should be combined with patient persuasion, and encouragement should go hand in hand with criticism.

(4) We must expand the progressive forces among the national bourgeoisie, help the middle-of-the-roaders to turn

to the left, intensify our efforts to educate the backward elements and wait for them to come along, and isolate and disintegrate the few die-hards. We should pay particular attention to fostering the nucleus of progressive forces so that they can give a lead, form the backbone of the main mass of the national bourgeoisie and serve as the link with that mass.

(5) We must draw a distinction between the national-bourgeois intellectuals and the national capitalists. This is because bourgeois intellectuals, as a rule, do not possess means of production. They are the pivotal group which has a mastery of modern science and culture, and is more patriotic and has a higher level of political understanding. They exercise an important influence among the national capitalists. For this reason, even before the victory of the revolution, we long made efforts to win them over and educate them. Following the victory of the revolution, most of the bourgeois intellectuals rapidly came over to work honestly for the People's Republic, and, with the progress made in their ideological re-education, they gradually changed their political standpoint to the side of the working class. There is no accident about all this. This attitude and action on their part played a big role in influencing the national capitalists to accept socialist transformation.

The various democratic parties as well as the democrats without party affiliations have given us enormous help in winning over the national bourgeoisie, the upper stratum of the petty bourgeoisie and their intellectuals. The national bourgeoisie, the upper petty bourgeoisie and their intellectuals, were and still are the social basis of the democratic parties, so before the founding of the Chinese People's Republic, our relations with these classes and social strata (based on unity with them and struggle against them to achieve unity) were formed chiefly through the democratic parties and the democrats without party af-

filiations. Since the founding of the People's Republic, we have established many direct contacts with them. But the democratic parties and the democrats without party affiliations still play and will continue to play an important role in the work of uniting, educating and remoulding them. When in the future they become working people, the democratic parties and the democrats without party affiliations will continue to carry on work among them and continue to contact and represent those whom they can contact and represent; they will exist side by side with our Party for a very long time and we will supervise each other.

II

Now I wish to say a few words about united front work among the upper strata of the national minorities, among patriotic people in religious circles and among Chinese resident abroad. Every national minority has its own upper social strata whose number varies and who are pre-capitalist or capitalist exploiters or intellectuals belonging to these exploiting classes. The contradiction between them and the working people can only be resolved through social reforms, including democratic reforms and socialist transformation. On the other hand, most of the members of the upper strata are patriotic. They maintain certain contacts with the working people in matters concerning relations with other nationalities and some of them in religious matters as well, and become public leaders of their own nationalities. Among some national minorities, such public leaders are very influential. For a long time past, our Party has made a correct appraisal of this double nature of such public leaders among the national minorities, and adopted a policy of winning them over and uniting with

them. As a result, even before the victorious conclusion of the revolution, we had already established a united front with many public leaders of the national minorities to oppose imperialism and the reactionary rule of the Kuomintang. This united front has been further broadened and consolidated since the founding of the People's Republic of China. It was thanks to this united front that we liberated Tibet by peaceful means and established relations with the people of many other national minorities with whom we had little or no contact before and carried out work among them. This is helpful to the alliance of the working people.

Many public leaders of the national minorities have done useful work in bringing about unity among the various nationalities and in effecting social reforms, and this has given them political education and helped them to make varying degrees of progress. In the light of conditions in our country, socialist transformation is being carried out by peaceful means among all the nationalities. In those areas inhabited by national minorities where democratic reforms must be carried out, this should also be done by peaceful means in view of the special nature of social developments there. It is precisely the existence and development of the united front between the working people and the public leaders in such areas that makes peaceful reform both necessary and possible.

Peaceful reform is a special form of class struggle through which, by relying on the working people and unifying with all the forces that can be united with, the aims of the democratic and socialist revolutions can be achieved by gradual and roundabout ways. The exploiters are not compelled by forceful means of struggle to give up exploitation; they are persuaded through peaceful consultations to do so of their own accord. At the same time, the state adopts appropriate measures to ensure that their political status and standards of living are not lowered. With regard

to the specific policies, measures, steps, arrangements and time for carrying out social reforms, there should be earnest consultations between the representatives of the working people and their public leaders, and reforms must be carried out only after both sides have reached real agreement. If they have not, then it is better to go slow and wait until after a full exchange of ideas conditions are ripe for these reforms. Under these conditions, it is important to persuade the working people to make certain necessary and reasonable concessions.

In some places, there is the shortcoming of underestimating the influence of the public leaders of the national minorities and of not consulting them sufficiently. This should be corrected. At the same time, we must patiently help these public leaders and other members of the upper social strata to re-educate themselves and on their own initiative come closer to the working people, so as to arrive at an understanding with the working people and enter into long-term co-operation with them. Through peaceful reforms, unity among the nationalities can be promoted, damage likely to be done to productive forces and social wealth can be reduced or prevented (in many areas inhabited by national minorities the level of productive forces is low and public wealth scanty, and it is all the more necessary to prevent as far as possible damage being done to them), and intellectuals can be won over to work for socialism (there are very few intellectuals among the national minorities, and it is all the more necessary to do our best to win them over by persuasion).

These are the reasons why we should faithfully carry out the policy of peaceful reforms in areas inhabited by national minorities.

We have the following religions in our country: Buddhism, Taoism, Islamism, Christianity (including both Protestantism and Catholicism). The question of religion

occupies a fairly important place among the social questions of our country. The Buddhist, Taoist and Islamic religions have had a long history in China. Buddhism and Islamism have deep and extensive influences among certain national minorities; and the various religions other than Taoism all have international connections. In old China, imperialism and the reactionary Kuomintang clique controlled religious groups by various means, and they tried hard to turn religions into tools serving their ends. Since the founding of the People's Republic of China, our Party and government have, by various methods, educated religious circles in the spirit of patriotism and against imperialism, helped them to rid themselves of the influence of imperialism and of the reactionary Kuomintang clique, and exposed and cleared out the counter-revolutionaries in their ranks so as to guarantee the freedom to love their own country and to enable them to rally to the ranks of the people's democratic united front. Our Party and government have also carried out the policy of complete freedom of religious belief, that is to say, the people have the freedom to follow or not to follow any religion; they have the freedom to follow any religion or sect they like; and they also have the freedom to follow a faith now and not to follow it in the future, or vice versa. In this way, unity has been strengthened between the people inside and outside religious circles and among religious circles themselves. So long as there are people in our country who have religious faith, we shall respect their freedom of belief, and protect the religions they follow. We Communists are materialists, and therefore do not follow any religion. But we Communists are also historical materialists. Because we understand the reasons why religions will exist for a long time to come, we have adopted a long-term policy of respecting the freedom of religious belief. On the question of religious belief, there are cases where administrative measures have been resorted to. This must be corrected.

III

An extensive patriotic united front has been formed and developed among overseas Chinese. Chinese resident abroad have a fine tradition of love of their country. The independence of their motherland and her achievements over the past few years have given them fresh strength to develop this tradition. Our policies and measures in regard to Chinese resident abroad have promoted their solidarity and mutual help as well as improved their relations with the governments and peoples of the countries in which they reside. These policies and measures are:

(1) Resolutely protect the proper rights and interests of Chinese resident abroad; allow them to choose their nationality of their own free will; advise them to maintain friendly relations with the peoples of the countries in which they live, to abide by the laws of these countries and to refrain from interfering in their internal affairs.

(2) Call on Chinese resident abroad, regardless of place of birth, profession, class background or belief, to unite on a broad basis of a common love for the motherland and to protect their own proper rights and interests; help organizations, schools, and newspapers run by overseas Chinese and their leaders, in every sphere of activity to get rid of their differences and co-operate on the common basis outlined above.

(3) Protect remittances from Chinese resident abroad and give preferential treatment to their investments; welcome them home to take part in national construction and to study, and accord them facilities for doing so.

(4) Make allowance for the special conditions and needs of their relatives in China, and lead them step by step to participate in the socialist construction of the country together with all the rest of the people.

These policies and measures have received the approval and support of the broad masses of Chinese resident abroad.

We will continue to carry them out and overcome all shortcomings in our work in areas where the relatives of overseas Chinese live as well as in other aspects of our work.

IV

Hereafter, the task of the people's democratic united front is to continue to unite with all forces that can be united with and mobilize all positive factors that can be mobilized to carry on a common struggle for the completion of socialist transformation and to build China into a great socialist country. Our decisive victory in the socialist revolution has created favourable conditions in which we can turn to full account all those positive factors which under the conditions of the past we were not in a position to turn to account or which because of shortcomings in our work were not made full use of. It has also created favourable conditions for us to turn some negative factors into positive factors serving the cause of socialism. For this purpose, we should, on the basis of the Constitution of the People's Republic of China, bring into full play the democratic traditions of the united front, chief of which are political consultation, concerted effort, mutual supervision and self-education.

Political consultation is an important method by which we realize the people's democracy. The internal relations of our people's democratic united front are adjusted through consultation. Important matters in state affairs are decided upon after well-considered consultation. The nomination of candidates in the country's elections is also done through consultation. It is precisely because, in the process of consultation, right and wrong are distinguished and agreement arrived at after a full exchange of opinions and much debate that at the time of election or adoption of resolutions, agreement or decision is naturally often

reached by an overwhelming majority or even unanimously. Political consultation does not negate class contradictions, it does not mean unprincipled compromise on class contradictions. The advantage of political consultation lies in the fact that on the one hand it gives effect to the democratic rights of the greatest majority of the people, and on the other hand it respects the democratic rights of the minority, and that, through adequate consultation, the political views of all concerned are, in the main, properly brought together and unified. What we mean here by the minority is that section of the people which the democratic parties, democrats without party affiliations and other patriotic personages keep in touch with and represent. Respect for the democratic rights of this section of people is a necessary condition for the consolidation and enlargement of the people's democratic united front.

It has been the constant concern of the Central Committee of our Party and all leading organs of the state to give full play to the role of political consultation. And this is especially so when any important measure is to be decided on. If it should prove that there has not been adequate consultation with the non-Party people concerned then it is better to put off a decision until later. Any question which needs broad consultation is put for that purpose before the National Committee of the People's Political Consultative Conference. Some questions are sent at the same time to the local committees of the P.P.C.C. in the provinces, municipalities and autonomous regions for deliberation. The National Committee of the P.P.C.C. and its local committees are at once organs of political consultation and organs of the united front, and they play an important role in the united front as well as in the political life of the state. The Central Committee of the Party and Chairman Mao Tse-tung attach great importance to the work of the P.P.C.C. We must make great efforts to enrich and give further stimulus to its activities.

During the last few years, our Party has been working on an ever expanding basis with non-Party personnel in state organs, schools and enterprises. Especially since capitalist relations of production underwent a fundamental change, this relationship of working together has developed to such an extent as to embrace the great majority of capitalists and their agents. It is of great importance to the political life of the state that we should handle such relationship correctly. Here one of the major problems usually met with is how to ensure that people outside the Party have authority commensurate with the posts they hold. The key to the solution of this problem lies, in our view, in conscientiously carrying out the system of combining collective leadership with the Communist Party as its core with division of responsibility. It is essential that the leading Party members' groups or the Party committees in public organizations, schools, enterprises and army units should hold discussions and make suggestions on important questions regarding their work. But it is also necessary that they should consult fully with the personnel outside the Party through appropriate channels. When this has been done, they can submit these questions to administrative conferences for thorough discussions and pass decisions on them. Only by so doing can we both put into effect the Party's role as the core of leadership and, together with people outside the Party, exercise collective leadership over administrative affairs.

Some people would set the leading role of the Party against the powers of the administration. That is wrong. We should fully respect the functions and duties assumed by non-Party personnel, so that they can handle questions which should be handled by them, attend or preside over the meetings at which they should be present or act as chairman, and have the chance to read those documents

which it is their right to read. We should give them full support and assistance in their work, so that they can work to the best of their abilities, achieve successes and make progress in our common cause. In this connection, it should be mentioned that where improper arrangements have been made for the work of certain non-Party personnel these should be remedied.

If the democratic tradition of political consultation and working together is developed to the full, it will at the same time conduce to mutual supervision. As far as our Party is concerned, Chairman Mao long ago pointed out: "We are not afraid to admit those defects and are determined to remove them. We must get rid of them by intensifying inner-Party education and also by co-operating in a democratic spirit with non-Party people. It is only by subjecting our defects to such a crossfire from both within and without the Party that we can remedy them and really set the affairs of state to rights." (Mao Tse-tung, "Speech Before the Assembly of the Shensi-Kansu-Ningsia Border Region.")

Today, when our Party is the core of leadership among the people throughout the country, we need all the more this "crossfire from both within and without the Party." We need the supervision of the broad masses of the working people, for this is where we put our chief reliance. At the same time, we need supervision by the various democratic parties and democrats without party affiliations. This is because they represent the views and demands of a section of our society and possess certain political experience and professional skills. They often give us well-directed criticisms and valid suggestions. Even if some of these criticisms and suggestions are not to the point or incorrect they will still be of use to us in carefully analysing and dealing with various problems and help to keep us level-headed. We must create all the necessary conditions to help them to supervise us. For some time past we have

organized regular tours of inspections as well as special tours at irregular intervals. We have conducted full-scale criticism and self-criticism at people's congresses, the people's political consultative conferences and meetings in other organs of state. Meetings for discussion and consultation have been held in various offices between our Party organizations and other democratic parties and democrats without party affiliations and also between government offices and the democratic parties, democrats without party affiliations and the people's organizations concerned. All these have proved effective. We should extend their scope and do more along these lines, so that they will become an established institution.

VI

The continuation of self-education and self-remoulding will remain an important task of the people's democratic united front. In the first place, it will require several more years for the national capitalists and their agents to complete the process of transforming themselves from exploiters into working people. A section of the bourgeois intellectuals must continue their efforts to complete the shift in their political stand to the side of the working class. And it will probably take a still longer period for members of the upper social strata among the national minority people and other patriots to complete the process of self-remoulding. This being the case, we must continue with the policy of unity coupled with struggle, and encouragement coupled with criticism. We must encourage such classes and sections of the population which have not gone through the process of socialist transformation to undertake socialist self-education and self-remoulding so as to eliminate all the exploiting classes in society.

Does this mean that once the exploiting classes are abolished self-education and self-remoulding will no longer be necessary? No. It will still be necessary. As is commonly known, a change in people's ideas often lags behind a change in their social status. After members of the bourgeoisie have changed into working people, the remnants of their bourgeois ideas will linger on for a very long period and much time will be needed to complete their self-education and self-remoulding. Among public functionaries the contradiction between working-class ideology and bourgeois ideas will continue for a long time to come, and we must count on self-education to overcome it gradually. We must therefore continue for a long time to come to use the method of self-education and self-remoulding in the future to promote socialist unanimity in politics and ideology.

During the last eleven years, our Party has achieved great success in implementing the united front policy. Nevertheless, the work of carrying out the united front policy is not all it should be; in fact, there are quite a few problems. Some of these problems reflect the new conditions which have come about following the fundamental changes in the political situation in our country. Others reflect shortcomings and flaws in our work. As far as the united front departments are concerned, there is indeed a tendency towards vulgar conciliation, but the main trouble is sectarianism. On the question of relations with the brother nationalities, some comrades have a tendency towards great-Han chauvinism which mainly expresses itself in attaching little importance to work among the national minorities and in being unwilling to listen to and respect the opinions of cadres from among the brother nationalities. On the question of relations with the other democratic parties, democrats without party affiliations and other patriots, some of our comrades have limited their contacts with people outside the Party to a small circle.

Others are cool and indifferent to relatively backward people, keep them at a distance, and have not earnestly carried out Chairman Mao's directive that they "should not slight or look down upon such persons, but become friendly towards them, unite with them and persuade and encourage them to go forward." (Mao Tse-tung, "The Role of the Chinese Communist Party in the National War.") Still others crudely brush aside the views of people outside the Party which differ from their own, instead of being quite open-minded and taking an attitude of making a suitable analysis of such views. The united front departments should be guided by the spirit of the Party's Eighth Congress in thoroughly bringing to light and putting an end to these and other defects in their activities. In investigating our work, we should pay attention to the views and opinions of people outside the Party.

In the greater part of this year, both in the capital and in various localities we have benefited a good deal by the check up on united front work, in which members of the other democratic parties and democrats without party affiliations in many places were invited to take part. We must continue with this method in an even more systematic manner. In order to strengthen the Party's united front work, we must call upon Party committees in all localities to make arrangements and initiate investigations at regular intervals and to see to it that the united front departments do their work well. We must also see to it that the appropriate departments of the Party, and the Party organizations in organs of the state, in schools and universities and enterprises take up this work seriously.

We are convinced that following the Party's Eighth National Congress further advances will be made in all respects of the work of the people's democratic united front.

SPEECH BY COMRADE SAIFUDIN

*Secretary of the Sinkiang Uighur Autonomous Regional
Committee of the Communist Party of China*

Comrades:

I am in full agreement with the opening speech of Comrade Mao Tse-tung, the political report made by Comrade Liu Shao-chi on behalf of the Central Committee, the report on the revision of the Party Constitution by Comrade Teng Hsiao-ping, and Comrade Chou En-lai's report on the Proposals for the Second Five-Year Plan for Development of the National Economy.

Led by the great Communist Party of China, the people of all nationalities in the Sinkiang Uighur Autonomous Region are marching triumphantly forward together with the people of the whole country. Since liberation, we have successfully completed the task of democratic reforms, and instituted regional autonomy for various nationalities. We have also achieved a decisive victory in the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. Great progress has been made in the Region's economic construction and cultural development, and we have had considerable success in building the Party and training cadres from among the local nationalities. All these successes have greatly raised the political consciousness of the people of all nationalities and consolidated their unity to a degree never before attained. Now the people of our Region are working, full of confidence, to build a socialist society.

Here, I shall speak only about three questions: the building of the Party, regional autonomy, and the training of cadres from among the local nationalities.

(A) A strong detachment of the Communist Party of China has been formed in the Sinkiang Uighur Autonomous Region.

Comrade Mao Tse-tung gave us instructions that, "A genuine Marxist party formed by the local people must be established in Sinkiang. . . ." And the Party in Sinkiang has resolutely accomplished this task. More than 2,500 primary organizations of the Party, with a total membership of 65,000 persons, have now been set up in the villages, factories, mines, enterprises, government offices, and schools of the Autonomous Region. In the past six years, the Party enlisted 34,024 new members, of whom 27,833 persons, or 81.8 per cent, have come from the various national minorities of the Region.

What accounts for such a rapid expansion of the Party organizations in our Region in so short a space of time?

Geographically, the Sinkiang Uighur Autonomous Region adjoins the Soviet Union. The victory of the great October Revolution and the gigantic achievements made by the Soviet people in building a socialist society since the revolution exercised a widespread and profound influence on the people of Sinkiang. The people of the various nationalities who suffered from feudal exploitation and national oppression saw for themselves the free and happy life of the people of the neighbouring Soviet Republics, which were formed of various nationalities like themselves. It was only natural, then, that this should have engendered in them a deep sympathy for socialism and the Communist Party.

During the historic period from 1934 to 1940, thanks to the assistance of the Soviet people, and to the efforts made by a group of Communists sent by the Party's Central Committee to Sinkiang with Comrades Chen Tan-chiu, Mao

Tse-min and Lin Chi-lu as their leaders, cultural and educational work was promoted and progressive ideas were spread in the area. A group of cadres with a communist outlook was also trained. As a result, the Communist Party of China succeeded in exerting its good influence upon the people of Sinkiang and in winning their hearts. Later, in 1944, during the revolutionary struggles which broke out in the three districts of Ili, Altai and Tarbagatai, there emerged another group of cadres with a communist outlook, steeled in these struggles. Working together with the people, this revolutionary force which had thus made its appearance in Sinkiang carried on an unswerving struggle against the Kuomintang reactionaries, feudalism and imperialism, and achieved considerable successes. Nevertheless, the experience of these struggles fully demonstrated that without the direct leadership of the Communist Party, the people could never achieve their liberation. This situation urgently called for the establishment of the Communist Party in Sinkiang, and certain conditions were created for this.

The work in many fields done since the liberation has created very favourable conditions for building the Party. In accordance with the Central Committee's policy of building the Party "actively yet prudently," we have recruited new members as we carried forward various kinds of work, especially the land reform and socialist transformation. Although in Sinkiang, where there are only a very small number of workers, it is rather difficult to bring about a rapid increase in Party membership, the facts have shown that in the struggles for land reform and socialist transformation it is possible to recruit a large number of Party members from among the labouring peasants, intellectuals, and other sections of the working people who have been steeled in the class struggle, and furthermore that this is the correct thing to do.

We have made considerable achievements in building the Party. But, in view of the heavy tasks to be undertaken in this Autonomous Region, we must admit that these achievements are far from sufficient. From now on we must strengthen the work of building the Party by following the Central Committee's policy of building it "actively yet prudently." We must fulfil the tasks of expanding the ranks of the Party and adding to its strength by setting up a Party branch in every township by the end of this year, and recruiting 55,000 new members before the end of next year.

(B) We have successfully realized regional autonomy for nationalities in the Sinkiang Uighur Autonomous Region.

Regional autonomy for the nationalities is an important means of solving the national question in accordance with Marxist-Leninist theory. This has been borne out by much historical experience, including the experience gained during the past few years since the liberation of the country. That is why this experience has been incorporated, as law, in the Constitution.

China's national question has acquired a new content since liberation. Today it is no longer a question of eliminating national oppression and winning political equality for all nationalities — that question was solved when the People's Republic of China was founded. It is now a question of consolidating co-operation and unity between all the nationalities and the realization of true equality among all nationalities. To consolidate national unity and realize true equality — that is, to raise the economic and cultural levels of the backward nationalities to those of the advanced ones, is a hard task that will take a long time to accomplish. This is the fundamental aim of our Party's policy towards the nationalities. It is clear that the establishment of regional autonomy for nationalities is an important and indispensable means to this end.

The work of organizing regional autonomy for the various nationalities in the Sinkiang Uighur Autonomous Region has achieved very great successes, as has work in other fields. The Region is inhabited by 13 nationalities, namely, Uighurs, Kazakhs, Han, Hui, Khalkhas, Mongolians, Russians, Tadjiks, Tartars, Uzbeks, Sibos, Tahurs and Manchus. Of these, seven nationalities who make up over 85 per cent of the total population of the Region are believers in Islam. We have already set up six autonomous counties and five autonomous *chou* where the various nationalities live in compact communities. On October 1, 1955, the Sinkiang Uighur Autonomous Region was formally established. The real work of organizing autonomy for nationalities in our Region, however, was not started immediately after liberation; it was begun after the land reform. In this way, on the one hand, we got sufficient time to take a series of measures of ideological preparation in connection with the organization of regional autonomy, and, on the other, we were able successfully to carry through the land reform, to eliminate the feudal forces and the landlord class, to establish the political ascendancy of the working people, and to train cadres from among the nationalities living in Sinkiang. In this way we created the conditions for establishing national autonomy in our Region and equipping the autonomous organs at all levels with large numbers of cadres from the working people.

The experience we have gained in organizing autonomy for nationalities in our Region proves that a sufficient amount of ideological work must be done among the masses of the people, and especially among the cadres, for quite a long period previous to the institution of regional autonomy. Without unity of thought, it would have been impossible to carry out smoothly our work for regional autonomy for nationalities. Before we put autonomy for nationalities into practice in our Region, some people in Sinkiang had the idea of establishing a union republic or

autonomous republic. Such an idea did not suit the specific conditions in China. For a fairly long time, therefore, we discussed and studied this question, both inside and outside the Party, so that we might all see that only the realization of regional autonomy for the various nationalities fits in with the specific conditions in our country. In the course of these discussions and studies, we also criticized and rectified, in an appropriate manner, certain erroneous ideas. Furthermore, the rumours spread by counter-revolutionaries that "an independent Eastern Turkestan government is going to be established in Sinkiang," etc., were dealt a firm blow by the people who knew that rumour-mongering of that sort served only the interests of the imperialists.

The realization of regional autonomy for nationalities is a great and historic victory in the life of all the nationalities of our Region. It is a victory gained under the correct leadership of the Chinese Communist Party, through the vigorous efforts made by the people of all nationalities, and with the sincere help given us by the working people and Communist Party members of Han nationality.

Although we have successfully organized regional autonomy for nationalities, much concrete work still remains to be done if we are to thoroughly realize the right to autonomy of the people of all nationalities, strengthen and seal the unity among them and establish true equality among them all. In the light of our experience, we believe that serious attention must be given to the following points:

(1) In drawing up over-all plans as well as in doing their day-to-day work, Party organizations at all levels in the areas of the national minorities must always take full account of the characteristics of each area. Otherwise, they will make mistakes in their work.

(2) Unremitting efforts should be made to achieve and cement unity between the working people of all nationalities in these areas, and to fight against every tendency

detrimental to the unity between the nationalities. Unity between the working people of all nationalities can definitely be achieved in the course of democratic reforms, in socialist transformation and on the production front. Only such a unity can be called genuine unity — a unity based on the co-operation between classes and on internationalism. If we do not build up such a unity that will serve as the core of the broader unity between nationalities, it will be impossible to achieve and strengthen genuine unity between the nationalities. In this respect, it is of the greatest importance to train a large number of workers from among the various nationalities, that is, train the proletariat of the nationalities concerned.

In the Sinkiang Uighur Autonomous Region, we have already formed such a core of unity among the nationalities. Tens of thousands of workers of all nationalities, newly emerged in active public life, are working shoulder to shoulder with the workers of the Han nationality on the fronts of socialist industrialization. They stand together beside the same lathes and in the same pits, and are helping each other because they have a common will, a common destiny and a common future. Tens of thousands of peasants of all nationalities are also working hard on the production front building a socialist agriculture.

(3) We must organize regional autonomy for the various nationalities in a thoroughgoing way. We should not think that by merely setting up autonomous organizations in the national minority areas we have finished the job. After such autonomous organizations have been set up, we must see to it that the autonomous rights of the areas are realized to the fullest extent. We must take the initiative in discovering, understanding and fully satisfying the needs of the various nationalities. We must make the people of these nationalities personally feel that they are the masters, and thus stimulate them to take a conscious and active part in the work of their own area and of the country as a whole.

We must make them realize that they are not only the masters of their respective areas but of the whole country. We must encourage them to love the country and all the people of the country whole-heartedly in the same way as they love their native homes and their own nationalities. Only in this way will it be possible to develop to the full the initiative of the people of the national minorities, and develop their patriotism and internationalism.

(4) We must develop a culture that is national in form and socialist in content. This will be of great importance in realizing true equality among the nationalities. The key point in this work is in making great efforts for the development of culture and education in the national minority areas. We must energetically overcome all difficulties and create the necessary conditions for this.

(5) A proper degree of authority over finance should be given to the autonomous areas. At the same time the Central Government should give them greater material and technical assistance to develop industry, especially local industry, to reclaim waste land and to promote production in agriculture and animal husbandry, in order to develop their financial and economic affairs.

In developing commerce, it is most important that we should adopt measures suited to the specific conditions of the national minority areas, and correctly carry out our price policy so as to preserve a proper ratio between the prices of products of agriculture and animal husbandry and those of industrial products. It is of great help to the development of the national minority areas when the state undertakes various kinds of construction there. However, when departments of the Central Government make plans and arrangements for such industrial constructions and in carrying out these plans, they should pay due attention to the difficulties in these areas. It is absolutely essential to get in close touch with the autonomous areas about transport, building materials and labour forces, so as to get

acquainted with actual local conditions, and to plan the whole thing properly.

(C) The Sinkiang Uighur Autonomous Region has trained large numbers of cadres from among the local nationalities.

In order to do any kind of work successfully in the national minority areas, it is necessary to train large numbers of cadres of the local nationalities and get the work done through them. The Party organization in Sinkiang has all along paid great attention to this. We have made very considerable achievements in training local cadres in the past seven years. At present, of the more than 100,000 cadres in the Autonomous Region, over 50,000 are of national minority origin. A certain number of them come from the former Fifth Army; others were taken over by us at the time of the liberation and have undergone education and remoulding; but the majority are newly trained after the liberation. There are over three thousand cadres of national minority origin who occupy responsible positions as district heads and above. Over 40 per cent of the members of the Party committees above the district level are made up of cadres of national minority origin. There are also many cadres of national minority origin who work as department heads or secretaries of the Party committees at all levels. Large numbers of technical cadres are being trained in factories, mines and agricultural departments, in schools as well as in actual work. Under the leadership of the Party, all these cadres of national minority origin, working side by side with cadres of Han nationality and helped by them, have played a great role in all kinds of work. Most of them have participated in various aspects of the work of democratic reforms and have been trained and steeled in the course of their work. The present number of cadres, however, is far from sufficient. Much important and difficult work in connection with the training of cadres is placed before us. In the next six or

seven years, we shall have to train on the average over 50,000 cadres each year. This is one of our basic tasks at present.

In the light of our experience, the following points should be stressed in regard to the training of cadres of the various national minorities:

(1) Cadres may get training through actual work. We should encourage mutual aid and co-operation among cadres; those who know ought to teach those who do not. We should be bold in training and promoting cadres. It is wrong to take the attitude that our concern is primarily to "promote cadres rather than train and help them." We must develop the strong points in the cadres of the national minorities, help them quickly overcome their errors and shortcomings, and provide them with the necessary facilities for their work. Of these, the most important is that in all departments of work it should be made possible for them to rely on their own spoken and written languages alone for the conduct of official business. If cadres are not given adequate conditions for work, they will find it hard to improve their work and make their full contribution, even though they are promoted. In other words, we should thoroughly implement the principle of seeing to it that cadres of the national minorities should actually be able to exercise the authority that goes with their positions. But at the same time we must emphasize that authority implies responsibility. When cadres of the national minorities neglect their responsibilities, they are neglecting or not being faithful to the cause of the people. They would be guilty of a serious mistake indeed should their work be made to suffer because of negligence of responsibility or, worse still, should they attempt to shift to other people or to Han cadres the responsibility for the ill consequences that come about through their fault.

(2) The cadres of the various nationalities must learn each other's language. It is very important for the cadres

of the national minorities to learn Chinese. We are of the opinion that Chinese should be added to the curricula of all schools in Sinkiang above the level of junior middle school, and that senior middle school graduates of the national minorities should reach, or approximately reach the level of being able to understand lectures given in Chinese in the Han nationality institutes. We are not at present in a position to apply this standard to senior middle schools in all localities. However, the importance of this language requirement must be emphasized. This standard must, however, be gradually applied throughout the Region, otherwise it will be impossible to train highly qualified specialists from among the national minorities and develop their national culture and education. At present, some national minorities do not have their own universities, or even middle schools. How could they, in a short space of time, set up universities where teaching and learning are to be carried on only in their own languages! Should we wait till such universities are set up and then start training our cadres? If we wait, then we will have neither the one thing nor the other. But this by no means implies that we need not respect the spoken and written languages of the national minorities. We should indeed respect their spoken and written languages and use them as our instruments. Primary and secondary education must be further developed, and in these schools instructions are to be given in the spoken and written languages of the nationalities concerned. Administrative and judicial departments must use the written languages of the local nationalities. At present, however, it is not enough for the national minorities to rely on their own languages alone in their efforts to attain advanced levels in science and technique. This can only be achieved by learning from the more advanced nationalities.

(3) We must strengthen unity among the cadres, and especially unity between cadres of the local nationalities

and cadres of Han nationality. This is one of the key factors that ensure the success of our work in the national minority areas. There is a saying among the Uighur people: "When the elder brother respects the younger brother, the younger brother is grateful to the elder." The cadres of Han nationality not only respect the national minorities, but they have also given whole-heartedly service to the minority peoples and have overcome many hardships and difficulties. It would hardly be proper if due praise were not given this selfless spirit shown by the cadres of Han nationality. The relationship between the cadres of Han nationality and those of the local nationalities must be the relationship of the elder and the younger brother, the relationship of the master craftsman and the apprentice. Cadres of Han nationality must endeavour to educate and help the cadres of the local nationalities, while the latter should study and work assiduously and show their gratitude towards the former. The unity and comradely friendship among the cadres that is thus established will be indestructible.

(D) It is necessary to send cadres from the majority nationalities to work in the national minority areas.

This is necessary for the progress and development of the people of the various national minorities. Instead of detracting from the minority peoples' position of being masters in their own land, this is only provision of the necessary help to them in successfully managing their public affairs. It is, above all, absolutely essential in helping to train cadres from among the national minorities. It would be utterly wrong if the phrase "give a national character to the government organs" were taken to mean that all the work were to be done exclusively by cadres of the local nationalities. To entertain any such idea is to display a glaring tendency to local nationalism, which cannot be tolerated.

In the Sinkiang Uighur Autonomous Region, there are large numbers of cadres of various local nationalities and more are being trained. There are also many cadres of Han nationality. It is still necessary to send from other parts of the country more cadres of Han nationality to work in the Autonomous Region, particularly more specialists in the fields of science, technology, culture and education and public health. In training cadres of the local nationalities in these fields large numbers of highly qualified intellectuals of Han nationality are needed. We are in even greater need of support and assistance from other parts of the country in the supply of manpower. Certain departments are already feeling a shortage of labour power. During the forthcoming large-scale economic construction in Sinkiang, we shall need thousands upon thousands of workers, in addition to local people, whose efficiency we shall also fully develop. It is common knowledge that we shall not be able to overcome this difficulty entirely by our own efforts. It will be overcome only with the help of large numbers of workers from the rest of the country. We hope that the central departments concerned will take our great need of cadres and of workers into consideration.

(E) Both great-nation chauvinism and local nationalism are essentially products of bourgeois ideology. We must overcome this kind of non-proletarian ideology which runs counter to the wishes of the people of all nationalities.

Education in communism should be intensified among the cadres of the various nationalities. This is an arduous task which calls for the adoption of various educational measures over a long period. Responsible Party cadres of the various nationalities should attach special importance to this work. In waging struggle against the two forms of nationalist ideas and tendencies, we should never compromise with the serious mistakes out of the desire to be considerate. However, care must be taken not to confuse for lack of careful consideration any ordinary problems in

work with nationalistic tendencies, or to accuse cadres lightly of great-nation chauvinism or local nationalism. We must overcome this sort of thing and prevent it from happening.

While we oppose the tendency to great-Hanism among the cadres of Han nationality in the Uighur Autonomous Region, we must also oppose any symptoms among the Uighurs expressive of the chauvinism of a dominant nationality in relation to other national minorities. We must ceaselessly strengthen the education among the cadres regarding the Party's policy towards the nationalities. We must wage a determined struggle against all bourgeois nationalist ideas, which are harmful to the interests of the people and the unity of the country, and against all machinations that benefit the imperialists. We must resolutely fight all such ideas and machinations and smash them.

I have mentioned the main achievements and practical experience that the Party has gained in the past few years in Sinkiang.

It should not be forgotten that there are many and even more complex tasks ahead of us. But we are fully convinced that we shall be able to fulfil these tasks; and that the various nationalities of Sinkiang and the people of the whole country will successfully complete their joint task of building China into a socialist land.

JOINT MESSAGE OF GREETINGS
FROM THE
DEMOCRATIC PARTIES AND GROUPS AND
DEMOCRATS WITHOUT PARTY AFFILIATIONS
IN CHINA

To the Eighth National Congress of the Communist Party of China:

On the eve of the seventh anniversary of the founding of the People's Republic of China, when splendid successes have already been achieved in the socialist construction and socialist transformation of our country, the summoning of the Eighth National Congress of the Communist Party of China is an event of great historic significance. We, the democratic parties and groups in China, extend our warm and whole-hearted greetings to the Congress.

It will be the task of the Congress to sum up the experience of the Chinese revolution, which has been proceeding triumphantly under the leadership of the Chinese Communist Party; to take stock of our achievements in construction during the seven years since the founding of the People's Republic; to draw up a further, comprehensive plan for socialist construction, and to strengthen the organization of the Communist Party so that it can even more effectively fulfil its leading role.

We are convinced that the success of the Congress will not only ensure a steady improvement in the material and cultural life of the Chinese people, but will also contribute greatly to the strengthening of the forces of peace and de-

mocracy throughout the world and the advancement of human happiness. We are also certain that it will make further contribution to the content of the universally-applicable theory of Marxism-Leninism, enriching and developing it.

Under the leadership of the Chinese Communist Party, the people's democratic united front, which embraces all democratic parties and groups in China, has played a remarkable role in the Chinese revolution and national construction. The formation and consolidation of the people's democratic united front and its operation and development are a most valuable experience in the Chinese revolution. We shall always cherish this experience and continue to turn it to full advantage.

With the American imperialists still occupying our territory Taiwan, we must be constantly vigilant and do our utmost so that our compatriots there may soon be set free from their unbearable sufferings and return to the loving embrace of the motherland.

Our national construction is flourishing every day, and the Chinese people are assuming an ever-increasing responsibility in international affairs. Together with the people of the whole country, we, democratic parties and groups, will continue in the years to come to work under the correct leadership of the Chinese Communist Party, constantly strengthen our unity, stimulate one another to greater efforts and do our utmost to build our country into a great socialist land and safeguard world peace.

We wish every success to the Congress!

Revolutionary Committee of the Kuomintang
China Democratic League
China Democratic National Construction Association
Members Without Party Affiliations, Chinese People's Political Consultative Conference

China Association for Promoting Democracy
Chinese Peasants and Workers Democratic Party
China Chih Kung Tang
Chiu San Society
Taiwan Democratic Self-Government League

Peking
September 17, 1956

SPEECH BY SOONG CHING LING

*Vice-Chairman of the Standing Committee of
the National People's Congress*

Dear Comrades:

Allow me first of all to extend my sincerest and warmest greetings to the Eighth National Congress of the Communist Party of China and to all the comrades who are taking part in its deliberations. I congratulate you on the brilliant achievements you have won across the years, in every stage of the revolutionary struggle.

Comrades! Not being a member of the Communist Party, I consider it the greatest honour and pleasure of my life to have been able to attend this historic Congress.

For some ten days I have been here at the Congress. I have heard reports of great consequence. I have heard the greetings of our friends from abroad. And I have heard the important speeches of many comrades. I feel greatly inspired, so I cannot refrain from saying a few words.

The Chinese people went through many bitter experiences and learned many lessons over the years. At last, under the correct leadership of the Communist Party of China, they quickly freed themselves from the shackles of imperialism and destroyed feudalism; then forged ahead to achieve a decisive victory in the socialist revolution.

By these two revolutions, we have overthrown the system of exploitation of man by man, and stood up on our own feet. Another great milestone has been passed in the

march of human history. We are grateful to the Communist Party, which has always struggled for the liberation of mankind. Without the leadership of the Party, we would not have been able to achieve our victories.

The people are the creators of history. Basing itself on this truth, the Chinese Communist Party has consistently followed a mass line in exercising its leadership. It unites and educates the masses. It listens to their opinions and works for their interests and welfare. It has never stood apart from the masses. Under the banner of patriotism, the Chinese Communist Party has rallied round itself all the democratic parties, brought into being a united front and established a coalition government. With this state power as an instrument, it has put down the counter-revolutionaries and rehabilitated the national economy, paving the way for the building of a socialist society. That is to say, by means of the people's democratic state power, it has led the revolution from victory to victory. The Chinese Communist Party has led us to build a socialist society by peaceful means.

Our socialist construction has won the warm support of millions upon millions of people all over the world. At the same time, it has met with hostility and obstruction from the counter-revolutionaries. Within our national borders, the Chiang Kai-shek clique is still entrenched on Taiwan. Abroad, the aggressive forces of imperialism headed by a warlike bloc still exist. We must sharpen our vigilance against these counter-revolutionaries, strengthen our people's dictatorship, and smash their plots. At the same time, we should continue to unite with all the peace-loving people in other lands, foster cultural exchange, develop trade on the basis of equality and mutual benefit, and spread the spirit of negotiation and co-operation to all corners of the earth.

The steady growth of agricultural co-operatives of the advanced type has transformed the system of private

ownership of land. The continued development of joint state-private enterprises has basically transformed the system of capitalist ownership. Meanwhile, state enterprises and co-operatives of various kinds are building the foundations of our socialist society.

But in order to keep pace effectively with the new social-economic relations, with the new relations of production, we must do more to re-shape our own outlook. An old-style brain does not make for success in a new cause. New relationships are not born of backward ideas. Decadent habits can only wreck progressive institutions. Without education in patriotism, it would be very difficult for state enterprises to fulfil their tasks. Without doing away with individualist ideas, it would be very difficult for the co-operatives to achieve their aim. From now on, our work in the re-shaping of our outlook is bound to be both difficult and arduous. At the present time, the mounting socialist emulation movement, the blossoming of flowers of many kinds in art and literature, and the contention of diverse schools of thought in science, are all opening up splendid prospects before us. We must keep up unceasing efforts in these fields.

Our recent achievements have been a tremendous encouragement to us. Dear comrades! Class society with its systems of exploitation has existed for more than five thousand years on this planet of ours. But in the thirty-five years since the founding of the Communist Party of China, a very large part of mankind has already broken the fetters of imperialism and taken the socialist road. I firmly believe that in the not too distant future, socialism will become the most widespread social system throughout the whole world. When that time comes the type of society that has neither classes nor exploitation will be the prevailing one. Mankind will have crossed the threshold into a world of universal harmony. This social system, I

think, can only be realized under the leadership of the Communist Party—and it will certainly be realized.

In conclusion, allow me once again to express my gratitude to and deep respect for the great Communist Party, which is devoted to the cause of the liberation of mankind. I wish the Congress success!