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EIGHTH NATIONAL CONGRESS OF THE COMMUNIST PARTY OF CHINA

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EIGHTH NATIONAL CONGRESS
OF THE
COMMUNIST PARTY OF CHINA

VOLUME I

DOCUMENTS

**EIGHTH NATIONAL CONGRESS
OF THE
COMMUNIST PARTY OF CHINA**

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DOCUMENTS**

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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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MAO TSE-TUNG

OPENING ADDRESS
AT THE EIGHTH NATIONAL CONGRESS OF
THE COMMUNIST PARTY OF CHINA

September 15, 1956

Comrades,

I now declare the Eighth National Congress of the Communist Party of China open. (*A long standing ovation*)

During the eleven years since the Seventh National Congress of our Party, many comrades and friends both here in our country and throughout the world have given their lives fighting heroically and working tirelessly for the cause of communism and the emancipation of mankind. Let us for ever honour their memory. (*All rose to their feet in silent tribute*)

The task of this congress is to sum up the experience gained since the Seventh Congress, to unite the whole Party and to unite with all those forces at home and abroad that can be united with to build a great, socialist China. (*Applause*)

In the eleven years since the Seventh Congress we have, in this great country with its vast territory, huge population and complex conditions, completed the bourgeois-democratic revolution and we have also gained a decisive victory in the socialist revolution. It has been proved in practice in these two revolutions that the line followed by the Central Committee of the Party from the Seventh Congress up to the present time is correct and that our Party is a great Marxist-Leninist party which has attained political maturity. (*Applause*) Our Party is now more united, more consolidated than at any time in the past. (*Applause*) It has become the core uniting the people throughout the country for socialist construction. (*Applause*) We have achieved great successes in every field of work. We have done our work correctly, but we have also made some mistakes. At this congress we must sum up the main experience in our work, including both successes and mistakes, so that we can

popularize our successful experience and draw lessons from our mistakes.

So far as internal conditions are concerned, our victories are due to the fact that we have relied on the worker-peasant alliance led by the working class and that we have extensively united all the forces that can be united. Great and heavy tasks lie ahead of us in carrying on the great work of construction. Although there are over 10 million members in our Party, they still constitute a very small minority of the country's population. In the various organs of state and in public affairs a lot of work has to be done by non-Party people. It is impossible to get the work well done unless we are good at relying on the masses and co-operating with non-Party people. While continuing to strengthen the unity of the Party, we should also continue to strengthen unity among all our nationalities, democratic classes, democratic parties, and people's organizations, and consolidate and expand the people's democratic united front. We must take determined action to get rid of any unhealthy manifestations in any part of our work that are detrimental to the unity between the Party and the people.

Internationally, our victories are due to the support of the camp of peace, democracy and socialism headed by the Soviet Union (*Applause*) and the profound sympathy of peace-loving people throughout the world. (*Applause*) At present, developments in the international situation have become even more favourable to the work of construction in our country. We and all the socialist countries want peace; the peoples of all the countries of the world want peace. The only ones who crave for war and do not want peace are certain monopoly-capitalist circles in a handful of imperialist countries which look to aggression for their profits. As a result of the unceasing efforts of the peace-loving countries and peoples, there has been a trend towards relaxation of tension in the international situation. (*Applause*) To achieve a lasting peace in the world, we must

further develop our friendship and co-operation with the fraternal countries in the camp of socialism (*Applause*) and strengthen our solidarity with all peace-loving countries. (*Applause*) We must endeavour to establish normal diplomatic relations on the basis of mutual respect for territorial integrity and sovereignty, and equality and mutual benefit, with all countries willing to live together with us in peace. We must give active support to the national independence and liberation movement in countries in Asia, Africa and Latin America as well as to the peace movement and righteous struggles in all countries throughout the world. (*Applause*) We firmly support the entirely lawful action of the Government of Egypt in taking back the Suez Canal Company; and resolutely oppose any attempt to encroach on the sovereignty of Egypt and start armed intervention against that country. (*Applause*) We must completely frustrate the schemes of imperialism to create tension and prepare for war. (*Prolonged applause*)

The victories of the revolution and construction in our country are victories of Marxism-Leninism. Close integration of Marxist-Leninist theory with the practice of the Chinese revolution is the ideological principle consistently followed by our Party. For many years, especially since the campaign in 1942 to rectify the style of work in the Party, we have done much to strengthen Marxist-Leninist education within the Party. Compared with the time before this campaign, our Party has raised its level of Marxist-Leninist theory by another step. But we still have serious shortcomings. Among many of our comrades there still are standpoints and styles of work which are contrary to Marxism-Leninism, namely, subjectivism in their way of thinking, bureaucracy in their way of work, and sectarianism in organizational questions. Such standpoints and such styles of work alienate us from the masses, cut us off from reality and harm unity both within and without the Party. They obstruct the advance of our cause and the progress of

our comrades. Such serious shortcomings in our ranks must be vigorously corrected by strengthening ideological education in the Party. (*Applause*)

After the October Revolution, Lenin put forward the task of study, and again study, before the Communist Party of the Soviet Union. Our Soviet comrades and the Soviet people have acted according to this behest of Lenin. The time has not been long, but their achievements have been most glorious. (*Prolonged applause*) At its 20th congress held not long ago, the Communist Party of the Soviet Union formulated many correct policies and criticized shortcomings which were found in the Party. It can be confidently asserted that very great developments will follow on this in its work. (*Prolonged applause*)

The tasks confronting us today are in general similar to those confronting the Soviet Union in the early period following its foundation. In transforming China from a backward, agricultural country into an advanced, industrialized one, we are confronted with many strenuous tasks and our experience is far from being adequate. So we must be good at studying. We must be good at learning from our fore-runner, the Soviet Union, (*Applause*) from the People's Democracies, (*Applause*) from the fraternal parties in other parts of the world (*Applause*) as well as from the peoples the world over. (*Applause*) We must never adopt a conceited attitude of great-nation chauvinism and become arrogant and complacent because of the victory of the revolution and some successes in the construction of the country. Every nation, big or small, has its own strong and weak points. Even if we had achieved extremely great successes, there is no reason whatsoever to feel conceited and complacent. Humility helps one to make progress whereas conceit makes one lag behind. This is a truth we must always bear in mind. (*Applause*)

Comrades, you and I all believe that the strength of the liberated Chinese people is inexhaustible. Besides, we have

the assistance of our great ally the Soviet Union and the other fraternal countries (*Applause*) and we have also the support of all the fraternal parties (*Applause*) and all sympathizers throughout the world. (*Applause*) We have no feeling of standing isolated. Thus we shall assuredly be able to build our country step by step into a great socialist industrialized state. (*Applause*) Our congress will give a great impetus to the cause of construction in our country. (*Applause*)

We have among us today delegates from the Communist Parties, Workers' Parties, Parties of Labour and People's Revolutionary Parties of more than fifty countries. (*Prolonged applause*) They are all Marxist-Leninists and share a common language with us. (*Applause*) Inspired by the spirit of noble friendship, they have undertaken long journeys to come to our country to take part in this congress of our Party. This is a great encouragement and support to us. (*Applause*) We extend our warm welcome to them. (*A long standing ovation*)

We also have with us today representatives from the democratic parties in our country and democrats without party affiliations. (*Applause*) They are our close friends, working together with us. (*Applause*) They have always given us much help. (*Applause*) We extend our warm welcome to them. (*A prolonged standing ovation*)

LIU SHAO-CHI

THE POLITICAL REPORT
OF THE CENTRAL COMMITTEE
OF THE COMMUNIST PARTY OF CHINA
TO THE EIGHTH NATIONAL CONGRESS
OF THE PARTY

Delivered on September 15, 1956

Comrades!

Eleven years have passed since the Seventh National Congress of our Party. In these eleven years two great historical changes of world-wide significance have taken place in our motherland. In 1949, our Party led the people in overthrowing the reactionary rule of imperialism, feudalism, and bureaucrat-capitalism, and establishing the People's Republic of China. In the second half of last year and the first half of this, our Party led the people on to win a total and decisive victory in the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. These two victories have brought about a series of fundamental changes in our country's internal and external relations.

Except in Taiwan, which is still occupied by the U.S. aggressors, all the forces of foreign imperialism, which sat on the backs of the Chinese people for the last hundred years, have been driven out. China has become a great independent and sovereign country.

That tool of foreign imperialism—the bureaucrat-comprador bourgeoisie—has been eliminated as a class on the mainland of China.

Except in a few localities, the feudal landlords have also been eliminated as a class. The rich peasants are also being eliminated as a class. Landlords and rich peasants who used to exploit the peasants are being reformed; they are making a fresh start in life and becoming people who live by their own work.

The national bourgeois elements are in the process of being transformed from exploiters into working people.

The broad masses of the peasantry and other individual

working people have become socialist working people engaged in collective labour.

The working class has become the leading class of the state. Its ranks have increased; it has a very much deeper class consciousness and its cultural and technical levels have been greatly raised.

The intellectuals, who have changed their outlook, are now organized as a force in the service of socialism.

All the nationalities in our country have come together to form one great family of united fraternal nationalities.

The people's democratic united front, led by the Communist Party, has been further broadened and consolidated.

Our country has taken her place in the socialist camp, headed by the Soviet Union, which is striving for a lasting peace and for the progress of mankind; she has forged unbreakable ties of friendship and co-operation with the great Soviet Union and the People's Democracies. In the victorious war to resist U.S. aggression and aid Korea, our people put a check to the rage and ferocity of the imperialist aggressors. In international relations our country stands resolutely for the five principles of peaceful co-existence. The international position of our country has been elevated.

These changes have not only aroused unprecedented revolutionary enthusiasm among the six hundred million people of our country, it was inevitable that they should exert a great power of attraction in international life, particularly among all the oppressed nations and exploited peoples.

The task confronting the Party now is to build China into a great socialist country as quickly as possible by relying on the hundreds of millions of working people who have been liberated and are now organized, by uniting with all the forces at home and abroad that can be united, and by turning to full account all conditions that are favourable to us.

In order to fulfil this gigantic task, we should correctly sum up the experience of past struggles, complete the socialist transformation of our country, strengthen our socialist construction, improve and perfect the political life of our country, correctly handle international affairs, and further consolidate our Party. Discussion of all these questions and the decisions reached thereon at our Congress will give impetus to our Party and the people of our country to achieve new and still greater victories on the basis of victories already won.

I. THE PARTY'S GENERAL LINE IN THE PERIOD OF TRANSITION

Eleven years ago, the Party's Seventh Congress placed before the Party the task 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." That task was fulfilled in 1949.

The reactionaries themselves often choose the road to ruin. The policy of the Seventh Congress of our Party was to call on the Kuomintang to form a coalition government with the democratic forces of the country. As early as the first years of the War of Resistance to Japanese Aggression, our Party reached agreement with the Kuomintang on united action against Japan. After that, and especially following the conclusion of the War of Resistance, our Party time and again conducted peace negotiations with the Kuomintang, in an effort to avert civil war and to bring about social and political reforms in China by peaceful means. In 1946, together with several other democratic parties, we reached an agreement with the Kuomintang concerning peace and the reconstruction of the country. But, subsequently, the Kuomintang reac-

tionaries, supported by U.S. imperialism, launched a major civil war throughout the country in an attempt to wipe out the forces that represented the Chinese people, that is, the Chinese Communist Party and all other progressive democratic forces. They miscalculated. While our Party was working for peaceful reform, it did not allow itself to be put off its guard or to give up the people's arms. Our policy was as follows: if the Kuomintang wanted peace and was willing to carry out reforms in conditions of peace, then that was beneficial to the people and we would strive for it with all our might. At the same time, we knew that whether or not the desire for peace would be fulfilled depended not on us but on the ruling class at the time. If the Kuomintang reactionaries should insist on forcing war on the people, we had made sufficient preparations; we would mobilize the people's forces to defeat them and compel the instigators of war to reap what they had sown. And that was precisely the verdict of history: those who had wanted to wipe out the people's forces were themselves wiped out by the people's forces.

Unlike the reactionaries, the people are not warlike. Even during the war, wherever it was possible to achieve liberation peacefully, as in the case of Peking, Suiyuan, Changsha, Kunming, western Szechuan, Sinkiang, and Tibet, we strove, made approaches and conducted negotiations to this end, and we did achieve peaceful liberation. But when the people were compelled to take up arms, they were completely justified in doing so. To have opposed the people taking up arms and demanded that they submit to the attacking enemy would have been to follow an opportunist line. Here, the question of following a revolutionary line or an opportunist line became a major issue involving the question whether our six hundred million people should or should not capture political power when conditions were ripe. Our Party followed the revolutionary line and today we have the People's Republic of China.

Since the establishment of the People's Republic of China, the working class has won the power to rule throughout the country in conditions of a firm alliance with several hundred millions of peasants; the party of the working class—the Chinese Communist Party—has become the party that leads the state power of the whole country; therefore, the people's democratic dictatorship has in essence become a form of the dictatorship of the proletariat. Thus, it has become possible for the bourgeois-democratic revolution in our country to be directly transformed, by peaceful means, into a proletarian-socialist revolution. The establishment of the People's Republic of China signifies the virtual completion of the stage of bourgeois-democratic revolution in our country and the beginning of the stage of proletarian-socialist revolution: the beginning of the period of transition from capitalism to socialism.

What are the basic characteristics of the period of transition in our country?

First, our country is industrially backward. In order to build a socialist society, we must develop socialist industry, above all, heavy industry, so as to transform China from a backward agricultural country into an advanced industrial country. This, however, will take a considerable time.

Second, in our country the allies of the working class consist not only of the peasantry and the urban petty-bourgeoisie, but also of the national bourgeoisie. For this reason, in order to transform our old economy, we must use peaceful means of transformation not only in the case of agriculture and handicrafts, but also in the case of capitalist industry and commerce. This needs to be done step by step; this too needs time.

On the basis of the actual conditions of our country, the Central Committee has thus defined the Party's general line in the period of transition: to bring about, step by step, socialist industrialization and to accomplish, step by

step, the socialist transformation of agriculture, handicrafts and capitalist industry and commerce over a fairly long period. This general line of the Party was first put forward in 1952, when the period of the rehabilitation of the national economy had come to an end. It was accepted by the National People's Congress in 1954, and written into the Constitution of the People's Republic of China as the fundamental task of the state in the transition period.

The Party's general line in the transition period is a beacon that guides our work in every field. Any work that deviates from the general line, immediately lands itself in mistakes, either Rightist or "Leftist." In the last few years the tendency of deviating from the Party's general line to the Right has manifested itself mainly in being satisfied merely with what has been achieved in the bourgeois-democratic revolution, in wanting to call a halt to the revolution, in not admitting the need for our revolution to pass on into socialism, in being unwilling to adopt a suitable policy to restrict capitalism in both town and countryside, in not believing that the Party could lead the peasantry along the road to socialism, and in not believing that the Party could lead the people of the whole country to build socialism in China. The tendency of deviating from the Party's general line to the "Left" has manifested itself mainly in demanding that socialism be achieved overnight, in demanding that some method of expropriation be used in our country to eliminate the national bourgeoisie as a class, or some method be used to squeeze out and bankrupt capitalist industry and commerce, in not admitting that we should adopt measures for advancing, step by step, to socialism, and in not believing that we could attain the goal of socialist revolution by peaceful means. Our Party resolutely repudiated as well as criticized these two deviations. It is quite obvious that had our Party accepted any of these views, we would not be able to build socialism,

and would not be successfully building socialism as we are doing today.

In 1953, in accordance with the general line of the transition period, our country began to carry out its First Five-Year Plan for development of the national economy. The original estimate made by the Party's Central Committee was that fulfilment of the fundamental task of the transition period would require the time needed to carry out three five-year plans. Our experience in implementing the First Five-Year Plan has confirmed that the industrialization of the country will require the time needed to carry out three five-year plans or even a little longer. However, the task of socialist transformation will be basically fulfilled in the First Five-Year Plan period and, except in a few localities, it will be completely fulfilled in the Second Five-Year Plan period.

II. SOCIALIST TRANSFORMATION

We have achieved a decisive victory in the socialist transformation of agriculture, handicrafts and capitalist industry and commerce in our country.

According to statistics ending June this year, 110 million, or 91.7 per cent of the 120 million peasant households, in China have joined agricultural producers' co-operatives; 35 million households are in elementary co-operatives while 75 million, or the great majority of them, are in co-operatives of the advanced type. Mutual aid and co-operation in animal husbandry has also made progress.

Individual handicraftsmen throughout the country have joined producers' co-operatives of various forms; 90 per cent of individual handicraftsmen are in industrial producers' co-operatives, producers' groups or supply and marketing co-operatives. Individual fishermen, individual salt producers and labourers working on their own in the

transport services have, in the main, been drawn into co-operative organizations.

The great bulk of capitalist industry and commerce in the country has come under joint state-private operation by whole trades. Individual tradesmen have also generally formed themselves into co-operative organizations, which purchase for the state or co-operative trading networks, or act as their commission agents.

All these achievements have been made mainly during the upsurge of socialist transformation in agriculture, handicrafts and capitalist industry and commerce which began in our country in the latter part of 1955.

This upsurge in socialist transformation is not a fortuitous phenomenon; it is the logical outcome of the development and maturing of various social conditions in our country since 1949.

After the establishment of the People's Republic of China, the People's Government confiscated all enterprises operated by bureaucrat-capital which had had a stronghold on all the economic arteries of our country. These enterprises, including the Japanese, German and Italian concerns in China taken over by the Kuomintang government following the victory in the War of Resistance to Japanese Aggression, were turned into socialist, state-owned enterprises; the state came into possession of the largest banks, practically all the railway lines, most of the iron and steel industries and other key sections of heavy industry and certain essential departments of light industry. This laid the foundation for the socialist sector to hold the economic heights in our country.

Subsequently the People's Government made a major effort to develop state-owned industries, state-owned transport services and other state-owned enterprises. In 1949 the value of production of state-owned industries only amounted to 26.3 per cent of the total value of industrial pro-

duction; in 1952 it had climbed to 41.5 per cent, and by 1955 it was up 51.3 per cent.

The People's Government transformed all private banks and banking houses into unified, joint state-private banks under the leadership of state banks. All bank credit and insurance businesses and all transactions in bullion and foreign currency are now concentrated in the hands of the state. The People's Government has introduced a system of control over foreign trade and foreign exchange. It has also established a nation-wide, uniform and powerful network of state trade and trade through the supply and marketing co-operatives, gained control of the principal industrial raw materials and the supply of principal commodities, gradually brought about the nationalization of wholesale trade, and consolidated the leading position of socialist trade in the country's market.

The development of a strong socialist economy in our country has laid the material basis for the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. But, in order to accomplish the tasks of socialist transformation, we must also adopt policies and measures suited to conditions in China so that the broad masses of our peasants and handicraftsmen will gladly take to collective economy, and the national bourgeoisie accept socialist transformation without much reluctance.

What policies and measures have we adopted? I shall now briefly discuss the movement for the transformation of agriculture, handicrafts and capitalist industry and commerce.

First of all, let us take up the socialist transformation of agriculture.

We launched the movement for agricultural co-operation on the basis of a thoroughly completed land reform. In carrying out the land reform, our Party did not take the simple and easy way of merely relying on administrative decrees and of "bestowing" land on the peasants. For

three solid years after the establishment of the People's Republic of China, we applied ourselves to awakening the class consciousness of the peasants, and particularly of the poor peasants, to the fullest possible extent by following the mass line in fully arousing the peasant masses; we accomplished the task of land reform through the efforts of the peasants themselves. Was it necessary for us to spend so much time on it? We consider that the time spent was absolutely necessary. Because we had used such a method, the peasant masses stood up on their own feet, got themselves organized, closely followed the lead of the Communist Party and the People's Government, and took the reins of government and armed forces in the villages firmly into their hands. Thus, the land reform succeeded not only in eliminating the landlords as a class and weakening to a great extent the rich peasants in the economic realm but also, politically, in overthrowing the landlord class and isolating the rich peasants. The broad masses of the awakened peasants held that exploitation whether by landlords or by rich peasants was a shameful thing. Conditions were thus created which were favourable to the subsequent socialist transformation of agriculture and helped shorten to a great extent the time needed to bring about agricultural co-operation.

In the old China, 60 to 70 per cent of the rural population were poor peasants and farm labourers. They were, respectively, the semi-proletarians and proletarians of the countryside, who found it very easy to accept the leadership of the working-class party. They have shown great enthusiasm not only in the bourgeois-democratic revolution but also in the socialist revolution. Improvements in the economic position of the peasant masses took place after the land reform, and not a few of the poor peasants and farm labourers have since moved up to become middle peasants. However, 60 to 70 per cent of the rural population remained poor peasants or lower middle peasants,

owing to the fact that in China's rural districts there is a large population while there is little land, the average arable area per head in the country being only three *mou* (approximately one-fifth of a hectare), and in many places in the southern part of the country only one *mou*, or even less. There was no guarantee for these peasants that they could achieve a life of prosperity by continuing with individual farming. Such being the case, the poor peasants and the not so well-off peasants, who constituted the great majority of the rural population, actively responded to the Party's call and showed themselves willing to take the path of agricultural co-operation.

Following the land reform we immediately and on a wide scale set about establishing among the peasants mutual-aid organizations for agricultural production which contain rudiments of socialism—organizations in which the peasants engage in collective labour. Inasmuch as the mutual-aid teams achieve better results than individual peasants "working on their own," 40 per cent of the country's peasant households joined the mutual-aid organizations in 1952, and the number rose to nearly 58 per cent in 1954. In 1952, on the basis of these mutual-aid organizations, the Central Committee of the Party began to promote in a systematic way the semi-socialist agricultural producers' co-operatives—an elementary type of co-operative characterized by the pooling of land as shares and a single management but with land and other principal means of production still privately owned by the members. There were only some three hundred of this type of co-operative at the end of 1951, but having shown their advantage compared to the mutual-aid organizations, their numbers increased by the first half of 1955 to 670,000, with approximately 17 million peasant households. In the latter part of 1955 the agricultural producers' co-operatives began to go forward by leaps and bounds. This, as we all know, followed on the correction by the Party's Central

Committee and Comrade Mao Tse-tung of the Rightist conservative ideas within the Party which had tended to stifle the peasant masses' enthusiasm for agricultural co-operation. The co-operatives of an elementary type were subsequently reorganized, group after immense group, into the advanced type, which is socialist in character and capable of organizing production in a more effective way. In these advanced co-operatives, the land and other principal means of production are changed from private into collective ownership.

Facts have proved that such a step-by-step measure taken by our Party was appropriate. For it enabled the peasants to benefit continuously from the movement for agricultural co-operation, to gradually accustom themselves to the ways of collective production, to forsake more naturally and smoothly the system of private ownership of land and other principal means of production and accept in its stead the system of collective ownership. In this way losses which might have resulted from sudden changes could be averted, or greatly reduced.

In the movement for agricultural co-operation the class policy of the Party has been to establish the poor peasants and those lower middle peasants who have moved up since the land reform from the status of poor peasants in favourable positions to exercise leadership in the co-operatives, and firmly unite with the middle peasants. The well-to-do, or comparatively well-to-do, middle peasants constitute a minority in the rural districts, but the fact remains that they can still exert a considerable influence on the lower middle peasants, and even on the poor peasants. Generally speaking, these well-to-do middle peasants in our country give their support to the Communist Party and the People's Government, and a great number of them had "stood up" in the land reform. But when it comes to taking the path of agricultural co-operation they inevitably waver. In consolidating the alliance with the middle peasants, the key

lies in steadfastly adhering to the policy of voluntariness and mutual benefit in the movement for agricultural co-operation. This policy of voluntariness and mutual benefit holds good for everyone without exception, and for the middle peasants it is of still greater significance. The Party not only forbids dragging reluctant middle peasants into the co-operatives; it further lays it down that in the early stages of their development the co-operatives are to admit the poor peasants and the lower middle peasants first of all, and are generally not to take in the comparatively well-to-do middle peasants as members. Furthermore, the Party lays it down that both before and after the middle peasants join the co-operatives, their interests must not be infringed, and they must not be taken advantage of, particularly when it comes to dealing with the means of production which they pool in the co-operatives. It goes without saying that the middle peasants are also not allowed to infringe the interests, or take advantage of the poor peasants. The state's correct policy on food has also had a salutary effect on the middle peasants. By introducing in 1953 a system of planned purchase and supply of grain and other principal farm products and by fixing reasonable prices for such purchases and supplies, the state has, in the main, put an end to capitalist profiteering in these commodities in the market. Again, in 1955, the state fixed the amount of grain to be purchased and corrected the mistake of purchasing 7,000 million catties¹ of grain in excess of need the year before, thus relieving the peasants of their misgivings that the state might go in for excessive purchases. Because the Party unswervingly adopted the policy of uniting with the middle peasants and because the middle peasants realized the futility of taking the path of capitalism and saw the superiority of the co-operatives, made more and more obvious by the rise in production, the broad

¹ A catty is approximately 1-1/3 lbs or 1/2 kilogramme.

masses of the middle peasants at last stopped wavering in the high tide of the co-operative movement and eagerly applied for co-operative membership.

With regard to former landlords and rich peasants, the Party has consistently paid attention over the last few years to leading the peasants to forestall and combat their wrecking activities in the co-operative movement. In the initial stage of agricultural co-operation they were barred from the co-operatives. It was only after the movement had been crowned with success that the Party decided to permit them to work in the co-operatives on the basis of equal pay for equal work but with different status, depending on the conditions of each case. The purpose of this was to reform them, so that they could make a fresh start in life.

By virtue of the policies mentioned above, we have been able to accomplish in the main the socialist transformation of agriculture less than four years after land reform was completed throughout the country, organizing 110 million peasant households all over the country into approximately one million agricultural producers' co-operatives, of varying sizes and of both elementary and advanced types.

Next, let us take up the socialist transformation of the handicrafts and other sections of individual economy.

Barring the very limited field in which they can market their own products, the individual handicraft working people in our country have to rely on state trading departments and the supply and marketing co-operatives and capitalist enterprises for raw materials, for the marketing of their goods, and for loans of capital. Most of them have found things difficult and have nothing to fall back on in the event of illness, injuries or death. Their production techniques are mostly backward and there is a possibility of their being ousted by modern machinery. So they hope to organize themselves together and overcome their difficulties under the leadership of the state sector of the econ-

omy. Viewed from the interests of the national economy as a whole, much of our handicraft production must needs be preserved and developed, mainly for the sake of satisfying the immense needs of the home market and also partly for the sake of meeting export requirements. There are in China a considerable number of individual fishermen, salt producers, small merchants and pedlars and labourers working on their own in the transport services, and their conditions are very much the same as those of the handicraftsmen.

The socialist transformation of handicrafts, fisheries, salt production and transport services generally takes the form of co-operation. Over the last few years the co-operative movement in these fields has achieved some success. By 1955 the number of handicraftsmen in handicraft producers' co-operatives had reached 29 per cent of all these handicrafts, but it was not until the first half of this year that the movement for co-operation in the handicrafts and other sections of individual economy began to surge forward. Of the newly formed co-operatives, some came into being through the transitional stage of producers' groups, but most were set up during the high tide of the co-operative movement earlier in the year. Apart from this, a small section of the handicrafts as well as a small section of sailing junks and animal-drawn carts operated along capitalist lines have been turned into joint state-private concerns along with the rest of capitalist industry and commerce.

Small merchants and pedlars are individual working people in the realm of commerce. In the socialist transformation, they have generally taken the road of co-operation, forming themselves into co-operative stores or groups, while a small section of them have been drawn into joint state-private management along with the rest of capitalist commerce. The co-operative groups formed by the small merchants and pedlars act as commission agents

and make purchases for state trading departments and the supply and marketing co-operatives. Their way of management will follow the old practice of dispersed and mobile operations to suit the consumers' convenience, and features peculiar to their management which conform to social needs will be preserved as of old.

Lastly, we come to the question of the socialist transformation of capitalist industry and commerce.

The big bourgeoisie who held a dominant position in our country were chiefly the bureaucrat-comprador bourgeoisie. As has been said before, they have long since been eliminated as a class by the revolution. In the old China, there were contradictions between the national bourgeoisie on the one hand and imperialism, the feudal forces and bureaucrat-capital on the other. During the bourgeois-democratic revolution, the national bourgeoisie had a dual character: on the one hand they were willing, under certain conditions, to take part in the struggle against imperialism and the reactionary rule of the Kuomintang, and on the other they often tended to vacillate and compromise in the struggle. After the founding of the People's Republic of China, they have given support to the people's democratic dictatorship, the Common Programme and the Constitution, expressed their willingness to continue to oppose imperialism, and stood for the land reform; but they also have a strong desire to develop capitalism. Therefore our policy towards the national bourgeoisie is, as in the past, still one of simultaneously uniting with them and waging struggles against them, of attaining unity with them through struggle. That is to say, the working class maintains its political alliance with the national bourgeoisie on the basis of the worker-peasant alliance. Economically, there are two sides to capitalist industry and commerce: a positive side which is beneficial to national welfare and the people's livelihood, and a negative side which is not beneficial to national welfare and the people's livelihood. Be-

cause of this, the state has adopted a policy of using, restricting and transforming capitalist industry and commerce. In accordance with this policy, the working class has, moreover, established an economic alliance with the national bourgeoisie, in which the state sector of the national economy exercises its leadership over the capitalist sector, thus, through various forms of state capitalism, transforming step by step the capitalist system of private ownership into the system of socialist ownership by the whole people.

The state must adopt the policy of using capitalist industry and commerce not only because it is possible for the national bourgeoisie to accept this policy, but also because it is necessary to make use of them in the economic sphere during the transition period. In the early days after liberation of our country, we were confronted with the tremendous task of restoring our national economy which had been seriously damaged by imperialism and the reactionary rule of the Kuomintang. At the same time, because of a very backward economy and the preponderance of small production, it was necessary for us to make use of all available economic forces, so as to facilitate the work of rehabilitating and building up our national economy. While giving priority to the development of the state sector of the economy over the past few years we have carried out a policy of "taking into account both public and private interests and benefiting both labour and capital," and given equal treatment, by and large, to the private sector in the allocation of raw materials and certain other matters. In this way, workers in privately-owned factories were saved from unemployment, and the capitalists were able to make some profits. Thanks to this policy, those industrial and commercial enterprises owned by capitalists that were beneficial to the national welfare and the people's livelihood were able to keep going and even expand to some extent. Facts prove that, during the period of restoring

and building up our national economy, capitalist industry and commerce have in many respects served as an auxiliary to the state sector of the national economy. The implementation of the policy of using capitalist industry and commerce enabled the state to obtain more industrial products which were used to exchange for grain, industrial raw materials and other agricultural products with the peasants and to have a constant and fairly adequate supply of goods and materials on the market; this facilitated stabilization of prices. Of course this policy is not, by any means, a policy that allows capitalism to develop unchecked. With regard to the negative side of capitalist industry and commerce which is not beneficial to the national welfare and the people's livelihood, the state must carry out a policy of restriction. Such a policy of restriction is inseparably linked with the policy of utilization.

As restrictions placed by the state on capitalist industry and commerce clash with the narrow class interests of the bourgeoisie, it is inevitable that many of the capitalists should show opposition to or violate these restrictions. The struggle between restriction and counter-restriction has been the chief form of class struggle inside our country for the past few years, reflecting the chief class contradiction in our country — the contradiction between the working class and the bourgeoisie. Since the founding of the People's Republic, constant and repeated struggles between restriction and counter-restriction have been waged between the state and the capitalist sector of the economy concerning the scope of activity; taxation; market prices; terms for the state placing orders with private enterprises to process and manufacture goods, for state purchasing and marketing of the products of private enterprises, and for using private enterprises as retail distributors or commission agents of the state; and working conditions for the workers. The chief struggles in this respect were the campaign in the spring of 1950 against profiteering in order

to stabilize commodity prices and the *wu fan* movement in 1952 — a movement against the bribery of government workers, tax evasion, theft of state property, cheating on government contracts and stealing economic information from government sources. These struggles were waged because many capitalist elements were engaged in unlawful activities detrimental to the national welfare and the people's livelihood, and resolute measures had to be taken to stop them. In the course of these struggles, attention was paid to avoiding and correcting the mistake of imposing on capitalist economy too rigid or too many restrictions. The basic policy of the Party and the state has been to completely isolate, through these struggles, those few capitalist elements who persist in their illegal activities from the masses of people as well as from the other members of the bourgeoisie, and to rally together the great majority of the capitalist elements willing to abide by the laws and decrees of the state.

The aim of carrying out the policy of utilization and restriction by the state is to bring about the socialist transformation of capitalist industry and commerce. This transformation consists of two steps: the first is to transform capitalism into state capitalism, and the second is to transform state capitalism into socialism. What is state capitalism under the leadership of a state where the proletariat holds power? "State capitalism," said Lenin, "is capitalism which we shall be able to restrict, the limits of which we shall be able to fix." Through the transitional form of state capitalism we allow the national bourgeoisie a necessary period of time to gradually accept transformation, under the leadership of the state and the working class. In industry, as the state controlled most of the industrial raw materials, the method was introduced in 1950 whereby private industrial enterprises were supplied with raw materials, orders were placed with them for processing and manufacturing goods, and their goods were exclusively purchased

and marketed by state enterprises. Thus, as an initial step, private industry was brought into the orbit of state capitalism. By 1954, further steps were taken to transform capitalist industry in a planned way through the form of joint state-private operation of enterprises, and most of the important, large-scale privately-owned industrial enterprises were converted into joint state-private management. In commerce, as the state controlled the sources of all the important agricultural and industrial products through state and co-operative commerce, it has been possible to wholesale goods to private commercial enterprises according to terms laid down by the state, and get them to act as retail distributors or commission agents for the state. By 1954, the number of commercial enterprises assuming this elementary form of state capitalism — enterprises serving as retail distributors or commission agents for the state — had already increased considerably. With the ground thus laid, when, in the period between the autumn and winter of 1955, the high tide of agricultural co-operation blocked the way for the development of capitalism in the countryside once for all and so effected a basic change in the alignment of class forces in our country, conditions were ripe for converting capitalist industry and commerce by whole trades into joint state-private management. Such joint state-private management of whole trades is the highest form of state capitalism in our country and constitutes a major step of decisive importance in turning capitalist ownership into socialist public ownership.

In order to achieve socialism through state capitalism, which is a peaceful means of transition, we have adopted a policy of redemption by steps in nationalizing means of production privately owned by the bourgeoisie. Before the bringing of private enterprises into joint state-private management by whole trades, redemption took the form of distribution of profits, viz., portioning out to the capitalists part of the profit (say, one-fourth) according to the net

earnings of the enterprises. After the conversion of private enterprises into joint state-private management by whole trades, redemption has taken the form of payment of a fixed rate of interest, i.e., for a certain period the state pays, through the special companies for whole trades, a fixed rate of interest on their investments to the capitalists. Furthermore, with regard to the capitalists and their representatives, work has been found by the government departments concerned for those who are able to work, and proper arrangements have been made or relief provided for those who cannot, so as to ensure their livelihood. This is also a necessary measure of redemption. Both Marx and Lenin pointed out that, under certain historical conditions, the adoption of the policy of redemption by the proletariat towards the bourgeoisie is permissible and advantageous. This has already been borne out by practice in our revolution.

In the course of bringing about the socialist transformation of capitalist industry and commerce, we have carried out the transformation of enterprises in conjunction with the remoulding of individuals. That is to say, while the enterprises are being transformed, educational measures are adopted to remould the capitalists gradually, enabling them to be transformed from exploiters into working people earning their own living. The chief aim of our policy of simultaneously uniting with the national bourgeoisie and waging struggles against them, of attaining unity with them through struggle, is to re-educate them. Restrictions imposed on the capitalist sector of the economy and struggles against the unlawful activities of the bourgeoisie were a kind of important practical education. Readjustments and overall arrangements of private enterprises, and unified planning with due consideration for all parties concerned, enabling the capitalists to play their respective parts, were yet another kind of important practical education. We welcomed those who adopted a positive attitude in the

course of socialist transformation. As for those who remained sceptical, we educated them and indicated our willingness to give them time. In the case of those who put up resistance, we waged such struggles as were necessary, the aim still being to remould them. Such a policy of using different measures in different cases was also a kind of important practical education. Moreover, we have used such means as giving talks, holding discussion meetings and conducting classes among capitalists, organizing the capitalists and the members of their families to study, inducing the capitalists to practise criticism and self-criticism among themselves and so forth, to educate them and help them solve their ideological problems. This is aimed at raising the ideological level of the progressives among them — that is, those who support socialist transformation — and making the middle groups and backward elements gradually change their attitude and follow the example of the progressives, thereby disintegrating the die-hards. In a word, our aim is to rally together the majority and weaken resistance, so as to facilitate socialist transformation.

The policy of utilization, restriction and transformation of capitalist industry and commerce by the state and every single measure taken on the basis of it, are not the result of wishful thinking or arbitrary decision, but proceed from a study of actual conditions and situations and consideration of what the national welfare and the people's livelihood demand. This policy and the measures taken for its implementation enjoy the support of the broad masses of people, and the capitalists have not a leg to stand on to reject or oppose them. It can now be stated with conviction that with the exception of a very few die-hards who still attempt to put up resistance, it is possible, in the economic sphere, for the overwhelming majority of the national bourgeoisie to accept socialist transformation and gradually change into real working people.

Our work of bringing about the socialist transformation of agriculture, handicrafts and capitalist industry and commerce has not been free from shortcomings and mistakes; our policy was not mature from the very beginning and partial deviations occurred in carrying it out. Nevertheless, the extremely complex and arduous historical task of converting the system of private ownership of means of production into the system of socialist public ownership has now been basically accomplished in our country. The question of who will win in the struggle between socialism and capitalism in our country has now been decided.

This does not mean to say, however, that our task in socialist transformation is entirely completed. Many urgent and important problems remain for us to tackle. What are our tasks from now on?

In agricultural co-operation, we have to win over, on the basis of the policy of voluntariness and mutual benefit, a small number of peasant households still outside co-operatives to join the co-operatives, and give guidance to the transformation of elementary co-operatives into co-operatives of the advanced type. But we have to be patient and give them time; coercion or commands in any form will not be allowed. The most urgent problem awaiting solution now is that all possible efforts must be made to ensure an increase in the output of about a million co-operatives now existing and in the income of their members. Some of the co-operatives which were rather hastily set up have either to solve many problems which have been left unsolved or to readjust their present form of organization. Most of the co-operatives still do not have enough experience to lead scores or hundreds of peasant households in collective production; the Party must help the cadres in these co-operatives to gain such experience in the quickest way possible. Many co-operatives lay far too much emphasis on collective interests and collective management, mistakenly ignore the personal interests and freedom of the members and

overlook domestic subsidiary occupations. Such mistakes must be quickly corrected. In order to bring into play the enthusiasm for production on the part of the members in an effective way and to consolidate the co-operatives, the principle of running the co-operatives industriously, economically and democratically must be adhered to, and ideological education among the members in socialism and collectivism must be unceasingly strengthened. Peasants who until a short time ago had been working on their own have now become members of co-operatives; this is indeed a tremendous change in the life of hundreds of millions of peasants. Co-operative cadres must fully realize the significance of this change, assume with a proper sense of responsibility the important task of giving leadership which co-operative members have entrusted to them, and whole-heartedly serve the interests of the members. They should realize that co-operatives can be consolidated only when the members themselves really feel that they are the masters of the co-operatives and when their income will increase every year.

In the transformation of handicrafts and what used to make up other sections of individual economy, actual problems arising in the course of development of various kinds of co-operative organizations must be tackled on the merits of each case, taking account of the characteristics of the different trades and using various forms. Here, it would be wrong to ignore different concrete conditions and use a set form for all cases. A number of co-operative organizations will, under suitable conditions, develop and become state enterprises or be amalgamated into state enterprises; others will for a long time to come maintain the collective ownership of means of production; and still others will, under the administration of socialist enterprises, keep their original form of management in which the co-operatives will enjoy the profit or bear the loss themselves. All kinds of co-operatives must pay attention to keeping and developing whatever fine tradi-

tions the original individual economy had in production and in management. After co-operation the quality of handicraft products must by all means be improved, and not deteriorate, while the range of their variety must be extended, and not reduced.

In the transformation of capitalist industry and commerce, the problems arising in the course of development should likewise be solved on the merits of each case, taking into consideration, as before, the characteristics of the different trades and the needs of various aspects of the social economy. Reckless application of a set method to different cases must also be avoided to prevent losses. Systematic educational and organizational work should be continued among the workers and staff in the enterprises, so that they will fully understand and carry out their tasks in the transformation of enterprises, in production, and in uniting with and educating the capitalists and their representatives. Outstanding workers and employees should be chosen to take part in the management of enterprises. With regard to the capitalists and their representatives, arrangements should be made for their work and livelihood; amicable working relations should be established between them and state representatives; and further efforts should be made to strengthen the political education of the capitalists and their representatives. As many of them have rich experience in management and technical knowledge, understand the actual needs of the consumers, are well acquainted with market conditions and are proficient in making careful and detailed calculations, our personnel working in the enterprises must, apart from helping to re-educate them, learn earnestly from them and take over their useful experience and knowledge as part of our social heritage. While the transformation of capitalist industry and commerce has now only reached the stage in which private enterprises have been converted into joint state-private management by whole trades, we must make preparations to transform these

enterprises into state enterprises of a fully socialist character at some opportune moment in the future.

Only when we have accomplished the various tasks mentioned above can the question of socialist transformation in our country be thoroughly solved. We are convinced that our Party, working as ever in unity with the people of the whole country, will be able to accomplish these tasks successfully in the not distant future, so that the socialist construction of our country will enjoy the most favourable conditions for development.

III. SOCIALIST CONSTRUCTION

Implementation of the First Five-Year Plan and Preparations for the Second Five-Year Plan

Three years and eight and a half months have elapsed since we embarked on our First Five-Year Plan for development of our national economy. By next year, we shall have fulfilled this plan and drawn up the Second Five-Year Plan covering the period from 1958 to 1962. The central task that now confronts our Party and the whole people is to strive to overfulfil the First Five-Year Plan and to make vigorous preparations for the Second Five-Year Plan.

Tremendous successes have been achieved in implementing the First Five-Year Plan. Even our enemies cannot deny them.

We have made big advances in industrial capital construction. In the past few years, we have expanded our iron and steel base in the Northeast; started building two new iron and steel bases in Inner Mongolia and Central China respectively; built and expanded a number of power stations, coal-mines, oil wells, non-ferrous metallurgical works and mines, chemical works, factories producing building materials, machine-building works, and light industrial plants. The First Five-Year Plan has provided

that construction should start on 694 above-norm projects in the field of industrial construction and that 455 of these are to be completed in the five-year period. Actually, some 800 projects can be started, and nearly 500 completed in this period. Investments in capital construction in the first three years of the plan plus the sum planned for this year already amount to 35,500 million yuan, or 83 per cent of the total investment of 42,700 million yuan which the plan sets aside for capital construction in the five-year period.

The First Five-Year Plan has provided for a 90.3 per cent increase in the total value of industrial production in the five-year period. This target will be exceeded. The total value of industrial output provided for in this year's annual plan has already reached the figure set for 1957 in the Five-Year Plan. Furthermore, this year's planned production figures for steel, steel products, metal-cutting machine tools, cement, motor-car tires, cotton yarn, cotton piece-goods, paper, etc. have all surpassed the targets set for 1957. Thanks to the rapid development of her heavy industry, China has begun producing lorries, jet planes, and power generating equipment with a capacity of 6,000-12,000 KW, etc. By 1957, we shall be producing for ourselves above 60 per cent of all the machinery and equipment needed for the economic construction of our country.

In agriculture, it is also possible to surpass the targets set by the First Five-Year Plan for total value of agricultural production and output of staple food and industrial crops. The plan provides for a 23.3 per cent increase in the total output value of agriculture and agricultural subsidiary occupations in 1957, compared with 1952. Owing to severe natural calamities, the increase in 1953 and 1954 was rather slight. But in 1955, a 14.8 per cent increase was registered as compared with 1952. Despite the fact that relatively severe floods, drought and wind-storms have again

occurred this year, grain output can, on the basis of agricultural co-operation, still reach the level set for 1957.

In water conservancy, a series of projects have been undertaken in the past three years in the Huai River valley, along the middle reaches of the Yangtse, and along many other rivers. As regards the Sanmen Gorge multi-purpose water conservancy project on the Yellow River, preparations for actual construction have been made. Many minor water conservancy projects have also been completed in various rural areas.

In transport, the targets set by the First Five-Year Plan to build more than 4,000 kilometres of new railways and 10,000 kilometres of main highways will be surpassed this year.

Rapid strides have also been made in domestic and foreign trade, in education and culture, and in public health.

Initial improvements have been made in the living standards of workers and employees. It is estimated that, compared with 1952, the average wages of workers and employees throughout the country will increase this year by 33.5 per cent. The actual sum paid yearly by the state and individual enterprises for labour insurance, and for medical services, culture and education, and welfare facilities for workers and employees, amounts to approximately 13 per cent of their total annual wages, or about 4,400 million yuan in four years. The floor space in living quarters built by the state for workers and employees in the past three years plus that planned for the current year amounts to more than 50 million square metres.

It should be pointed out that, owing to objective limitations, it will not be possible to reach the targets set by the First Five-Year Plan for a few items of products such as crude oil, edible vegetable oils and cigarettes, but the First Five-Year Plan as a whole will be overfulfilled.

Though there is the possibility that we will overfulfil the First Five-Year Plan both in our total investment on capital

construction and in construction projects, we must suitably mobilize the necessary financial and material resources and make energetic efforts to complete construction plans for part of certain important construction projects. As for other above-normal projects, we must also make every effort to fulfil the plan as far as possible.

Although the various heavy industrial departments have surpassed their production plans, we must continue our efforts to ensure the better fulfilment of the country's capital construction plan by producing more iron and steel, machinery, equipment and building materials, and by correspondingly increasing the output of coal, electricity, petroleum, non-ferrous metals, chemicals, etc. At the same time, related questions of transport and urban construction must also be solved.

We must also make serious efforts in the field of agriculture. We must make further efforts to increase the output of grain and cotton. We must see to it that agricultural and commercial departments take effective measures to bring about as quickly as possible an increase in the yield of oil-bearing crops, and in the number of pigs and other domestic animals, and the output of certain agricultural subsidiary occupations, which have not increased fast enough in the past few years and, on one occasion, even showed a drop in some cases.

As soon as we have fulfilled the First Five-Year Plan, we shall immediately start on the second. Therefore, it is necessary that the present Congress discuss and adopt the proposals of the Party concerning this second plan. With regard to these proposals, Comrade Chou En-lai will make a special report on behalf of the Central Committee of the Party.

What is the basic task of the Second Five-Year Plan?

The Central Committee of the Party holds that, in order to satisfy the needs of socialist expanded reproduction in our country, fulfil the task of socialist industrialization,

strengthen international co-operation between the countries of the socialist camp, and help to promote a common economic upsurge in all the socialist countries, we should build, in the main, an integrated industrial system within the period of three five-year plans on the basis of our large population and rich resources. Working along this line, the basic task of the Second Five-Year Plan, briefly speaking, is as follows: (1) to continue industrial construction centred on heavy industry, promote the technical reconstruction of our national economy and lay a firm foundation for the socialist industrialization of our country; (2) to continue our efforts in socialist transformation and to consolidate and extend the system of collective ownership and ownership by the whole people; (3) to develop the production of our industry, agriculture and handicrafts, and correspondingly develop our transport and commerce, on the basis of developing capital construction and completing socialist transformation; (4) to make energetic efforts to train personnel for construction and strengthen scientific research so as to meet the needs of socialist economic and cultural development; and (5) to strengthen the national defences and raise the level of material and cultural well-being of the people on the basis of the growth of industrial and agricultural production.

During the period of the First Five-Year Plan, generally speaking, we have not been able to make heavy and precision machinery ourselves and, therefore, cannot ourselves supply many major projects with the main equipment they need. In the case of home-made steel products, we have not been able to keep up with demands, in terms of either quantity or variety; there are many kinds of high-grade alloy steel which we cannot yet produce; the non-ferrous metals industry has only a limited range of products; our radio-engineering industry is still very weak; and we have practically no organic synthetic chemical industry to speak of. In the second five-year period, we should make efforts

to build up those branches of industry which, as mentioned above, are weak or which we lack. We should redouble our efforts so that, by 1962, we shall ourselves be able to produce approximately 70 per cent of the machinery and equipment needed for our economic construction, including some heavy and precision machinery. With regard to fuels, the output of petroleum falls far short of demand. We must gradually improve this situation.

During the Second Five-Year Plan period, we must carry on geological prospecting on a larger scale so as to unearth a greater variety and greater quantities of hidden resources; the work of capital construction too must be pressed ahead on a larger scale. During the second five-year period, investments in capital construction will approximately be double what they were in the first five-year period. Besides continuing the construction of bases for the iron and steel industry in Northeast and Central China, and in Inner Mongolia, new industrial bases will be established in the area of the Sanmen Gorge, in the Kansu-Chinghai area, in Sinkiang, and in Southwest China. When the capital construction plan for the second five-year period is completed, many of our machine-building and metallurgical works, power stations, coal-mines, petroleum enterprises, chemical works, and factories manufacturing building materials will have modern, advanced technical equipment.

Production should be greatly increased in the various branches of heavy industry. By 1962, production of steel must be raised from the 4.12 million tons planned for 1957 to 10.5-12 million tons; coal, from 113 million tons to 190-210 million tons; and electricity, from 15,900 million KWH to 40,000-43,000 million KWH.

There must, likewise, be a relatively high rate of development of light industry. By 1962, the output of cotton yarn should be increased from the 5 million bales planned for 1957 to 8-9 million bales; edible vegetable oils, from 1.79 million tons to 3.1-3.2 million tons; sugar, from 1.1 million

tons to 2.4-2.5 million tons; and machine-made paper, from 650,000 tons to 1.5-1.6 million tons.

In order to meet the requirements of the national economy as a whole, the Second Five-Year Plan should raise agricultural production to a higher level along the line laid down in the Draft National Programme for Agricultural Development (1956-1967). In 1962, the output of grain should be about 500,000 million catties; of cotton, about 48 million *tan*;¹ furthermore, efforts should be made to surpass these two targets. Energetic steps should be taken to increase the output of soya beans, oil crops, sugar crops, and other industrial crops and agricultural subsidiary occupations. Among subsidiary occupations special efforts should be made to develop pig-breeding.

It is necessary to continue to expand rail, road, water transport and tele-communications facilities. Existing lines of communication should, step by step, undergo necessary technical reconstruction. We must continue to rationalize the transport system, make full use of the potentialities of the existing facilities. At present there is a heavy strain on railway traffic on certain lines. We must pay attention to improving this situation. During the second five-year period, 8,000-9,000 kilometres of new railways will be built; the Lanchow-Sinkiang Railway will be extended to the Chinese-Soviet border, and trunk lines will link the provinces of the Northwest and the Southwest.

In order to increase the variety of available materials and equipment, we must make full use of all our own technical personnel, make efforts to improve research and the designing of products, and manufacture new products. It is wrong to neglect our own technical personnel and not make the best use of them and train them.

According to preliminary estimates, our national income at the end of the Second Five-Year Plan should be about 50

¹One *tan* equals 50 kilogrammes.

per cent bigger than it will be at the end of the First Five-Year Plan. In addition to bigger capital accumulations for the state, the people's livelihood will also be improved to a fair extent. Within the five-year period, there will be an increase of about six to seven million in the number of workers and employees. The average wages of workers and employees will be increased by 25-30 per cent, while the total income of the peasants will also be increased by 25-30 per cent. Supplies of grain, cotton piece-goods and other important consumer goods, such as edible oils, sugar, kerosene and coal, will also show an increase.

The brief outline given above shows that the proposals of the Party for the Second Five-Year Plan envisage a tremendous and rapid development of our national economy. According to these proposals, fulfilment of the Second Five-Year Plan will provide the necessary conditions for fulfilling in the main in the Third Five-Year Plan the general task in the transition period.

The rate of development in the Second Five-Year Plan as proposed by the Central Committee of the Party is both forward-looking and feasible. It must be forward-looking, or else we shall let slip the good opportunities that we have today and fall into the error of conservatism. But it must also be feasible, or else it will not enable the economy to develop in the correct ratio, and will put too great a burden on the people, or result in divergencies among the different branches of the national economy, making it impossible to fulfil the plan, and causing waste. This would be an error of adventurism.

It is obvious that the Second Five-Year Plan calls for a bigger investment than does the first. Our national economy has developed, and our financial situation, along with it, has improved. But we must realize that our funds are still limited, and we must use them as effectively and economically as we can. One important way of increasing our fund for construction is to economize more on military and

administrative expenses. The Central Committee of the Party had already decided on this policy in 1950. But it was not carried out earlier because of the outbreak of the war to resist U.S. aggression and aid Korea. Though in recent years we have made great efforts to economize on military and administrative expenses, the estimated expenditure on national defence and for administrative purposes will still account for 32 per cent of all state expenditure in the first five-year period; appropriations for economic construction and cultural development will amount to approximately 56 per cent. During the second five-year period, the proportion going to military and administrative expenses must be reduced to about 20 per cent so that the proportion of expenditure on economic construction and cultural development can be raised to 60-70 per cent. In economic construction and cultural development, it is, nevertheless, imperative that funds be spent rationally and with due emphasis on certain key fields. Thus, in the second five-year period, the technical reconstruction of our national economy must be centred, first and foremost, on heavy industry, particularly the machine-building and metallurgical industries. In the meantime in all enterprises, all state organs, and in social life as a whole, we must continue to practise economy and eliminate waste. Waste, under all circumstances, is a hindrance to the development of production and the improvement of our living standards. We have just begun our national construction so it behoves us to strive all the harder to save every bit of money we can for construction and to use it to the best advantage. We will have to export part of our consumer goods in exchange for machinery and equipment needed by our industrial construction. We will have to bear with certain temporary difficulties in our daily life for the sake of our future happiness. It is our Party's long-term policy in building socialism to carry on national construction, to run enterprises and co-operatives, and handle all other affairs in an indus-

trious and economical way. This is also the principle that must be followed in drafting and implementing the Second Five-Year Plan.

Now, we shall explain in general terms some of the experience we have gained in the past few years in industry, agriculture, commerce, and education and culture as well as some problems which we must now try to solve.

INDUSTRY

In regard to industry, we shall deal here only with a few relatively important questions, namely, the relationship between heavy and light industries, the geographical distribution of industries, the quality of products and construction work, the livelihood of workers and employees, and leadership in enterprises.

The industrialization of our country is based upon the development of heavy industrial production, that is, production of industries manufacturing means of production. In old China, the value of production of industries manufacturing means of production made up a very small proportion in the total value of industrial production, and in 1949, it only amounted to 26.6 per cent. This is an indication of the backwardness of China's productive forces. The policy of socialist industrialization followed by our Party calls for a fundamental change in this situation and ensures that priority will go to development of industries manufacturing means of production. In 1952, the value of production of industries manufacturing means of production was about 35.6 per cent of the total value of production of our industries; by the end of the First Five-Year Plan, the proportion will probably rise to more than 40 per cent.

In order to develop our national economy according to plan, we must carry through the policy of giving priority to the development of heavy industry. Some comrades want to lower the rate of development of heavy industry.

This line of thinking is wrong. We put this question to them: If we do not very quickly establish our own indispensable machine-building industry, metallurgical industry and other related branches of heavy industry, how are we going to equip our light industry, transport, building industry and agriculture? Unless we do this we shall not be able to get various kinds of machines, steel products and cement, electric power and fuel, all of which are essential, and our national economy will remain in a backward state for a long time. It is obvious that we cannot afford to let this happen.

But there are also other comrades who one-sidedly stress the importance of developing heavy industry. They want to lower the rate of development of light industry and other branches of the national economy. This line of thinking is also wrong. They do not realize, firstly, that with the people's demands for consumer goods growing day-by-day, a shortage of commodities may result if there is no adequate development of light industry, and this, in turn, will affect the stability of commodity prices and of the market. In the countryside in particular, if there is not a sufficient supply of industrial products to exchange at stable and reasonable prices for agricultural produce, the consolidation of the worker-peasant alliance as well as the development of agricultural production may be adversely affected. Secondly, light industry needs comparatively small investments, and enterprises in this field can be established in a relatively short time. So the turnover of capital is relatively quick, and funds can be accumulated relatively rapidly. Furthermore we can use the funds accumulated by light industry precisely to help develop heavy industry. This shows that, funds, raw materials and market permitting, appropriate attention to the development of light industry will not hamper but, on the contrary, will benefit the building up of heavy industry.

As to the geographical distribution of industries, attention must be paid at present to co-ordination between the coastal regions and the interior, between large enterprises on the one hand and medium and small on the other, and between state enterprises run by the central authority and those run by local authorities.

During the period of the First Five-Year Plan, we have gradually shifted the emphasis of our industrial development to the interior in order to achieve a rational distribution of our productive forces, give industrial enterprises better access to natural resources and secure a balanced development of our industry and the national economy as a whole. This is changing the abnormal state of affairs left over from pre-liberation days when more than 70 per cent of China's industries were concentrated in the coastal provinces. But this does not mean that we can deny or at all ignore the part played by the industries in the coastal provinces. We must make full use of the favourable conditions existing in the coastal provinces, develop the industries there in a suitable way and use them to support the development of industries in the interior, and so accelerate the industrialization of the country. Liaoning, Shanghai, Tientsin and other industrial areas have made an outstanding contribution in this respect in the period of the First Five-Year Plan. In the second five-year period, in addition to making maximum use of the industrial bases in Northeast and East China, we must also appropriately bring the facilities of Hopei, Shantung and South China into full play in developing industry.

In the second five-year period, we must build and renovate small and medium enterprises in a planned way while building our large enterprises, in order to co-ordinate them with the building and operation of these large enterprises, accelerate industrial development, strengthen co-operation between industries, enlarge the variety of products, and facilitate full utilization of our resources and existing enter-

prises, particularly the large number of joint state-private enterprises.

We must take care to properly co-ordinate the initiative displayed by the various economic departments under the central authority with that of the local economic organizations. In the past, some central departments did not pay enough attention to the development and overall arrangement of local industries, and thus made it impossible for them to tap their potentialities. On the other hand, some local authorities went blindly ahead building and expanding certain industries, regardless of whether there was enough equipment in the country to spare for them, and without reference to the resources and other economic conditions in the localities concerned. This has also caused loss to the state. Both these deviations must be corrected.

To fulfil the state production plan, efforts must be made to improve the quality of products, both in light and heavy industry, in state enterprises run by the central authority and those under the charge of local authorities. In the same way, to fulfil the state construction plan, capital construction departments in industry and transport and in every other field must strive to improve the quality of engineering work. This is one of the most urgent questions in our socialist construction.

The superiority of socialism should reveal itself not only in the quantity and speed, but also in the quality, of our economic achievements. We have turned out quite a number of heavy and light industrial products of fine quality and have completed quite a number of engineering projects of fine quality too. However, owing to the backward equipment and low technical level of some enterprises, the absence in others of proper standards for finished products or of proper technological regulations, the failure in other cases to introduce a strict system of checks for quality and technical supervision, and particularly the fact that the leading bodies of some enterprises have not paid sufficient attention

to guaranteeing the quality of their products and the quality of construction projects but placed one-sided emphasis on quantity of products and speed of construction, the quality of quite a number of products and engineering projects is not as good as it should be. Certain products fail to measure up to the required specifications and had to be classified as low quality goods. The indirect effects of the system of exclusive purchase and marketing by the state of the products of the private enterprises in the commercial sphere, and the defects which arose in the process of its operation, as well as a certain amount of confusion in the transformation of private industry and commerce, all served to dull the sense of responsibility in a number of light industrial enterprises in regard to the quality of their products and even led to serious cases where the quality of many products fell off. All this has caused loss to the state and the people, and we must put an end to this sort of thing without delay. All enterprises whose technical level is not as high as it should be and whose equipment is backward must take effective measures so as to master their respective techniques in a short time and gradually bring about a change in the backward state of their equipment. All enterprises should set up reasonable standards for finished products and adequate technological regulations. All factories, mines and construction sites which do not have a strict system of inspection should without delay set up departments and a system to check quality and provide technical supervision, and work out appropriate measures for dealing with products which do not come up to the required standards and engineering work which falls short of specifications. Vigorous measures should be taken to improve the quality of raw materials and other materials as well as the supply of them. As regards light industrial products, the policy of grading products and fixing prices according to quality should be strictly carried out and, in the case of a certain number of products, the system of selective pur-

chasing should step by step be put into practice. What is even more important, educational work should be carried on among all workers and employees concerned, regarding the need to guarantee and raise quality, so that those who lack a sense of responsibility for quality can rid themselves completely of this wrong attitude.

To gradually improve the livelihood of workers and employees on the basis of increased production plays an important part in elevating the enthusiasm of the broad masses of workers and employees. What problems call for solution with regard to improving the livelihood of workers and employees? First and foremost, we must see to it that their wages are gradually increased on the basis of the development of production; we must thoroughly carry out the principle of "to each according to his work," to improve the wage system and the system of incentive payments. Secondly, we must make conscientious efforts to improve safety measures in production and intensify labour protection. Thirdly, we must ensure and improve the supply of non-staple foods. Fourthly, we must gradually increase welfare facilities for workers and employees and make energetic efforts to solve their housing and other urgent problems. Fifthly, we must ensure that workers and employees have time to look after their domestic affairs and take proper rest.

Many problems which confront the workers and employees cannot be solved in a short time until we make greater advances in socialist construction. We must work hard. We should not concentrate on individual and immediate interests at the expense of national, long-term interests. This must be made clear to the workers and employees. But, on the other hand, it is wrong to place a one-sided stress on the national, long-term interests and neglect the individual and immediate interests of the workers and employees. Some problems relating to the livelihood of workers and employees at present must and can be

solved. They remain unsolved only because leaders of enterprises, trade union organizations and the departments concerned have not made serious efforts to solve them. We must resolutely oppose such bureaucratic attitude of indifference to the welfare of the masses.

The principles mentioned above with regard to questions of the livelihood of the workers and employees apply to workers and employees in all enterprises as well as to all state employees.

Whether the initiative of the workers and employees can be given full play depends largely on whether the system and work of leadership in enterprises is sound. What do we mean by sound leadership in enterprises?

A system of leadership which combines collective leadership with personal responsibility, with the Party as the nucleus should be set up in all enterprises. All major problems should be brought up for collective discussion and decisions arrived at as a result of joint effort; all day-to-day affairs should be handled according to the principle of division of labour and fixed responsibility. The leaders of enterprises, Party organizations, administrative departments, and the trade union and Youth League organizations in enterprises should know how to explain to the masses clearly the immediate tasks confronting their enterprises; they should learn to be good at rousing the masses to start socialist emulation and advanced workers campaigns, to put forward rationalization proposals, and constantly improve the work. The leading personnel of the various organizations in the enterprises should know how to keep in close touch with the masses, how to identify themselves with the rank and file, understand their feelings and demands, and actively help them solve their problems.

Improvement of the leadership in enterprises is not the concern only of the enterprises themselves; it also concerns the higher state organs. Here it should be pointed out that the higher state organs have often been too strait-laced

and too rigid in controlling enterprises, thereby hampering the initiative and flexibility of the enterprises and causing losses to our work which might have been avoided. We must make sure that, under the unified leadership and plan of the state, the enterprises have appropriate powers to make their own decisions in the management of plans, finance and personnel, in the allotment of workers and employees, in regard to welfare facilities, etc. But this does not mean that the higher state organs should slacken their leadership. Just the contrary. Quite a number of the higher state organs did not really keep in close touch with their enterprises, and their leadership of these enterprises was often ill-timed and not specific enough. The leading organs of our economic departments should make a serious effort to do a good job of what they are charged with; they should not meddle with what is none of their business and what they can afford to ignore. Only by combining strong leadership at the higher state organs with initiative exercised by the enterprises themselves can we forge ahead rapidly with our work.

AGRICULTURE

The proposals for the Second Five-Year Plan have set immense tasks for increasing agricultural production and the peasants' income. How are we to fulfil these tasks?

We are carrying out agricultural co-operation without farming machinery. The mechanization of agriculture in our country can only be brought about in a proper and gradual way, after the country is industrialized and in accordance with different farming conditions in different localities. It is estimated that by the end of the Second Five-Year Plan the acreage of land cultivated by machines will be only one-tenth of the land under cultivation in this country. As in the first five-year period, the amount of new land to be brought under cultivation will only amount to

some tens of millions of *mou*, that is, approximately one-twentieth of the area of land already under cultivation. By 1962 the amount of chemical fertilizer produced in China will be only enough to provide, on an average, each *mou* of crop area with less than three catties. Under these circumstances, the main method of increasing agricultural production in the second five-year period will still be to rely on the agricultural producers' co-operatives and the peasants to raise per *mou* yields by such means as building water conservancy works, applying more manure to the land, ameliorating the soil, improving seeds, introducing the use of new-type farm tools on a wider scale, increasing the area sown to more than one crop a year, improving methods of cultivation, and preventing plant diseases and insect pests.

We should take note of the fact that such measures open up tremendous possibilities for increasing farm output. In regard to water conservancy, for instance, the present irrigated area only amounts to one-third of all the cultivated land in the country, but water sources can be found in many parts of the remaining two-thirds of the land and these can be used for irrigation purposes. With regard to fertilizer, there is an abundant supply of such natural fertilizer as night soil, animal manure and green manure, all of which are of great value in increasing yields. But in quite a number of places, these sources of manure have not yet been fully utilized. China's countryside, furthermore, has tremendous reserves of manpower organized on the basis of agricultural co-operation. If we press ahead persistently with these measures in a proper way, there is every possibility of reaching the targets for increased output envisaged in the proposals for the Second Five-Year Plan.

It is still a very important task to ensure increases in the output of grain and cotton in the second five-year period. Meanwhile, it is also an important task to ensure

increases in the yields of other industrial crops and in the output of animal husbandry and subsidiary occupations. According to statistics, even excluding the output produced by the peasants in subsidiary occupations for their own consumption, the value of output of various industrial crops, animal husbandry and subsidiary occupations amounts to some 50 per cent of the total value of agricultural products in the country, which approximates to and even exceeds the percentage accounted for by grain, and is therefore of great importance to the peasants' income. These industrial crops, and products of animal husbandry and subsidiary occupations are furthermore of tremendous importance to light industry, to the supply of non-staple foods for the people and of products for export. Take pig-breeding as an example. In the second five-year period, we expect to increase the number of pigs from 138 million head as planned for 1957 to some 250 million in 1962. This is because pig-breeding is of importance to the supply of meat both in towns and villages throughout the country, manure for farm crops, as well as meat and bristles for export. We must do all we can to promote pig-breeding. All local Party organizations, local governments and departments in charge of agriculture, therefore, must effectively improve the guidance they give to the cultivation of industrial crops and promotion of animal husbandry and subsidiary occupations. In the light of local and state needs and guided by the plans of the central and local authorities, they should help agricultural producers' co-operatives to map out comprehensive plans, suited to their own conditions, to increase the production of grain, industrial crops, animal husbandry and subsidiary occupations. In promoting subsidiary occupations, we should take account of the necessary division of labour between the collective management of the co-operative and the domestic arrangements of its individual members, so that the enthusiasm and initiative of both sides can be given proper scope. At present, many

co-operatives tend to neglect or even unreasonably restrict their members in managing their own subsidiary cottage occupations. This deviation should be corrected.

A correct price policy has to be implemented to increase the production of industrial crops and promote development of animal husbandry and subsidiary occupations. Our price policy since the founding of the People's Republic has, in general, been correct and mindful of the interests of the peasants. But some mistakes have nevertheless been committed in implementing this policy. During the past few years, production of certain kinds of industrial crops, pig-breeding, and other subsidiary occupations did not increase fast enough or even decreased. This was partly due to the fact that purchasing prices for these products were fixed at a rather low level. Those prices which were set too low should be properly readjusted after investigation and study.

To ensure development of agricultural production, it is important to make sure that, alongside that development, the income of the peasants is increased. The Central Committee of the Party requires that co-operatives throughout the country in the first few years after they are set up should, under normal harvest conditions, strive to increase the income of 90 per cent of their members; afterwards, on the basis of developing production, the members in general should be able to increase their income every year. To this end, it is not only necessary for the state to have correct tax and price policies, it is also necessary for the co-operatives to fix a correct ratio between the co-operative's reserve fund and the personal income of members. The co-operatives should therefore refrain from making arbitrary increases in expenditure for production or management, or in the amounts going to reserve or welfare funds; at the same time state taxes should be held at an appropriate rate. We should firmly maintain a policy of distribution which takes proper account of the

interests of the state, of the collective and of the individual members.

COMMERCE

In keeping with industrial and agricultural development, our country has also achieved remarkable successes in home and foreign trade during the period of the First Five-Year Plan. In home trade, the volume of domestic retail sales, according to this year's plan, will be 66.3 per cent more than in 1952. During the last few years, we have stabilized commodity prices, increased the exchange of goods between city and countryside and met the needs of the people. In foreign trade, the total value of our import and export trade this year will be 65 per cent greater than in 1952. Before the liberation of the country, China mainly imported consumer goods. Since 1950, over 90 per cent of our imports have been means of production. Our foreign trade has ensured the needs of national construction for equipment and materials and has developed our country's economic co-operation and bonds of friendship with the Soviet Union, the People's Democracies and other countries.

According to preliminary estimates for the Second Five-Year Plan, the volume of domestic retail sales in our country in 1962 will, on the basis of further development of the national economy, be about 50 per cent more than in 1957, while the total value of import and export trade will also be greatly increased.

The socialist transformation of private commerce having, in the main, been completed, a unified socialist market has come into existence, and socialist commerce is now playing an extremely important role in the national economy. It is through the medium of socialist commerce that consumer goods and a part of the means of production coming from industry, and the marketable portion of agricultural products are distributed to departments of industrial pro-

duction, the agricultural producers' co-operatives and the broad masses of consumers. Our country's commercial work will be still heavier in the future owing to the growing purchasing power of the people, their increasing needs for consumer goods, especially for non-staple foods, the rapid development of agricultural co-operation and industrial construction, and the daily increasing demands of foreign trade on export products. Commercial departments must, in accordance with the needs of the people and export requirements, do all they can by means of price policy and purchasing measures to help improve the quality and quantity of industrial and agricultural products. They must continue to develop the commercial network, increase the circulation of commodities, improve the purchasing and supply of industrial and agricultural products, and see to it that the commercial network is so arranged as to facilitate procurement of commodities as well as sales of goods to the people.

The further development of commerce demands in particular that earnest efforts be made to improve co-ordination between purchasing and marketing, correctly implement the price policy and properly readjust the prices of certain commodities.

Many measures concerning purchasing and marketing which were taken during the period when capitalist enterprises were utilized, restricted and transformed must now be changed and replaced by measures which suit existing economic conditions in our country. Before the change-over of capitalist industry and commerce into joint state-private management by whole trades took place, in the case of industrial products produced by capitalist concerns, our state trading organizations placed orders with private enterprises for processing and manufacturing goods, and purchased and marketed all their products. In regard to agricultural products, apart from the planned purchase by the state of grain, cotton, and oil-bearing crops, the supply and marketing co-operatives were entrusted with making

unified purchases, or the state trading organizations themselves made direct purchases, of the greater part of the remaining products. Strict control was enforced on the market of cities and towns, uniform prices were fixed for commodities, and restrictions were placed on the scope of certain commercial activities of private merchants. These measures were at the time necessary and effective. But their implementation also resulted in some undesirable effects as mentioned above: the quality of some industrial products fell off and there was less variety to choose from; the output of some agricultural products and products of subsidiary occupations decreased; the exchange of some commodities was hampered. We must overcome these defects. We should improve the present system of market control and abolish restrictions that are too strict and inflexible. Within the limits of the unified socialist market, we should permit a free market, subject to the guidance of the state, to exist and develop to a certain extent, and to supplement the state market.

For twelve years before the liberation our country was in the grip of severe inflation and commodity prices constantly fluctuated. In view of this, the Party's basic policy after the liberation was to stabilize commodity prices. That is to say, regardless of whether certain commodity prices were reasonable or not, the first thing to do was to stabilize the prices of various commodities at the levels then prevailing. After this had been done, readjustments were then made in regard to certain very unreasonable commodity prices. This basic policy of our Party was correct, and its implementation was crowned with success. It played a beneficial role in promoting the growth of the country's industrial and agricultural production. Nevertheless, there have been many mistakes and shortcomings in implementing our price policy. Commercial departments must sum up their past experience and, acting under the principle of continuing to stabilize com-

modity prices, work out a more comprehensive policy and price structure suited to present concrete conditions and beneficial to industrial and agricultural production. An important principle governing our price policy is to fix purchasing prices so that they help to increase production. In order to improve the quality of industrial and agricultural products, the policy of grading products and fixing prices according to quality must be carried out both in purchasing and marketing. If the difference between buying and selling prices of goods bought and sold locally is too big, it should be suitably reduced. The difference between wholesale and retail prices of low-priced petty commodities should be suitably increased. All attempts to extract excessive commercial profits in violation of the state's price policy must be strictly prohibited.

The importance of commercial work demands that all personnel engaged in it throughout the country must learn how to do business better. We must make a careful study of all the useful experience accumulated in the commercial field, and train the necessary cadres and experts according to plan, so as to raise socialist commerce in our country to a still higher level.

CULTURE AND EDUCATION

Cultural and educational work occupies an important place in socialist construction as a whole. During the past few years, it has made great headway in our country. The enrolment in institutions of higher learning has increased from 116,000 in 1949 to 380,000, as planned, in 1956; in middle schools, from 1,268,000 to 5,860,000; and in primary schools, from 24,390,000 to some 57,700,000. The number of books printed has risen from over 100 million copies in the early period of liberation to 1,600 million this year; during the same period, the number of hospital and sanatorium beds has risen from 106,000 to 339,000.

The Second Five-Year Plan provides that the enrolment in institutions of higher learning should increase by about 100 per cent; the enrolment in secondary vocational schools, senior middle schools and junior middle schools should increase correspondingly. The Second Five-Year Plan requires that special efforts be made to step up the training of specialists and the development of scientific research, so that we may speedily master the latest scientific achievements of the world. Our scientists have already drawn up a preliminary overall plan for the development of science in 1956-1967. This plan lays it down that in those urgently-needed branches of science and technology we should approach the advanced levels in the world in about twelve years' time. We should firmly support all scientific research bodies and institutions of higher learning in their concerted effort to realize this aim.

To enable our science and art to flourish and serve the cause of socialist construction, the Central Committee of the Party has put forward the policy "Let flowers of many kinds blossom, let diverse schools of thought contend!" Scientific truth is such that the more it is subjected to argument, the clearer it becomes; while in art there must be room for diversity of styles. On questions of an academic or artistic nature, the Party should not rely on administrative orders to exercise its leadership; it should promote free discussion and free emulation to foster the development of science and art.

To bring our cultural revolution to fruition, we must do our best, step by step, to wipe out illiteracy. Furthermore, financial resources permitting, we must gradually expand our primary education, with a view to introducing in different areas and by stages universal, compulsory primary education within twelve years. At the same time, we must continue to strengthen general and technical education for workers and employees, and general education for that section of government workers whose educational

level is rather low. We should help those national minorities who are without a written language to create one.

We should arm our intelligentsia and all our people with socialist, Marxist-Leninist ideology, and criticize feudal and bourgeois ideologies. We have done extensive work along these lines during the past few years, and this has contributed greatly to the success of socialist transformation in our country. But we all know that it is more difficult and it will take more time to change old ideologies than to transform old relations of production. We must continue to intensify our work on the ideological front. While criticizing feudal and bourgeois systems of thought, we must exercise great care in taking over what is of use to the people from the cultural heritage of the past.

In order to accomplish the various tasks set in culture and education, we must further expand and strengthen the ranks of our intellectuals. We must train an enormous number of new intellectuals, especially intellectuals of labouring-class origin, in the schools and by means of spare-time education for cadres. At the same time, we must enlist the services of bourgeois and petty-bourgeois intellectuals in building socialism and learn from them. However, we must not allow the bourgeois and petty-bourgeois ideas which they bring with them to corrupt the ranks of the proletariat. On the contrary, we must make every effort to help them become new intellectuals closely linked with the working people. Thanks to the systematic work our Party has done over a long period of time, the great bulk of our intellectuals have already formed a close alliance with the workers and peasants; a considerable number of the intellectuals have become believers in communism and have joined our Party. Our task from now on should be to carry through the policy of uniting, educating and remoulding the intellectuals, and make better use of them, so that they will render still more

effective service to the great cause of building up our motherland.

IV. THE POLITICAL LIFE OF THE STATE

The fundamental question of the revolution is the question of state power. Why is it that we have been able to bring about a fundamental change in the face of our country and score such tremendous achievements in socialist transformation and socialist construction within the short space of seven years? Is it not because we have succeeded in leading the working class and the broad masses of people to seize political power throughout the country? Is it not because ours is an entirely new type of state power — the state power of the people's democratic dictatorship?

In order to develop on a large scale our socialist construction, which has already started, and to bring the socialist transformation in our country to completion, we must continue to consolidate the people's democratic dictatorship, and improve the work of the state.

The state founded by us, like that in other socialist countries, is the most democratic, the most efficient, and the most consolidated in the history of mankind. The founding of the People's Republic of China has lifted several hundred million people, hitherto insulted and injured, suffering from cold and hunger, from the position of slaves to the position of masters. Consequently, their life and liberty are now guaranteed, their labour is honoured, and women enjoy equal status with men. Large numbers of outstanding workers, peasants, women and youth participate in the administration of the state, thus turning our state organs into organs serving the people industriously and honestly. Our country is now united as never before. As a result of thorough democratic reform, and the victory in the suppression of counter-revolutionaries; of the achieve-

ments we have made in socialist transformation, and of the development in our socialist construction; and also because of other measures taken by the people's government, our society has reached an unprecedented state of stability.

All states in the world are, in essence, class dictatorships. The question is which classes exercise dictatorship over the other classes. All landlord-bourgeois states are the tools with which a minority rules over the majority, the exploiters rule over the labouring people. The great achievement of the Russian October Revolution is that it reversed this situation for the first time, turning the state into an instrument with which the majority rules over the minority, the labouring people rule over the exploiters. Despite the fact that the revolution in our country has many characteristics of its own, Chinese Communists regard the cause for which they work as the continuation of the great October Revolution. Our people's democratic dictatorship is the dictatorship of the masses of people, headed by the working class, over the reactionary classes, reactionary cliques and the exploiters who oppose the socialist revolution. Ours is a democracy that belongs not to a minority but to the overwhelming majority — to the workers, peasants and all other labouring people, as well as all those who support socialism and love their country.

The people's democratic dictatorship in our country has gone through the period of bourgeois-democratic revolution and is passing through the period of the socialist revolution. Before the nation-wide victory of the bourgeois-democratic revolution, the people's democratic dictatorship had already been established in the revolutionary bases. This dictatorship was meant to fulfil the task of the bourgeois-democratic revolution because it only brought about reforms in the feudal land system. It did not change the ownership of means of production by the national bourgeoisie, or individual ownership by the peasants. After the founding of the People's Republic of China, the peo-

ple's democratic dictatorship began to shoulder the task of bringing about the transition from capitalism to socialism. That is to say, it was to change the private ownership of means of production by the bourgeoisie and the small producers into socialist, public ownership; and to eliminate in a thorough way the exploitation of man by man. Such state power, in its essence, can only be the dictatorship of the proletariat. Only when the proletariat, through its vanguard, the Chinese Communist Party, has employed this weapon of state power without the slightest hindrance and closely rallied around itself all the working people and all other forces that are ready to accept socialism, jointly to implement the line of policy of the proletariat and, on the one hand, build the economic and cultural life along the road to socialism and, on the other, suppress the resistance of reactionary classes and cliques and guard against the intervention of foreign imperialism, will it be able to fulfil this serious and complex task.

It is quite obvious: If without the leadership of the proletariat, our peasants and national bourgeoisie were not able to gain victory even in the stage of bourgeois-democratic revolution. then what social force other than the proletariat can take up the responsibility of such leadership in the stage of socialist revolution? Without the firm, far-sighted, impartial and selfless leadership of the proletariat, even the poverty-stricken peasants cannot really move towards socialism, much less the bourgeoisie, which, by nature, is utterly alien to socialism. The fact that our bourgeoisie has heralded its acceptance of socialist transformation with a fanfare of gongs and drums is something of a miracle. What this miracle shows is precisely the great strength of the correct leadership of the proletariat and the absolute need for the dictatorship of the proletariat.

Some people may ask: Since our people's democratic dictatorship at the present stage is in essence a form of the dictatorship of the proletariat, how is it that other classes,

other parties and democratic personalities having no party affiliations participate in exercising state power? Why is it necessary that the people's democratic united front in our country should continue to exist?

We must realize that the dictatorship of the proletariat requires not only that the proletariat should exercise strong leadership over the state organs, but also that the broadest masses of the people should participate actively in the state organs. Neither of these can be dispensed with. The proletariat can establish the dictatorship of the great majority over the reactionary classes, and achieve socialism only by entering into an alliance with the broad masses of people who are capable of embracing socialism. Is this not perfectly clear? "The dictatorship of the proletariat," said Lenin, "is a special form of class alliance between the proletariat, the vanguard of the working people, and the numerous non-proletarian strata of working people (the petty-bourgeoisie, the small proprietors, the peasantry, the intelligentsia, etc.), or the majority of these; it is . . . an alliance aiming at the final establishment and consolidation of socialism." The scope of the class alliance spoken of by Lenin may vary with varying historical conditions, but there should be no doubt whatever that the dictatorship of the proletariat is always a definite form of alliance between classes.

The worker-peasant alliance is the basis of the people's democratic dictatorship and of the people's democratic united front in our country. Over 80 per cent of our whole population are peasants. It would be out of the question to realize socialism without an alliance with the peasantry. In the course of protracted revolutionary struggles, our Party entered into flesh-and-blood relations with the peasantry. Since the founding of the People's Republic we have paid attention to the further strengthening of these relations: in the land reform, in the movement for mutual aid and co-operation, in the guidance of agricultural produc-

tion and economic and cultural affairs in the villages, in the formulation and implementation of tax, food and price policies. The peasantry has taken the important position due to it in the political life of our country. Practically all the working personnel in the numerous organs of state in the rural districts throughout the country are peasants. However, we must admit that the defect of not paying enough attention to the concrete interests of the peasantry is still by no means infrequent in our work. Since the realization of agricultural co-operation, the worker-peasant alliance has entered a new and more advanced stage. But at the same time, overestimation of the present economic capacity of the agricultural co-operatives by many Party organizations and organs of state and their abuse of the "conveniences" resulting from co-operation have given rise once more to a tendency towards bossiness in village work. In order to further consolidate the worker-peasant alliance, we must resolutely overcome these defects.

This policy towards the peasants likewise applies to handicraftsmen, small shopkeepers and pedlars, and other individual working people, who have recently joined various kinds of co-operatives. They too form an important social stratum in our country. Because they live and pursue their economic activities in scattered localities, our work among them has been rather inadequate. They have now organized themselves, and many urgent problems which they face have to be solved. We must take effective measures to strengthen our relations with them, so that proper attention may be given to their economic and political interests.

The national bourgeoisie occupies a special position in our people's democratic dictatorship and in our people's democratic united front. During the War of Resistance to Japanese Aggression, certain representative individuals from among the national bourgeoisie had already been brought into the government organs in the revolutionary bases.

Since this was done during the period of bourgeois-democratic revolution, it was easy to understand. Since the founding of the People's Republic, even more representatives of the national bourgeoisie and its parties have been taking part in the organs of our state, which is a dictatorship of the proletariat in its character. Furthermore, they have continued to maintain the political alliance with the working class and the Communist Party in the building of socialism. How has this come about? What can be the meaning of such an alliance today, when socialist transformation has already been achieved in the main? Isn't it something of a burden?

True, our national bourgeoisie, including big, middle, and small capitalists and bourgeois intellectuals, constitutes a class which, next to the bureaucrat-bourgeoisie, has been the smallest in our society. Furthermore this class is very feeble both politically and economically. However, both now and in the past, it has always had a considerable influence and played an important role in our society. On the one hand, this is because, historically, it developed modern industry, and led the old democratic revolution; because it participated in the new-democratic revolution to a certain degree; and because, under the particular conditions obtaining after the founding of the Chinese People's Republic, it took the attitude of accepting the leadership of the working class and the Communist Party, and later gradually took the attitude of accepting socialist transformation. On the other hand, this is because, at a comparatively early date, this class became acquainted with modern knowledge, and some knowledge of technology and management of modern enterprises. Even today, it is a class which is comparatively rich in modern knowledge, and includes a comparatively large number of intellectuals and specialists. During the past few years, the national bourgeoisie has taken part in the rehabilitation of the national economy. It has participated in, or given support to, such struggles as the

land reform, the suppression of counter-revolutionaries, and the Movement to Resist U.S. Aggression and Aid Korea. It has thus helped us to isolate the enemy to the greatest possible extent and has added to the strength of the revolution. In the course of socialist transformation, the alliance of the working class with the national bourgeoisie has played a positive role in educating and remoulding the bourgeois elements. In the future we can continue our work of uniting, educating and remoulding them through this alliance so that they may place their knowledge in the service of socialist construction. Thus, it can be readily seen that it is wrong to regard this alliance as a futile encumbrance.

In recent years, most of the national bourgeoisie have experienced the profound change of socialist transformation. Our task is to continue and to improve our co-operation with them, with a view to giving full play to their abilities and expert knowledge, and helping them to further remould themselves. Such co-operation should, as in the past, be at once uniting with them and waging struggles against them. Class struggle will go on until socialist transformation is completed. Even after that, there will still be struggles between socialist and capitalist stands, viewpoints and methods over a long period of time. Our principal ways of conducting such struggles are education and persuasion. It is only for the few individuals who adopt a hostile attitude towards socialism and violate laws of the state that necessary compulsory methods of reform are adopted in accordance with the circumstances in each case.

The democratic parties in our country were organized mainly during the War of Resistance to Japanese Aggression, and their relationship with our Party has long been one of co-operation. When the People's Republic of China was founded, they took part in the people's government. Thereafter, they came gradually to support the cause of

socialism. It is our view that, from now on, a policy of long-term co-existence of the Communist Party and the democratic parties and of mutual supervision between them should be adopted. The social basis of China's democratic parties is the national bourgeoisie, the upper strata of the petty-bourgeoisie and intellectuals of these classes. After the completion of socialist transformation, members of the national bourgeoisie and the upper strata of the petty-bourgeoisie will become a section of the socialist working people; and the democratic parties will become parties of this section of the working people. Since survivals of bourgeois ideology will linger on for a long time in the minds of this part of working people, there will be need for the democratic parties, over a long period, to keep in touch with them, represent them, and help them to remould themselves. At the same time, as the democratic parties and the Communist Party will co-exist for a long time, the parties will be able to supervise each other. Our Party is not one that works for self-interest, it is one that places itself whole-heartedly in the service of the people. We still have shortcomings. It is certain that we shall have shortcomings even in the future; nor is it likely that we shall make no mistakes. Of course, to overcome these shortcomings and mistakes, we must, first of all, encourage more vigorous self-criticism within our Party, and rely on supervision by the masses of the working people as a whole. But at the same time, we should be adept in benefiting from supervision and criticism by members of all democratic parties, and by democrats without party affiliations.

Representatives of the democratic parties and democrats without party affiliations occupy important posts in many of our state organs. There are also a large number of non-Party personnel working in our government organs, schools, enterprises and armed forces. This situation requires that members of our Party establish good relations

and work in co-operation with them. The reason why we must raise this question is that there are still some members of our Party who hold that everything should absolutely be "of one colour"; who are unwilling to see non-Party people work in state organs; who do not consult with them when circumstances require, and do not respect the authority that goes with their posts. This is a kind of sectarian viewpoint. The Communists, at any given time, constitute a minority of the people. Therefore they have the obligation to co-operate with non-Party people under all circumstances. The Party must teach its members who are not good at co-operating with non-Party people to speedily overcome such shortcomings. This, at present, is one of the important tasks in consolidating the people's democratic united front.

With the triumphant advance of the socialist cause in our country, the scope of our people's democratic united front will become ever broader. We must persist in uniting with individuals from the upper strata of the national minorities, patriotic people in religious circles, and other patriotic personalities who are influential in society in one way or another. We must continue to unite with patriotic Chinese living in various places abroad; they too are a component part of the united front. In short, our task is to mobilize all positive factors to contribute to the building of socialism.

It can be seen from this that the broadest united front and the broadest patriotic unity, instead of impairing our proletarian dictatorship, are conducive to its consolidation and development.

Our state system combines a high degree of democracy with a high degree of centralism. This system has shown its superiority during the last few years. Of course this does not mean that the work of the state is perfect and flawless. Many of our organs of state, and their functionaries, often depart, in their way of work, from the cor-

rect principles of our state system; they obstruct the vigour and strength of our state system instead of turning it to full account. Nor do we mean that our state system has perfected itself in every respect. It will still take a fairly long time for it to mature and perfect itself step by step.

What major tasks now confront us in improving our state administration?

In keeping with the new situation in socialist transformation and socialist construction, an important task in the work of the state today is to extend democracy and to carry on the struggle against bureaucracy.

There is bureaucracy in many of our state organs characterized by arm-chair leadership which does not understand and which suppresses the opinions of subordinates and the masses, and pays little attention to the life of the masses. Such bureaucracy takes the form of isolation from the masses and a break with reality, seriously hinders the growth of democracy in national life, hampers the unfolding of popular initiative, and holds back the advance of the cause of socialism. We must make earnest, systematic efforts to improve the work of state organs, trim and simplify their organizations, clearly define the responsibility of every government worker, and help functionaries to change such ways of work as busying themselves exclusively with holding meetings and signing documents without contacting the people or studying the relevant policies and the actual situation. We must work out concrete measures to ensure that responsible personnel of all departments of the Central People's Government, and of the provincial and municipal governments frequently visit subordinate organizations, acquaint themselves with their conditions, check upon the work done and listen to opinions. We must see to it that they strictly put these things into practice.

The struggle against bureaucracy will be a long one. But we are fully confident that, under our people's de-

mocracy, we shall gradually eliminate the bureaucratic vices. This is because our state is poles apart from the exploiters' states, in which a minority of the people oppress the majority, and because our system, instead of protecting bureaucracy, is opposed to it. In order to combat bureaucracy effectively, we must strengthen supervision of the work of the state through several channels at the same time.

Firstly, we must strengthen the leadership of state organs, and supervision over them, by the Party. Party committees at all levels must, from time to time, check up on the work of Party organizations within the government organs at all levels. Apart from this, all departments under Party committees should be responsible for constant supervision over Party organizations and Party members in the government departments concerned.

Secondly, we must reinforce supervision by the National People's Congress and its Standing Committee over the departments of the Central People's Government; and supervision by all local people's congresses over all local government organs. To achieve this end, the practice of inspection by the people's deputies must be strengthened, so that they can collect the opinions of the masses of the people in an extensive way. The people's congresses at all levels must do their utmost to examine, criticize and discuss the work done by the governments.

Thirdly, we must reinforce supervision over subordinates by superiors, and vice versa within government organs at all levels. In the struggle against bureaucracy, the supervisory organs of the state should fully carry out the role assigned to them.

Fourthly, we must strengthen supervision by the masses of the people, and by the low-ranking government workers, over the organs of state. Criticisms and exposures from below must be encouraged and supported. Those who sup-

press people making criticism or avenge themselves on the critics must be duly punished.

Another important problem in state administration today is the need to properly readjust the administrative powers and functions of the central and local authorities. This also accords with the needs of extending democratic life and overcoming bureaucracy.

With the founding of the People's Republic of China, in order to establish and consolidate the unity of the country, we opposed departmentalism; we concentrated in the hands of the central authority a large number of affairs which should come within the province of the central authority. This was absolutely necessary, but during the past few years, some departments under the central authority have taken on too many jobs and imposed too many or too rigid restrictions on local departments and ignored special circumstances and conditions in the localities. Even when they should have consulted with the local authorities they did not do so. Some departments issued too many formalistic documents and forms, imposing too much of a burden on the local authorities. This not only did not facilitate the work of the local authorities, but dissipated the energies of the central authority and fostered the growth of bureaucracy. It is unthinkable that, in such a big country as ours, the central authority could take on itself all the various jobs of the state and do them well. It is absolutely necessary for the central authority to devolve some of its administrative powers and functions onto the local authorities. As regards a good deal of the work of the state, such as agriculture, small and medium industries, local transport, local commerce, primary and secondary education, local health services, local finance, and so forth, the central authority should only put forward general principles and policies and map out general plans, while the actual work should be referred to the local authorities for them to make arrangements for carrying it out in a manner

suitable to a particular place and a particular time. Some of the cadres working in the central organs should also be sent to work in the localities. The provinces, municipalities, counties and townships should be given a definite range of administrative powers and functions. On the basis of such a principle, the central authority, in conjunction with the local authorities, is now making a study of the problem, drawing up a concrete plan and preparing to put it step by step into practice. In this way, the initiative of both the central organs and the local organs will be brought into full play, and both the central and local authorities will have the necessary flexibility; and it will also be more convenient for them to carry out mutual supervision. This is of great importance in pushing forward socialist construction on every front in our country.

It is an important task in the conduct of state affairs to deal correctly with questions concerning the national minorities. We must put still greater efforts into helping the national minorities make economic and cultural progress so that they can fully play a positive part in the socialist construction of our country.

Very great changes have taken place in the conditions of the national minorities in the past few years. In most areas a decisive victory has been won in democratic reform and socialist transformation within the national minorities. Of the more than 35 million people of the national minorities in China, 28 million inhabit areas where socialist transformation has been basically completed; 2.2 million inhabit areas where socialist transformation is being carried out; and nearly 2 million inhabit areas which are undertaking democratic reforms; thus only some 3 million still inhabit areas which have not yet carried out democratic reforms. In the future, in regions which still await democratic reform and socialist transformation, we must continue to pursue the prudent policy we have been pursuing all along. That is to say, all reforms must be deliberated in an un-

hurried manner and settled through consultation by the people and the public leaders of the nationality concerned, the settlement being in accord with the wishes of the nationality itself. In carrying out reform, peaceful means must be persisted in, and no violent struggle should be resorted to. In regard to the members of the upper strata of the national minorities, after they have given up exploiting and oppressing the working people, the state will take appropriate measures to see that they do not suffer as regards political treatment or in their standards of living, and will convince the people of the need for co-operation with them for a long time to come. In regard to religious beliefs in the areas of the national minorities, we must continuously and persistently adhere to the policy of freedom of religious belief and must never interfere in that connection during social reform. We should help those who live by religion as a profession to find a proper solution of any difficulties of livelihood with which they are faced.

In order that the national minorities may grow into modern nationalities, the most fundamental thing, the key, besides carrying out social reforms, is to develop modern industries in the areas they inhabit. During the First Five-Year Plan period, the state has established a number of new industrial bases in some national minority areas and started a number of large-scale modern industries and transport services. It will continue to do so in the period of the Second Five-Year Plan. This is in accord with the common and fundamental interests of the people of all nationalities in the country. The people of Han nationality and all minority nationalities should work hard together for the complete realization of this state plan. At the same time, to meet the special needs of the minority peoples, central ministries and departments and provincial governments and governments of the autonomous areas should step by step start up a number of local industries in areas inhabited by the national minorities, observing the principle of keep-

ing within the objective possibilities and not going beyond what is economically justified. In all industries in these areas, whether they are state-owned under the central authority or are run by local authorities, attention must be paid to helping the national minorities to form their own working class and create their own scientific-technical and administrative personnel. Only thus can the national minorities achieve modern levels in their development in all fields at a relatively rapid rate.

Owing to actual conditions created by history, the national minorities stand in need of large-scale aid by the people of Han nationality in carrying out social reform and in economic and cultural construction. Hence the continued improvement of relations between the Han and minority peoples and between the Han and minority cadres assumes particular importance. At present, in order to improve these relations, the main thing is to overcome great-Hanism.

In the past few years, a great many Han cadres have been working in areas inhabited by the national minorities. Most of them correctly followed the Party's policy towards nationalities, fulfilled the tasks assigned them by the Party, and earned the appreciation of the national minorities. But there have also been a section of Han cadres who did not respect the authority that goes with the posts of the minority cadres and their opinions and, instead of patiently helping the national minorities run their own house, simply took everything into their own hands. These shortcomings and mistakes are attributable to the tendency of great-Hanism existing in the minds of some comrades, a tendency to look down upon the national minorities.

As all the nationalities in China have worked side by side to give the country her history and her culture, so too in future they will certainly work side by side to build our great socialist motherland. While the levels attained by China's national minorities in their development vary, it is absolutely not true that all of them are backward in all as-

pects. Some of them have attained the same or roughly the same level as the Han nationality, others have attained a higher level in one or another respect, and it is worthwhile for the Han people to learn from them. Each nationality has its own strong points. The idea that the national minorities are good at nothing and are inferior to the Han nationality in everything is a viewpoint characteristic of great-Hanism.

To overlook the important part played by the national minorities in the socialist construction of our country is another manifestation of great-Hanism. Although the minority peoples constitute only 6 per cent of the country's total population, the areas inhabited by them roughly amount to 60 per cent of the country's total area. Many of these areas are rich in various kinds of industrial resources. It is clearly wrong to think that our country can be built into a great socialist country through the efforts of the Han people alone, without the concerted efforts and active participation of the national minorities.

All such great-Hanist tendencies and viewpoints as mentioned above must be effectively corrected. Only by overcoming even the slightest manifestation of great-Hanism will it be possible to successfully overcome the sentiments of local nationalism among the national minorities and to enable all the fraternal nationalities to unite all the more closely in our big family of the people's democracy.

In order to consolidate our people's democratic dictatorship, to preserve order for socialist construction and safeguard the people's democratic rights, and to punish counter-revolutionaries and other criminals, one of the urgent tasks facing our state at present is to begin the systematic codification of a fairly complete set of laws and to put the legal system of the country on a sound footing.

During the period of revolutionary war and in the early days after the liberation of the country, in order to weed out the remnants of our enemies, to suppress the resistance

of all counter-revolutionaries, to destroy the reactionary order and to establish revolutionary order, the only expedient thing to do was to draw up some temporary laws in the nature of general principles in accordance with the policy of the Party and the people's government. During this period, the chief aim of the struggle was to liberate the people from reactionary rule and to free the productive forces of society from the bondage of old relations of production. The principal method of struggle was to lead the masses in direct action. Such laws in the nature of general principles were thus suited to the needs of the time. Now, however, the period of revolutionary storm and stress is past, new relations of production have been set up, and the aim of our struggle is changed into one of safeguarding the successful development of the productive forces of society, a corresponding change in the methods of struggle will consequently have to follow, and a complete legal system becomes an absolute necessity. It is necessary, in order to maintain a normal social life and to foster social production, that everyone in the country should understand and be convinced that as long as he does not violate the laws, his civil rights are guaranteed and will suffer no encroachment by any organization or any individual. Should his civil rights be unlawfully encroached upon, the state will certainly intervene. All state organs must strictly observe the law, and our security departments, procurator's offices and courts must conscientiously carry out the system of division of function and mutual supervision in legal affairs.

The counter-revolutionaries are bent on undermining our state and our construction and endangering the security of the people, so it is the duty of our state organs to suppress and weed out counter-revolutionaries. In 1950, we led a nation-wide struggle for the suppression of counter-revolutionaries and dealt their activities a severe blow. In 1955, we carried out another struggle against counter-

revolutionaries in the country at large and we ferreted out counter-revolutionaries hidden in public organizations throughout the country. As a result of these large-scale mass campaigns, social order has been greatly improved and national security strengthened.

In dealing with counter-revolutionaries and other criminals, we have all along followed the policy of combining punishment with leniency. All those who make honest confessions, repent of their crimes and make some amends by doing something to their credit, receive lenient treatment. As everyone knows, this policy has achieved great results. Since the second half of last year, because of the effect of this policy of combining punishment with leniency, because of the upsurge of socialist transformation, and because the masses of the people have a higher level of political consciousness and are better organized, counter-revolutionaries have met with increasing difficulties in their activities. As a result, a sharp split has taken place among the counter-revolutionaries. Whole batches of counter-revolutionaries have given themselves up to the government. This fact proves on the one hand that there are counter-revolutionaries still at large and it is absolutely wrong to think that we can relax our vigilance; and on the other hand, that so long as our policy is correct, counter-revolutionaries can be wiped out, and there are no grounds for the belief that counter-revolutionary activities are getting more serious.

Our public security organs, our procurator's offices and our courts must continue to wage a determined struggle against counter-revolutionaries and other criminals. But, as has been mentioned above, this struggle must be conducted with strict observance of the law, and, in accordance with the new situation which obtains today, further steps must be taken to put the policy of leniency into practice. The Central Committee of the Party holds that, with the exception of a handful of criminals who have to be con-

demned to death in response to public indignation caused by their atrocious crimes, no offenders should be given the death penalty, and, while serving their terms of imprisonment, they should be accorded absolutely humane treatment. All cases involving the death penalty should be decided upon or sanctioned by the Supreme People's Court. In this way step by step we shall be able to achieve our aim of completely abolishing the death penalty, and this is all to the good of our socialist construction.

Furthermore, in order to defend our country, we must continue to strengthen our national defence, we must continue to strengthen our national defence army—the glorious Chinese People's Liberation Army. The People's Liberation Army must strive to raise its fighting capacity to a higher level, guard our frontiers and coast lines vigilantly and defend our territorial integrity.

Our motherland's territory Taiwan is still under the occupation of the U.S. imperialists. This is a most serious threat to the security of our country. The liberation of Taiwan is entirely China's internal affair. We are willing to bring Taiwan back to the embrace of the motherland through the peaceful means of negotiation, and avoid the use of force. If force has to be used, it would only be when all possibilities for peaceful negotiation have been exhausted or when peaceful negotiations have failed. Whatever means we adopt, we shall win the ultimate victory in the just cause of liberating Taiwan.

V. INTERNATIONAL RELATIONS

In order to build our country into a great socialist state, we must not only unite with all the forces at home that can be united with, we must also strive to bring about all favourable international conditions and unite with all forces throughout the world that can be united with.

What is the international situation in which our country now finds itself?

Generally speaking, the present international situation is favourable to our socialist construction. This is because since the Second World War the forces of socialism, national independence, democracy and peace have grown to an unprecedented extent, whereas the policy pursued by the imperialist aggressive bloc for active expansion, for opposing peaceful co-existence and for preparing a new world war, has become increasingly unpopular. In these conditions, the world situation cannot but lead to a relaxation of tension; lasting world peace is beginning to become a possibility.

There was no other socialist country in the world when the people of the Soviet Union embarked upon their socialist construction after the October Revolution, but the conditions are fundamentally different now when the people of our country are carrying on socialist construction. After the Second World War, not only has the Soviet Union become more powerful, but many new socialist countries have come into being in Europe and Asia. The socialist countries, including China, have a combined population of over nine hundred million—one-third of the world's total population and are geographically linked together as one vast expanse of land, forming a big family of fraternal, socialist countries headed by the Soviet Union. The fraternal friendship, mutual assistance and co-operation that exist among us are being constantly developed and consolidated. The Soviet Union and other socialist countries have re-established friendly relations with the Federal People's Republic of Yugoslavia. Our country has also established diplomatic relations and developed friendly intercourse with the Federal People's Republic of Yugoslavia.

At the present time, the socialist countries are mobilizing all the efforts of their peoples at home in the service of peaceful socialist construction; their industrial and agricul-

tural production is forging ahead at a rate which the capitalist countries can hardly equal. In our foreign relations, we consistently follow a fixed policy of peace and advocate peaceful co-existence and friendly co-operation among all nations. We believe in the superiority of the socialist system and we are not afraid to engage in peaceful competition with capitalist countries. Our policy accords with the interests of all the peoples of the world. All forces that love peace, demand national independence and strive for social progress will have our sympathy and support. The socialist countries enjoy ever increasing prestige among the peoples throughout the world and are exerting an ever greater influence on the development of the international situation. The socialist countries headed by the Soviet Union have become a stout bulwark in the struggle for lasting world peace.

The Twentieth Congress of the Communist Party of the Soviet Union, held last February, was an important political event of world significance. It not only drew up the Sixth Five-Year Plan of gigantic proportions, decided on many important policies and principles for further development of the cause of socialism and repudiated the cult of the individual which had had grave consequences inside the Party. It also advocated further promotion of peaceful co-existence and international co-operation, making an outstanding contribution to the easing of international tension.

The strength and monolithic solidarity of the socialist countries constitute a most favourable international condition for the socialist construction of our country.

Another development of great historic significance after the Second World War is the extensive victories gained in the movement for national independence. Besides the Democratic Republic of Viet-Nam, the Democratic People's Republic of Korea and the People's Republic of China which have already taken the road to socialism, there are a number of countries in Asia and Africa which have shaken off the colonial bondage and achieved national independence.

These nationally independent countries, our great neighbour India included, have a total population of more than 600 million, or one-fourth of the human race. The overwhelming majority of these countries are all pursuing a peaceful, neutral foreign policy. They are playing a growing role in world affairs. The success of the Asian and African Conference at Bandung, and the new developments in the national independence movements in many Asian and African countries, especially the recent world-shaking event—the nationalization of the Suez Canal Company by Egypt — prove that the movement for national independence has become a formidable world force. In the past, most of the countries in Asia and Africa were colonies or semi-colonies of imperialism and were converted by the imperialists into their rear in preparing and waging wars. But now these countries have become forces opposing colonialism and war, and upholding peaceful co-existence. In the meantime, the struggle against colonialism is also spreading in the Latin American countries. The imperialists are doing their utmost to hold back the rising tide of the national independence movement. But this tide cannot be held back. It will, in the end, sweep over the whole of Asia, Africa and Latin America, and thus put an end to the rule of colonialism once and for all.

There can be no doubt that the existence of the socialist countries and their sympathy and support for the national independence movement have greatly facilitated the development and victory of this movement. At the same time, the upsurge of the national independence movement has likewise weakened the imperialist forces of aggression. This is favourable to the cause of world peace, and therefore favourable to the peaceful construction of the socialist countries. That is why the friendship and co-operation between the socialist countries and the nationally independent countries conform not only to their common interests but to the interests of world peace as well.

These great historical changes run counter to the desires of imperialism, especially U.S. imperialism. U.S. monopoly capital, taking advantage of the favourable position it gained as a result of the wealth amassed by it during the Second World War, has engaged in frantic expansionist activities after the war, first and foremost, to gain control over the vanquished countries—Germany, Japan, etc., to seize the spheres of influence of Britain, France and other countries in Asia and Africa, and has done its utmost to dominate the world. It has organized military blocs, established military bases, created international tension, and prepared for a new war. U.S. imperialism describes all these activities as “defence against communist aggression.” But, after all, lies cannot cover up facts. Aggression is utterly incompatible with socialism. In socialist countries, the class depending upon aggression, colonies and foreign markets for their fortunes has been eliminated, and the social roots of aggression against foreign countries have, therefore, been completely destroyed. In imperialist countries, on the other hand, those groups which depend upon aggression to make their fortunes will never, of their own accord, desist from aggression. The facts are very clear to the people of the world. The Soviet Union, China, and the other socialist countries actively champion the principle of peaceful co-existence, and the development of economic and cultural relations between East and West, and these countries have taken the lead in reducing their armed forces and military expenditures. U.S. imperialism is doing just the opposite; it continues with its arms drive, opposes the development of East-West relations, and fears peaceful co-existence as it does doomsday. At this very moment, U.S. armed forces are still occupying China’s Taiwan and overrunning the territories of Japan, South Korea, the Philippines and the countries of Western Europe, all of which are thousands of kilometres away from the borders of the United States.

The use of the slogan of “defence against communism” and “fighting communism” as a smoke screen to cover up the attempt of a country to dominate the world was already prevalent even before the Second World War. Naturally the imperialists nurse extreme hatred for the socialist countries. But they too know that the socialist countries, strong and united as one, cannot be shaken. Therefore, the main activities of U.S. imperialism at present are actually, under the pretext of “fighting communism,” to suppress its own people, and, as far as possible, to control and interfere in the vast areas lying between the socialist countries and the United States.

These activities of the U.S. imperialists have met with increasing opposition from all quarters, and have further intensified the inherent contradictions within the capitalist system itself. The countries and peoples which once suffered, or are suffering, from colonialism are becoming increasingly aware that U.S. imperialists are today the biggest colonialists, and the most predatory. In Asia and in Africa, an ever growing number of nationally independent countries have adopted the policy of peace and neutrality, refusing to join the aggressive military blocs of the United States. This has put a powerful check on the colonial expansion of U.S. imperialism. Among the Western nations, too, an ever larger number have gradually come to realize the real damage done to them by the expansionist policy of the United States. Neutralist tendencies on the part of these nations are also growing with each passing day. They refuse to let themselves be tied to the American war-chariot and they favour, instead, peaceful co-existence with socialist countries. Britain and France, the two major allies of the United States, once hoped to maintain their vested interests by relying upon the power of the United States. But in fact, trailing after the U.S. policy of arms drive and war preparations has only exposed them to penetration by American influence, while the heavy burden of

military expenditure has an increasingly harmful effect on the development of their national economies. This has in turn intensified the dissatisfaction with and opposition to American monopoly and American domination on the part of the major allies of the United States, and has particularly intensified the contradictions between Britain and the United States. At the same time, among the broad masses of the people in various Western countries, the movements for peace and democracy, in opposition to the U.S. policy of arms drive and war preparations, are expanding on an ever wider scale. The American people themselves have gradually come to realize what back-breaking burdens this policy has imposed on them, and the peril of war it has brought. Even inside the ruling circles of the United States, there is a section of more sober-minded people who are becoming more and more aware that the policy of war may not, after all, be to America's advantage.

The foreign policy of the ruling circles of Britain and France has now bogged down in a morass of contradictions and confusion. Under the impact of the existing international situation as a whole, Britain and France have to some extent expressed their desire for peaceful co-existence, but still attempting to cling to the privileges of colonialism. They are unwilling to abandon the policy of resorting to force and the threat of force against the national independence movements. This has been particularly clearly shown by developments since the government of Egypt took back the Suez Canal Company. The British and French governments plan to resort to military intervention to violate the sacred sovereignty of Egypt and seize the Suez Canal again. The United States supports the aggressive actions of Britain and France on the one hand while on the other, it attempts to take advantage of the situation to seize their interests in the Middle East. The struggle between the aggressive policy of imperialism and

the anti-aggression movement of nationally independent states is being intensified in the Middle East. Egypt has the widespread sympathy all over the world. Public opinion throughout the world demands a peaceful settlement of the dispute over the Suez Canal. If, instead of following the road of peaceful settlement, Britain and France choose to carry out armed intervention, they will not only meet with the heroic resistance of the Egyptian people and the people of the Arab countries but inevitably they will arouse the resolute opposition of the broad masses of the people of the whole camp of socialism, the people of Asia and Africa and Latin America and the people of the Western countries as well as the resolute opposition of the broad masses of the people of Britain and France themselves. The world is heading for peace. The policy of armed intervention on the question of the Suez Canal, and indeed on all other questions relating to the national independence movements can only result in utter failure.

There can be no doubt that the imperialists will continue to create tense situations, that they will continue to oppress all peoples whom it is within their power to oppress, and that the danger of war still exists. We shall be making a mistake if we slacken our vigilance on this point. In its struggle for peace and progress, mankind has still to traverse a most tortuous and devious path. But the overall outlook for the world is a bright one. Given the solidarity and the concerted efforts of the forces of the socialist countries and the forces for peace and democracy the world over, lasting peace for the world and the cause of human progress will eventually triumph.

Our firm and steadfast policy in international affairs is to strive for world peace and human progress. During the past few years, our efforts in this respect have been fruitful.

During their revolutionary struggle, the Chinese people had the support of the camp of peace, democracy and socialism, headed by the Soviet Union. Shortly after the

founding of the People's Republic of China, we concluded a Treaty of Friendship, Alliance and Mutual Assistance with the great Soviet Union. Events over the past few years have shown that the great alliance between China and the Soviet Union is a main pillar of peace in the Far East and the world. The Soviet Union has given great assistance to socialist construction in our country; and the People's Democracies in Europe and Asia have also given us help in various ways. The Chinese people will never forget this comradely assistance from fraternal countries. Such assistance has been and will always be indispensable to us. The unity and friendship between China, the great Soviet Union and the other socialist countries, built upon the basis of a community of objectives and mutual assistance, is unbreakable and eternal. To further consolidate and strengthen this unity and friendship is our supreme international duty, and is the basis of our foreign policy.

China has herself suffered from the scourge of colonialism. China's territory, Taiwan, is even now under the control of the United States. The Chinese people deeply sympathize with and actively support the struggle which all oppressed peoples and all countries that are suffering from aggression are waging against colonialism and for national independence. Every victory won in this struggle, whether in Asia, Africa or in Latin America, will further strengthen the forces of peace.

China has much in common in past experience, in present circumstances, and in cherished hopes, with the other countries of Asia and Africa which have just freed themselves from the rule of colonialism. In international relations in general, and in our mutual relations in particular, we all share the desire for 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. These common desires are embodied in the five principles initiated by China and India. Acting

on these principles, we have already established ties of friendship and co-operation with many Asian and African countries, thereby promoting peace in this area.

On the basis of the five principles we are striving, in the first place, to establish good neighbourly relations with all neighbouring countries. We have profound and traditional friendships with these countries and there is no dispute between us that cannot be settled. There exist between our country and some neighbouring countries certain questions left over from the past. The imperialists are doing their utmost to take advantage of this situation to undermine and disrupt our efforts to develop or establish friendly relations with neighbouring countries. But this attempt is doomed to failure. All questions between China and her neighbouring countries can be settled by peaceful negotiation in accordance with the five principles. The development or establishment of friendly relations between China and her neighbouring countries is in our interests as well as theirs.

Our country has already established normal relations with a number of Western countries in Europe.

Our country is prepared to establish normal diplomatic relations with all of those countries which have not yet established diplomatic relations with our country. We believe that the establishment of such relations is beneficial to both sides.

Our policy of peaceful co-existence based on the five principles does not exclude any country. We have the same desire for peaceful co-existence with the United States. But the United States has been consistently hostile to our country. It has occupied our territory Taiwan, sent spies into our country to engage in subversive activities, imposed an embargo on our country, done its utmost to bar us from international affairs, and insolently deprived us of our country's rightful place in the United Nations. Despite all this, our government has made efforts to settle our disputes with the United States by peaceful negotiation. We

have repeatedly proposed a conference between the foreign ministers of China and the United States to settle the question of easing as well as eliminating the tension in the Taiwan area. Our efforts in this connection are made solely for the purpose of easing international tension, and by no means signify acquiescence in aggression. As the whole world knows, the Chinese people will not hesitate to make sacrifices to safeguard the independence and security of their motherland. But even now, the attitude of the United States government towards us is far from realistic or reasonable. And what is the result? Despite the fact that the U.S. imperialists have resorted to all kinds of vicious means to disrupt our country and attempted to isolate us, the great New China stands firm on its feet in this world. Justice is on our side; world-wide sympathy is with us. It is not we that stand isolated in the world, but precisely the U.S. imperialists themselves. If the U.S. imperialists do not want to suffer further setbacks, their only way out is to adopt a realistic, reasonable attitude towards our country. This fact is no longer a secret even to the Americans themselves.

The Chinese people and all the peoples of the world need peace. They all want to promote economic and cultural relations and friendly contacts with one another. In the past few years the Chinese people have participated actively in all kinds of international activities beneficial to world peace. We have actively developed economic and cultural exchanges with the peoples of various countries. We have also increased our contacts with the people's organizations and personages of every walk of life in various countries. Though we have come up against many man-made obstacles in all these activities, every day we are winning more friends all over the world. Facts prove that the iron curtain is not on our side; our doors are wide open to all.

Such is the basic policy which we have followed in dealing with international affairs. We shall continue to carry out this policy.

VI. THE LEADERSHIP OF THE PARTY

During the period from the Seventh to the Eighth National Congress of the Party, along with the victory of the revolution and the changes that have taken place in the situation of our country, there have also been great changes in the Party itself. It is now a party that leads the state power over the whole country and it enjoys very high prestige among the masses of the people. The Party organization has grown; it has a membership of 10,730,000, of whom 14 per cent come from the ranks of the workers, 69 per cent from the peasantry and 12 per cent from the intellectuals. Party organizations are spread throughout the country, and among the various nationalities as well. The overwhelming majority of Party members have been tempered in great revolutionary struggles. Even the new members who joined the Party after 1949—and who constitute more than 60 per cent of the membership—are, in the main, outstanding and active elements who have come forward in the mass revolutionary struggles and in socialist labour over the last few years. On the whole, the Party is more closely bound to the masses of the people; it has gained richer and more comprehensive experience in its work; and never before has its unity been as strong as it is today.

As we have said before, the cause of socialism in our country cannot do without the dictatorship of the proletariat which is realized through the leadership of the party of the proletariat—the Communist Party. The strength of leadership of the Chinese Communist Party lies in the fact that it is armed ideologically with Marxism-Leninism, is correct in

its political and organizational lines, rich in experience in struggle and in work, skilled in crystallizing the wisdom of the people of the whole country and turning that wisdom into a united will and disciplined action. And not only in the past, but in the future too, the leadership of such a party is essential in order to ensure that our country can deal effectively with complex domestic and international affairs. This view is shared by all sections of the people and democratic parties in our country as a result of their experience in life.

Nevertheless, in the work of our socialist construction there are comrades, though very few, who have tried to weaken the leading role of the Party. They confuse the question of the Party giving leadership in various spheres of state affairs in regard to principles and policies with the question of purely technical matters; they think that since the Party is still a layman in the technical side of these things, it should not exercise leadership over such work, while they themselves can go on taking arbitrary action. We have criticized this wrong viewpoint. In all work the Party should and can play a leading role ideologically, politically and in matters of principle and policy. Of course, that does not mean that the Party should take everything into its own hands, or interfere in everything. Neither does it mean that it should be content with being a layman in things it does not understand. The Party calls on its cadres and members to study painstakingly in order to master the things they do not understand in their work. For the more we study, the better will we be able to lead.

As we have said before, the line followed by the Party since its Seventh Congress has been correct and this has been proved by facts. But it must be admitted that in shouldering the increasingly heavy tasks of today the Party is not without difficulties, nor will it make no mistakes. In the sphere of socialist transformation and socialist construction and in the political life of the country, we have had shortcomings and made mistakes of a temporary nature and

of limited scope. In handling international affairs we have also not been entirely free from shortcomings and mistakes. Therefore, one of the tasks confronting the Party leadership is to study and analyse past mistakes, draw lessons from them, so as to be able to make fewer mistakes in our future work, and, as far as possible, avoid repeating past mistakes, and prevent small mistakes from developing into big ones.

To enable our Party to continue to maintain its correct and sound leadership in the future, the main thing is to see to it that Party organizations and Party members make fewer ideological mistakes. There are struggles in our Party between correct ideology and wrong ideology and between the correct line and the wrong line. These struggles are the reflection of the class struggle and various social phenomena. Since the petty-bourgeoisie originally constituted the majority of the population of our country, the feelings and sentiments of this class often influence us, and constantly exert pressure on us. The bourgeoisie likewise influences us in various ways. The Party must constantly carry on inner-Party education so as to prevent the bourgeois and petty-bourgeois ideologies from impairing its political purity. Our mistakes have not only social roots, but also ideological roots. If a person does not understand that a correct understanding of things can only be based on an objective and all-round reflection of reality, but insists on acting according to his own subjective and one-sided approach to things, then he will go on making mistakes, great or small, even though his intentions are good. In order to prevent mistakes, therefore, the basic thing is to acquire an accurate knowledge of objective reality, and correctly differentiate between right and wrong.

In view of the fact that at present nine out of ten of our members joined the Party after the Seventh Congress, we think it will not be without practical value to review briefly the basic experience in the history of the Party showing how the correct line effectively overcame the wrong one.

During the thirty-five years of its existence, our Party has four times made serious mistakes in its line: namely, the mistakes of Chen Tu-hsiu's Rightist-opportunist line in the first half of 1927 and the mistakes of the "Leftist"-opportunist line on three occasions in the following seven years. But during the twenty-one years since the Tsunyi Conference of January 1935, our Party, under the leadership of the Central Committee headed by Comrade Mao Tse-tung, has not made any mistake in its line. How can this historical change be explained? Quite obviously, it cannot be explained merely by the length of the Party's existence, or the amount of experience gained by the Party, for the mistakes committed by the Party between 1931 and 1934 were even more serious than the "Leftist" mistakes twice committed before. Neither can it be explained merely by the personal qualities of the leading personnel of the Party in a certain period, for the majority of the leading personnel who had previously made mistakes later did good work for the Party. The history of the Party leads us to this conclusion: the amount of experience gained by the Party and the choice of leaders do have an important bearing on whether the Party makes mistakes, but what is more important is whether the rank-and-file Party members, and primarily the high-ranking cadres, can, in the various periods, apply the Marxist-Leninist stand, viewpoint and method to sum up experience in the struggle, hold fast to the truth and correct mistakes. This is the primary criterion by which the level of Marxist-Leninist understanding of Party cadres is judged. The higher the level of Marxist-Leninist understanding of Party cadres, the greater will be their ability to distinguish between correct and wrong opinions, between good and bad leading personnel, and the greater will be their ability in work.

Before 1934, the Party had accumulated rich experience, but its leading organs at the time did not make a serious study of it. Although the Party on several occasions re-

puated the wrong lines, in practice it confined itself to taking disciplinary measures against the leading personnel who had made mistakes; it did not make a correct analysis of these mistakes nor point out how these mistakes had stemmed from their ideological understanding, and thus it failed to help the Party cadres to raise the level of their understanding. Particularly during the years 1931-1934 when the "Leftist" opportunists headed by Wang Ming and Po Ku and other comrades held sway in the Party, they failed to learn lessons from the mistaken lines followed on several occasions in the past; moreover, their dogmatic way of thinking and their high-handed arbitrary way of doing things increased the mistakes of subjectivism and sectarianism to proportions unheard of in the history of our Party. They adopted extremely adventurist policies both in political and in military affairs, completely disregarding the actual conditions of the various classes of our country at that time and ignoring the relative strength of our side compared with that of the enemy. In inner-Party life, too, they completely wrecked the democratic system within the Party and waged unbridled inner-Party struggles. Their mistaken leadership caused serious defeats in the revolutionary struggle, and resulted in the loss of 90 per cent of the revolutionary bases and of the Workers' and Peasants' Red Army, and of practically all the Party organizations and revolutionary organizations led by the Party in Kuo-mintang-controlled areas.

But things have been different since 1935. This change which the Party underwent in 1935 comes about chiefly from the fact that the majority of the high-ranking Party cadres had raised their level of political understanding by learning from the experience of their failures. After that, instead of meting out severe punishment to comrades who had made mistakes, the Central Committee of the Party still assigned them to suitable leading posts. The Party patiently waited for and helped these comrades to recognize

their mistakes ideologically. Furthermore, the Central Committee of the Party systematically helped all Party cadres to gradually grasp the principle of integrating Marxist-Leninist theory with practice and to understand the principle that our subjective knowledge must conform to objective reality. Thanks to the great improvement in the Party's ideological and organizational work, the cause of the Party had a speedy development. In order to help all Party cadres, including comrades who had made mistakes, make an earnest study of the historical experience of the Party and master the correct method of thinking and of work so as to make fewer mistakes, the Central Committee of the Party, seven years after the Tsunyi Conference, launched throughout the Party the famous "Rectification Campaign" to combat subjectivism, sectarianism and Party jargon. In the course of the campaign, all Party cadres carefully checked up on their own ideology and work, checked up on the Party's leadership on the ideological, political and organizational planes and conducted sharp criticism and self-criticism—all in accordance with the Marxist-Leninist stand, viewpoint and method. This raised the level of Marxist understanding of large numbers of Party cadres and improved their ability to distinguish between right and wrong within the Party. Large numbers of cadres began to understand the mistakes caused by doctrinairism which represents a divorce from reality, and the mistakes of empiricism which represents a divorce from theory. They adopted the style of work based on maintaining a close contact with the masses, conducting investigations and studies, and seeking the truth from a study of facts. They were thus able to do their work both within and without the Party more in conformity with reality and fewer major mistakes were made.

The above-mentioned historical experience gained by our Party fully demonstrates that, in order to ensure the smooth

advance of the Party's work and to avoid major mistakes, the key lies in overcoming subjectivism ideologically.

At the present time serious mistakes of subjectivism are found in the thought and work of many cadres; they have caused losses to our work which could have been avoided. We are now confronted with new conditions and new tasks, and we must solve many problems which are more complicated than those of the past, and with which we are unfamiliar. Under such circumstances, subjectivist mistakes will inevitably grow if we do not endeavour to raise the level of our Marxist-Leninist understanding, do not strive to acquire new knowledge, do not diligently learn new ways of work, but instead rest content with praise for our past victories. At the same time, the great multitude of new members who have joined our Party have not yet received adequate training in Marxism-Leninism. It is also very easy for them to fall under the influence of subjectivism and doctrinairism.

In order to effectively combat subjectivism, it is necessary to make systematic efforts to raise the Marxist-Leninist level of our Party. Firstly, we must make serious effort to intensify the systematic study of Marxism-Leninism by our cadres, primarily our high-ranking cadres. This will enable them to become adept at applying the Marxist-Leninist stand, viewpoint and method, in observing and solving problems in actual life; increase their ability to keep their bearings and distinguish between right and wrong in complex situations; and know how to study and sum up their own working experience with the aid of Marxist-Leninist theory and derive from experience a knowledge of the laws governing the development of things. Secondly, it is necessary to step up the teaching of integration of theory with practice among the masses of new Party members, so as to enable them to understand step by step the Marxist-Leninist stand, viewpoint and method, acquire a basic knowledge of the general principles of Marxism-Leninism, the Party's history

and the present state of our socialist construction, and realize what damage may result from subjectivism, including doctrinairism and empiricism. Among new Party members who are intellectuals, particular stress must be laid on recognizing the danger of doctrinairism. Thirdly, it is necessary to strengthen the theoretical work of the Party. We should quickly rally, both inside and outside the Party, the necessary forces for carrying on Marxist-Leninist scientific studies — the study of major problems and basic experience in the socialist transformation and socialist construction of our country, of current international problems, of basic Marxist-Leninist theory and other branches of science closely connected with Marxism-Leninism. This series of studies should be brought into line with the pressing needs of the practical work of the Party, and also with the pressing need to carry on Marxist-Leninist teaching of the integration of theory with practice, among the broad masses of Party members and young people.

In order to effectively combat subjectivism, the Party's leading organs at all levels should all considerably strengthen the work of investigation and research into actual conditions. The mistakes of Rightist conservatism, of impetuosity and rashness, of trying to do things by coercion and commands, that have occurred in the Party's work in the past few years, have all stemmed from a lack of earnest effort to analyse correctly the actual conditions of things and to sum up the experience of the masses. Like certain working personnel in the state organs referred to above, not a small number of Party functionaries have begun to get conceited and complacent. Ensnared in their offices, they substitute empty talk for investigation, and formulate policies on the basis of their impressions, rather than go into the midst of their subordinates and listen to their opinions, check up on how Party decisions are being carried out and see whether or not these decisions have proved correct in the course of practice, and take pains to study new

things and correctly further their development. The Party must educate them to keenly realize what damage has been done the work by subjectivist methods of work as described above; must help them learn how to carry out matter-of-fact investigations and studies of conditions among the masses; must help them to learn the method of work — “from the masses and back to the masses”; and make them realize that this is indispensable if they are to continue to hold leading posts in the Party.

In order to bring the Party's role of leadership as much in line as possible with objective realities, to facilitate the summing up of the experience and opinions of the masses and reduce the possibility of making mistakes, Party organizations at all levels must without exception adhere to the Party's principle of collective leadership and broaden democratic life within the Party. All important questions must be thoroughly discussed by the proper collective bodies before decisions are taken, and argument and debate on diverse viewpoints must be allowed without any restraint, in order that various opinions from the masses, both inside and outside the Party, may be more or less fully reflected; in other words, in order that the various aspects present in the course of development of objective realities will be more or less fully reflected. Every leader must be good at listening patiently to and taking into careful consideration opinions contrary to his own, and resolutely approve opposite views if reasonable, or whatever is reasonable in them; he must continue to work amicably with and never turn his back on any comrade who, prompted by the correct motives and following normal procedure, may have put forward an opinion contrary to his own. Only in this way can we achieve collective leadership and Party unity in deed, and not in name only, and assure that its organization will improve and its cause prosper.

The question of thorough application of the Party's principle of collective leadership and the extension of inner-

Party democracy is given full attention in the new draft of the Constitution of the Communist Party of China put forward by the Central Committee. As Comrade Teng Hsiao-ping is going to give a detailed explanation of the draft Constitution, there is no need for me to dwell on it here. The draft Constitution makes some new provisions in respect of the rights of Party members and of Party organizations at lower levels. It is provided in the draft Constitution that Party members have the right to give full play to their creative ability in work, and, while unconditionally carrying out Party decisions, have the right to reserve and submit their own views to a leading body of the Party, in case they should disagree. The draft Constitution provides that all questions of a local character or questions that need to be decided locally should be handled by local organizations so as to find solutions appropriate to local conditions, and that should a lower Party organization find that a decision made by a higher organization does not suit the actual conditions in its locality or department, it should request the higher organization to modify the said decision. The draft Constitution further provides that Party congresses at and above the county level will have a fixed term, and will meet once a year. These provisions will certainly give a powerful impetus to the initiative of Party organizations of all levels and of the entire membership.

Naturally, the extension of democratic life in our Party will not in any way weaken our Party's centralism, but, on the contrary, strengthen it; the full play of the initiative of our Party members will not in any way weaken Party discipline, but, on the contrary, strengthen it. Similarly, our Party's principle of collective leadership does not in any way negate the need for personal responsibility or the important role of leader; on the contrary, it is the guarantee that a leader can play his personal role in a correct and most effective way. As everyone knows, the reason why the leader of our Party, Comrade Mao Tse-

tung, has played the great role of helmsman in our revolution and enjoys a high prestige in the whole Party and among all the people of the country is not only that he knows how to integrate the universal truth of Marxism-Leninism with the actual practice of the Chinese revolution, but also that he firmly believes in the strength and wisdom of the masses, initiates and advocates the mass line in Party work, and steadfastly upholds the Party's principles of democracy and collective leadership.

A correct attitude towards comrades who have committed mistakes is one of the necessary conditions of correct Party leadership.

It is very easy to take severe disciplinary measures against comrades who have committed mistakes even to the point of expelling them from the Party. But if the ideological cause of those mistakes is not removed, severe disciplinary measures not only cannot ensure that the Party will not again make the same mistakes, but may lead to making even greater mistakes. When the "Leftist"-opportunist line held sway in our Party, the practice of "ruthless struggle and merciless blows" in inner-Party struggle only resulted in obscuring the line between right and wrong and the loss of vitality within the Party; it sapped the effective strength of the Party, and brought great losses to its cause.

Having corrected the mistakes resulting from the opportunist lines of Wang Ming and Po Ku and other comrades, the Party's Central Committee headed by Comrade Mao Tse-tung also radically altered the wrong forms of inner-Party struggle.

In inner-Party struggle the Party first of all draws a strict line between the question of right and wrong within the Party and the question of the counter-revolutionaries, the degenerate elements and other bad elements who have sneaked into the Party.

The Party adopts a firm attitude and weeds out the counter-revolutionaries who have sneaked into the Party, alien class elements who persistently engaged in splitting and disruptive activities inside the Party, and other incorrigibly corrupt and degenerate elements. It is true that some counter-revolutionaries and other bad elements have sneaked into our ranks. We have weeded out some of them, and we will continue to keep a close watch on them and weed them out. But facts prove that there are only a very small number of such people. Since our Party came to power, however, the tendency to corruption and degeneration, violation of laws and discipline and moral degeneration has developed to a certain extent. We must resolutely put an end to this grave state of affairs. In the past we conducted a mass struggle against corruption, waste and violation of laws and discipline, and later on, smashed the anti-Party bloc of Kao Kang and Jao Shu-shih who tried to seize the leadership of the state and Party by conspiratorial means. In the future too we must wage a constant struggle, ideological and organizational, against corruption and degeneration and constantly expel the incorrigibly corrupt and degenerate elements from the Party.

But the Party steadfastly adheres to the following principles in dealing with any comrade who has made mistakes in his work owing to a faulty ideology: "Take warning from the past in order to be more careful in the future; treat the illness in order to save the patient," and "not only clear up a man's ideological problem but also unite with him as a comrade." Emphasis is placed on ideological education; disciplinary action is not to be resorted to rashly. It is necessary to criticize these comrades' mistaken ideas in a practical manner and analyse the causes of their mistakes. This is the way to help them and continue to unite with them so that we can carry on our work together. Although, when necessary, appropriate disciplinary action may be taken against comrades

who have made serious mistakes in work or they may be transferred to other suitable posts, it is essential to help them patiently and in a comradely manner to see and correct their mistakes so that we can achieve unity with them. In a word, a comrade who has made a mistake, provided the mistake is one that permits of correction within the Party, and that he himself is ready to make the effort, must be allowed to stay in the Party and correct his mistake; there should be no abuse of organizational powers by taking inappropriate disciplinary measures against him. On the other hand, if rough and crude methods are used to rectify mistakes of an ideological nature, not only will these mistakes remain uncorrected, and be liable to be repeated, but the feeling of harmony which should exist in the Party is bound to be impaired, and ordinary differences of opinion may even develop into an organizational split.

The Party has raised the level of Marxist-Leninist understanding among its members, strengthened the investigation and study of the actual situation, broadened democracy within the Party, and adopted a correct policy regarding mistakes in work. As a result, the unity and solidarity of the Party are bound to grow stronger day by day. And this, of course, is to the advantage not only of the Party, but of the entire working class and the people of the whole country since the Party is the leading core of the entire working class and the masses of people of the whole country.

We must firmly rally the entire Party, and this we do precisely for the purpose of building the solidarity of the entire working class and the people of the whole country on a firm basis. The source of our strength lies in our ability to rely closely on the working class and on the masses of the people. In order to build China into a great socialist country, we must do our utmost to continue to strengthen solidarity between the Party and the masses.

The overwhelming majority of the people of our country have already got themselves organized. The various

people's organizations are the essential ties with which our Party links itself with the masses. In addition to the co-operatives organized by the peasants which I have dealt with previously, the most important people's organizations are the trade union organizations, the Youth League organizations and the women's organizations.

Our trade union organizations now have 12,000,000 members and play an important part in national construction. The Party should improve its leadership over the work of the trade unions, and through them, foster our working class so that it will become an organized and politically conscious class possessed of culture and technique, and rally the masses of workers closely round the Party. In socialist construction, trade union organizations should, on the one hand, rally the workers, by means of education and persuasion, to strive for a constant rise in labour productivity through socialist emulation drives and campaigns for outstanding workers, and on the other hand, they should intimately concern themselves with the livelihood of the masses, develop their function of supervision and carry on a valiant struggle against bureaucracy in all enterprises which manifests itself in violation of laws and discipline, and in infringement of the interests of the masses, and in showing no regard for the livelihood of the masses. The tendency to neglect either side of this two-fold task is wrong and should be corrected.

The China New Democratic Youth League with a membership of 20,000,000, will soon be renamed the Chinese Communist Youth League. Thanks to the fruitful efforts made by the Youth League over the past few years, shock forces for socialist construction are constantly emerging from among our energetic young workers and employees, young peasants, young scientific and technical personnel and all other young intellectuals. They form a vast reserve of new recruits for the Party. Led by the Party, the Youth League should carry on ideological and or-

ganizational work in a more vigorous way among Youth League members and the broad masses of the young people, and overcome the defects of certain of its organizations which paid no heed to adopting a style of work suited to the characteristics of the youth, refusing to give full play to the activity and initiative of the broad masses of young people through education and persuasion.

Our Party has all along concerned itself with and supported the women's emancipation movement; it has made the complete emancipation of women one of the important objectives of the cause it works for. The women of our country now occupy a more and more important position in industrial and agricultural work and in many professions. Women cadres at various posts are rapidly becoming an impressive force. The Party should continue to give them every encouragement in their desire to advance, help women overcome certain special difficulties in taking up work, and assist them in improving their skills. The Party should also correct any mistaken ideas of discrimination against women which exist either inside or outside the Party, and pay attention to the introduction of a new spirit of ethics in social and family life based on the equality of men and women and the protection of women and children. The Democratic Women's Federation with branch organizations throughout the country is a popular women's organization. The Party should concern itself with these organizations and help them in their work, and through them strengthen the ties between the Party and the broad masses of women.

In order to make the close ties between our Party and the masses of the people still firmer, we must continue to intensify our work in every field among the masses. Constant education in wholehearted service to the people must especially be given to all cadres and Party members. An important hallmark of a good Party member and a good leader is that he is familiar with the living and working

conditions of the people, concerns himself with their welfare and knows what lies uppermost in their hearts. He sticks to hard-working and plain-living, and shares the people's joys, sorrows and hardships. He can accept their criticism and supervision and does not put on airs in front of them. He takes his problems to the masses to consult with them, and the masses willingly tell him what they have to say. As long as our Party is made up of such Party members, our strength will be for ever inexhaustible and unconquerable.

Just as at home, our Party relies on the support of the people, so, internationally, we rely on the support of the international proletariat and the peoples of all countries. Without the great internationalist solidarity of the proletariat of the various countries, without the support of the world's revolutionary forces our socialist cause cannot advance to victory, nor can that victory be consolidated even when it is won.

We must continue to strengthen our fraternal solidarity with the Communist Parties and the Workers' Parties of all countries; we must continue to learn from the experience of the Communist Party of the Soviet Union and the Communist Parties of all other countries in regard to revolution and construction. In our relations with all fraternal parties, we must show the warmth of our feelings and take a modest attitude. We must resolutely oppose any dangerous inclination towards great-nation-chauvinism or bourgeois nationalism.

The Chinese revolution is part of the world's proletarian revolution. In our achievements are the fruits of the struggle of the working class and working people of all countries. The Central Committee of the Communist Party of China avails itself of this opportunity to extend heartfelt thanks and pay its respects to the fraternal parties of all countries and, through them, to the working class

and working people of their countries, and assure them of our lasting solidarity with them.

Let all comrades of our Party be for ever united! Let us be for ever united with the masses of the people of our country, with the working class of all countries and with the peoples of the whole world! Our great cause of socialism will definitely triumph! No force in the world can stop us from winning victory!

**RESOLUTION OF
THE EIGHTH NATIONAL CONGRESS OF
THE COMMUNIST PARTY OF CHINA
ON THE POLITICAL REPORT OF
THE CENTRAL COMMITTEE**

Adopted on September 27, 1956

I

The Eighth National Congress of the Communist Party of China, having discussed the political report delivered by Comrade Liu Shao-chi on behalf of the Central Committee, considers that the political line pursued by the Central Committee since the Seventh National Congress has been correct, and resolves that the report be approved.

Our Party has led the Chinese people in bringing the bourgeois-democratic revolution to a successful conclusion and in achieving, in the main, the victory of the socialist revolution. This has completely changed the social aspect of our country. The main contradiction in the old society of China — the contradiction between the Chinese people and the imperialist, feudal and bureaucrat-capitalist rule — was resolved as a result of the victory of the bourgeois-democratic revolution. After this contradiction was resolved (except for the external contradiction between our country and foreign imperialism), the internal contradiction between the proletariat and the bourgeoisie became the main one. This contradiction must be resolved by the socialist revolution. The socialist transformation which we have been carrying out in agriculture, handicrafts and capitalist industry and commerce, is designed to alter capitalist ownership and the system of private ownership by small producers — the root of capitalism. A decisive victory has already been won in this socialist transformation. This means that the contradiction between the proletariat and the bourgeoisie in our country has been basically resolved, that the history of the system of class exploitation, which lasted for several thousand years in our country, has on the whole been brought to an end, and

that the social system of socialism has, in the main, been established in China.

During the last hundred years, our country has lagged far behind advanced world levels in economic and cultural development. The broad masses of awakened and patriotic people have constantly demanded that China should be transformed from a backward agricultural country into an advanced industrial one. Our Party long ago pointed out that, to achieve this aim, we had first of all to overthrow the semi-feudal, semi-colonial political and economic system which fettered the productive forces of society. It pointed out also that, under the conditions obtaining in modern China, a real solution to the question of her industrialization could be found only when a socialist system was established. As a result of the victory of the bourgeois-democratic revolution and the socialist revolution, the obstacles to the development of productive forces have in the main been wiped away. Without doubt, the people of our country must continue to strive for the liberation of Taiwan, for the completion of socialist transformation and for the final elimination of the system of exploitation; and they must also persist in the struggle to eliminate the remnants of the counter-revolutionary forces. These tasks must be carried out resolutely; to fail in them is absolutely impermissible.

However, the major contradiction in our country is already that between the people's demand for the building of an advanced industrial country and the realities of a backward agricultural country, between the people's need for rapid economic and cultural development and the inability of our present economy and culture to meet that need. In view of the fact that a socialist system has already been established in our country, this contradiction, in essence, is between the advanced socialist system and the backward productive forces of society. The chief task now facing the Party and people is to concentrate all efforts

on resolving this contradiction and transforming China as quickly as possible from a backward agricultural country into an advanced industrial one. This is a hard task. To fulfil this great mission, we must adopt correct policies in economic, political, cultural and other work; we must unite with all those forces at home and abroad with which it is possible for us to unite; we must make good use of every favourable condition.

II

To transform China from a backward agricultural country into an advanced, socialist industrial one we must complete the construction, within three five-year plans or slightly more, of an essentially comprehensive industrial system. That is to say, we must bring industrial production to a dominant place in social production as a whole; bring production by heavy industry to a markedly dominant position in the production of all industry; ensure that the engineering and metallurgical industries meet the needs of socialist expanded reproduction; and provide the necessary material foundation for the reconstruction of the national economy on the basis of modern technique. The building of such an industrial system will have great significance not only for the all-round development of our national economy, but also for strengthening the co-operation among countries of the socialist camp, and in fostering the general growth of the economies of the socialist countries.

In carrying out socialist industrialization, we must have clear-cut answers to a series of problems of economic policy:

(1) We must continue to uphold the principle of priority for the development of heavy industry; we must take vigorous steps to expand the metallurgical, engineering, power, coal, oil, chemical and building-materials industries:

we must build and develop those branches of our heavy industry which we still lack, or which are weak but are now most urgently needed. These include, for example, the manufacture of high-grade alloy steels, the refining of rare metals, the manufacture of heavy equipment, heavy-duty machine tools and instruments and apparatus, the setting up of an organic synthetic chemical industry, a radio engineering industry, an atomic energy industry, etc. We must permit no neglect of the fundamental principle governing our national construction—the principle of priority for the development of heavy industry. To demand that construction be pressed ahead simultaneously in all fields, without distinction between the important and the less important, the urgent and the less urgent, is wrong.

(2) While giving priority to the development of heavy industry, we must make vigorous efforts to develop light industry, insofar as it is possible to provide the required raw materials and funds, and in keeping with the needs of the market. Only by such a policy can we supply more consumer goods to satisfy the increasing needs of the people, and keep commodity prices stable. Only thus can we provide more manufactured goods of daily use in exchange for farm produce, consolidating the worker-peasant alliance economically. Only thus can we accumulate funds more rapidly to further the growth of heavy industry. Any one-sided emphasis on developing heavy industry at the expense of light industry can only have the opposite effect—weakening heavy industry.

(3) Agriculture has a wide and extremely important influence on industrialization. Agricultural development not only bears directly on the living standards of the people and the rate of growth of light industry, it also has an impact on the rate of growth of heavy industry. Since agricultural production in our country is as yet unable to meet our ever-increasing need, we must make a still greater effort to foster it. But China will not be able in the im-

mediate future to acquire agricultural-machinery and chemical-fertilizer industries on a fairly large scale. Nor will she be in a position to reclaim within a short period waste land on a rather large scale, or rapidly to put a complete end to flood and drought.

This being the case, the principal way in which we can now increase agricultural production is to make full use of the favourable conditions afforded us by agricultural co-operation, which has been in the main brought about throughout the country; to rely on the collective strength of the co-operatives and the assistance of the government; and to take the following measures for increasing yield per unit area: initiating water conservancy projects; using more fertilizers; improving the soil; using improved seeds; popularizing the use of new farm implements; expanding the area sown to several crops a year; improving farm methods; controlling plant diseases and insect pests, etc. In addition, we should be energetic in reclaiming waste land and expanding the cultivated area to the full extent of the resources at our disposal.

Grain production being the foundation of agriculture, its development must have priority. But at the same time we must develop the production of cotton and other industrial crops in suitable proportion, and promote animal husbandry and the production of subsidiary occupations, thus establishing a generally diversified rural economy. In order to give full scope to the initiative of the peasants in production, the state should pursue a sound tax policy, a sound grain policy and a sound commodity price policy. Moreover, the agricultural producers' co-operatives must adhere to the principles of industrious, thrifty and democratic management, deal correctly with the relations between the collective and its individual members, and further consolidate the system of collective ownership.

(4) In order that industry and agriculture may develop, transport and commerce must grow in proportion. In

transport, we must organize the various facilities more rationally, continue to build new communication lines, carry through the necessary technical reconstruction of existing lines (especially those sections of the railways which are now overburdened), and make full use of vehicles and boats in the hands of the people. In commerce, with the basic completion of the socialist transformation of private industry and trade, a unified socialist market has been formed. To meet the new economic conditions and the people's needs, this unified socialist market should have the state market as its main part, but should at the same time include a free market, led by the state and operating within certain limits, as an auxiliary to the state market. For this purpose, appropriate measures must be taken to improve co-ordination between the purchase of goods and their distribution, and to improve the methods of market-control; while commodity prices must be reasonably adjusted so as to increase turnover, and stimulate industrial and agricultural production.

(5) The superior advantages of socialism should find expression not only in the volume and speed of economic achievements, but also in their quality. At present, the quality of quite a number of products and construction projects is not as good as it should be, and in the case of some consumer goods and handicraft products it is even worse than in the past. This state of affairs has brought loss to the state and the people, and we must decisively put an end to it. The tendency towards one-sided emphasis on quantity and towards neglect of quality must be overcome in all enterprises, and attention to quality must be promoted. Reasonable standards for finished products and adequate technological regulations should be set up in accordance with needs and possibilities. All factories, mines and construction sites which do not have a strict system of inspection must immediately set up departments and systems of quality-checking, and of technical

supervision. While efforts are being made to raise quality, attention must also be paid to lowering production costs and to all-round fulfilment of the state plan.

(6) To build an essentially comprehensive industrial system, and to promote the technical reconstruction of our national economy, we must, in departments of heavy industry, bring together and increase the number of personnel qualified to design new products, augment our manufacturing capacity, gradually standardize production, and strengthen both specialization and co-ordination so as to raise our technical levels. With regard to essential industrial products, particularly technical equipment indispensable to national construction and the technical reconstruction of the national economy, we must gradually, after a certain period of copying from foreign countries, reach our aim of designing and manufacturing these things by ourselves. In so doing, we must not only make extensive use of the most up-to-date scientific and technical achievements of the Soviet Union, the People's Democracies and other countries; we must also carefully consider the natural and economic conditions of our own country, so as to design and manufacture new products suited to our actual needs. Only by great efforts in these directions, and with the technical aid given us by other socialist countries, can we gradually accomplish the arduous task of the technical reconstruction of our national economy.

(7) To promote the general development of the national economy throughout the country, we must solve correctly the problem of the geographical distribution of industrial and other economic undertakings.

In respect of the relationship between the inland areas and those near the coast, it is not only necessary to continue, within rational limits, to move industrial centres to inland areas and develop the economic enterprises of the interior; we must also make full use of the economic enterprises in areas near the coast, and develop them in a

rational way. Particularly, we should make full use of existing industrial bases near the coast for the purpose of rapidly promoting the construction of new industrial bases in the interior.

In regard to the relationship between the central and local authorities, it is necessary to give full scope not only to the initiative of all economic departments under the central authority, but also to the initiative of local organs. On the one hand, we should correct the tendency to develop certain local economic undertakings in a blind way. On the other, the tendency to give insufficient attention to local economic undertakings and to put too many restrictions on them must also be corrected.

In regard to the relationship between large-scale industries on the one hand and medium and small-scale industries on the other, it is not only necessary to make vigorous efforts to construct the large-scale industrial enterprises which will be the mainstay in our economic construction; we should also build and renovate in a planned way the medium or small-scale industrial enterprises which will be auxiliary to the larger ones, or which are suited to management on a comparatively small scale.

(8) With the victory of socialist transformation, the production of most industrial and agricultural commodities will be included in the state plan, and carried on by various units according to this plan. But in order to satisfy the manifold needs of society, and within limits allowed by the state plan, part of the products will not be included in that plan, being produced directly by the various units in accordance with material and market conditions, as a supplement to what they produce under the plan. The state will regulate the production of these goods only through supply and marketing control, or by prescribing referential targets for them. Were the production of these goods to be arbitrarily included in the state plan, or were the referential targets to be taken as official plan targets, or were unneces-

sary restrictions to be put on such activity, then the needs of the development of production and of the people would not be met.

Similarly, the main body of the socialist economy is placed under centralized management, but there should also be a certain portion under dispersed management, supplementing the main body. In the economic reorganization of industrial and commercial enterprises that have become joint state-private, and of the handicrafts, small-scale businesses, and occupations subsidiary to agriculture that have taken the road of co-operation, it is necessary to solve the problem of centralized or dispersed management correctly, in accordance with the actual conditions in each trade and enterprise. Were enterprises and trades that should be under dispersed management to be combined forcibly under centralized management, then the needs of the development of production and of the people would again not be met.

(9) We must properly correlate the needs of national construction and the need to improve the people's livelihood. In other words, we must fix a suitable ratio between accumulation and consumption in the distribution of the national income. In order to carry out socialist industrialization, the people of the whole country must subordinate immediate and individual interests to long-term, collective interests; they must work hard and practise economy, and help to increase the accumulation of funds by the state on the basis of increased production and higher productivity of labour. At the same time, the government must practise strict economy, and make earnest efforts to economize and reduce expenditure on national defence and administration.

However, if we set aside too high a proportion of the national income for accumulation, and fail to give atten-

tion to due improvement of the people's livelihood on the basis of increased labour productivity (i.e. if we neglect the immediate and individual interests of the people), this will have a bad effect on the initiative of the masses in socialist construction, and thus hurt the interests of socialism. On the one hand, our policies on taxes, prices, wages and the distribution of income in the co-operatives should ensure accumulation of funds needed for socialist construction. On the other, they should ensure a steady improvement in the people's livelihood.

(10) With the liberation of China's productive forces, with her enormous manpower, rich material resources and vast home market and with the aid of the socialist countries headed by the Soviet Union, we shall be able to develop the nation's productive forces at a rapid rate — provided we can deal with the above-mentioned problems in a proper way, and give full play to the initiative of the people. If we underestimate the possibilities of doing so, or make no effort to turn them into realities, we shall be committing the mistake of conservatism.

We must also take into account, however, the objective limitations imposed by our present economic, financial and technical resources, and the need of maintaining reserves. And we should not allow the different branches of the national economy to develop disproportionately. If we fail to take these conditions into account and set too rapid a pace, this will in the end only hinder our economic development and the fulfilment of the plan. In that case we shall be committing the mistake of adventurism.

It is the duty of the Party to give its constant attention to preventing and correcting both tendencies — Rightist conservatism and "Leftist" adventurism — and actively to promote the development of the national economy along sound lines.

III

To meet the needs arising from the industrialization of our country, we must make a great effort to develop cultural, educational and health work, and especially to develop science, higher education and secondary education. Higher education has developed rapidly in our country during the past few years. But there has also been a tendency to stress quantity at the expense of quality. From now on, we must increase the number of students in higher educational institutions as far as possible, provided that certain quality standards are ensured. In the scientific field, the Party and the government should give all possible assistance to the Academy of Sciences — and to the research bodies of the various government ministries, institutions of higher learning and large enterprises. The purpose is to provide all scientists with the necessary conditions for carrying out the twelve-year plan for the development of science, under which they are working to catch up, in the shortest possible time, with advanced world levels in many of the most important branches of science and technology.

In order to ensure the full flowering of science and art, we must steadfastly give effect to the policy of "letting flowers of many kinds blossom and diverse schools of thought contend." It is wrong to impose restrictions and arbitrary measures on science and art through administrative channels. We must continue to criticize the feudal and capitalist ideologies, but we must inherit and assimilate all useful knowledge, whether it is a legacy from the old China or has been introduced from abroad. Furthermore, we must reassess our splendid cultural heritage in the light of modern science and culture, and work hard to create a new socialist national culture.

To carry out our cultural revolution, we must make a very great effort to wipe out illiteracy, and to introduce

universal compulsory primary education in a systematic and steady way. Moreover, we must organize general, technical and vocational education for workers, employees and government personnel suited to the respective needs of each. In this matter we should not adopt either a hasty and adventurist attitude, or a passive and conservative one. Both are wrong.

IV

To carry effectively through the great task of building our economy and culture, we must continue to strengthen the people's democratic dictatorship in China. This people's democratic dictatorship, established after the nationwide victory of the bourgeois-democratic revolution, is in essence the dictatorship of the proletariat. Its task is to unite the overwhelming majority of the people in a common effort to build socialism, and in the struggle against the enemies of socialism.

It is a matter of urgency and of great importance, now that we have entered the period of socialist construction, to further extend the scope of democracy in our country, and to combat bureaucracy. We must struggle perseveringly and tirelessly against the bureaucratic practice of divorcing oneself from the masses and from reality. We must do so by strengthening the Party's leadership and supervision over state organs; by strengthening the supervision of the people's congresses at every level over the state organs at every level; by strengthening the mutual supervision among state organs at all levels both from above downward, and from below upward; and by more vigorously encouraging the masses, and subordinate personnel in state organs, to criticize and supervise the organs of the state.

In order to overcome bureaucracy in the central state organs and at the upper levels generally, and in order to

give full, wide play to the initiative and flexibility of all state organs of local and lower grades, to the benefit of the general upsurge of socialist construction in our country, we must properly readjust administrative functions and powers between the central and local state organs, and between the higher and lower local state organs. We should do this on the basis of the unified and centralized system already established by the state.

The further consolidation of the people's democratic united front, which is based upon the worker-peasant alliance, is a necessary condition for strengthening the people's democratic dictatorship. To consolidate the people's democratic united front, we must continue to fully implement the policy of uniting with the intellectuals and of educating and remoulding them, so that the masses of intellectuals may form close ties with the workers and peasants in the cause of building socialism. We must continue to improve our work with regard to the national bourgeoisie, and make proper arrangements for their work and livelihood; so that the overwhelming majority of them, through education in the socialist outlook, may be gradually remoulded into real working people and contribute their useful knowledge and experience, in production and management, to the motherland. We must continue to unite with all patriots among all our country's nationalities, and with Chinese resident in various places abroad. Moreover, we must continue to strengthen our co-operation with the various democratic parties, and with democrats without party affiliations, in the spirit of the policy of long-term co-existence and mutual supervision; and we should turn to full account the role of the People's Political Consultative Conference and the consultative organs at lower levels. In all government organs, schools, enterprises and units of the armed forces, members of the Communist Party should shoulder the responsibility of

establishing good, co-operative relations with their non-Party fellow workers.

To consolidate unity among all the country's nationalities, and to foster their common progress, is an important task of our state. We must fully protect their right to national equality, and the right to regional autonomy of all national minorities living in compact communities. We must pay close attention to giving a fully national character to these organs of self-government, and to training more cadres from among the national minorities. Cadres of Han nationality working in national minority areas must overcome all erroneous great-Hanist ideas. They must help the national minorities, actively and patiently, to become masters of their own affairs. We should also give our attention to the prevention and correction of tendencies towards local nationalism among national-minority cadres. In national minority areas which have not yet undertaken democratic reforms and socialist transformation these matters must be given unhurried consideration by the minority people themselves, and by their own public leaders. They should be dealt with through consultation—and the principle of carrying out these reforms by peaceful means must be adhered to. All government departments concerned must be energetic in advancing economic and cultural work in the national minority areas. They must pay attention to the gradual development of industry in these areas, and foster the growth of the working class and of industrial executives among each nationality.

Since the socialist revolution has been essentially completed in our country, and the main task has shifted from the liberation of the productive forces to their protection and development, we must further strengthen the people's democratic legal system and consolidate order in socialist construction. The state must work out comprehensive law codes, systematically and step by step, according to the need. All organs of the state, and all government workers, must

abide strictly by the law, so that the state may give full protection to the democratic rights of the people.

The mass movement for the suppression of counter-revolutionaries during the past few years has gained a decisive victory. We must keep on struggling resolutely against the remnants of the counter-revolutionary forces. However, in view of the fact that the counter-revolutionary forces are shrinking daily in numbers, and are progressively falling apart, we must go further in the policy of dealing leniently with counter-revolutionaries. With the exception of the extremely few who must be executed because the monstrous nature of their crimes has aroused deep public indignation, no criminals will receive capital punishment, and all will be given humanitarian treatment. Every effort should be made to educate such criminals so that they may become honest labourers. Every case involving capital punishment should be decided or confirmed by the Supreme People's Court.

To safeguard our national security we must strengthen our national defence forces.

Our government should strive to liberate our territory of Taiwan by peaceful means. But it should also be ready to liberate Taiwan by other means, if peaceful settlement is found to be impossible.

V

In the great cause of building a socialist, industrialized new China, we must not only unite with all the forces at home with which it is possible for us to unite; we must also unite with all the forces abroad with which it is possible for us to unite and strive to achieve lasting world

peace

Since the Second World War, a number of new socialist countries have emerged in Europe and Asia. They have

formed themselves into a strong socialist camp headed by the Soviet Union, while in other countries the socialist movement has made great forward strides. In the meantime, a number of countries in Asia and Africa have won national independence and now constitute an important force in world affairs; and movements for national independence are gaining momentum among the peoples which still suffer under colonial oppression. This has been fully exemplified by the international struggle resulting from Egypt's recovery of the Suez Canal Company. The forces of the socialist movement and of the movements for national independence both stand for peace and are opposed to war.

Moreover, social forces that advocate peace and oppose war are gradually gaining in strength in the Western capitalist countries as well. The governments of certain countries that are suffering under the policy of expansion and war preparations carried on by United States imperialism are also beginning to tend to support peace and neutrality. As a result of the tremendous growth in the strength of the socialist countries, of the socialist movement in various countries, of the movements for national independence and of the forces for world peace, and because of the intensified contradictions between the imperialist countries (especially between Britain and the United States), the aggressive cliques in the United States which persist in the policy of arms drives and war preparations have found themselves more and more isolated, and are confronted with increasingly insurmountable difficulties. In these circumstances, the world situation is tending towards a relaxation of tension, and a possibility of lasting world peace has now begun to materialize.

The imperialists, however, will continue with their aggressions; they will continue to create tensions, and to oppress whatever peoples they are still able to oppress. The danger of war still exists. We must in no way slacken our vigilance.

Our country's principles in dealing with international affairs should be as follows: (1) to continue to consolidate and strengthen our eternal, unbreakable fraternal friendship with the great Soviet Union and the People's Democracies; (2) to establish and develop friendly relations with the Asian, African and other countries which support the Five Principles; (3) to establish and develop normal diplomatic, economic and cultural relations with all countries which are willing to establish such relations with us; (4) to continue to oppose the use of force, or threats of force, in dealing with international affairs, and the preparations for a new war; (5) to support the peace movement of the peoples of the world and develop friendly contacts with the peoples of various countries; (6) to oppose colonialism and support all struggles in Asia, Africa and Latin America that are directed against colonialism and aimed at safeguarding national sovereignty; (7) to support the socialist movement of the working class and the labouring people in all countries, and to strengthen the solidarity of the proletariat of all countries based on a spirit of internationalism; (8) to educate our personnel, in all their contacts with foreign countries and their people, to treat others on a really equal footing, and strictly to oppose great-nation chauvinism.

VI

Whether or not we will fulfil all our tasks successfully depends, in the last analysis, on whether the Party gives correct or incorrect leadership. The outcome depends, in other words, on whether the Party's leadership is based upon objective realities, whether it is able to integrate the universal truth of Marxism-Leninism with the practice of the Chinese revolution. Our Party has won great victories, it has deepened its Marxist-Leninist understanding, its ranks have been expanded and its unity has become still more

solid. But we still have many shortcomings in our work, the most fundamental being the failure of many of Party cadres to banish subjectivism from their minds and work. Subjectivism caused serious damage to our Party in its revolutionary struggles. It has also brought some losses to our national construction in the last few years. Remnants of the bourgeois and petty-bourgeois ideologies will survive for a long time in our social life; and in socialist construction we shall constantly be confronted with many problems and tasks that are completely new to us. If we are tainted by the influence of non-proletarian ideologies and become conceited, cocksure and reluctant to learn modestly, we shall always be exposed to the harmful effects of subjectivism. To ensure that our leadership is correct and sound, and to overcome ideological subjectiveness and one-sidedness on the part of Party cadres, members of the whole Party, and especially our high-ranking cadres, must constantly deepen their Marxist-Leninist understanding, and wage a continuous struggle against bourgeois and petty-bourgeois ideological tendencies. We must maintain a realistic, Marxist-Leninist attitude in guiding our work, and put all our activities on a firm, sound basis. Only then shall we make fewer mistakes, and avoid serious ones.

To ensure that the leadership given by the Party is based on objective realities, we must develop our tradition of following the mass line, carry out the principles of collective leadership and inner-Party democracy in a thorough way, and overcome bureaucracy and sectarianism. The leading organizations of our Party must be skilled in learning from the masses and listening to their criticism and suggestions; they must test the correctness of their leadership against the experience of the people and correct whatever mistakes may occur. Within the Party itself, they must be skilled in learning from all Party members and cadres; in listening to those opinions of individual comrades and organizations of corresponding or subordinate levels which differ from

their own; in arranging free and practical discussions at Party meetings or in the Party press on questions concerning our policy. Moreover, subject to Party discipline, they should allow minorities to reserve their own opinions, and permit subordinate individual comrades and organizations to refer dissentient views to higher Party authorities. Only by so doing can we make sure that Party life will be vigorous and active, and that any mistakes made by the leadership will be rectified in time. Ways of work characterized by divorce from the masses and the collective, and by reluctance to listen to opposing views, and actions seeking to maintain the prestige of the leadership by enforcing mechanical obedience, can only hinder the advance of our cause.

All Party members are duty-bound to preserve the unity and solidarity of the Party, because unity and solidarity are the source of its strength. In the last few years, we have smashed the anti-Party bloc of Kao Kang and Jao Shu-shih. This bloc aimed to split our Party and seize leadership by conspiratorial means, all of which was incompatible with the unity of the Party. Since the smashing of this anti-Party bloc, our Party's unity has been further consolidated. We must expel from our Party the counter-revolutionaries who have wormed their way into our ranks, and the incorrigibly corrupt and other bad elements. However, in the case of comrades who make mistakes in the revolutionary struggle, the Party should hold to the following principles: "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." The Party should patiently help such comrades to correct their mistakes; it should continue to unite and work with them.

We shall continue our efforts to consolidate the unity of the Party. It is this unity that will enable us to unite

with the working people of the whole country, and with all those forces at home and abroad with which we can and should unite. In that way, within the shortest possible time, we shall surely succeed in building our country into a great socialist land.

**THE CONSTITUTION OF
THE COMMUNIST PARTY OF CHINA**

*Adopted by the Eighth National Congress
of the Communist Party of China
September 26, 1956*

GENERAL PROGRAMME

The Communist Party of China is the vanguard of the Chinese working class, the highest form of its class organization. The aim of the Party is the achievement of socialism and communism in China.

The Communist Party of China takes Marxism-Leninism as its guide to action. Only Marxism-Leninism correctly sets forth the laws of development of society and correctly charts the path leading to the achievement of socialism and communism. The Party adheres to the Marxist-Leninist world outlook of dialectical and historical materialism, and opposes the world outlook of idealism and metaphysics. Marxism-Leninism is not a dogma, but a guide to action. It demands that in striving to build socialism and communism we should proceed from reality, apply the principles of Marxism-Leninism in a flexible and creative way for the solution of various problems arising out of the actual struggle, and thus continuously develop the theory of Marxism-Leninism. Consequently, the Party in its activities upholds the principle of integrating the universal truth of Marxism-Leninism with the actual practice of China's revolutionary struggle, and combats all doctrinaire or empiricist deviations.

In the year 1949, after long years of revolutionary struggle and revolutionary wars, the Communist Party of China and the people of the whole country overthrew the rule of imperialism, feudalism and bureaucrat-capitalism and founded the People's Republic of China — a people's democratic dictatorship led by the working class and based on the alliance of workers and peasants. Following this,

the Party led the masses of the people in accomplishing the democratic revolution in most parts of the country and achieving great successes in the struggle for the establishment of a socialist society. During the period of transition from the founding of the People's Republic of China to the attainment of a socialist society, the fundamental task of the Party is to complete, step by step, the socialist transformation of agriculture, handicrafts and capitalist industry and commerce and to bring about, step by step, the industrialization of the country.

A decisive victory has already been attained in every field in the socialist transformation of our country. It is the task of the Communist Party of China to transform, by continuing to adopt correct methods, what now remains of capitalist ownership into ownership by the whole people, to transform what remains of individual ownership by working people into collective ownership by the working masses, to uproot the system of exploitation and to remove all the causes that give rise to such a system. In the process of building up a socialist society, the principle "from each according to his ability, to each according to his work" should be brought into effect step by step; and all former exploiters should be reformed in a peaceful manner to become working people living by their own labour. The Party must continue to pay attention to the elimination of capitalist factors and influences in the economic, political and ideological fields, and make determined efforts to mobilize and unite all the positive forces throughout the country that can be mobilized and united for the purpose of winning a complete victory for the great cause of socialism.

The victory of the socialist revolution has opened up illimitable possibilities for the development of the productive forces of society. It is the task of the Communist Party of China to develop the national economy in a planned way so as to bring about the industrialization of the country as rapidly as possible, and to effect the technological trans-

formation of the national economy in a planned, systematic way so that China may possess a powerful modernized industry, a modernized agriculture, modernized communications and transport and a modernized national defence. In order to achieve industrialization and bring about a continuous growth of the national economy, priority must be given to the development of heavy industry, and at the same time a due proportion must be maintained between heavy industry and light industry, and between industry as a whole and agriculture. The Party must do everything possible to stimulate progress in China's science, culture and technology so as to catch up with the world's advanced levels in these fields. The basic object of all Party work is to satisfy the material and cultural needs of the people to the maximum possible extent. Therefore, it is necessary that the living conditions of the people should improve steadily on the basis of increased production. This is also a requisite for stimulating the people's enthusiasm for production.

Our country is a multi-national state. Because of historical reasons, the development of many of the national minorities has been hindered. The Communist Party of China must make special efforts to raise the status of the national minorities, help them to attain self-government, endeavour to train cadres from among them, accelerate their economic and cultural advance, bring about complete equality between all the nationalities and strengthen the unity and fraternal relations among them. Social reforms among the nationalities must be carried out by the respective nationalities themselves in accordance with their own wishes, and by taking steps in conformity with their special characteristics. The Party opposes all tendencies to great-nation chauvinism and local nationalism, both of which hamper the unity of nationalities. Special attention must be paid to the prevention and correction of tendencies of great-

Hanism on the part of Party members and government workers of Han nationality.

The Communist Party of China must work untiringly to consolidate the people's democratic dictatorship in our country, which is the guarantee for the success of the socialist cause in China. The Party must fight for a fuller development of the democratic life of the nation and strive for the constant improvement of its democratic institutions. The Party must work in every way to fortify the fraternal alliance of workers and peasants, to consolidate the united front of all patriotic forces and to strengthen its lasting co-operation with the other democratic parties as well as democrats without party affiliations. Since the imperialists and counter-revolutionary remnants are bent on undermining the cause of the Chinese people, it is imperative for the Party to heighten its revolutionary vigilance and wage determined struggles against those forces which endanger our country's independence and security and those elements who try to wreck socialist construction in our country. The Party must work together with the people of the whole country to bring about the liberation of Taiwan.

The Communist Party of China advocates a foreign policy directed to the safeguarding of world peace and the achievement of peaceful co-existence between countries with different systems. The Party stands for the establishment and development of diplomatic, economic and cultural relations between China and other countries and for the broadening and strengthening of friendly relations between the Chinese people and the peoples of all other countries of the world. The Party is resolutely opposed to any act of aggression against China by imperialist countries and to any imperialist plans for a new war; it supports all efforts made by the peoples and governments of other countries to uphold peace and promote friendly relations between nations, and expresses its sympathy for all struggles in the world against imperialism and colonialism. The Party endeavours

to develop and strengthen China's friendship with all other countries in the camp of peace, democracy and socialism headed by the Soviet Union, to strengthen proletarian internationalism and to learn from the experiences of the world communist movement. It supports the struggle of the Communists, progressives and labouring people of the whole world for the progress of mankind, and educates its members and the Chinese people in the spirit of internationalism, as expressed in the slogan "Proletarians of all lands, unite!"

The Communist Party of China puts into practice all that it advocates through the activity of the Party organizations and membership among the masses and through the conscious efforts made by the people under its guidance. For this reason it is necessary to constantly develop the tradition of following the mass line in Party work. The Party's ability to continue to give correct leadership depends on whether or not it can, through analysis and synthesis, systematically summarize the experience and opinions of the masses, turn the resulting ideas into the policy of the Party and then, as a result of the Party's propaganda and organizational work among the masses, transform this policy into the views and action of the masses themselves, testing the correctness of Party policy, and supplementing and revising it in the course of mass activity. It is the duty of the Party leadership to ensure that in the endless repetition of this process of "coming from the masses and going back to the masses" the level of the Party members' understanding and that of the masses are continually raised and the cause of the Party and the people is constantly advanced. The Party and its members must, therefore, maintain close and extensive ties with the workers, peasants, intellectuals and other patriots and strive constantly to make such ties ever stronger and more widespread. Every Party member must understand that the interests of the Party and those of the people are one, and responsibility to the Party and responsibility to the people are identical. Every Party member must

whole-heartedly serve the people, constantly consult them, pay heed to their opinions, concern himself with their well-being and strive to help realize their wishes. Now that the Communist Party of China is a party in power, it must especially conduct itself with modesty and prudence, guard against self-conceit and impatience, and make the maximum effort in every Party organization, state organ and economic unit to combat any bureaucratic practice which estranges the masses or leads to isolation from the realities of life.

The organizational principle of the Communist Party of China is democratic centralism, which means centralism on the basis of democracy and democracy under centralized guidance. The Party must take effective measures to promote inner-Party democracy, encourage the initiative and creative ability of all Party members and of all local and primary Party organizations and strengthen the lively contact between the higher and lower Party organizations. Only in this way can the Party effectively extend and strengthen its ties with the masses of the people, give correct and timely leadership, and adapt itself flexibly to various concrete conditions and local characteristics. And only in this way can Party life be invigorated and the cause of the Party advance on an ever wider scale and at an ever greater pace. Only on this basis, furthermore, can centralism and the unity of the Party be consolidated and its discipline be voluntarily, not mechanically, observed. Democratic centralism demands that every Party organization should strictly abide by the principle of collective leadership coupled with individual responsibility and that every Party member and Party organization should be subject to Party supervision from above and from below.

Democracy within the Party must not be divorced from centralism. The Party is a united militant organization, welded together by a discipline which is obligatory on all its members. Without discipline it would be impossible for the Party to lead the state and the people to overcome

their powerful enemies and achieve socialism and communism. As the highest form of class organization, the Party must strive to play a correct role as the leader and core in every aspect of the country's life and must combat any tendency to departmentalism, which reduces the Party's role and weakens its unity. Solidarity and unity are the very life of the Party, the source of its strength. It is the sacred duty of every Party member to pay constant attention to the safeguarding of the solidarity of the Party and the consolidation of its unity. Within the Party, no action which violates the Party's political line or organizational principles is permissible, nor is it permissible to carry on factional activities or activities aimed at splitting the Party, to act independently of the Party, or to place the individual above the collective body of the Party.

No political party or person can be free from shortcomings and mistakes in work. The Communist Party of China and its members must constantly practise criticism and self-criticism to expose and eliminate their shortcomings and mistakes so as to educate themselves and the people. In view of the fact that the Party plays the leading role in the life of the state and society, it is all the more necessary that it should make stringent demands on every Party organization and member and promote criticism and self-criticism; and in particular, it should encourage and support criticism from below within the Party as well as criticism of the Party by the people, and should prohibit any suppression of criticism. The Party must prevent and resist corrosion by bourgeois and petty-bourgeois ways of thinking and styles of work and guard against and defeat any Rightist or "Leftist" opportunist deviation inside the Party. In the case of Party members who have committed mistakes, the Party should, in the spirit of "curing the illness to save the patient," allow them to remain in its ranks and receive education, and help them to correct their

mistakes, provided such mistakes can be corrected within the Party and the erring Party member himself is prepared to correct his mistakes. As for those who persist in their mistakes and carry on activities detrimental to the Party, it is essential to wage a determined struggle against them even to the point of expelling them from the Party.

The Communist Party of China requires all its members to place the Party's interests above their personal interests, to be diligent and unpretentious, to study and work hard, to unite the broad masses of the people, and to overcome all difficulties in order to build China into a great, mighty, prosperous and advanced socialist state, and on this basis to advance towards the achievement of the loftiest ideal of mankind — communism.

CHAPTER I MEMBERSHIP

Article 1 Membership of the Party is open to any Chinese citizen who works and does not exploit the labour of others, accepts the programme and Constitution of the Party, joins and works in one of the Party organizations, carries out the Party's decisions, and pays membership dues as required.

Article 2 Party members have the following duties:

- (1) To strive to study Marxism-Leninism and unceasingly raise the level of their understanding;
- (2) To safeguard the Party's solidarity and consolidate its unity;
- (3) To faithfully carry out Party policy and decisions and energetically fulfil the tasks assigned them by the Party;

(4) To strictly observe the Party Constitution and the laws of the state and behave in accordance with communist ethics, no exception being made for any Party member, whatever his services and position;

(5) To place the interests of the Party and the state, that is, the interests of the masses of the people, above their personal interests, and in the event of any conflict between the two, to submit unswervingly to the interests of the Party and the state, that is, the interests of the masses;

(6) To serve the masses heart and soul, to strengthen their ties with the masses, to learn from them, to listen with an open mind to their wishes and opinions and report these without delay to the Party, to explain Party policy and decisions to the people;

(7) To set a good example in their work and constantly raise their productive skill and professional ability;

(8) To practise criticism and self-criticism, expose shortcomings and mistakes in work and strive to overcome and correct them; to report such shortcomings and mistakes to the leading Party bodies, up to and including the Central Committee; and to fight both inside and outside the Party against everything which is detrimental to the interests of the Party and the people;

(9) To be truthful and honest with the Party and not to conceal or distort the truth;

(10) To be constantly on the alert against the intrigues of the enemy, and to guard the secrets of the Party and the state.

Party members who fail to fulfil any of the above-mentioned duties shall be criticized and educated. Any serious infraction of these duties, splitting of Party unity, breaking of the laws of the state, violation of Party decisions, damaging Party interests, or deception towards the

Party constitutes a violation of Party discipline, and disciplinary action shall be taken against it.

Article 3 Party members enjoy the following rights:

(1) To participate in free and practical discussion at Party meetings or in the Party press on theoretical and practical questions relating to Party policy;

(2) To make proposals regarding the Party's work and give full play to their creative ability in their work;

(3) To elect and be elected within the Party;

(4) To criticize any Party organization or any functionary at Party meetings;

(5) To ask to attend in person when a Party organization decides to take disciplinary action against them or make an appraisal of their character and work;

(6) To reserve their opinions or submit them to a leading body of the Party in case they disagree with any Party decision, which, in the meanwhile, they must carry out unconditionally;

(7) To address any statement, appeal or complaint to any Party organization, up to and including the Central Committee.

Party members and responsible members of Party organizations who fail to respect these rights of a Party member shall be criticized and educated. Infringement of these rights constitutes a violation of Party discipline, and disciplinary action shall be taken against it.

Article 4 Only persons of 18 years old and upwards are eligible for Party membership.

Applicants for Party membership must undergo the procedure of admission individually.

New members are admitted to the Party through a Party branch. An applicant must be recommended by two full Party members, and is admitted as a probationary member after being accepted by the general membership

meeting of a Party branch and approved by the next higher Party committee; he may become a full Party member only after the completion of a probationary period of a year.

Under special conditions, Party committees at county or municipal level and above have the power to admit new members to the Party directly.

Article 5 Party members who recommend an applicant for admission to the Party must furnish the Party, in all sincerity and with a full sense of responsibility, with truthful information about the applicant's ideology, character and personal history and must explain the Party programme and Constitution to the applicant.

Article 6 Before approving the admission of an applicant for Party membership, the Party committee concerned must assign a Party functionary to have a detailed conversation with the applicant and carefully examine his application form, the opinions of his recommenders and the decision made by the Party branch on his application.

Article 7 During the probationary period, the Party organization concerned shall give the probationary member an elementary Party education and observe his political qualities.

Probationary members have the same duties as full members. They enjoy the same rights as full members except that they have no right to elect or be elected or to vote on any motion.

Article 8 When the probationary period of a probationary member has expired, the Party branch to which he belongs must discuss without delay whether he is qualified to be transferred to full membership. The application for such a transfer must be accepted by a general membership meeting of the said Party branch and approved by the next higher Party committee.

When the probationary period of a probationary member has expired, the Party organization concerned may prolong it for a period not exceeding a year if it finds it necessary to continue to observe him. If a probationary member is found to be unfit for transfer to full membership, his status as probationary member shall be annulled.

Any decision by a Party branch to prolong the probationary period of a probationary member or to deprive him of his status as probationary member must be approved by the next higher Party committee.

Article 9 The probationary period of a probationary member begins from the day when the general membership meeting of a Party branch accepts him as probationary member. The Party standing of a Party member dates from the day when the general membership meeting of a Party branch accepts his transfer to full membership.

Article 10 Party members transferring from one Party organization to another become members of the latter organization.

Article 11 Party members are free to withdraw from the Party. When a Party member asks to withdraw, the Party branch to which he belongs shall, by decision of its general membership meeting, strike his name off the Party rolls and report the matter to the next higher Party committee for registration.

Article 12 A Party member who, over a period of six months and without proper reasons, fails to take part in Party life or to pay membership dues is regarded as having quitted the Party himself. The Party branch to which this member belongs shall, by decision of its general membership meeting, strike his name off the Party rolls and report the matter to the next higher Party committee for registration.

Article 13 Party organizations at all levels may, according to each individual case, take disciplinary measures against any Party member who violates Party discipline, such as warning, serious warning, removal from posts held in the Party, placing on probation within the Party, or expulsion from the Party.

The period in which a Party member is placed on probation shall not exceed two years. During this period, the rights and duties of the Party member concerned are the same as those of a probationary member. If after a Party member has been placed on probation the facts show that he has corrected his mistakes, his rights as a full Party member shall be restored and the period in which he is placed on probation will be reckoned in his Party standing. If he is found to be unfit for Party membership, he shall be expelled from the Party.

Article 14 Any disciplinary measure taken against a Party member must be decided on by a general membership meeting of the Party branch to which he belongs and must be approved by a higher Party control commission or higher Party committee.

Under special conditions, a Party branch committee or a higher Party committee has the power to take disciplinary measures against a Party member, but they must be subject to approval by a higher Party control commission or higher Party committee.

Article 15 Any decision to remove a member or alternate member of the Party committee of a county, an autonomous county, a municipality, a province, an autonomous region or a municipality directly under the central authority, or an autonomous *chou* from the said committee, to place him on probation or to expel him from the Party must be taken by the Party congress that has elected the said member. In conditions of urgency, such decision may be taken by a two-thirds majority vote at a plenary session of the Party

committee to which the member belongs, but it must be subject to approval by the next higher Party committee. A primary Party organization has no power to take decisions on removing a member or alternate member of a higher Party committee from the said committee, or placing him on probation or expelling him from the Party.

Article 16 Any decision to remove a member or alternate member of the Central Committee of the Party from the Central Committee, to place him on probation or to expel him from the Party must be taken by the National Party Congress. In conditions of urgency, such decision may be taken by a two-thirds majority vote of the Central Committee at its plenary session, but it must be subject to subsequent confirmation by the next session of the National Party Congress.

Article 17 Expulsion from the Party is the most-severe of all inner-Party disciplinary measures. In taking or approving such a decision, all Party organizations must exercise the utmost caution, thoroughly investigate and study the facts and material evidence of the case, and listen carefully to the statement made in his own defence by the Party member concerned.

Article 18 When a Party organization discusses or decides on disciplinary measure against a Party member, it must, barring special circumstances, notify the member concerned to attend the meeting to defend himself. When disciplinary action is decided on, the person against whom such action is taken must be told the reasons for it. If he disagrees, he may ask for a reconsideration of his case and address an appeal to higher Party committees, to Party control commissions, up to and including the Central Committee. Party organizations at all levels must deal with such appeals seriously or forward them promptly; no suppression is permitted.

ORGANIZATIONAL STRUCTURE AND ORGANIZATIONAL PRINCIPLES OF THE PARTY

Article 19 The Party is formed on the principle of democratic centralism.

Democratic centralism means centralism on the basis of democracy and democracy under centralized guidance. Its basic conditions are as follows:

(1) The leading bodies of the Party at all levels are elected.

(2) The highest leading body of the Party is the National Party Congress, and the highest leading body in each local Party organization is the local Party congress. The National Party Congress elects the Central Committee and the local Party congresses elect their respective local Party committees. The Central Committee and local Party committees are responsible to their respective Party congresses to which they should report on their work.

(3) All leading bodies of the Party must pay constant heed to the views of their lower organizations and the rank-and-file Party members, study their experiences and give prompt help in solving their problems.

(4) Lower Party organizations must present periodical reports on their work to the Party organizations above them and ask in good time for instructions on questions which need decision by higher Party organizations.

(5) All Party organizations operate on the principle of combining collective leadership with individual responsibility. All important issues are to be decided on collectively, and at the same time, each individual is enabled to play his part to the fullest possible extent.

(6) Party decisions must be carried out unconditionally. Individual Party members shall obey the Party organiza-

tion, the minority shall obey the majority, the lower Party organizations shall obey the higher Party organizations, and all constituent Party organizations throughout the country shall obey the National Party Congress and the Central Committee.

Article 20 Party organizations are formed on a geographical or industrial basis.

The Party organization in charge of Party work in a defined area is regarded as the highest of all the constituent Party organizations in that area.

The Party organization in charge of Party work in a particular production or work unit is regarded as the highest of all the constituent Party organizations in that unit.

Article 21 The highest leading bodies of the Party organizations at various levels are as follows:

(1) For the whole country, it is the National Party Congress. When the National Party Congress is not in session, it is the Central Committee elected by the National Party Congress;

(2) For a province, autonomous region, or municipality directly under the central authority, it is the provincial, autonomous regional or municipal Party congress. When the congress is not in session, it is the provincial, autonomous regional or municipal Party committee elected by the congress.

For an autonomous *chou*, it is the autonomous *chou* Party congress. When the congress is not in session, it is the autonomous *chou* committee elected by the congress;

(3) For a county, autonomous county or municipality, it is the county, autonomous county or municipal Party congress. When the congress is not in session, it is the county, autonomous county or municipal committee elected by the congress;

(4) For primary units (factories, mines and other enterprises, *hsiang*, nationality *hsiang*, towns and agricultural producers' co-operatives, offices, schools, streets, companies of the People's Liberation Army and other primary units), it is the delegate meeting or the general membership meeting of the particular primary unit. When the delegate meeting or general membership meeting of the primary unit is not in session, it is the primary Party committee, the committee of a general Party branch, or the committee of a Party branch elected by the delegate meeting or the general membership meeting.

Article 22 Party elections must fully reflect the will of the electors. The lists of candidates for election put forward by the Party organization or by electors must be discussed by the electors.

Election is by secret ballot. Electors shall be ensured the right to criticize or reject any candidate, or nominate a person who is not on the list.

In an election in a primary Party organization, voting may be by a show of hands if voting by ballot is impossible. In such cases, each candidate shall be voted upon separately, and voting on a whole list of candidates is forbidden.

Article 23 Party electing units have the power to replace any member they have elected to a Party congress or Party committee during his term of office.

When a local Party congress is not in session, a higher Party committee, if it deems it necessary, may transfer or appoint responsible members of a lower Party organization.

Article 24 In places where, because of special circumstances, it is impossible for the time being to call Party congresses or general membership meetings to elect Party

committees, such Party committees may be elected at Party conferences or appointed by higher Party organizations.

Article 25 The functions and powers of the central Party organizations and those of the local Party organizations shall be appropriately divided. All questions of a national character or questions that require a uniform decision for the whole country shall be handled by the central Party organizations so as to contribute to the centralism and unity of the Party. All questions of a local character or questions that need to be decided locally shall be handled by the local Party organizations so as to find solutions appropriate to the local conditions. The functions and powers of higher local Party organizations and those of lower local Party organizations shall be appropriately divided according to the same principle.

Decisions taken by lower Party organizations must not run counter to those made by higher Party organizations.

Article 26 Before decisions on Party policy are made by leading bodies of the Party, lower Party organizations and members of the Party committees may hold free and practical discussions inside the Party organizations and at Party meetings and submit their proposals to the leading bodies of the Party. However, once a decision is taken by the leading bodies of the Party, it must be accepted. Should a lower Party organization find that a decision made by a higher Party organization does not suit the actual conditions in its locality or in its particular department, it should request the higher Party organization concerned to modify the decision. If the higher Party organization still upholds its decision, then the lower Party organization must carry it out unconditionally.

On policy of a national character, before the central leading bodies of the Party have made any statement or

decision, departmental and local Party organizations and their responsible members are not permitted to make any public statement or make their own decisions on it, although they may discuss it among themselves and make suggestions to the central leading bodies.

Article 27 The newspapers issued by Party organizations at all levels must publicize the decisions and policy of the central Party organizations, of higher Party organizations and of their own Party organizations.

Article 28 The formation of a new Party organization or the dissolution of an existing Party organization must be decided on by the next higher Party organization.

Article 29 To facilitate direction of the work in various localities, the Central Committee may, if it deems it necessary, establish a bureau of the Central Committee as its representative body for an area embracing several provinces, autonomous regions and municipalities directly under the central authority. A provincial or autonomous regional committee may, if it deems it necessary, establish a regional committee or an organization of equal status as its representative body for an area embracing a number of counties, autonomous counties and municipalities. The Party committee of a municipality directly under the central authority, or of a municipality, county or autonomous county may, if it deems it necessary, establish a number of district committees as its representative bodies within its area.

Article 30 Party committees at all levels may, as the situation requires, set up a number of departments, commissions or other bodies to carry on work under their own direction.

CHAPTER III

CENTRAL ORGANIZATIONS OF THE PARTY

Article 31 The National Party Congress is elected for a term of five years.

The number of delegates to the National Party Congress and the procedure governing their election and replacement and the filling of vacancies shall be determined by the Central Committee.

A session of the National Party Congress shall be convened once a year by the Central Committee. Under extraordinary conditions, it may be postponed or convened before its due date as the Central Committee may decide. The Central Committee must convene a session of the National Party Congress if one-third of the delegates to the National Party Congress or one-third of the Party organizations at provincial level so request.

Article 32 The functions and powers of the National Party Congress are as follows:

- (1) To hear and examine the reports of the Central Committee and other central organs;
- (2) To determine the Party's line and policy;
- (3) To revise the Constitution of the Party;
- (4) To elect the Central Committee.

Article 33 The Central Committee of the Party is elected for a term of five years. The number of members and alternate members of the Central Committee shall be determined by the National Party Congress. Vacancies on the Central Committee shall be filled by alternate members in order of established precedence.

Article 34 When the National Party Congress is not in session, the Central Committee directs the entire work of

the Party, carries out the decisions of the National Party Congress, represents the Party in its relations with other parties and organizations, sets up various Party organs and directs their activities, takes charge of and allocates Party cadres.

The Central Committee guides the work of the central state organs and people's organizations of a national character through leading Party members' groups within them.

Article 35 The Party organizations in the Chinese People's Liberation Army carry on their work in accordance with the instructions of the Central Committee. The General Political Department in the People's Liberation Army, under the direction of the Central Committee, takes charge of the ideological and organizational work of the Party in the army.

Article 36 The Central Committee meets in plenary session at least twice a year to be convened by the Political Bureau of the Central Committee.

Article 37 The Central Committee elects at its plenary session the Political Bureau, the Standing Committee of the Political Bureau and the Secretariat, as well as the chairman, vice-chairmen and general secretary of the Central Committee.

When the Central Committee is not in plenary session, the Political Bureau and its Standing Committee exercise the powers and functions of the Central Committee.

The Secretariat attends to the daily work of the Central Committee under the direction of the Political Bureau and its Standing Committee.

The chairman and vice-chairmen of the Central Committee are concurrently chairman and vice-chairmen of the Political Bureau.

The Central Committee may, when it deems it necessary, have an honorary chairman.

CHAPTER IV

PARTY ORGANIZATIONS IN PROVINCES, AUTONOMOUS REGIONS, MUNICIPALITIES DIRECTLY UNDER THE CENTRAL AUTHORITY, AND AUTONOMOUS CHOU

Article 38 The Party congress for a province, autonomous region, or municipality directly under the central authority is elected for a term of three years.

The number of delegates to such a Party congress and the procedure governing their election and replacement and the filling of vacancies shall be determined by the Party committee in the given area.

The Party congress for a province, autonomous region or municipality directly under the central authority shall be convened once a year by the Party committee in the area.

Article 39 The Party congress for a province, autonomous region or municipality directly under the central authority hears and examines the reports of the Party committee and other organs in the area, discusses and decides on questions relating to policy and work of a local character in its area, elects the Party committee for the area, and elects delegates to the National Party Congress.

Article 40 The Party committee of a province, autonomous region, or municipality directly under the central authority is elected for a term of three years. The number of members and alternate members of the committee shall be determined by the Central Committee. Vacancies on the committee shall be filled by alternate members of the committee in order of established precedence.

The Party committee of a province, autonomous region, or municipality directly under the central authority shall,

when the Party congress for the given area is not in session, carry out the decisions and directives of the Party in that area, direct all work of a local character, set up various Party organs and direct their activities, take charge of and allocate Party cadres in accordance with the regulations laid down by the Central Committee, direct the work of leading Party members' groups in local state organs and people's organizations and systematically report on its work to the Central Committee.

Article 41 The Party committee of a province, autonomous region, or municipality directly under the central authority shall meet in full session at least three times a year.

The Party committee of a province, autonomous region, or municipality directly under the central authority elects at its plenary session its standing committee and secretariat. The standing committee exercises the powers and functions of the Party committee when the latter is not in plenary session. The secretariat attends to the daily work under the direction of the standing committee.

The members of the secretariat and those of the standing committee of the Party committee of a province, autonomous region or municipality directly under the central authority, must be approved by the Central Committee. Members of the secretariat must be Party members of at least five years' standing.

Article 42 Party organizations in an autonomous *chou* carry on their work under the direction of a provincial or autonomous regional Party committee.

The Party congress and Party committee for an autonomous *chou* are constituted in the same manner as those for a province, autonomous region or municipality directly under the central authority.

The Party congress and Party committee for an autonomous *chou* are elected for a term of two years.

An autonomous *chou* Party congress elects delegates to the provincial or autonomous regional Party congress.

The members of the secretariat and those of the standing committee of an autonomous *chou* Party committee must be approved by the Central Committee. The secretaries must be Party members of at least three years' standing.

CHAPTER V

COUNTY, AUTONOMOUS COUNTY AND MUNICIPAL PARTY ORGANIZATIONS

Article 43 The Party congress for a county, autonomous county or municipality is elected for a term of two years.

The number of delegates to the congress and the procedure governing their election and replacement and the filling of vacancies shall be determined by the Party committee in the area.

The Party congress for a county, autonomous county or municipality shall be convened once a year by the Party committee in the area.

Article 44 The Party congress for a county, autonomous county or municipality hears and examines the reports of the Party committee and other organs in the area, discusses and decides on questions relating to the policy and work of a local character in its area, elects the Party committee for the area and elects delegates to the provincial or autonomous regional Party congress.

The Party congress for a county, autonomous county or municipality under the jurisdiction of an autonomous *chou* elects delegates only to the Party congress of the said autonomous *chou*.

Article 45 The Party committee of a county, autonomous county or municipality is elected for a term of two years. The number of members and alternate members of the committee shall be determined by the provincial or autonomous regional Party committee concerned. Vacancies on the committee shall be filled by alternate members of the committee in order of established precedence.

When the Party congress for a county, autonomous county or municipality is not in session, the Party committee in the area carries out Party decisions and directives in that area, directs all work of a local character, sets up various Party organs and directs their activities, takes charge of and allocates Party cadres in accordance with the regulations laid down by the Central Committee, directs the work of leading Party members' groups in local government organs and people's organizations and systematically reports on its work to higher Party committees.

Article 46 The Party committee of a county, autonomous county or municipality shall meet in plenary session at least four times a year.

The county, autonomous county or municipal Party committee elects at its plenary session its standing committee and secretary, and, if necessary, a secretariat. The standing committee exercises the powers and functions of the Party committee when the latter is not in plenary session. The secretary or the secretariat attends to the daily work under the direction of the standing committee.

The members of the secretariat and those of the standing committee must be approved by the provincial or autonomous regional Party committee. In the case of a city with a population of 500,000 or more, or in the case of a key industrial city, such members must be approved by the Central Committee. The secretaries of the Party committee of a county, autonomous county or municipality must be Party members of at least two years' standing.

In the case of a city with a population of 500,000 or more, or in the case of a key industrial city, the secretaries of the Party committee must be Party members of at least five years' standing.

CHAPTER VI

PRIMARY ORGANIZATIONS OF THE PARTY

Article 47 Primary Party organizations are formed in factories, mines and other enterprises, in *hsiang* and nationality *hsiang*, in towns, in agricultural producers' co-operatives, in offices, schools and streets, in companies of the People's Liberation Army and in other primary units where there are three or more full Party members. When a primary unit contains less than three full Party members, no primary Party organization should be established, but these members together with the probationary members in their unit may either form a group or join the primary Party organization of a nearby unit.

Article 48 Primary Party organizations take the following organizational forms:

(1) A primary Party organization with one hundred or more Party members may, by decision of the next higher Party committee, hold a delegate meeting or a general membership meeting to elect a primary Party committee. Under the primary Party committee a number of general branches or branches may be formed in accordance with divisions based on production, work or residence. Under a general Party branch a number of Party branches may be formed. The committee of a general Party branch is elected by a general membership meeting or a delegate meeting of the said general branch. The committee of a

Party branch is elected by the general membership meeting of the said branch. The committee of the primary Party organization or of the general Party branch has the power to approve decisions made by a branch on the admission of new members and on disciplinary measures against Party members.

Under special conditions, individual primary Party organizations with less than one hundred members may, by decision of the next higher Party committee, establish a primary Party committee.

(2) A primary Party organization with fifty or more Party members may, by decision of the next higher Party committee, set up a general branch committee to be elected by a general membership meeting or a delegate meeting. Under a general branch committee a number of branches may be formed in accordance with divisions based on production, work or residence. The general branch committee has the power to approve decisions made by a branch on the admission of new members and on disciplinary measures against Party members.

Under special conditions, a general branch committee may, by decision of the next higher Party committee, be set up in a primary Party organization whose membership is less than fifty but whose work requires a general branch committee or in a primary Party organization whose membership numbers one hundred or more but whose work does not require a primary Party committee.

(3) A primary Party organization with less than fifty members may, by decision of the next higher Party committee, set up a branch committee to be elected by a general membership meeting, and has the power to make decisions on the admission of new members and on disciplinary measures against Party members.

(4) Groups may be formed under a general Party branch or a Party branch.

Article 49 A primary Party organization which has set up its own primary committee shall convene a delegate meeting at least once a year. A general Party branch shall hold a general membership meeting or a delegate meeting at least twice a year. A Party branch shall hold a general membership meeting at least once in three months.

The delegate meeting or general membership meeting of a primary Party organization hears and examines the reports of the primary Party committee, the general branch committees or the branch committees, discusses and decides on questions relating to work in its own unit, elects the primary Party committee, the general Party branch committees, or the branch committees, and elects delegates to the higher Party congress.

The primary Party committee, the general Party branch committee and the branch committee are elected for a term of one year. The number of members of these committees shall be determined by their respective next higher Party committees.

A primary Party committee shall elect a secretary and from one to four deputy secretaries. If necessary, it may elect a standing committee. The general branch committee and the branch committee shall each elect a secretary and, if necessary, one to three deputy secretaries.

A Party branch with less than ten members only elects a secretary or in addition a deputy secretary, but no branch committee needs to be formed.

A Party group shall elect a leader and, if necessary, a deputy leader.

Article 50 Primary Party organizations must cement the ties of the workers, peasants, intellectuals and other patriotic people with the Party and its leading bodies. The general tasks of primary Party organizations are as follows:

(1) To carry on propaganda and organizational work among the masses and put into practice what the Party advocates, and the decisions of higher Party organizations;

(2) To pay constant heed to the sentiments and demands of the masses and report them to higher Party organizations, to pay constant attention to the material and cultural life of the masses and strive to improve it;

(3) To recruit new Party members, to collect membership dues, to appraise the character and work of Party members and to maintain Party discipline among the membership;

(4) To organize Party members to study Marxism-Leninism and the Party's policy and experience and raise the level of their ideology and political understanding;

(5) To lead the masses to take an active part in the political life of the country;

(6) To lead the masses to give full play to their activity and creative ability, to strengthen labour discipline and to ensure the fulfilment of production and work plans;

(7) To promote criticism and self-criticism, to expose and eliminate shortcomings and mistakes in work, and to wage struggles against the violation of laws and discipline, against corruption and waste, and against bureaucracy;

(8) To educate the Party members and the masses to sharpen their revolutionary vigilance and to be constantly on the alert to combat the disruptive activities of the class enemy.

Article 51 Primary Party organizations in enterprises, villages, schools and army units should guide and supervise the administrative bodies and mass organizations in their respective units in the energetic fulfilment of the decisions of higher Party organizations and higher state organs and in ceaselessly improving their work.

Since special conditions obtain in public institutions and organizations, the primary Party organizations therein are

in no position to guide and supervise their work, but they should give ideological and political supervision to all Party members in the said institutions and organizations, including those who hold leading administrative posts. The primary Party organizations should also take a constant interest in improving the work in their respective units, strengthen labour discipline, combat bureaucracy, and report without delay any shortcomings in the work to the administrative chiefs of the given units and to higher Party organizations.

CHAPTER VII

CONTROL ORGANS OF THE PARTY

Article 52 The Party's Central Committee, the Party committees of the provinces, autonomous regions, municipalities directly under the central authority and autonomous *chou*, and the Party committees of the counties, autonomous counties and municipalities shall set up control commissions. The Central Control Commission shall be elected by the Central Committee at its plenary session. A local control commission shall be elected by a plenary session of the Party committee for that locality, subject to approval by the next higher Party committee.

Article 53 The tasks of the central and local control commissions are as follows: regularly to examine and deal with cases of violation of the Party Constitution, Party discipline, communist ethics and the state laws and decrees on the part of Party members; to decide on or cancel disciplinary measures against Party members; and to deal with appeals and complaints from Party members.

Article 54 The control commissions at all levels function under the direction of the Party committees at corresponding levels.

Higher control commissions have the power to check up on the work of lower control commissions, and to approve or modify their decisions on any case. Lower control commissions must report on their work to higher control commissions, and present accurate reports on violations of discipline by Party members.

CHAPTER VIII

RELATION BETWEEN THE PARTY AND THE COMMUNIST YOUTH LEAGUE

Article 55 The Communist Youth League of China carries on its activities under the guidance of the Communist Party of China. The Central Committee of the Communist Youth League accepts the leadership of the Party's Central Committee. The Communist Youth League's local organizations are simultaneously under the leadership of the Party organizations at the corresponding levels and of higher League organizations.

Article 56 The Communist Youth League is the Party's assistant. In all spheres of socialist construction Communist Youth League organizations should play an active role in publicizing and carrying out Party policy and decisions. In the struggle to promote production, improve work, and expose and eliminate shortcomings and mistakes in work, the Communist Youth League organizations should render effective help to the Party and have the duty to make suggestions to the Party organizations concerned.

Article 57 Party organizations at all levels must take a deep interest in the Communist Youth League's ideological

and organizational work, give guidance to the Communist Youth League in imbuing all its members with communist spirit and educating them in Marxist-Leninist theory, see to it that close contact is maintained between the Communist Youth League and the broad masses of young people and pay constant attention to selecting members for the leading core in the Communist Youth League.

Article 58 Members of the Communist Youth League shall withdraw from the League when they have been admitted to the Party and have become full Party members, provided they do not hold leading posts or engage in specific work in the League organizations.

CHAPTER IX

LEADING PARTY MEMBERS' GROUPS IN NON-PARTY ORGANIZATIONS

Article 59 In the leading body of a state organ or people's organization, where there are three or more Party members holding responsible posts, a leading Party members' group shall be formed. The tasks of such a group in the said organ or organization are: to assume the responsibility of carrying out Party policy and decisions, to fortify unity with non-Party cadres, to cement the ties with the masses, to strengthen Party and state discipline and to combat bureaucracy.

Article 60 The composition of a leading Party members' group shall be decided by a competent Party committee. The group has a secretary, and may, in case of need, also have a deputy secretary.

A leading Party members' group must in all matters accept the leadership of the competent Party committee.

TENG HSIAO-PING

REPORT ON THE REVISION OF THE CONSTITUTION OF THE COMMUNIST PARTY OF CHINA

*Delivered at the Eighth National Congress
of the Communist Party of China
September 16, 1956*

Comrades,

More than eleven years have passed since the Seventh National Congress of our Party was held in April 1945. During this period tremendous changes have taken place both in our country and our Party. In a little over three years, our Party, led by the Central Committee with Comrade Mao Tse-tung at the head, and rallying the people of the whole country, defeated Chiang Kai-shek's army of several million men, overthrew the rule of imperialism, feudalism and bureaucrat-capitalism, and established the People's Republic of China. Following this nation-wide victory of the revolution, the Party and the People's Government, again in no more than three years, completed the rehabilitation of our national economy and carried out a series of democratic reforms. From 1953 on, the Party and the People's Government have been engaged in the construction work mapped out in the First Five-Year Plan, and have won decisive victories in the work of socialist transformation. This succession of magnificent victories furnishes indisputable proof of the correctness of the political line laid down by the Seventh National Congress of the Party and of the political leadership of the Central Committee of the Party since the Seventh Congress. It is also indisputable proof of the correctness of the organizational line laid down by the Seventh National Congress of the Party and of the organizational leadership of the Central Committee in the same period. Comrade Liu Shao-chi has already made a detailed report on the various aspects of the work done by the Party during this period, and the tasks that now confront it. Now, entrusted by the Central Committee, I am making this report on the revisions in our Party Constitution which are

necessitated by the changes that have taken place in the situation of the Party.

I

The draft of the Party Constitution now before the Congress for consideration has been discussed by Party organizations in all localities, and has undergone much revision. The present draft does not show any difference in fundamental principle as compared with the Constitution adopted at the Seventh Congress, but in specific content it contains many changes, including a number of changes which have the significance of principles.

At the time of the Seventh Congress, our People's Revolution had not yet achieved victory in most parts of the country. Most of our cities and communication lines were then still under the occupation of the Japanese aggressors, and the greater part of the rear areas was still under the control of the Chiang Kai-shek government. The various liberated areas under the leadership of the Party were still cut off from one another by the enemy. At that time there were 1,210,000 Party members, the vast majority of whom were in the rural districts in the liberated areas. Our Party members in the Kuomintang-controlled and Japanese-occupied areas were working underground.

Now the situation in our country is entirely changed. Under the leadership of our Party, the People's Revolution won a nation-wide victory in 1949, and an unprecedented national unity was brought into existence. Now, except in a few border areas, we have not only successfully completed the tasks of the stage of bourgeois-democratic revolution, but have in the main carried out the tasks of the stage of socialist revolution. Besides, we have, in the past seven years, made tremendous achievements in all spheres of our socialist construction. All this has brought about a funda-

mental change in the class relationships in our country. The working class has become the leading class of the state; the peasantry has changed from individual farming to cooperative farming; and the bourgeoisie as a class is on its way to extinction.

A great change has also come about in the situation of our Party. The Communist Party of China is now a party in power, playing the leading role in all the work of the state. Party organizations have spread to every city and town, to every county and district, to every major enterprise and among the various nationalities. Now, the Party membership is nine times what it was at the time of the Seventh Congress, and nearly three times what it was in 1949 at the time of our nation-wide victory. Furthermore, the majority of our Party members are now working in government offices, economic and cultural establishments and people's organizations at all levels. All these changes make it imperative for us to pay the greatest attention to strengthening the Party's organizational and educational work among the membership.

As a party in power our Party has been confronted with a fresh test. Generally speaking, our Party has stood the test in the past seven years. Our country has made remarkable progress in every sphere, and the overwhelming majority of our Party members are working hard and doing well at their respective posts. But the experience of these seven years has also shown us that, with the Party in power, our comrades are liable to be tainted with bureaucracy. Both for Party organizations and individual members the danger of drifting away from reality and from the masses has increased rather than decreased. Any such drifting away is bound to give rise to errors of subjectivism, that is, errors of doctrinairism and empiricism, and such errors have increased rather than decreased in our Party compared with the situation of a few years ago.

The position of the Party as a party in power can also easily breed arrogance and self-complacency among the membership. Some Party members become puffed-up over the smallest success in their work, and tend to look down upon others, upon the masses, upon non-Party personalities, as though the mere fact of being Party members makes them stand head and shoulders above non-Party people. Some, fond of showing off as leader, order the masses about from above, and are reluctant to consult them in their work. This is in fact a tendency towards narrow sectarianism, a dangerous tendency which leads to the most serious isolation from the masses.

In view of this situation, the Party must pay constant attention to combating subjectivism, bureaucracy and sectarianism, and must always guard against the danger of drifting away from reality and from the masses. Therefore, apart from strengthening the ideological education of its members, the Party has an even more important task, namely, to strengthen the Party's leadership in various ways and to make appropriate provisions in both the state and the Party systems for a strict supervision over our Party organizations and Party members.

We need to carry out supervision within the Party, and we also need supervision of our Party organizations and Party members by the masses and by non-Party personalities. The crucial thing about supervision whether coming from inside or outside the Party is to promote the democratic life of the Party and the state, and to develop our Party's traditional style of work, a style of "the integration of theory with practice, close contact with the masses, and the practice of self-criticism," as expounded by Comrade Mao Tse-tung in his political report at the Seventh Congress.

It is clear that the above-mentioned great changes in our country and our Party have made higher rather than lower demands on our Party. Clearly too, more is expected of our Party members, not less. The draft Constitution now

placed before the Congress contains appropriate revisions of the existing Party Constitution, made on the basis of the new conditions and demands.

Furthermore, since the Seventh Congress our Party has accumulated a great deal of fresh experience in maintaining close ties with the people, in organizing them, in uniting with the democratic forces outside the Party, in guiding state affairs and economic work, and in developing and consolidating the Party and giving leadership to all the Party organizations and the mass of the membership so that they may become closely united and do their work well. This store of new experience also finds suitable expression in the draft Constitution.

That is all I want to say regarding the conditions on the basis of which the Party Constitution has been revised.

II

The General Programme of the draft Constitution, placed side by side with that of the existing Constitution, will be found to contain many changes, especially in the political field. This is understandable. The General Programme in our Party Constitution embodies the basic political and organizational programme of the Party. Now that a fundamental change has taken place in the political situation of our country, fundamental changes must also be made in our political programme for the present period. With regard to the political section of the General Programme, I hardly think any more explanation is needed, for you have all heard Comrade Liu Shao-chi's report. What needs to be elaborated first of all in relation to the General Programme of the draft Constitution is the question of the Party's mass line.

The question of the mass line is not a new one in the work of our Party. The Party Constitution adopted by the

Seventh Congress, particularly its General Programme, is permeated with the spirit of the mass line. At the same Congress illuminating explanations of the mass line were given by Comrade Mao Tse-tung in his political report when he spoke about the Party's style of work, and also by Comrade Liu Shao-chi when he dealt with the General Programme in his report on the revision of the Party Constitution. The reasons why the mass line must again be explained with great emphasis now are as follows: First, the mass line is a fundamental question in the Party's organizational work and the Party Constitution and therefore needs constant reiteration in Party education. True, this question was explained at the Seventh Congress, but since the vast majority of our present members have joined the Party since the last Congress, and since practice has shown that many comrades have failed to adhere consistently to the mass line, it is evident that education on the mass line within the Party can by no means be considered adequate. Secondly, the experience gained by the Party in the eleven years of actual struggle since the Seventh Congress has given the mass line a richer and more profound content, which has therefore been further elucidated in the draft Party Constitution. The General Programme in the draft Constitution stresses that the Party must unceasingly strive to develop the tradition of the mass line in Party work, and points out that since the Party is now in power, this task has acquired an even greater significance than before.

What is the mass line in Party work? Briefly stated, it has two aspects. In one respect, it maintains that the people must liberate themselves, that the Party's entire task is to serve the people heart and soul, and that the Party's role in leading the masses lies in pointing out to them the correct path of struggle and helping them to struggle for and build a happy life by their own effort. Consequently, the Party must keep in close contact with the masses and

rely on them, and must in no circumstances lose touch with them or place itself above them. For the same reason every Party member must cultivate a style of work of serving the people, holding himself responsible to the masses, never failing to consult them, and being ever ready to share their joys and sorrows.

In another respect, the mass line maintains that the Party's ability to go on exercising correct leadership hinges upon its ability to adopt the method of "coming from the masses and going back to the masses." This means — to quote from the Central Committee's "Resolution on Methods of Leadership," drafted by Comrade Mao Tse-tung — "summing up (i.e. co-ordinating and systematizing after careful study) the views of the masses (i.e. views scattered and unsystematic), then taking the resulting ideas back to the masses, explaining and popularizing them until the masses embrace the ideas as their own, stand up for them and act on them, and then testing the correctness of these ideas in mass activity. Then it is necessary once more to sum up the views of the masses, and once again take the resulting ideas back to the masses so that the masses give them their whole-hearted support. . . . And so on, over and over again, so that each time these ideas emerge with greater correctness and become more vital and meaningful."

The mass line in Party work is of profound theoretical and practical significance. Marxism has always maintained that history, in the last analysis, is made by the people. Only by relying on its own mass strength and that of all labouring people will the working class be able to fulfil its historical mission — the mission of liberating itself and, with itself, all labouring people. The greater the awakening, activity and creative ability of the masses, the more flourishing the cause of the working class. Consequently, a political party of the working class, unlike the political parties of the bourgeoisie, never regards the masses as its tools,

but consciously regards itself as their tool for carrying out their given historical mission in a given historical period. The Communist Party is the collective body of the advanced elements among the working class and the labouring people, and there can be no doubt as to its great role in leading the masses. But the Party can play its part as vanguard and lead the masses forward precisely and solely because it whole-heartedly serves the masses, represents their will and interests, and strives to help them organize themselves to fight for their own interests and for the fulfilment of their will. To affirm this concept of the Party is to affirm that the Party has no right whatever to place itself above the masses, that is, it has no right to act towards the masses as if it were dispensing favours, to take everything into its own hands and impose its will "by decree," or to lord it over the people.

Unless we understand from a correct ideological approach that our Party policy must of necessity be "coming from the masses and going back to the masses," we can obtain no real solution to the problem of the Party's relations with the masses. Practice has shown that there are many people who do not lack the desire to serve the masses and yet bungle their work in a way that does great harm to the masses. This is because they regard themselves as advanced elements, or as leaders knowing a great deal more than the masses. Therefore, they neither learn from the masses nor consult them, with the result that their ideas more often than not prove impracticable. Far from learning from their mistakes and failures, they blame them on the backwardness of the masses or other accidental factors, abuse the Party's prestige, and wilfully and arbitrarily persist in their actions, thereby aggravating their mistakes and failures. The history of our Party furnishes us with instances of such subjectivists causing incalculable losses to our Party, to the Chinese revolution and the Chinese people. The subjectivists do not understand that only those

who really know how to be students of the masses can ever become their teachers, and only by continuing to be students can they continue to be teachers. Only by carefully summing up the experience of the masses and bringing their wisdom together, can a party and its members point out the correct path and lead the masses forward. We do not tail behind the masses, and we know quite well that the opinions which come from the masses cannot be all correct and mature. What we mean by summing up the experience and bringing together the wisdom of the masses is by no means a simple process of accumulation; there must be classification, analysis, critical judgment and synthesis. But without investigation and study of the experience and opinions of the masses, no leader, however talented, can lead correctly. Mistakes may still be made even after classification, analysis, critical judgment and synthesis have been made. But by constantly consulting the masses and studying their practice, the Party will be able to make fewer mistakes and to discover and correct them in time to prevent them from becoming serious.

The mass line in Party work, therefore, demands that the Party leadership should conduct themselves with modesty and prudence. Arrogance, arbitrariness, rashness, and habits of pretending to be clever, of not consulting the masses, of forcing one's opinions on others, of persisting in errors to keep up one's prestige — all these are utterly incompatible with the Party's mass line.

Let us look back on the path our Party has traversed since the Seventh Congress through the War of Liberation, the land reform and the suppression of counter-revolutionaries, the socialist transformation of agriculture, handicrafts and capitalist industry and commerce, and the development of industry, agriculture and other economic and cultural work — in all these fields our Party has won great victories. But which of them could have been won without following the mass line? For example, why is it that

the officers and men of the People's Liberation Army could beat the Kuomintang army, which was superior both in numbers and in equipment? Is it not chiefly because they upheld the principle of serving the people, built up exemplary relations between the army and the people through their self-sacrificing behaviour, created inside the armed forces a comradeship which developed the initiative of junior officers and common soldiers to the fullest extent, and drew conclusions from the experience of each battle by depending on the rank and file, thus making continuous progress, both strategic and tactical? Soldiers carrying water for local inhabitants, officers putting blankets over sleeping soldiers, the calling of "collective wisdom meetings" in the trenches, caring for the health and self-respect of the captured and not searching their pockets — all these appear to be small matters, but they had a good deal to do with the winning of many a great victory.

Again, why is it that hundreds of millions of peasants, oppressed by the landlords for thousands of years, have become masters of their own fate and are resolutely building up their own new life? Is it not because in the period of the land reform the work teams sent out by our Party really went among the poor peasants, discovered the active elements among them, aroused their class consciousness, mobilized the peasants themselves to overthrow the rule of the landlords and share out their land, and thus made the peasants really recognize their own strength and form their own leading nuclei, instead of turning the landlords' land over to the peasants simply by issuing government orders? What has made the peasants join the agricultural producers' co-operatives so readily and of their own will? Is it not because our Party, starting from the experience of the masses themselves, gave extensive assistance to the peasants in organizing seasonal mutual-aid teams, then all-the-year-round mutual-aid teams, then elementary co-operatives, and finally advanced co-operatives, so that the

peasants might come through practice to a firm belief in the superiority of co-operation?

Let me give another example. How can our country achieve so much with a minimum of mistakes in the campaign for combing out counter-revolutionaries? Is it not because we have adopted the correct policy of co-ordinating the work of government departments concerned with the mobilization of the masses? Is it not because we have fully mobilized the masses that, under the sharp and watchful eyes of hundreds of millions of people, large numbers of counter-revolutionaries, unable to find hiding-places, are forced to hang their heads, admit their guilt, and embrace the opportunity to reform themselves and turn over a new leaf?

Yet another example. In less than three years after the liberation of the whole country, we changed the appallingly corrupt social climate of the old society into a new social climate with a fine moral character. How could such results have been obtained without the conscious and voluntary participation of the masses, without their mutual education, mutual persuasion and help?

There are more examples. We have completely wiped out the evil of opium-smoking, and have won victories in our large-scale patriotic public health movement, in production, construction and various other kinds of work. Which one of these victories could have been won if the movement or the task in question had not actually reflected the demands of the broad masses and been translated into conscious and voluntary action by them?

When we speak of the great victories our Party has won as a result of following the mass line, we do not mean that all our work in this regard has been excellent. On the contrary, our purpose is to remind the whole Party that if correct application of the mass line has brought success, any departure from it will certainly damage our work and the people's interests. As I have mentioned above, the

present position of our Party as a party in power throughout the country has greatly increased the danger of our drifting away from the masses, and the damage this can do to the masses is also greater than before. That is why it is of special significance at present to seriously propagate and carry out the mass line throughout the Party.

Various tendencies towards bureaucracy are springing up among many functionaries in Party organizations and state organs. Not a few leading bodies and leading cadres hold themselves aloof and do not come into close contact with the masses; they pay no special attention to investigation and study and are unaware of how things really stand in their work. When they consider their work and make decisions they very often start, not from the objective conditions and what the masses are actually doing, but subjectively from inaccurate information or from their own imagination and wishes. Therefore, although they issue numerous decisions and instructions, some of these are not altogether correct and some are even entirely wrong. When they carry out the instructions of higher organizations and the Central Committee, they often fail to consult their subordinate comrades and the masses, and do not take into consideration the actual conditions of a particular time and place but just carry the instructions out mechanically and blindly. They often feel satisfied with superficial achievements and ignore the actual result of their work. They see only the bright side of their work and not the seamy side, or else they go after quantity only and do not care much about quality. They have no definite ideas about their work, so they constantly vacillate. Sometimes they fall victim to Rightist conservatism with their ideas lagging behind reality, and sometimes they are rash and place undue emphasis on quantity and speed, attempting to go beyond what is actually possible.

Not a few responsible comrades in different departments spend most of their time dealing with official papers and

telegrams, and attending too many unnecessary meetings. They very seldom go deep into the basic organizations and into the midst of the masses in order to find out their needs and study their experience, and thus they fall inevitably into a groove of routine and red tape. Not a few leading comrades like to build up a huge structure of organizations inside their own departments. Because of these unwieldy and overlapping organizations, the opinions and needs of the masses cannot be accurately and promptly brought to their notice, nor can their own decisions and instructions be correctly and quickly carried out. Thus they set up many artificial barriers between themselves and the masses. Quite a number of responsible comrades, when problems calling for immediate solution arise in their work, do not themselves tackle these problems, but pass them on to those on a lower rung of the departmental ladder, and these people in turn pass them on to others on a still lower rung, and finally the solution of the problem is again reported from rung to rung by reversing this process. In consequence the problems are either mishandled or left unsolved until too late. In either case, the work is bound to suffer. What is even more serious is that some leading comrades are unwilling to come into contact with the masses, and do not feel any concern for the people's welfare; instead of trying actively to solve the problems for which the masses want an immediate solution, they remain aloof and indifferent.

Among some cadres bureaucracy also assumes the form of swollen conceit and self-complacency. These comrades exaggerate the role of the individual and emphasize personal prestige. They lend a willing ear to flattery and praise, but cannot bear criticism or supervision; some persons with bad character even go so far as to stifle criticism and resort to reprisals against their critics. There are people of yet another kind in our Party who reverse the relations between the Party and the people. Instead of

serving the people, they abuse their authority over the people and do all manner of evil deeds in contravention of law and discipline. This is a most wicked, anti-popular style of work, a hang-over in our own ranks of the working style characteristic of the ruling classes of the old days. Although the number of such cadres is small, the harm they do is very great.

Another fairly widespread form of bureaucracy is commandism. Quite a number of Party organizations and cadres fail to consult the masses before they make decisions and issue instructions. Moreover, in the process of carrying out these decisions and instructions they do not try to persuade and educate the masses, but simply resort to issuing orders to get things done. Comrades who commit such mistakes may subjectively wish to do things well, but actually they do their work very badly. Such mistakes of commandism are more glaring among the primary Party organizations and their cadres, but mistakes of this kind in the lower organizations are often inseparable from the subjectivist and bureaucratic methods of leadership employed by the leading bodies above them.

The presence of the above-mentioned mistakes shows that the mass line is still far from being thoroughly carried out in our Party. We must constantly struggle against such manifestations of bureaucracy and isolation from the masses. We must realize also that bureaucracy, being a survival of the age-long rule of exploiters in the history of mankind, has a deep and far-reaching influence on the socio-political life. Therefore, the struggle to carry out the mass line and overcome bureaucracy is bound to be a long-term affair.

This task is set forth both in the General Programme and in all the relevant articles of the draft Party Constitution. Of course, these provisions by themselves cannot solve the problem. We must in addition adopt a series of practical measures. What measures must we take?

First, we must vigorously expound the mass line throughout the Party's educational network, in educational literature for Party members, and in all Party newspapers and periodicals.

Secondly, we must systematically improve the working methods of leading bodies at all levels so that leading personnel will have ample time to go deep into the midst of the masses, and study their conditions, their experience and their opinions by investigating typical situations. This should replace the present practice of spending most of the time in offices, handling papers and documents and holding meetings inside the leading bodies. The staffs of leading bodies should be cut down and the number of organizational levels reduced. The leading bodies should send as many of their superfluous working personnel as possible to lower bodies and let the remaining ones handle practical work themselves, so as to guard against the danger of the leading bodies turning bureaucratic.

Thirdly, we must see to it that the democratic life of the Party and the state is fully developed so that the lower organizations of the Party and government will have adequate facilities and the assurance that they can make timely and fearless criticism of all mistakes and shortcomings in the work of the higher bodies, and that all kinds of Party or state meetings, especially Party congresses and people's congresses at all levels, will serve as forums where the opinions of the masses can be fully voiced and criticism and debate freely used.

Fourthly, we must strengthen supervision by the Party and the state, discover and promptly correct all kinds of bureaucratic practices, and mete out due and prompt punishment to those who have contravened law and discipline or seriously damaged the interests of the masses.

Fifthly, the Party organizations in various localities and departments must check up at regular intervals on the working style of all Party members through criticism by

the masses and through self-criticism, drawing on the experience gained in Party rectification campaigns in the past. In particular, they must carefully check up on how the mass line is being carried out.

In the struggle to carry out the mass line and combat bureaucracy, it is of vital importance to strengthen still further our co-operation with non-Party people, and to draw as many of them as possible into the struggle. At present, however, there are a good many comrades in our Party, including some in fairly responsible positions, who still have the defect of being either reluctant or unaccustomed to co-operate with non-Party people. This, in fact, is a very harmful sectarian tendency, and only when such a tendency is overcome can the Party's united front policy be carried out thoroughly.

Such comrades must be made to understand that our Party's co-operation with other democratic parties and with democratic personalities having no party affiliations is a long-term affair and this policy was fixed long ago. Ever since the period of the Anti-Japanese War, our Party has been pursuing a policy of co-operation with democratic personalities outside the Party. Since the founding of the People's Republic of China, our co-operation with other democratic parties and democratic personalities having no party affiliations has gone a step further. The experience of the last ten years or so has shown that this kind of co-operation is beneficial, and not harmful, to the cause of our Party. Many of the democratic personalities who co-operated with us were at first political representatives of the bourgeoisie or the petty-bourgeoisie, but in the course of co-operation they have gradually and in varying degrees shifted their standpoint towards socialism, and will continue to shift further in this direction. Of course, there are struggles in this kind of co-operation. This is inevitable. But the point is that these democratic personalities can provide a kind of supervision over our Party which

cannot easily be provided by Party members alone; they can discover mistakes and shortcomings in our work which may escape our own notice, and render us valuable help in our work. The help they can give us is bound to become greater now that socialist transformation has won a decisive victory and their standpoint is coming closer to ours than ever before. Therefore, our task is to continue to broaden our co-operation with non-Party people and to enable them to play an even greater role than before in our struggle against bureaucracy and in all fields of state affairs.

That is all I want to say about the significance of the mass line and the need for the Party to continue to follow it in our work.

III

Democratic centralism is our Party's Leninist organizational principle. It is the fundamental organizational principle of the Party, the mass line in Party work applied to the life of the Party itself. In the General Programme and in Chapter Two of the draft Constitution, more detailed provisions are made concerning democratic centralism in the Party. These provisions are the result of many years' experience gained in the organizational life of our Party.

The Party depends on all its members and organizations to maintain contact with the broad masses of the people. The collection of opinions and experiences from among the masses, the publicizing of the Party policy so as to turn it into the views of the masses, and the organization of the masses to put the Party policy into effect—all this must be done, generally speaking, through the efforts of the Party members and lower Party organizations. Therefore, with regard to the question of democratic cen-

tralism in the Party, what is of special significance is to correctly regulate relations between the Party organization and its members, between higher and lower Party organizations, and between central and local Party organizations.

In the history of our Party deviations have occurred in the relations between higher and lower organizations. During the period when "Leftist" opportunism was dominant in the Party, the deviation took the form of excessive centralization. During that period, the lower organizations had practically no right to voice their own opinions to the higher organizations. The leadership in the higher organizations not only showed no interest in the situation and opinions of the lower organizations, but even attacked those who, basing themselves on the actual situation, put forward reasoned opinions which differed from those of the higher organizations. This kind of mistake was, generally speaking, overcome after the Central Committee had brought the domination of "Leftist" opportunism to an end in January 1935.

Since 1935 the relations between higher and lower organizations, and between central and local organizations in our Party have on the whole been normal. The Central Committee, when it has had to deal with important questions of a national character, has always done its best to consult the comrades working in the various localities and departments and listen to their opinions, and, in general, free and repeated discussion took place when differences of opinion occurred. As we all know, many important directives of the Central Committee were first sent out in draft form to local organizations, which were asked to suggest revisions after they had discussed them and put them tentatively into operation; they were issued in official form only after being revised in the light of the opinions received — a process which takes several months, sometimes even more than a year, to complete. The Central Com-

mittee also permits local organizations to modify its directives according to local conditions if they really find it impossible to carry out the directives as they are. Not only during the Anti-Japanese War and the War of Liberation but also in the first few years after the founding of the People's Republic of China, the Central Committee gave local organizations extensive powers to deal with problems independently, and facts have proved that it was perfectly correct to do so. Generally speaking, relations between higher and lower organizations in all localities and departments have been governed by the same principle; the local and lower organizations respect the leadership of the Central Committee and the higher organizations, and consequently our policies have in the main been successfully carried out throughout the Party.

But during this period another kind of deviation existed in the Party, namely, departmentalism. It often happened that there were Party cadres who liked to make their particular department a little world of their own. They liked to act according to their own ideas on political questions, disliked the Party's direction and supervision, and did not respect the decisions of higher organizations and the Central Committee. They did not even ask for prior instructions from higher organizations and the Central Committee on important questions that required a uniform decision by the Central Committee, nor did they submit any report to them afterwards. In this way they acted contrary to Party policy and Party discipline and impaired the unity of the Party. The Central Committee has waged stern and continuous struggles against this kind of deviation. The *Decision to Strengthen the Party Spirit* (1941), the *Decision on the Unification of Leadership in the Anti-Japanese Bases* (1942), the *Directives for the Establishment of a System of Applying for Instructions and Submitting Reports and the Strengthening of the Sense of Organization and Discipline* (1948), and the *Decision to Put the Party-Committee System*

on a Sound Footing (1948) — all these documents issued by the Central Committee were mainly designed to overcome this tendency to departmentalism. The Fourth Plenary Session of the Seventh Central Committee held in February 1954 dealt a smashing blow at the errors of departmentalism ideologically, politically and organizationally. Since then this deviation has survived only in certain isolated cases.

At present the main shortcoming in the relations between higher and lower Party organizations as a whole, is still that not enough attention has been paid to promoting the activity and creative ability of the lower organizations. Undue emphasis on centralization manifests itself not only in the economic, cultural and other administrative work of the state, but also in Party work. Too many rigid regulations are laid down by the higher organizations, and many of them are formulated without a careful study of the conditions and experiences of the lower organizations, with the result that the lower organizations encounter difficulties in trying to carry them out. Many higher organizations are not yet used to getting deep down among the rank and file, listening to the opinions of the lower organizations and the masses, and solving problems through consultation with the lower organizations. They are still prone to issue orders from their office sanctums, or to try to run the lower organizations themselves. Moreover, some leading functionaries at the higher levels like to put on airs and make a great show of authority. They are wont to lecture and criticize people, but are unwilling to seek advice or listen to criticism from the lower ranks, or make any self-criticism in the presence of those working under them. Such cases, though not prevalent, are by no means isolated. If we do not pay attention to this state of affairs and bring about a change, there can be no real democratic centralism in places where such a situation exists.

In the light of the various kinds of experience mentioned above, the draft Constitution makes the following addi-

tional provisions in regard to the relationship between higher and lower organizations under democratic centralism:

Firstly, with regard to the basic conditions of democratic centralism, the following provisions are added: "All leading bodies of the Party must pay constant heed to the views of their lower organizations and the rank-and-file Party members, study their experiences and give prompt help in solving their problems." "Lower Party organizations must present periodical reports on their work to the Party organizations above them and ask in good time for instructions on questions which need decision by higher Party organizations."

Secondly, concerning the functions and powers of the central and local organizations and of the higher and lower Party organizations, the following article is added: "The functions and powers of the central Party organizations and those of the local Party organizations shall be appropriately divided. All questions of a national character or questions that require a uniform decision for the whole country shall be handled by the central Party organizations so as to contribute to the centralism and unity of the Party. All questions of a local character or questions that need to be decided locally shall be handled by the local Party organizations so as to find solutions appropriate to the local conditions. The functions and powers of higher local Party organizations and those of lower local Party organizations shall be appropriately divided according to the same principle."

Thirdly, with regard to discussions on questions of policy and the carrying out of decisions, the following article is added: "Before decisions on Party policy are made by the leading bodies of the Party, lower Party organizations and members of the Party committees may hold free and practical discussions inside the Party organizations and at Party meetings and submit their proposals to the leading bodies of the Party. However, once a decision is taken

by the leading bodies of the Party, it must be accepted. Should a lower Party organization find that a decision made by a higher Party organization does not suit the actual conditions in its locality or in its particular department, it should request the higher Party organization concerned to modify the decision. If the higher Party organization still upholds its decision, then the lower Party organization must carry it out unconditionally."

Another fundamental question with regard to democratic centralism in the Party is the question of collective leadership in Party organizations at all levels. Leninism demands of the Party that all important questions should be decided by an appropriate collective body, and not by any individual. The 20th Congress of the Communist Party of the Soviet Union has thrown a searching light on the profound significance of adhering to the principle of collective leadership and combating the cult of the individual, and this illuminating lesson has produced a tremendous effect not only on the Communist Party of the Soviet Union but also on the Communist Parties of all other countries throughout the world. It is obvious that the making of decisions on important questions by individuals runs counter to the Party-building principles of the political parties dedicated to the cause of communism, and is bound to lead to errors. Only collective leadership, in close touch with the masses, conforms to the Party's principle of democratic centralism and can reduce the possibility of errors to the minimum.

It has become a long-established tradition in our Party to make decisions on important questions by a collective body of the Party, and not by any individual. Although violations of the principle of collective leadership have been frequent in our Party, yet once discovered, they have been criticized and rectified by the Central Committee. In particular, the decision made by the Central Committee in September 1948 to put the Party-committee system on a

sound footing, played a great role in strengthening collective leadership in the Party. I think it is still useful to refer to it here for the benefit of the whole Party. The decision reads:

"The Party-committee system is an important Party institution for ensuring collective leadership and preventing exclusive control by any individual. It has recently been found that the practice of exclusive control and the deciding of important matters by individuals prevails in some (though not, of course, in all) leading bodies. Decisions on important matters are not made at Party committee meetings, but by individuals. Committee membership thus becomes nominal. Questions about which committee members disagree cannot be settled, and the differences of opinion are allowed to remain unresolved for a long time. And whatever agreement does exist among the committee members is merely an agreement in form but not in fact.

"This state of affairs must be changed. Hereafter a sound system of Party committee meetings must be established in all Party organizations, from the bureaux of the Central Committee down to the regional committees, from the front committees down to the brigade committees, as well as in military area organizations (army sub-committees or leading groups), in leading Party members' groups in government agencies, people's organizations, news agencies and newspapers. All important matters (but not insignificant matters or matters that have already been discussed at meetings and only await execution) must be submitted to the committee and fully discussed by the members present, and clear-cut decisions should be made and then carried out by individuals and organs concerned severally. The same should be done by Party committees below regional and brigade levels. A system must also be established of holding leading functionaries' meetings in the various departments (such as the propaganda depart-

ment and the organization department), commissions (such as the Party commissions in charge of work among workers, women or youth), schools (such as Party schools) and offices (such as research offices) of the higher leading bodies.

"Of course we must see to it that the meetings do not take up too much time and are not held too frequently, and that they do not get bogged down in discussions on trivial matters, thus adversely affecting our work. Personal talks should be held before a meeting takes place to discuss important problems which are complicated and over which opinions may differ, so that the committee members may think about them beforehand, that decisions made at the meeting may not remain on paper and that the meeting will not fail to reach any decision. Meetings of Party committees should be divided into standing committee meetings and plenary sessions, which should not be mixed up. Furthermore, it must be noted that no undue emphasis should be placed on either collective leadership or personal responsibility at the expense of the other. In the case of troops engaged in battle, or in any other cases where circumstances require it, the commander or chief has the power to use his own discretion in an emergency."

This decision was carried out throughout the Party and it still holds good up to the present.

Of course the system of collective leadership had been in existence long before this decision was made. The significance of the decision lies in the fact that it summed up the Party's successful experiences in the thorough-going practice of collective leadership, that it urged those organizations whose collective leadership was only nominal to rectify their mistake, and that it extended the scope of application of collective leadership.

As was pointed out in the decision, the system of collective leadership by Party committees, or to be more exact,

the system of division of responsibility among the commanders and chiefs under the collective leadership of the Party committee, had long been practised in the Chinese People's Liberation Army. It was proved by long years of war-time experience in the Chinese People's Liberation Army that this system was beneficial to army work and by no means a hindrance to the direction of military operations. In the light of the experience gained over the last few years, the Central Committee has decided to carry out the system of collective leadership by Party committee in all enterprises as well, i.e., the system of the personal responsibility of the factory director or manager under the collective leadership of the Party committee.

However, the application of the system of collective leadership in our Party still has many defects. In a small number of Party organizations some responsible comrades are still prone to exercise exclusive personal control. They seldom call the necessary regular meetings, or, when they do call meetings of Party organizations, they reduce such meetings to a mere formality. They neither give the participants a chance to prepare themselves beforehand for the questions that are going to be decided on, nor create an atmosphere conducive to free discussion at the meeting; hence decisions are virtually imposed on the members. This practice of personal dictation under the guise of collective leadership must be resolutely opposed. All questions submitted to the meeting must be discussed and differences of opinion must be permitted. If in the course of discussion a serious difference of opinion arises, the discussion should be suitably prolonged and personal talks undertaken so as to seek real agreement among the great majority, provided this does not affect an urgent matter that needs to be settled immediately. In such cases, nothing should be put to the vote in a hurry, nor should any conclusion be peremptorily drawn. Similarly, when an election takes place in a Party organization, the necessary exchanges of views and discus-

sion should be carried out among the electors regarding the list of candidates put forward. Only thus can a democratic life within the Party be really ensured.

Another defect pointed out by the Central Committee in its decision of September 1948 is still found in many organizations. This is that too many meetings are held and the meetings go on for too long. This not only takes up time which the full-time Party workers ought to spend in getting into close contact with the masses and exercising practical leadership and thus encourages bureaucracy and red tape, but also affects the hours of work and leisure of many Party members and non-Party people. This defect is due to the lack of planning, preparation and leadership for meetings. It is also due to the misuse of meetings by bringing up a great many questions which do not need to be discussed at meetings. This defect should also be resolutely overcome.

One of the basic requirements of democratic centralism in the Party is that Party congresses at the various levels should be held at regular intervals, and should play their part to the full. More than eleven years elapsed between the Seventh and Eighth Party Congresses. The interval is of course much too long. As to local Party congresses and conferences at various levels, a few localities and units have kept strictly to the provisions of the Party Constitution, but the majority have held congresses and conferences less often than is stipulated in the Party Constitution. This is a serious defect in the democratic life of our Party.

Inner-Party democracy has not been seriously affected by the long and irregular intervals between Party congresses and conferences. This is because in the years since the Seventh Congress a great number of cadres' conferences have been held by both the central and local organizations of the Party. These conferences, in which the Party's policies and various problems in work were discussed in

a fully democratic spirit, have to a considerable extent played the role of Party conferences and even Party congresses. For example, since 1949 the Central Committee has called quite a number of conferences that were national in scope. They were: the Second (Enlarged) Plenary Session of the Seventh Central Committee, March 5-13, 1949; the Third (Enlarged) Plenary Session of the Seventh Central Committee, June 6-9, 1950; the National Conference on Financial and Economic Work, June 13-August 11, 1953; the National Conference on Planned Purchasing and Marketing of Grain, October 10-12, 1953; the Fourth (Enlarged) Plenary Session of the Seventh Central Committee, February 6-10, 1954; the National Party Conference, March 21-31, 1955; the Conference of Secretaries of Provincial and Municipal Party Committees, July 31-August 1, 1955; the Sixth (Enlarged) Plenary Session of the Seventh Central Committee, October 4-11, 1955; the Conference on the Transformation of Capitalist Industry and Commerce, November 16-24, 1955; the Conference on the Question of Intellectuals, January 14-20, 1956; and the Conference of Secretaries of Provincial and Municipal Party Committees, April 25-28, 1956. In general, attendance at these conferences numbered from over a hundred or a few hundred to over a thousand. To all intents and purposes these conferences played the role of national conferences and solved important problems in Party policy and work through free and practical discussion. Nevertheless, the holding of these conferences cannot legally replace the holding of Party congresses, or make up for the defect of not holding Party congresses regularly.

For a complete elimination of this defect and a fuller development of democratic life in the Party, the Central Committee has decided to introduce a fundamental reform in the draft Party Constitution. A fixed term is to be given the National Party Congress and the congresses at provincial and county levels, in a way similar to the peo-

ple's congresses at various levels. It is laid down in the draft Party Constitution that the National Party Congress is to be elected for a term of five years; congresses at provincial level for three years; and congresses at county level for two years. The congresses at all the three levels are to be called in session once a year, and consequently, as a system, the original Party conferences at the various levels will no longer be necessary. The system of Party congresses with fixed terms will greatly reduce the burden of electing delegates. The congresses may be convened at any time during their term of office. And as the congresses will hold a session once a year, the occasion need not be an elaborate affair. The greatest merit of the system of fixed terms for the congresses lies in the fact that it will help the congresses — the Party's highest policy-making and supervisory organs — to operate in a most effective way; this is scarcely attainable under the existing system whereby congresses are held once in a number of years, with delegates elected afresh every time. Under the new system the Party's most important decisions can all be brought before the congresses for discussion. The Central Committee and the provincial and county committees must submit annual reports to their respective congresses, listen to their criticisms and answer their questions. And since the delegates are elected for a fixed term and are responsible to the bodies which have elected them, they will be in a better position to bring together regularly the views and experiences of the lower organizations, of rank-and-file Party members and of the masses of the people. In this way, they will attend the sessions with a more representative character, and during the interval when the congresses are not in session they can also exercise supervision in such forms as are appropriate over the work of the Party organs. For these reasons, we feel sure that this reform will greatly help to develop inner-Party democracy.

It must be emphasized that the Party is a militant organization. Without a centralized and unified command it would be impossible to win battles. The measures taken for the development of inner-Party democracy are not meant to weaken necessary centralization in the Party, but to supply it with a powerful and vigorous basis. This is perfectly clear to every one of us. Our purpose in proposing to improve the system of congresses at all levels is to make it easier for the Party committees to bring together the opinions of the broad masses and to work more correctly and more effectively. Our purpose in proposing to improve the working relationship between the central and the local, and between the higher and lower bodies is to enable the central and higher bodies to exercise their leadership in closer conformity with actual conditions, to concentrate their attention on work that needs to be centralized and to strengthen their inspection and guidance of the work of the local organizations and the lower bodies. We do not advocate the strengthening of collective leadership in order to reduce the role of the individual. On the contrary, the role of the individual can only be correctly developed through the collective, while collective leadership must also be combined with individual responsibility. Without division of labour and individual responsibility we would not be able to carry out any complicated work and would find ourselves in a woeful predicament with no one responsible for any particular job of work. Whatever the organization, we need not only division of responsibility, but also somebody to assume over-all responsibility. Aren't we all well aware that even a small group cannot function without a leader?

Here I should like to say a few words about the role of the leader in the Party. While recognizing that history is made by the people, Marxism never denies the role that outstanding individuals play in history; Marxism only points out that the individual role is, in the final analysis,

dependent upon given social conditions. Likewise, Marxism never denies the role of leaders in political parties. In Lenin's famous words, the leaders are those who are "the most authoritative, influential and experienced." Undoubtedly, their authority, their influence and their experience are valuable assets to the Party, the class and the people. We Chinese Communists can fully appreciate this from our own experiences. Of course, such leaders emerge naturally from the midst of the mass struggles and cannot be self-appointed. Unlike the leaders of the exploiting classes in the past, the leaders of the working-class party stand not above the masses, but in their midst, not above the Party, but within it. Precisely because of this, they must set an example in maintaining close contact with the masses, in obeying the Party organizations and observing Party discipline. Love for the leader is essentially an expression of love for the interests of the Party, the class and the people, and not the deification of an individual. An important achievement of the 20th Congress of the Communist Party of the Soviet Union lies in the fact that it showed us what serious consequences can follow from the deification of the individual. Our Party has always held that no political parties and no individuals are free from flaws and mistakes in their activities, and this has now been written into the General Programme of the draft Constitution of our Party. For the same reason, our Party abhors the deification of the individual. At the Second Plenary Session of the Seventh Central Committee held in March 1949 — that is, on the eve of the nation-wide victory of the People's Revolution — the Central Committee, at the suggestion of Comrade Mao Tse-tung, made a decision prohibiting birthday celebrations for Party leaders, and the use of Party leaders' names to designate places, streets and enterprises. This has had a wholesome effect in checking the glorification and exaltation of individuals. The Central Committee has always

been against sending to the leaders messages of greetings or telegrams reporting successes in work. Likewise, it has been against exaggerating the role of leaders in works of art and literature. Of course the cult of the individual is a social phenomenon with a long history, and it cannot but find certain reflections in our Party and public life. It is our task to continue to observe faithfully the Central Committee's principle of opposition to the elevation and glorification of the individual, and to achieve a real consolidation of the ties between the leaders and the masses so that the Party's democratic principle and mass line will be carried out to the full in every field.

IV

Part of the General Programme of the draft Constitution dwells on the solidarity and unity of the Party. Solidarity and unity are one of the most important questions in the building up of the Party. As the General Programme points out, "Solidarity and unity are the very life of the Party, the source of its strength. It is the sacred duty of every Party member to pay constant attention to the safeguarding of the solidarity of the Party and the consolidation of its unity."

What was the reason for the success of the People's Revolution led by our Party? First of all, of course, it is because our Party had a correct policy which represented the interests of the people. But with a correct policy alone, we could not have defeated the powerful enemy and won victory. Our Party also kept in close touch with the people and, further, rallied them into a united force. But if our Party itself had not been united, how could it have rallied the people?

Again, after the victory of the People's Revolution in our country, on what did we depend in order to overcome

tremendous difficulties and obstacles, rapidly achieve the unity of the nation, quickly rehabilitate and develop our national economy, embark on the socialist transformation of our national economy and complete it in the main? Beyond all doubt, we could not have led the people and accomplished these complicated tasks in such a short period if there had been no unity in our Party.

Our Party has now assumed the leading role in all fields of state affairs and public activities. It is obvious that our Party in its present condition is exercising a more direct and extensive influence on the national life than ever before. It is for the benefit not only of the Party but also of the entire people that we should safeguard the solidarity of the Party and strengthen its unity.

The Party is the highest form of class organization. It is particularly important to point this out today when our Party has assumed the leading role in state affairs. Of course this does not mean that the Party should be directly in command regarding the work of state organs, or discuss at Party meetings questions of a purely administrative nature and overstep the line of demarcation between Party work and the work of state organs. It means, first, that Party members in state organs and particularly the leading Party members' groups formed by those in responsible positions in such organs should follow the unified leadership of the Party. Secondly, the Party must regularly discuss and decide on questions with regard to the guiding principles, policies and important organizational matters in state affairs, and the leading Party members' groups in the state organs must see to it that these decisions are put into effect with the harmonious co-operation of non-Party personalities. Thirdly, the Party must conscientiously and systematically look into the problems and work of the state organs so as to be able to put forward correct, practical and specific proposals or revise them in time in the light of actual practice, and must ex-

ercise constant supervision over the work of state organs. Some comrades working in government departments do not respect the leadership of the Party on the pretext that their work is of an exceptional nature, and attempt to turn their own departments into "independent kingdoms." This is a dangerous tendency which must be overcome. At the same time, some Party organizations incorrectly interfere with the administrative work of state organs, while others, without investigation and study, are content to offer a vague, generalized kind of leadership or a leadership based on imagination. This is another tendency which must be overcome.

The points I have mentioned about the relationship between the Party and the state organs in their work also apply in general to the relationship between the Party and the various people's organizations. But as democracy in these organizations is much broader than that in state organs, the Party should take this special feature into consideration when exercising leadership over the leading Party members' groups in these organizations.

In order to strengthen the unity and solidarity within its own ranks, in order to correctly play its role as leader and nucleus, the Party has waged uncompromising struggles against all sorts of deviations in this respect. The long-term existence of the Party in widely-scattered rural areas; the strong influence that feudal, bourgeois and petty-bourgeois ideas and styles of work still have in our society; and the deepening of class struggle at a certain period of the socialist revolution — all these factors cannot but find reflection in the life of the Party. Therefore, the solidarity and unity of the Party are inseparable from inner-Party struggles of varying degrees.

As we all know, the most serious inner-Party struggle that took place in the interval between the Seventh and Eighth Congresses was the fight against the anti-Party bloc of Kao Kang and Jao Shu-shih. At the National

Party Conference held in March 1955, a detailed report on this struggle was given and was followed by discussion.

The basic characteristic of this anti-Party bloc was the fact that it attempted to seize the supreme power of the Party and the state through utterly unprincipled conspiratorial activities on an extensive scale. This bloc attempted to maintain exclusive control over certain areas and departments and use them as its "capital" to oppose the Central Committee and usurp its authority; with this purpose in view, it carried on agitation in various areas and in the People's Liberation Army against the Central Committee. These conspiratorial activities were utterly against the interests of the Party and the people, and could only benefit the enemies of the Chinese people. For this reason the National Party Conference held in March 1955 unanimously endorsed the measures taken in this connection by the Fourth Plenary Session of the Seventh Central Committee held in February 1954 and by the Political Bureau of the Central Committee following the session.

Since the Fourth Plenary Session of the Seventh Central Committee of the Party and the National Party Conference, the Party's solidarity and unity have been immensely strengthened, and the political understanding of all Party members and the fighting capacity of the Party organization have greatly increased. The enemies of the Party and the people gained nothing from this struggle.

The Central Committee decided to expel Kao Kang and Jao Shu-shih from the Party, because their conduct gravely imperilled the interests of the Party and the people and they showed no signs of repenting of their activities and mending their ways in spite of the repeated warnings given by the Party over a long period before and after the Fourth Plenary Session of the Seventh Central Committee. At the National Conference on Financial and Economic Work in the summer of 1953 and, again, at the National Conference on Organizational Work in September and

October of the same year, the Central Committee especially called upon all Party members to strengthen Party solidarity and oppose any acts which might endanger it. But these conspirators, bent on carrying out their intrigues to split the Party and seize power, turned a deaf ear to these warnings.

The resolution of the Fourth Plenary Session of the Seventh Central Committee states: "With regard to those who take their stand against the Party, refuse stubbornly to correct their errors, or carry on sectarian, disruptive or other pernicious activities within the Party," the Party "must conduct relentless struggles and subject them to severe disciplinary measures or even expel them from the Party when necessary; for only by so doing can unity in the Party be maintained and the interests of the revolution and the people be defended."

But this is only one side of the Party's policy towards Party members who have committed mistakes. The same resolution points out: "Every comrade may have shortcomings and commit mistakes, every comrade needs other people's help, and the purpose of Party unity is precisely to develop this kind of comradely mutual help. In dealing with the shortcomings or errors of Party members, the policy adopted should vary according to circumstances." The resolution adds: "As for comrades whose shortcomings or errors are comparatively unimportant, or those who, though their shortcomings or errors are serious or comparatively serious, can still, after being helped by criticism, place the interests of the Party above their own and are willing to mend their ways and actually do so, the principle of 'curing the illness in order to save the patient' should be adopted towards them. Serious criticisms must be made and the necessary struggles waged against their shortcomings or errors according to the circumstances, but such criticism and struggle should start out from unity, and aim to reach unity through criticism and struggle. The

comrades concerned should not be deprived of the chance to do better. Moreover, their isolated, partial, temporary, relatively unimportant shortcomings or errors should not be deliberately exaggerated into systematic, serious ones; this is not starting out from unity, and the aim of unity cannot be attained in this way. Therefore, it is not in the interests of the Party."

The above-mentioned principles for dealing with the mistakes of Party members, as set forth in the resolution of the Fourth Plenary Session of the Seventh Central Committee, have now been written into the General Programme of the draft Constitution.

As we all know, since 1935 the Central Committee, in dealing with Party members who have committed mistakes, has always acted upon the principle of treating each case on its own merits. Practice has shown that it is correct to adhere to this principle, that the unity of the Party benefits from it and the Party's cause prospers. The Central Committee believes that in ordinary circumstances the aim of correcting the mistakes of Party members is to draw lessons, to improve the work and to educate all Party members; in other words, to "learn from past experience in order to avoid similar mistakes in the future," and "cure the illness in order to save the patient." The aim is not to take such members to task so severely as to make it impossible for them to continue to work in the Party. Therefore, in dealing with such members, emphasis should be laid on a factual analysis of the root and essence of their errors, on how to raise their ideological level and on how to draw the correct lesson for other comrades and the whole Party. Emphasis must not be laid on the disciplinary action taken by the Party organization, nor must solutions of the problem be sought through "putting labels" on the offender or simply resorting to punishment. Unduly severe or widespread punishment is especially to be avoided, for it would create tension and cause fear in

the Party, and this is detrimental to the Party's strength. In the period when our Party was dominated by "Leftist" opportunists, errors were committed by pushing inner-Party struggle to the extreme. A policy of excessively harsh struggle and of wanton punishment (the so-called "ruthless struggle" and "merciless blow") was carried on within the Party. As a result, Party unity, inner-Party democracy and the initiative of the rank-and-file Party membership all suffered severe damage and the advance of the Party's cause was seriously hindered. Now, although such wrong treatment of comrades' shortcomings and mistakes is no longer a dominant feature in Party life, it still exists in some organizations, and attention must be paid to rectifying it.

On the other hand, there exists in the Party another kind of tendency which also deserves attention. This is to be over-tolerant and over-indulgent towards comrades who have committed mistakes without giving them the punishment they deserve or waging any ideological struggle against them. This is a tendency towards liberalism, which must also be resolutely opposed.

In order to maintain Party solidarity and unity on the basis of Marxism-Leninism, to help comrades overcome their shortcomings and correct mistakes in time, it is necessary to greatly intensify criticism and self-criticism within the Party. To encourage and support criticism from below and to prohibit the suppression of criticism are of decisive importance for the development of criticism in the Party. In the past few years, the Central Committee has several times organized Party-wide campaigns of criticism and self-criticism in the form of "Rectification Campaigns," which have yielded remarkably good results. When calling lower-rank comrades to meetings or in talking to them, leading comrades of the Central Committee have of their own accord asked them to criticize the Central Committee's work, listened patiently to their criticisms, and

promptly taken necessary and practical measures to correct the shortcomings and mistakes pointed out, with the result that inner-Party criticism from below has been greatly encouraged. The Central Committee has carried out a sharp struggle against the suppression of criticism and applied disciplinary measures to some leading personnel who arbitrarily stifled criticism from below. But it must be admitted that even now not a few responsible comrades in Party organizations, and not a few Party members who hold responsible positions in government departments and people's organizations still do not encourage and support criticism from below. Some of them even use the shameful method of making personal attacks and carrying out reprisals against their critics. This is also one of the grave signs that the germs of bureaucracy are attacking our Party. Every true Communist must fight to root out this evil.

V

Now I should like to say a few words of explanation about the provisions in the draft Constitution regarding Party membership. In this regard a number of important changes have been made in the draft Party Constitution as compared with the Constitution adopted at the Seventh Congress. This is because the conditions of the Party and its members now are quite different from what they were at the time of the Seventh Congress. These revisions make higher demands on the members and at the same time extend their rights.

The most significant change about the Party is that it is now in the position of leadership throughout the country. The Party's programme for a democratic revolution has been carried out in nearly all parts of the country, and its programme for a socialist revolution has in the main been

successfully carried out. The present task of the Party is to complete the socialist revolution and bring about, in not too long a period, the socialist industrialization of the country, building China into a mighty socialist industrial country. Organizationally, the composition of the Party has changed both in numerical strength and in the social status of its members. According to figures provided by the Organizational Department of the Central Committee, at the end of June 1956, the Party had a total membership of 10,734,384, which is 1.74 per cent of the total population. Of this, 1,502,814, or 14 per cent of the total membership, are workers; 7,417,459, or 69.1 per cent, are peasants. 1,255,923, or 11.7 per cent, are intellectuals; 558,188, or 5.2 per cent, are of other social status. Women constitute about 10 per cent of the total membership.

The triumph of the Party's cause, the increasing weight of its responsibility towards the people, and the rise of its prestige among the masses—all this demands that our Party should set higher standards for its members. Moreover, in the past a person's decision to join our Party generally meant that he was prepared to struggle, at the risk of his personal freedom and even his very life, for the interests of the masses and for the supreme ideal of human society. Nowadays, however, it is easy to find people who have joined the Party for the sake of prestige and position and who do not safeguard the interests of the masses, but harm them instead. To be sure, such people are very rare in our Party, but we cannot overlook the fact that they do exist. The struggle to raise the standards of Party membership is one of the Party's important political tasks at the present time.

With this end in view, new provisions are made in the draft Constitution regarding the qualifications for Party membership.

In the first place, the draft demands that Party members must be people who work and do not exploit the labour of

others. In our day only that which is the result of labour can bring honour, and to exploit the labour of others instead of working oneself is a deep disgrace in the eyes of the people. With the development of socialist transformation, exploitation and living on the fruits of other people's labour are dying out in our country. However, in present-day Chinese society there are still exploiters, overt and covert practices of exploitation, and ideas of the exploiting class. We must not allow such people, practices, and ideas to find their way into the ranks of the Party, and we must see to it that every Party member draws a clear line between labour and exploitation.

Concerning the duties of Party members, there is much that is new in the provisions of the draft Constitution as compared with the relevant articles of the existing Constitution.

In the draft Party Constitution, it is laid down as the duty of Party members "to safeguard the Party's solidarity and consolidate its unity." The reason for such a provision is obvious. Solidarity and unity are the very life of the Party, and it is unthinkable that the Party should have any need for members who do not care for its life.

It is provided in the draft that Party members must energetically fulfil the tasks assigned them by the Party, because this is the concrete guarantee for the carrying out of Party policy and decisions.

The draft Party Constitution requires every Party member to strictly observe the Party Constitution and the laws of the state and behave in accordance with communist ethics, no exception being made for any Party member, whatever his services or position. Here, the Central Committee considers it of special significance today to stipulate very clearly that no Party member, whatever his services or position, is allowed any special privilege to act against the Party Constitution, the laws of the state, or communist ethics. Some Party members who have rendered

meritorious service and hold responsible positions have the idea that it is their prerogative to act as they please, discipline or no discipline. There are even Party organizations which have given tacit consent to this view. In actual fact, anyone who entertains or supports this view is helping the enemy to corrode our Party. People who conduct themselves like "overlords" tend to think that they are indispensable to the Party. The fact, however, is quite the contrary. Our Party, far from having any use for such persons, definitely does not permit the presence in its ranks of any "overlords" who in the matter of fulfilling the duties of Party members may act in a way different from ordinary members. Respect is due to service and position only if the person possessing such standing and record does not get conceited about them or consider them as something entitling him to special privileges, but, on the contrary, becomes ever more modest, prudent and conscious of his responsibility to set a good example. If he does not do this his conceit and insolence will be the ruin of him. The Party will never tolerate such people at the risk of isolating itself from the broad masses.

The draft Party Constitution stipulates that it is the duty of every Party member to practise criticism and self-criticism, expose shortcomings and mistakes in work and strive to overcome and correct them; and that it is his duty to report such shortcomings and mistakes to the leading Party bodies, up to and including the Central Committee. Without doubt this provision in the draft will help to stimulate the political activity of all Party members, promote inner-Party criticism and facilitate the exposure and elimination of shortcomings and mistakes in Party work.

The draft Party Constitution provides that Party members should be truthful and honest with the Party and not conceal or distort the truth. This is a principle of great significance in Party life. To proceed from reality and seek the truth through facts is our fundamental viewpoint

as materialists. Any concealment of the truth from the Party, or distortion of the truth can only harm the Party. And in the end, too, it can only harm the very people who conceal facts from the Party or distort them.

The draft Constitution also requires Party members to be constantly on the alert against the intrigues of the enemy, and to guard the secrets of the Party and the state.

All these new provisions concerning the duties of Party members indicate that the Party is making more exacting demands on its members than in the past.

An extensive and thorough education in the duties of Party members needs to be conducted among the membership and among activists who want to join the Party. When a Party member fails to fulfil his duties, the Party organization should promptly criticize him and teach him to do better. Many Party members, especially new members, have failed in their duties because they do not really know what their duties are, or because, although they have read the relevant articles in the Party Constitution, they do not understand their real meaning. Therefore, when a Party member fails in his duties for the first time, timely criticism and education are often sufficient to help him avoid making similar or bigger mistakes in future. In cases of this kind, it is incorrect to rashly take disciplinary measures.

Education by itself, however, will not ensure that all Party members strictly observe their duties. The draft Party Constitution provides that any serious infraction of these duties, splitting of Party unity, breaking of the laws of the state, violation of Party decisions, damaging Party interests, or deception towards the Party constitutes a violation of Party discipline, and disciplinary action shall be taken against it.

Every applicant for Party membership must undergo the procedure of admission individually. The draft Constitution stipulates that an applicant must be recommended by

two full Party members, and is admitted as a probationary member after being accepted by the general membership meeting of a Party branch and approved by the next higher Party committee, and he may become a full Party member only after the completion of a probationary period of a year.

In the draft the term "probationary period" has been adopted in place of "candidature" which has long been employed, and the term "probationary member" in place of "candidate member." This is because the term probationary is more accurate in meaning. The change was suggested by a non-Party personality and we have accepted the suggestion.

During the discussion on the draft, many comrades raised the question: "If it is our purpose to raise the standards of the Party membership, why have we discarded the original provisions about different procedures of admission for applicants of different social status? Might this not affect the purity of the Party?"

The distinction that was hitherto made in the procedure of admitting new members has been removed because the former classification of social status has lost or is losing its original meaning. Both before the Seventh Congress and for a considerable period afterwards it was essential to have different procedures of admission for applicants of different social status and this served a very good purpose. But in recent years the situation has basically changed. The difference between workers and office employees is now only a matter of division of labour within the same class. Casual labourers and farm labourers have disappeared. Poor and middle peasants have all become members of agricultural producers' co-operatives, and before long the distinction between them will become merely a thing of historical interest. With the introduction of obligatory military service, revolutionary soldiers no longer constitute an independent social stratum. The vast

majority of our intellectuals have now come over politically to the side of the working class, and a rapid change is taking place in their family background. The conditions in which the city poor and the professional people used to exist as independent social strata have been virtually eliminated. Every year, large numbers of peasants and students become workers, large numbers of workers, peasants and their sons and daughters join the ranks of the intellectuals and office-workers, large numbers of peasants, students, workers and office-workers join the army and become revolutionary soldiers, while large numbers of revolutionary soldiers return to civilian life as peasants, students, workers or office-workers. What is the point, then, of classifying these social strata into two different categories? And even if we were to try and devise a classification, how could we make it neat and clear-cut?

It has already been stated that only those who work and do not exploit the labour of others, and only those who are fully qualified to be Party members, can be admitted to the Party. Therefore, the question of different procedures of admission for applicants of different social status has ceased to exist.

Practice has shown that what we should chiefly do in order to purify the ranks of the Party is as follows: strengthen supervision over the work of recruiting new members; see to it that the general membership meeting of the Party branch and the Party committee of the next higher level check up carefully on applicants for admission and on probationary members at the end of their probationary period; subject probationary members to careful observation and give them education during their probationary period; give timely education to Party members who are not fully up to the standard, and expel whatever bad elements have wormed themselves into the Party. Purity does not depend on the number of Party members required for recommending different types of applicants, the length

of Party standing of such members or the length of the probationary period of the applicants.

The present membership of our Party is nine times what it was at the time of the Seventh Congress. How were these new members admitted into the Party? Are they really qualified for Party membership? Judging from the results of the Party rectification campaigns of the past years, the overwhelming majority of them were admitted according to the procedure laid down in the Party Constitution and are qualified for Party membership. On the whole, the Party organizations have grown up in the course of mass revolutionary struggles, and the very fact that those who were admitted were people active among the masses and tested in struggle forms the chief guarantee for the quality of the Party membership. But mistakes were made on many occasions in the matter of admitting new members. During the War of Liberation, new members were recruited in the rural districts of some liberated areas by means of so-called "Campaigns to Join the Party," or through a process of so-called "self-recommendation, public discussion, and approval by the Party organization." In the two years just before and after liberation of the whole country, the membership of the Party grew with undue speed, and in certain areas it grew practically without guidance and without plan, while Party organizations in some areas even went about recruiting new members in large numbers and setting up Party branches before the masses were aroused. The result was that certain Party organizations were at one time impure to a high degree. On the other hand, the mistake of "closed-door" sectarianism was also committed in admitting new members. For instance, at one time the Party failed to attach importance to recruiting new members from among industrial workers; at another time it neglected to recruit new members from among revolutionary intellectuals; in certain rural districts, the Party or-

ganizations neglected to recruit the more active youth and women.

Nevertheless, it is an obvious fact that 90 per cent of the present 10,730,000 members have joined our Party since the Seventh Congress. Experience has shown time and again that many members, although they have joined the Party organizationally, have not joined ideologically or at least not fully joined ideologically. It is, therefore, the task of the Party organizations at all levels to be conscientious about educating the vast numbers of new members more effectively, to take practical measures to organize and guide their study of Marxism-Leninism, Comrade Mao Tse-tung's writings and the history and policy of our Party and to strengthen their education in proletarian internationalism, so as to raise the level of their understanding and enable them to become really qualified ideologically as Party members.

The ranks of the Party have expanded rapidly. But the number of Party members is still very small among certain sections of the people, in certain enterprises, offices and educational institutions, in certain villages and among certain nationalities. At the same time more and more activists are coming to the fore and asking to join our fighting ranks. Therefore, apart from striving to improve the quality of the membership, the Party must, in the period to come, continue in a planned way to admit those who apply for membership and are fully qualified for it. The Party should also strengthen its work among women and pay special attention to recruiting the advanced ones among them.

While striving to raise the standards of its members, the Party must pay attention to the protection and extension of their democratic rights. The draft Constitution contains some new provisions of great importance concerning the rights of members.

It is laid down in the draft Party Constitution that Party members enjoy the right of giving full play to their creative ability in work. This is of significance as a principle. It will greatly stimulate vast numbers of Party members to endeavour, so far as is compatible with Party discipline, to bring together the wisdom of the masses, to think independently and to solve problems in a practical and creative way. Moreover, it will also bring about a change in the working style of those leading personnel who have got into a groove and disregard the creative ability of the rank-and-file Party members, and this, too, will help inner-Party democracy to flourish.

The draft provides that Party members enjoy the right to ask to attend in person when a Party organization decides to take disciplinary action against them or make an appraisal of their character and work. This means that the Party organization will have the opportunity to listen to the member's own statement so that no decision will be made on the basis of an incorrect or one-sided report. This procedure has already been generally adopted in the Party, but there are certain Party organizations which have not put it into effect. Without any reason whatsoever, they often failed to inform members of the disciplinary measures to be taken against them until the decision had already been made. Of course, there are special cases in which it is impossible for the Party member concerned to attend in person when such a decision is made by a Party organization. Such cases, however, should be regarded as the exception rather than the rule. And even in such cases, the member concerned still has the right to ask beforehand to attend in person and the right to appeal afterwards if he disagrees with the decision made by the Party organization.

The draft Party Constitution provides that Party members enjoy the right to reserve their opinions or submit them to a leading body of the Party, in case they disagree

with any Party decision, which, in the meantime, they must carry out unconditionally. We all know that the Party is an organization based on ideological unity and that the ideological unity of the membership is the foundation of the solidarity and unity of the Party. But this does not mean that no Party member should hold different opinions about Party decisions. No, this is impossible. The unity that the Party demands is an ideological unity on all questions concerning the Party's basic principles and unity of action on all practical issues. On matters of day-to-day work, it is permissible, and even unavoidable, that there should be different views among the Party members to some extent. In order to get various practical problems solved, the Party must act according to the principle that individual Party members obey the Party organization, the minority obey the majority, the lower Party organizations obey higher Party organizations, and all constituent Party organizations throughout the country obey the Central Committee. In this connection, it is completely correct and necessary for the Party to demand that those members who hold different views should unconditionally carry out Party decisions in their actions. Even so, the Party members concerned still have the right to reserve their own opinions and, moreover, the right to submit them to the Party organizations to which they belong and to higher bodies, while the Party organizations should not compel them to give up their opinions by force of discipline. Far from harming the Party these provisions can have a good effect. Provided that the Party's decisions are correct and the Party members who hold different opinions are willing to bow before the truth, these members will eventually be glad to acknowledge the correctness of the Party and admit their own mistakes. If, on the other hand, truth eventually turns out to be on the side of the minority, then the protection of the right of the minority will help the Party to know the truth.

In comparison with the corresponding articles in the existing Constitution, the draft Party Constitution makes fuller provisions with regard to the right of members to participate in free and practical discussion at Party meetings or in the Party press on theoretical and practical questions relating to Party policy; their right to criticize any Party organization or any functionary at Party meetings; and their right to address any statement, appeal or complaint to any Party organization, up to and including the Central Committee.

The draft stipulates that infringement of the rights of Party members constitutes a violation of Party discipline, and disciplinary action shall be taken against it. This is an effective guarantee of the rights of Party members.

With regard to commendation and disciplinary measures in the Party, the draft Constitution contains the following important changes: first, the former provisions regarding commendation have been taken out; secondly, the provisions concerning disciplinary measures applicable to entire Party organizations have also been taken out; and thirdly, the provisions concerning disciplinary measures applicable to Party members have been simplified.

Everyday reality has proved that it is not appropriate to regard "admonition" as a disciplinary measure, and that there are inconveniences in dividing warning into two kinds — private and public. It is entirely feasible to replace provisions regarding disciplinary measures against an entire Party organization with those regarding disciplinary measures against individual members.

Some comrades ask: "Why have the provisions for commendation been left out?" Here again we have learned from the reality of everyday life. Although provisions regarding commendation were made in the Party Constitution adopted by the Seventh Congress, experience of the past eleven years has proved them to be unnecessary. Certainly this does not mean that the Party has taken no

notice of the excellent work done by many of its finest members; it has publicized their achievements and experience, and promoted them to important posts according to their personal qualities and abilities. This is the commendation the Party has given to these members. But there is a more important reason for removing the provisions about commendation. Fundamentally speaking, we Communists do not work in order to be commended. We work for the good of the people. When we have worked energetically and correctly and consequently won the confidence of the people, this is, for Communist Party members, the highest reward possible.

Here I feel it necessary to speak about the question of Party cadres. Truly, if we make strict demands on every rank-and-file Party member, we need to make still more strict demands on the Party cadres. Since the key functionaries in the Party organizations at all levels enjoy greater confidence from the Party and the people, then obviously they have a greater responsibility to the Party and the people than the rank-and-file members. According to a rough estimate, there are altogether over 300,000 Party cadres of and above the rank of county Party committee members. The quality of the work of these 300,000-odd people is of decisive significance to the cause of the Party. These cadres more than others should learn never to become separated from the masses, never to feel self-complacent, never to be afraid of difficulties, and always to be ready to accept criticism from below, to ceaselessly improve their work, and to patiently educate those who are working under their leadership through their personal example.

It would be superfluous to explain the fact that since the Seventh Congress, especially since 1949, there has been a great increase in the number of Party cadres. Nevertheless, there is a universal feeling that there are not enough of them. This shows that there are serious defects in the

selection and promotion of cadres. The chief of these is that even today in selecting cadres many comrades still take "seniority" as the criterion. Older Party members with a rich store of experience are undoubtedly a valuable asset to the Party. But we should be committing a very serious mistake if we set store by this asset to the exclusion of everything else, because our revolutionary work is developing all the time and the number of cadres required is constantly increasing, while the number of old Party members is necessarily on the decrease. This being so, if we do not resolutely and confidently employ carefully-selected new cadres, what other outcome can there be except harm to the cause of the Party and the people?

In order to keep up with the rapid development of the cause of the Party and the people, one of the important tasks the Party has is to train and promote large numbers of new cadres and help them to familiarize themselves with their work and build a comradely relationship with the older cadres, a relationship of unity and solidarity and of learning from one another. The Party must pay particular attention to the training of cadres to master production technique and various branches of professional knowledge, because cadres with such qualifications are the basic force for the building of socialism. In all localities our Party must train native cadres who are familiar with local conditions and have close ties with the local people. In national minority areas the Party must do its utmost to train cadres belonging to the nationalities there. 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.

In the Party's work of cadre administration, an important improvement in the last few years has been the dividing up of administration work so that each division covers groupings of certain ranks and departments and is thus

co-ordinated with the work of political and professional inspection and supervision. The Party should strive to improve its administrative work further in this direction, so that the cadres at all posts and in all departments will be under the careful supervision of the Party and receive concrete help from it, and the quality of cadres themselves will thus be constantly raised. This is also an essential prerequisite for steadily raising the quality of all Party members.

VI

With regard to the organizational structure of the Party, the draft Party Constitution, besides giving the Party congresses from county level upwards a fixed term of office, and abolishing the Party conferences which were provided for at all levels under the existing Constitution, contains a number of other new provisions: namely, those concerning the central organizations, local organizations, primary organizations, control organs, and the Party's relationship with the Communist Youth League. In connection with these provisions, only a few brief explanations are needed.

In the section dealing with the central organizations, the draft provides that the Central Committee, which elects the Political Bureau, shall also elect the Standing Committee of the Political Bureau, which shall take over the role formerly fulfilled by the Secretariat, a rôle which proved both necessary and expedient in the long experience of our Party. The Central Committee will also elect the Secretariat, which in future will attend to the daily work of the Central Committee under the direction of the Political Bureau and its Standing Committee. Owing to the pressure of Party and government work, the existing central organs have proved inadequate. Hence the Central Committee finds it essential to set up additional cen-

tral organs. The Central Committee further finds it necessary to have a number of vice-chairmen and a general secretary; the chairman and vice-chairmen of the Central Committee will concurrently be the chairman and vice-chairmen of the Political Bureau.

In the section dealing with local Party organizations, the draft sets forth the system for the Party organizations of the province, autonomous region, municipality directly under the central authority, autonomous *chou*, county, autonomous county and municipality. In view of the increasingly complicated nature of the work of the leading bodies of the local Party organizations, the draft provides that a standing committee and a secretariat shall be set up under the Party committee of each of these organizations. In order to reduce the number of organizational levels, the draft provides that regional committees shall, within the limits of their respective regions, act as the representative bodies of provincial or autonomous region committees, and the district committees shall likewise act as the representative bodies of the Party committees for municipalities directly under the central authority or of the municipal, county or autonomous county committees. As a matter of fact, in certain provinces some of the regional committees and district committees in rural areas have already been abolished.

As the membership of the primary Party organizations ranges from a minimum of three to a grand total of almost ten thousand, it is necessary to allow the greatest flexibility in their organizational form. The draft divides the primary Party organizations into three categories. The first category comprises primary organizations with one hundred or more Party members, which may set up primary Party committees, each with a number of general branches or branches under them. The second category comprises primary organizations with fifty or more members, which may set up general branch committees, each

with a number of branches under them. The third category comprises primary organizations with less than fifty members, which may set up branch committees. In addition, the draft contains certain other provisions conducive to flexibility. In the course of implementation cases may still occur for which none of the above-mentioned three forms will be found entirely suitable, and in such circumstances the competent Party committees can regard these as special cases and deal with them flexibly as they see fit.

In regard to the tasks of the primary organizations, fairly comprehensive provisions are made to suit present conditions. The draft stipulates that primary Party organizations in enterprises, villages, schools and army units must guide and supervise the work of the administrative bodies and mass organizations in their respective units. The draft points out that primary Party organizations in public institutions and organizations should watch over the ideology of all Party members in the said institutions and organizations, and that they should report without delay any shortcomings in the work to the administrative chiefs of the given units and to higher Party organizations. Up to now, however, many primary Party organizations have failed to carry out these tasks.

Inasmuch as primary organizations form the basic links between the Party and the broad masses, it is an important political task of the Party's leading bodies to constantly check on and improve the work of the primary organizations. But in both urban and rural areas there are leading bodies which often busy themselves assigning one task after another to the primary organizations, but seldom check up on how these organizations are conducting their work or give any concrete help, ideological or otherwise, to the members of the primary organizations. All Party committees that are directly responsible for leading the primary organizations should, in accordance with the Con-

stitution, carry out extensive education among the latter organizations, and at the same time draw the necessary conclusions on the ways to improve their leadership over the primary organizations.

To set up and strengthen the control organs of the Party at different levels is a matter of great importance for the struggle against unhealthy tendencies within the Party. Although it was only after the National Party Conference in March 1955 that the Central Control Commission and the control commissions at lower levels began to be set up on the basis of the former discipline inspection committees, the work of these control commissions has served a good purpose. The draft defines the tasks of the control organs and the relationship between higher and lower control commissions. The control commissions should not confine themselves to dealing with individual cases as they arise, but should work actively to find out how the Party Constitution, Party discipline, communist ethics and state laws and decrees are being observed by Party members. To this end, the Party committees at different levels must ensure that the control commissions are adequately staffed, and must give them constant and vigorous support.

The whole history of the Communist Youth League shows that the League is the Party's reliable reserve force as well as its capable assistant. When the League organization was restored in 1949, it was known by the name of the China New Democratic Youth League. Since then the membership of the League has grown to 20,000,000, and its lively activities can be seen on all fronts. In view of the progress of socialist transformation in our country and the spread of communist education among the youth of China, the Central Committee of the Youth League has decided to suggest to the forthcoming national congress of the League that it be renamed the Communist Youth League of China. The Central Committee of the Party believes that this decision is correct. The draft Party

Constitution sets forth the relationship between the Party and the Youth League. It requires Party organizations at all levels to take a deep interest in the League's ideological and organizational work, to give guidance to the League in imbuing all its members with communist spirit and educating them in Marxist-Leninist theory, to see to it that close contact is maintained between the League and the broad masses of young people and pay constant attention to selecting members for the leading core in the League. The youth represent our future: it is they who will carry on all our undertakings. We therefore believe that Party organizations at all levels will spare no effort or energy in carrying out these tasks.

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In the foregoing, I have made some necessary explanations about the draft Party Constitution put forward by the Central Committee. The Central Committee holds that it is adapted to our Party's present conditions and tasks.

The Central Committee believes that the draft Party Constitution, after being discussed and adopted by the Eighth National Party Congress, will become a powerful instrument by means of which we shall further raise the quality of the Party, broaden the scope of inner-Party democracy, bring into full play the political activity of the Party membership, improve the Party's organizational work, and strengthen its solidarity and unity and its fighting capacity.

As I have said above, the draft Party Constitution does not differ in fundamental principle from the Constitution adopted by the Seventh Congress. And it must be added that the fundamental spirit of the draft Constitution is precisely a logical development of the various principles laid down by the Seventh Congress to govern the Party's

work. Thoroughgoing discussion and correct decisions were made at the Seventh Congress on such issues as the Party's mass line, democratic centralism, the solidarity and unity of the Party, the raising of the standards of Party membership and protection of members' rights. Thanks to this, since the Seventh Congress, our Party has been full of vigour in its organizational work, and has become steadily more flourishing just as its political struggles have prospered. The Party's organizational work has ensured the successful fulfilment of its political tasks. In the eleven years between the Seventh and Eighth Congresses, our Party's organizational strength has grown rapidly, its ties with the masses have been greatly extended and strengthened, inner-Party life has become increasingly active, the Party's ranks have become more closely united than at any period in the past, and, consequently, the achievements won in the Party's cause have also been greater than at any period in the past.

We have made mistakes and met with dangers in our work, and there are still shortcomings and difficulties to be overcome, but none of these has caused, or ever will cause, panic in our Party. On the contrary, our Party always has boundless confidence in itself and the courage to correct mistakes, overcome dangers, remove shortcomings, and surmount difficulties, and so strive for fresh and greater victories.

Our Party owes its victories, first and foremost, to the people's trust and support as well as to the persevering efforts of the whole Party membership. We shall cherish with everlasting gratitude the memory of the martyrs who laid down their lives for the cause of the Party.

Our Party also owes its victories to the leading personnel of the Party organizations at all levels, particularly to the leader of our Party, Comrade Mao Tse-tung.

Now our Party is confronted with new and difficult tasks. We must carry through the great task of socialist

transformation, fulfil ahead of schedule and overfulfil the First Five-Year Plan for the development of our national economy, and actively prepare to carry out the Second Five-Year Plan, so as to bring about a great advance in our industry, agriculture, communications, transport and commerce, promote our scientific and cultural work and raise the living standards of the people to a new level. We must liberate Taiwan. We must actively contribute our efforts towards the safeguarding of world peace. To be ready for such great tasks, we must do our utmost to further consolidate our Party and cement the ties between our Party and the broad masses of the people.

The Communist Party of China, which is built and developed on Marxist-Leninist principles, and which, through practice, has ceaselessly improved its organization and work, and strengthened its ties with the masses, will certainly be able to accomplish, in solidarity and unity, the glorious tasks which the people have entrusted to it.

**PROPOSALS OF
THE EIGHTH NATIONAL CONGRESS OF
THE COMMUNIST PARTY OF CHINA
FOR THE SECOND FIVE-YEAR PLAN
FOR DEVELOPMENT OF THE
NATIONAL ECONOMY
(1958-1962)**

*Adopted by the Eighth National Congress of the Communist
Party of China on September 27, 1956*

During the period of China's First Five-Year Plan, the people of the whole country have demonstrated unprecedented socialist enthusiasm and launched a great movement for socialist construction and socialist transformation. A decisive victory has been gained in socialist transformation and socialist construction is going ahead successfully.

At present, the international situation has definitely tended towards relaxation; the work of construction in the great Soviet Union and the People's Democracies is expanding daily; unity and co-operation among the socialist countries is growing ever closer. The people's democratic dictatorship is more consolidated than ever and there is still greater unity among all the nationalities, democratic parties and patriots of our country. All these factors have created very favourable conditions for the successful completion of our First Five-Year Plan. In view of our achievements in national construction during the past three years and more, it is estimated that most of the targets set by our First Five-Year Plan will be overfulfilled, and socialist transformation, in particular, will be accomplished ahead of schedule. In bringing our First Five-Year Plan to a successful conclusion in 1957, we shall have laid the preliminary groundwork for socialist industrialization; at the same time, with the exception of a few areas, we shall have put agriculture and handicrafts, in the main, on a co-operative basis and transformed all capitalist industrial and commercial concerns into joint state-private enterprises.

As the First Five-Year Plan will soon be brought to a successful conclusion, it is necessary now, in good time, to draw up the Second Five-Year Plan for development of the national economy (1958-1962). The Eighth National Congress of the Communist Party of China, therefore, makes the fol-

lowing proposals concerning this plan to be submitted to the State Council of the People's Republic of China for discussion. We suggest that the State Council prepare a draft plan as soon as possible and submit it to the National People's Congress for consideration and decision, so that the efforts of the whole nation can be mobilized to carry out the tasks to be set by the Second Five-Year Plan.

The Second Five-Year Plan is of vital importance in carrying out the fundamental task of our country during the transition period. The Second Five-Year Plan must promote our socialist construction by forward-looking and really sound measures, and complete socialist transformation on the basis of the successful fulfilment of the First Five-Year Plan, so as to ensure that, in approximately three five-year plans, we can, in the main, build up a comprehensive industrial system and transform our backward agricultural country into an advanced socialist industrial country. Hence the principal tasks of the Second Five-Year Plan should be: (1) to continue industrial construction with heavy industry as its core and promote technical reconstruction of the national economy, and build a solid foundation for socialist industrialization; (2) to carry through socialist transformation, and consolidate and expand the system of collective ownership and the system of ownership by the whole people; (3) to further increase the production of industry, agriculture and handicrafts and correspondingly develop transport and commerce on the basis of developing capital construction and carrying through socialist transformation; (4) to make vigorous efforts to train personnel for construction work and strengthen scientific research to meet the needs of the development of socialist economy and culture; and (5) to reinforce the national defences and raise the level of the people's material and cultural life on the basis of increased industrial and agricultural production.

In order to guarantee fulfilment of these principal tasks, it is proposed that in drawing up the Second Five-Year Plan

the following principles and measures be adopted in regard to development and transformation of the national economy.

(1) In view of the domestic and international situation and the general trend of current events, it is necessary as well as possible to continue to maintain a fairly rapid rate in the development of our national economy during the Second Five-Year Plan period. As provided for in the First Five-Year Plan, 1957 will see an increase of 51.1 per cent in the total value of industrial and agricultural output (here and below, including that of modern industries, handicrafts and agriculture), as compared with 1952, but this increase, it is estimated, may in actual practice be more than 60 per cent. In the Second Five-Year Plan period, as newly-built enterprises and enterprises undergoing reconstruction are brought successively into operation, as the productive potentialities of existing enterprises are further developed, as the productive potentialities of the equipment of private industrial enterprises are brought into play after they have come under joint state-private management or state ownership, and as the productive forces of agriculture and handicrafts are further developed after being organized into co-operatives, it is required that the total value of industrial and agricultural output in 1962 show an increase of about 75 per cent as compared with 1957 (here and below, this refers to the targets of the annual plan for 1957 set by the First Five-Year Plan). The value of industrial output (here and below, including modern industry and handicrafts) will be about double the planned figure for 1957 and that of agricultural output will increase by about 35 per cent. The rates of growth of industrial and agricultural output stated above appear to be somewhat high because they are compared with the planned targets set by the First Five-Year Plan, and no account is taken of the possibility that those targets will be overfulfilled. If comparison is made with the actual achievements of the First Five-Year Plan, then the rates of

growth laid down in the Second Five-Year Plan will, as stated above, be relatively lower.

Our First Five-Year Plan provides that in 1957, capital goods industry will account for 38 per cent of the value of industrial output while consumer goods industry will account for 62 per cent; but it is expected that the share of capital goods industry may actually exceed 40 per cent. In the Second Five-Year Plan period, the rate of increase in the value of industrial output will still be faster in capital goods industry than in consumer goods industry. It is required that by 1962 capital goods industry and consumer goods industry will each represent about 50 per cent.

(2) Because of the growth of industrial and agricultural output, the increase in labour productivity and the practice of strict economy in various branches of the national economy, it is possible to increase the national income in 1962 by about 50 per cent as compared with 1957. During the Second Five-Year Plan period, we should maintain in the distribution of the national income a correct proportion between consumption and accumulation, and the part which goes to accumulation may slightly exceed that of the first five-year period so as to speed up socialist construction and ensure gradual improvement of the people's livelihood.

With the increase of national income and the growth in the proportion of state-owned economy in the national income, state revenue will show a considerable increase during the Second Five-Year Plan period, as compared with the First. Expenditure must correspond to revenue so that a balance is maintained, while certain reserves are set aside to meet any unforeseen difficulties. At the same time, funds for extending credits should be suitably increased to ensure a balance between credit receipts and payments.

During the Second Five-Year Plan period, while strengthening our national defences and increasing administrative efficiency, we should as far as possible reduce national defence and administrative expenditures, and increase ex-

penditure on economic construction and cultural development so as to ensure the rapid advance of socialist construction. Under the First Five-Year Plan about 56 per cent of total expenditure goes to economic construction and cultural development. This figure should be raised to between 60 and 70 per cent under the Second Five-Year Plan, while expenditure on national defences and administration should be reduced from about 32 per cent of total expenditure under the First Five-Year Plan to about 20 per cent under the Second. The rest of expenditure will be allocated for the state's material reserves, for credit funds, repayments of domestic and foreign debts and general reserve funds.

On the basis of a bigger revenue, the proportion of state investments in capital construction during the Second Five-Year Plan period can be raised from about 35 per cent of all state expenditure in the first five-year period to about 40 per cent so as to speed up socialist construction. Thus, state investments in capital construction in the second five-year period may be about double what they are in the first. In order to ensure a rapid development of industry and agriculture—the two principal branches of the national economy—the proportion of capital construction investments in industry by the state should be raised from 58.2 per cent under the First Five-Year Plan to about 60 per cent under the Second; the share going to agriculture, forestry and water conservancy should increase from 7.6 per cent to about 10 per cent.

(3) The central task of our Second Five-Year Plan is still to give priority to the development of heavy industry. This is the chief index of our country's socialist industrialization, because heavy industry provides the basis for a strong economy and national defence, as well as the basis for the technical reconstruction of our national economy.

It is required that the output of the main products of heavy industry reach approximately the following levels in 1962:

Product	Unit	Target for 1962	Target for 1957	Actual output in 1952	Peak annual output before liberation	
					Year	Output
Electricity	100,000,000 KWH	400-430	159.0	72.6	1941	59.6
Coal	10,000 tons	19,000-21,000	11,293.5	6,352.8	1942	6,187.5
Crude oil	10,000 tons	500-600	201.2	43.6	1943	32.0
Steel	10,000 tons	1,050-1,200	412.0	135.0	1943	92.3
Aluminium ingots	10,000 tons	10-12	2.0	—	—	—
Chemical fertilizers	10,000 tons	300-320	57.8	19.4	1941	22.7
Metallurgical equipment	10,000 tons	3-4	0.8	—	—	—
Power-generating equipment	10,000 kw.	140-150	16.4	0.67	—	—
Metal-cutting machine tools	10,000 units	6-8.5	1.3	1.4	1941	0.5
Timber	10,000 cubic metres	3,100-3,400	2,000.0	1,002.0	—	—
Cement	10,000 tons	1,250-1,450	600.0	286.0	1942	229.3

In the Second Five-Year Plan period, we must make vigorous efforts to expand the machine-building industry, particularly that making industrial equipment, and continue to expand the metallurgical industry to meet the needs of national construction. At the same time, we should also energetically develop the electric power, coal mining and building material industries, and strengthen the backward branches of industry—the oil, chemical and radio equipment industries. We should press ahead vigorously with the establishment of industries utilizing atomic energy for peaceful purposes.

No effort should be spared in this five-year period in strengthening the weak links in our industry and in opening up new fields, such as the manufacture of various kinds of heavy equipment, machine tools for special purposes, precision machine tools and instruments, the production of high-grade alloy steels, the cold working of steel products, the mining and refining of rare metals and the setting up of an organic synthetic chemical industry, etc. At the same time, we should also pay attention to multiple-purpose utilization of resources, particularly the over-all use of the associated non-ferrous metals.

(4) While giving priority to the development of heavy industry, we should suitably speed up the growth of light industry on the basis of a higher level of agricultural development, so as to meet the growing needs of the broad mass of the people for consumer goods and contribute to the state's accumulation of funds.

It is required that output of the main light industrial products reach approximately the following levels in 1962:

Product	Unit	Target for 1962	Target for 1957	Actual output in 1952	Peak annual output before liberation	
					Year	Output
Cotton yarn	10,000 bales	800-900	500.0	361.8	1933	244.7
Cotton piece-goods	10,000 bolts	23,500-26,000	16,372.1	11,163.4	—	—
Salt	10,000 tons	1,000-1,100	755.4	494.5	1943	391.8
Edible vegetable oils	10,000 tons	310-320	179.4	98.3	—	—
Sugar (including hand-made sugar)	10,000 tons	240-250	110.0	45.1	1936	41.4
Machine-made paper	10,000 tons	150-160	65.5	37.2	1943	16.5

In the Second Five-Year Plan period, in all those branches of light industry which are needed by society and which have an adequate supply of raw materials, the productive potentialities of the existing equipment should be brought into full play; the proportion of investments in light industry should be suitably increased; and new construction should be undertaken according to needs and possibilities, so as to further increase the production of light industrial goods. Efforts should be made to produce a greater variety of light industrial goods, improve quality and reduce costs, so as to produce low priced, high quality goods.

In order to increase the output of light industrial products, efforts should be made by industrial enterprises under local authorities to make greater use of local resources and waste materials to produce more consumer goods of all kinds suited to the needs of the local population; the various areas, furthermore, should organize mutual exchange of products. We should continue to develop the handicraft industries on the basis of the co-operative system so as to satisfy the many-sided needs of the people.

(5) During the Second Five-Year Plan period, we must continue to establish, or energetically prepare to establish, new industrial bases in the interior taking into account local resources as well as the principle of rationally distributing our productive forces in order gradually to achieve a balanced development of our economy throughout the country. In carrying on large-scale industrial construction in the interior, we must, however, at the same time, make vigorous efforts to make full use of and suitably develop the existing industries in the coastal areas. This is not only to meet the growing needs of the state and the people, but also to support construction work in the interior. In capital construction in industry, attention should be paid to co-ordination between large, medium and small-

sized enterprises and to their proper dispersion geographically.

In these five years, we should continue the construction of the industrial bases in Northeast China, Central China and in Inner Mongolia with the iron and steel industry as their core; start the construction of new industrial bases in Southwest China, Northwest China, and the area around the Sanmen Gorge, with iron and steel industry and hydroelectric power stations as their core; carry on with the building of oil and non-ferrous metal industries in Sinkiang; make energetic efforts to utilize the existing industrial bases in East China; bring into full play the role in industry of North and South China; and intensify geological prospecting in Tibet in order to prepare the way for its industrial development.

To ensure the completion of the above-mentioned construction projects, we must further expand and improve our geological work so as to collect all the data which economic construction needs concerning mineral deposits and geological conditions; speed up the training of designers and reinforce the ranks of builders and installation workers. At the same time, we should improve urban construction in accordance with the needs of industrial development.

(6) We must make vigorous efforts to promote agricultural production so that agriculture and industry are developed in a co-ordinated way and that the needs of the state and the people are satisfied.

During the Second Five-Year Plan period, increase in the output of grain should be ensured in the first place so as to propel the development of agriculture as a whole. At the same time, increased production of major industrial crops, especially cotton and soya beans, should be ensured so as to propel the development of light industry. In de-

veloping agriculture, we should encourage a diversified rural economy and bring about a considerable expansion of stock-breeding, forestry, fisheries and subsidiary cottage occupations so as to ensure an increase in the peasants' income and raise the living standards of the people.

It is required that the output of staple agricultural products reach approximately the following levels in 1962:

Product	Unit	Target for 1962 (approx.)	Total output in 2nd five years (approx.)	Target for 1957	Actual output in 1952	Peak annual output before liberation	
						Year	Output
Grain	100,000,000 catties	5,000	22,000	3,631.8	3,087.9	1936	2,773.9
Cotton	10,000 <i>tan</i>	4,800	21,000	3,270.0	2,607.4	1936	1,697.6
Soya beans	100,000,000 catties	250	1,100	224.4	190.4	1936	226.1

We must try our best to overfulfil the targets for the staple farm products listed above, and take effective measures to ensure increased output of other oil-bearing crops and sugar crops. We must make efforts to increase the output of natural silk, tea, tobacco, jute and ambary hemp, fruits and medicinal herbs. In the vicinity of cities and industrial and mining districts, the growing of more vegetables and increased production of other non-staple foods to supply their needs should be regarded as an important task.

It is required that the number of main kinds of livestock reach approximately the following targets in 1962:

Item	Unit	Target for 1962 (approx.)	Target for 1957	Actual number in 1952	Peak number before liberation	
					Year	Num.
Cattle	10,000 head	9,000	7,361	5,660	1935	4,826.8
Horses	"	1,100	834	613	1935	648.5
Sheep and goats	"	17,000	11,304	6,178	1937	6,252.0
Pigs	"	25,000	13,834	8,977	1934	7,853.0

Attention should be paid to promoting pig-breeding so as to increase supplies of meat and manure. In addition, extensive breeding of chickens, ducks, geese, rabbits and other poultry and domestic animals should be undertaken.

As the targets for the production of soya beans, oil-bearing crops and the breeding of livestock were not fulfilled in the first few years of the First Five-Year Plan, effective measures must be adopted in the Second Five-Year Plan period to remedy this state of affairs. In conformity with the needs of the state and the people, and taking into account natural conditions in different areas, we should arrange the proportions of grains and various industrial crops as suited to the various localities, and appropriately organize livestock-breeding and subsidiary agricultural occupations in order to ensure a well co-ordinated development of the various branches of agriculture.

Agricultural producers' co-operatives should, in conformity with the Model Regulations for Advanced Agricultural Producers' Co-operatives and the principle that co-operatives must be run industriously, thriftily and democratically, check over and consolidate their organizations, train and promote various types of cadres, and strengthen management and the organization of production. On the principle of taking care of both the needs of the state and the welfare of the peasants, reasonable pro-

portions should be worked out for distributing income as between the collective and the individual members. Where the collective work of the co-operatives is not affected, appropriate arrangements should be made to allow members the necessary time off to work in their own individual interests; they should be allowed to engage in various subsidiary agricultural occupations which are best undertaken by the peasants individually so as to further encourage their initiative in production and promote the development of agricultural and subsidiary production. In order to prevent difficulties arising in management and the organization of production which may adversely affect agricultural production, care should be taken to see that, as agricultural producers' co-operatives develop, they are not recklessly merged into large units.

To develop agricultural production during these five years, we must energetically popularize all feasible measures for increasing production on the basis of co-operative farming in order to get still higher yields of grain and industrial crops per unit area. The principal measures for increasing production are: expanding the irrigated area; developing sources of manure and fertilizers and improving their use; popularizing step by step new-type farm tools suited to local needs; popularizing high-grade seeds of agricultural crops suited to local conditions, and promoting the work of seed-rejuvenation; improving techniques and methods of cultivation; suitably enlarging the area of land planted to several crops a year and reclaiming waste land in the vicinity of villages; suitably increasing the area planted to high-yield crops; improving soil, with special attention to improvement of red soils and alkaline soils; vigorously preventing and eliminating plant diseases and insect pests. In order to prevent loss from indiscriminate popularization, the latest experience gained in increasing production should first be tried out experimentally and

then, after the method has been mastered, popularized step by step in areas with more or less the same conditions.

During the Second Five-Year Plan period, we should do our utmost to build water conservancy projects; take more effective measures to prevent flood and drain water-logged areas; extend the work of water and soil conservation; strive to reduce damage caused by heavy floods and drought and step by step end damage caused by less serious floods and drought. Alongside the large-scale water conservancy projects undertaken by the state, the agricultural producers' co-operatives and the people in general should be mobilized to take vigorous and well-planned action in building medium and small-sized water conservancy projects; and attention should be paid to the utilization and improvement of existing water conservancy facilities.

We should, so far as conditions permit, reclaim waste lands in Northeast, Northwest and South China, expand the cultivated area, and suitably develop state farms in order to increase the production of grain and industrial crops for the state.

During the Second Five-Year Plan period, we should actively develop forestry, mobilize the masses to plant trees and grow forests, do all we can to conduct re-forestation of denuded areas owned by the state and improve the work of nursing saplings, raise the survival rate, prevent forest fires and guard against insect pests, and step by step extend afforestation. We should make vigorous efforts to promote the cultivation of marine products and fisheries both in fresh-waters and shallow seas, and improve and extend our surveying and protection of aquatic resources. We should set up weather stations and weather posts according to plan, and improve our work in weather forecasting and our warning system to guard against natural calamities.

Industry, commerce and transport must improve co-ordination and co-operation with agriculture so as to promote its growth. Attention should be paid to strengthening the work of extending rural credits, in order to give more vigorous support to agricultural production.

(7) In the Second Five-Year Plan period, in order to cope with the needs of industrial and agricultural production and of national defences, we should suitably expand transport, postal and tele-communication services, and build more new railways and highways, postal and tele-communication lines, and water and air transport lines. At the same time, we should, according to plan, add to and improve existing transport and postal and tele-communication equipment, make full use of and suitably expand traditional transport facilities, improve our organization of transport services, and do our utmost to increase the efficiency of transport and communications services.

Both freight and passenger mileages of railways, highways, shipping and civil aviation should show a corresponding increase in these five years.

It is required that 8,000-9,000 kilometres of new railways be built in these five years. The trunk railway lines from Lanchow to our border in Sinkiang, from Paotow to Lanchow, from Neichiang to Kunming, from Chungking to Kweiyang and from Lanchow to Tsaidam will be completed. In addition, a number of railway junctions and branch lines serving factories, mines and forestry will also be constructed.

It is required that 15,000-18,000 kilometres of trunk highways be constructed or reconstructed in these five years. In accordance with local needs and resources, rough roads, cart tracks and other kinds of roads, too, will be built in various localities of the country to gradually expand local road networks.

We should increase our fleets of river, coastal and sea-going vessels as needed by transport; press ahead with

harbour construction and establish new navigational aids. Inland shipping lines should be extended and the organization of transport services on rivers and their tributaries improved.

Equipment and facilities of air transport for civil and special purposes should also be suitably increased.

We should step by step expand and reconstruct the national postal and tele-communication networks in line with the needs of developing the economy and culture of the whole country.

(8) In the Second Five-Year Plan period, in order to stimulate the growth of industrial and agricultural production and meet the growing needs of national construction and the people's livelihood, we should continue to improve and readjust our network of trading establishments, further increase the circulation of commodities and improve our work in the purchase and supply of industrial and agricultural products. At the same time, we should continue to maintain stable commodity prices and gradually readjust unfair prices. In regard to the purchase of industrial products, the method of fixing prices according to the quality of goods will be introduced, while in the case of some products the method of selective purchasing will be employed; this will spur backward factories to improve their work and the quality of their products, and increase their variety.

With the increase of the people's purchasing power in these five years, it is required that the volume of retail trade in 1962 be about 50 per cent greater than in 1957. There should be a corresponding increase in sales by state trading concerns and co-operatives of daily necessities, such as grain, meat, aquatic products, edible vegetable oils, sugar, cotton piece-goods, knit goods, coal and kerosene, to the people in towns and villages, and of means of production to agricultural and handicraft producers' co-operatives.

We should continue to carry out the policy of planned purchase and sale of grain, edible oil and cotton piece-goods and the policy of planned purchase of cotton to ensure proper distribution. Free purchase and sale under the unified direction of the state should be guaranteed so far as concerns commodities which the peasants retain after planned purchases by the state and those which are not covered by the plan. This will expedite commodity circulation and satisfy the people's needs. Besides the state markets, some free markets under the guidance of the state should be maintained or suitably developed according to plan to promote a brisk commodity exchange between town and countryside and to supplement the state markets.

We should improve our work in purchasing and supplying materials for export so as to ensure a balance between imports and exports.

We should improve our work in supplying materials that come under the distribution plan of the state, maintain a balance between supply and demand, perfect our supply and marketing organizations, improve the allocation and delivery of goods and materials, and strengthen our work in accumulating important material reserves, so as to ensure the even and systematic progress of national construction.

(9) In carrying the socialist transformation of private industry and commerce to completion, we must, step by step and in a planned way, effect the necessary economic reorganization and make appropriate personnel arrangements in joint state-private enterprises, and bring about step by step nationalization of these enterprises when the conditions for doing so are ripe. At the same time, we must preserve and develop the strong points of these enterprises and continuously increase the variety and improve the quality of their products.

Outstanding workers and staff of joint state-private enterprises should be promoted to take part in the manage-

ment of these enterprises. Attention should also be paid to forging unity with and educating those who represent the interests of private capital in such enterprises. We should make full use of their knowledge of production techniques and useful experience in management and help them turn into working people in the full sense of the term.

As economic reorganization is carried out, care should be taken not to amalgamate more than is necessary small factories and shops which are operationally fairly flexible and can easily be adapted to serve the many-sided needs of society. Small industrial enterprises needed by society and properly operated should be kept as they are. They should not be merged without careful consideration lest co-ordination and co-operation among the enterprises concerned be weakened. In the commercial field, it is even more necessary to operate in various ways. Trading establishments should be scattered in a reasonable way over a given locality and managed separately while being placed under the guidance of state concerns and co-operatives. To meet the daily needs of the local population, an appropriate number of small traders and pedlars should be allowed to carry on their business in the residential areas of towns and in villages.

Handicraft producers' co-operatives should direct attention to checking over and consolidating their organization, manage production efficiently, organize the supplies of raw materials and the marketing of their products. They should observe the principle of "to each according to his work" and ensure that the income of their members in general be increased. Their scope of operation should be suitably defined and their leadership and co-ordination with other parties concerned be strengthened. It is also necessary to maintain and develop the strong points of these handicraft trades, and to increase the variety and raise the quality of their products. Where necessary and

possible, some handicraft trades can be gradually mechanized or partially mechanized to expand production.

It is also not desirable to over-concentrate handicraft producers' co-operatives. Decentralization should be effected to a suitable extent in certain handicraft trades. Some handicraftsmen, particularly those who make special artistic products, should be allowed to continue working on their own. Subsidiary handicraft occupations of the peasants, with their own local markets, may, as conditions demand, be managed by the peasants individually or brought under the management of the agricultural producers' co-operatives, to meet local needs.

(10) We should press ahead with the technical reconstruction of our national economy and, first of all, technical reconstruction in heavy industry, so as to swiftly raise the technical level of our industry. In the Second Five-Year Plan period, we should, so far as conditions permit, install up-to-date technical equipment, make use of the latest scientific achievements and master the new techniques involved in the important industrial and mining enterprises concerned with machine-building, metallurgy, chemicals, power, oil, coal and radio equipment, which are being newly built or are undergoing major reconstruction, so as to bring our industry onto the road of modern technique. In existing enterprises all latent productive capacity should be made full use of, and, in accordance with the demands of the actual situation, some of their out-of-date equipment should be renovated systematically and step by step so as to raise their technical level. To get a rapid increase in output the best experience and methods of production, whether foreign or domestic, should be spread effectively and systematically to all newly built, reconstructed, and other existing enterprises, with due regard to actual conditions in each enterprise.

Technical reconstruction of our national economy must be based mainly on our heavy industry, and the machine-

building industry in particular, and furthermore, it should be commensurate with our strength in technical personnel, financial and natural resources, and labour power, and proceed gradually and with proper emphasis where needed. In certain most labour-consuming branches of economy, important work processes and major projects and projects that cannot be tackled without machines should be gradually mechanized, and to an ever increasing extent; in other places, our tremendous reserves of labour power should continue to be used. The technical renovation of transport, and postal and tele-communication services should also be carried out step by step, commensurate with our level of industrial development, the possibilities of our economic and other resources, and the needs of transport and communications.

In the Second Five-Year Plan period, so far as technical improvements in agriculture are concerned, emphasis should be put on extension of irrigation and strengthening measures of flood prevention and drainage of water-logged areas, trial manufacture and popularization of improved farm tools suited to local needs, increased production of fertilizers, improvements in cultivation techniques, the growing of high-grade seeds and the breeding of better strains of livestock. At the same time, we should, in the light of specific conditions, make suitable use of tractors on state farms, in reclaimed areas, and in areas raising industrial crops.

(11) We should energetically develop scientific research with emphasis on particular subjects in accordance with the needs of national construction. During the Second Five-Year Plan period, we should continue to learn from the latest scientific and technical achievements in the Soviet Union and other countries, and start building up in our country the most advanced branches of science and techniques known to the world, such as the science of atomic energy, electronics, and the techniques of automa-

tion and remote control; we should also achieve marked results in other important fields of scientific and technological research so that within the period of the Third Five-Year Plan we can, in many important fields of science and technology, approach the most advanced levels attained in the world.

In this five-year period, giving proper emphasis to particular fields, we should gradually strengthen research work in the Chinese Academy of Sciences, in the research institutes of the various government departments and enterprises concerned, and in universities and colleges, and effectively bring about division of work and co-operation among them. We should gradually build up a national network of scientific research institutes.

We should carry through the Party's policy of uniting with, educating and remoulding the intellectuals and the principle of "letting diverse schools of thought contend," and encourage them to cultivate independent thinking and engage in free discussion. We should make more suitable use of the services of intellectuals, and pay attention to improving their working conditions and give full play to their enthusiasm and creative ability so as to meet the needs of development of scientific research and economic and cultural development.

During the Second Five-Year Plan period, we should do all we can to train personnel for construction work, to develop higher education and secondary vocational education; continue to send graduates from universities and colleges and teachers abroad to study subjects which are still lacking in China; systematically and step by step develop spare-time higher education and secondary vocational education, so as to train more specialists in various fields we need for national construction. At the same time, attention should be paid to the development of workers' technical schools, and efforts should be made to train skilled workers in various ways.

In developing higher education, we should lay stress on engineering and the natural sciences; make vigorous efforts to promote the study of pedagogy, agriculture and forestry, and give due attention to other subjects. In this five-year period, the number of university and college graduates is expected to reach approximately 500,000, which is roughly 80 per cent more than the number aimed at in the First Five-Year Plan. In 1962 the total enrolment in universities and colleges is expected to reach approximately 850,000, which is roughly double the number aimed at in 1957.

We should vigorously increase the number of senior and junior middle schools and enlarge the existing ones to provide adequate enrolment for the universities, colleges and secondary vocational schools, and to satisfy properly the needs of government departments, factories and mining enterprises for specialized personnel and skilled workers. At the same time, we should step by step extend primary education to ever larger sections of the population, and do all we can to help agricultural producers' co-operatives organize literacy classes for children in order to make up for the shortage of primary schools.

We should make efforts to wipe out illiteracy throughout the country; carry out the reform of written Chinese step by step according to plan; and step by step establish spare-time primary and secondary schools for workers and peasants so as to ensure a constant rise in the cultural level of the mass of workers and peasants.

We should continue to adhere to the principle of "letting flowers of many kinds blossom," foster art and literature on an extensive scale, encourage in every way creative work in art and literature, promote art and literary criticism, actively carry on the work of editing, revaluing and popularizing the best part of the heritage of our national culture so as to make the various types of folk art and literature dearly loved by the masses still more perfect in form and varied in content.

We should energetically foster the growth of the cinema, and step by step and according to plan, improve our work in publication and radio broadcasting.

(12) Relations between the central and local authorities should be properly readjusted. Under the unified leadership of the central government and in accordance with the state plan, local authorities, departments and basic-level units should bring their initiative in economic and cultural development into full play and mobilize the forces of the people on an extensive scale to speed up socialist construction as much as possible.

Guided by the principles of unified leadership, level-by-level administration, and suiting our actions to the place and matter in hand, we should improve the state administrative system; define the scope of administration in enterprises, institutions, planning and finance; properly extend the administrative powers of the provincial and autonomous regional authorities and municipal authorities of cities directly under the central authority; and pay attention to improving and strengthening the work of the various departments of the central government. Extension of the administrative powers of local authorities will, on the one hand, enable the local authorities to shoulder more responsibilities and give fuller play to the positive factors and productive potentialities of the localities concerned, and on the other hand, enable the various departments of the central government to concentrate their efforts, devote greater attention to over-all planning and to the study of principles and policies, grasp the central links in their work, improve the check-up of work, and organize exchanges of experience, thereby reinforcing the leadership of the central government.

In accordance with the requirements of the state plan and the specific conditions of their area, local authorities should draw up local economic development plans. They should first of all give firmer leadership to agricultural

production. At the same time, while co-ordinating a balanced development on a local scale with that on a national scale, they should also undertake industrial construction as needed, and give firmer leadership to local industries and handicrafts. Local industries and handicrafts should be developed mainly for the needs of the local population, especially the peasants. They should also turn out products needed for export and by consumers in other parts of the country, produce various kinds of building materials, process goods for the state industrial enterprises under the central authorities and co-operate with them in production.

Local authorities must pay attention to improving their work in purchasing industrial goods, farm products and the special products of their own districts and increase the supply of consumer goods and means of production needed by agriculture and handicrafts, so as to encourage production and satisfy the needs of the people. At the same time, local authorities must, according to needs and possibilities, improve local transport and communications and promote educational, cultural and public health work.

(13) To promote economic and cultural development in the national minority areas, we must improve the work of construction there and by degrees bring about a change in the backward state of these areas.

In our national minority areas we should develop industry in a planned and well-prepared way and according to the actual needs and possibilities. We should pay attention to helping expand agriculture, forestry and stock-breeding in these areas, and gradually build water conservancy projects and introduce technical improvements in agriculture, forestry and stock-breeding. We should help improve their transport, postal, tele-communication, trading, banking and credit facilities step by step. At the same time, we should also devote attention to development of their cultural and educational work; make vigorous efforts

to train cadres and scientific and technological workers from among them; help them to create or reform their own written languages, set up public health organizations, organize mobile cinema teams; and improve and extend the distribution of publications in national minority languages.

Social reforms in the national minority areas should, in accordance with the wishes of the people and leading public personages of the different nationalities and the specific conditions of the time in each area, be carried out gradually and in a well-prepared way so as to meet the requirements of economic and cultural development in the areas concerned.

(14) The living standards of the people should be raised step by step on the basis of increased production. A correct proportion should be maintained between the rise in labour productivity and the increase in wages of workers and employees; a correct distribution should be made of the income of the agricultural producers' co-operatives. A rational use should be made of labour power and unemployment in cities should be reduced step by step and brought to an end.

During the Second Five-Year Plan period, we should make great efforts to raise labour productivity, requiring industrial and building departments to raise it by 50 per cent in these five years. During the five-year period, the number of workers and employees in the various branches of the national economy will increase by six to seven millions.

Wages should be gradually increased on the basis of ensuring an increase in labour productivity. The average wages of workers and employees will go up by 25 to 30 per cent in these five years. The working hours of workers and employees working under conditions harmful to health should be suitably reduced.

We should continue to improve housing conditions of workers and employees, and, as conditions permit, build more houses; gradually improve transport facilities for city

residents and public services in cities; gradually improve and set up more nurseries and kindergartens; and improve the work of canteens in enterprises, public institutions and government organizations. We should take practical measures to improve labour protection, sanitation and safety devices in factories and mines, to protect workers in production. Vigorous steps should be taken to reduce or eliminate those occupational diseases which cause serious harm to the workers. Special attention should be paid to improving the working conditions of those people who work in pits, in high temperatures, at high altitudes and are engaged in field work and the working conditions of women. The scope of labour insurance should be extended, and the system of labour insurance should be improved.

During the Second Five-Year Plan period, in order to stimulate the peasants' initiative in production, we should, except when extraordinary natural calamities intervene, see to it that co-operative members in general increase their income on the basis of increased agricultural production. In these five years, as agricultural production grows, the total income of the peasants will probably go up by about 25 to 30 per cent.

The welfare funds of agricultural producers' co-operatives should be suitably used so that the whole amount is spent on labour protection and on improving the material well-being of their members.

In these five years, with the development of handicraft production, the income of members of handicraft producers' co-operatives should also show a suitable increase.

Public health work should be further expanded in the Second Five-Year Plan period. The number of beds in hospitals and sanatoria and that of public health organizations should be suitably increased. Simple beds for the sick should be extensively provided in rural areas step by step. Preventive measures against disease and medical services in the countryside should be improved. Medical

personnel should be trained according to plan. Doctors of traditional Chinese medicine and those trained in Western medicine should be encouraged to learn from each other. Serious efforts should be made to study and systematize Chinese medicine and Chinese pharmacy. The utmost efforts should be devoted to the prevention and cure of those diseases which cause the most harm to the people.

The mass sports movement should be widely extended step by step to make our people more physically fit. Due regard should be given to the physical condition of people participating lest there be adverse effects due to overstrain.

(15) In the Second Five-Year Plan period, in order to increase accumulation and speed up socialist construction, we should continue to adhere to the principle of increasing production and practising economy and enforce a system of practising strict economy.

In these five years, as a result of the rapid growth of production and the expansion of capital construction, there will be a steadily rising demand for materials, funds and cadres in all branches of the national economy. At the same time, the steady rise in the level of the people's material life will result in a growing demand for consumer goods. Therefore, it is necessary for us to strive to increase production and carry on our fine tradition of working hard and living thriftily, economizing in the use of manpower, material and financial resources and making the increase in production and the practice of economy a regular, long-term task in socialist construction.

In the Second Five-Year Plan period, departments charged with industry, transport and commerce should make further efforts to lower costs of production and transport and costs of distribution of commodities. In their building activities, capital construction departments should continue to strictly follow the principle of providing buildings that suit their purpose, that are economical and as

beautiful as circumstances permit, lower building costs and raise the quality of construction. Cultural, educational and public health departments and state administrative organs should also observe the principle of reducing staff but increasing efficiency and practising economy; they should cut expenditure and combat extravagance and waste.

(16) Aid from the Soviet Union and the People's Democracies is an important condition for building socialism in our country. In the course of developing our national economy and building a comprehensive industrial system, we must, therefore, strengthen co-operation with the Soviet Union and the People's Democracies, and expand our economic and cultural exchanges and trade with them so that mutual support and help among these fraternal countries can be promoted. Given this relationship based on division of labour and co-operation in the economic and technical spheres and in scientific research, it is possible to make the fullest, mutually beneficial use of the material resources, latent productive capacity and scientific and technological achievements of these countries, thus accelerating the growth of their national economies and bringing about a common upsurge in the economies and cultures of all the socialist countries with the Soviet Union at their head.

Economic co-operation, trade relations, and cultural and technical exchanges with countries with different social systems, particularly with those in Asia and Africa, should be developed on the principle of equality and mutual benefit to promote the peaceful co-existence and the economic development of the peoples of all lands.

* * *

The Eighth National Congress of the Communist Party of China holds that the Second Five-Year Plan for develop-

ment of the national economy of our country will be a plan to bring about a further all-round upsurge in our economy and culture. Fulfilment of this plan will make it possible for our country to further strengthen her economy and national defences, to raise the level of our science and technology, improve the material well-being and cultural standards of our people; and eliminate, in the main, the capitalist system, thereby laying a solid foundation for the accomplishment of the fundamental task of the state in the period of transition.

In order that the work of drawing up the Second Five-Year Plan may be well done, the departments of the State Council and the local authorities must, in the course of drafting the Plan, put all the targets on a forward-looking and completely sound basis. They must, on the one hand, take full account of all favourable conditions and combat the Rightist, conservative tendency to ignore the latent forces and underestimate the socialist enthusiasm of the masses. On the other hand, they must take full account of all unfavourable conditions and difficulties that are liable to occur, and combat the impetuous and adventurist tendency to depart from actual realities, give no consideration to possibilities, and overlook the planned and well-proportioned development of the various branches of the national economy.

Judging from the implementation of the First Five-Year Plan, it is difficult to anticipate at an early date many of the factors to be encountered in carrying out a long-term plan. This is particularly so in carrying out a plan for agricultural production at the present time and for a fairly long period to come, when it is still very difficult to prevent losses from natural calamities. Yet success or failure in fulfilling the plan for agricultural production has a profound influence on the execution of the whole plan for the national economy of our country. That is why in drawing up a long-term plan the targets should be put on a pretty

sound basis. In drawing up each annual plan, however, so far as conditions permit, we should actively bring into play all our potentialities so as to ensure fulfilment and overfulfilment of the long-term plan.

The drawing up of the Second Five-Year Plan is a strenuous, difficult and complicated task and one of great significance. Organizations of the Communist Party of China at all levels should, therefore, take an active and practical part, together with government organs, in completing this task successfully, organize the masses for extensive discussion of the Plan, and combat subjectivism and bureaucracy in this work, so as to ensure that this plan conforms with reality and the fundamental task of the state in the period of transition and thus serves as a guide to successful development of our country's socialist construction.

The Eighth National Congress of the Communist Party of China calls on all comrades of the Party, under the leadership of the Central Committee and Comrade Mao Tse-tung, to continue their efforts to further unite with the people of all nationalities, all the democratic parties, people's organizations, Chinese nationals resident abroad and all patriots, and continue to consolidate and expand the people's democratic united front to strive for the overfulfilment of the First Five-Year Plan and make vigorous preparations for the Second Five-Year Plan.

CHOU EN-LAI

REPORT ON
THE PROPOSALS FOR THE SECOND FIVE-YEAR PLAN
FOR DEVELOPMENT OF THE NATIONAL ECONOMY

*Delivered at the Eighth National Congress of the Communist
Party of China on September 16, 1956*

Comrades,

Our First Five-Year Plan for Development of the National Economy will be successfully fulfilled a little more than a year from now. In order that we may smoothly begin construction under the Second Five-Year Plan as soon as the First is fulfilled, the Central Committee of the Party deems it necessary to make an early start on drawing up the Second Five-Year Plan. Now, the Central Committee submits its Proposals for the Second Five-Year Plan for examination by the Eighth National Congress of the Party. After being discussed and adopted by the Congress, they will be presented to the State Council for discussion.

The fundamental principles and policies concerning our Second Five-Year Plan for Development of the National Economy have already been expounded in the Political Report delivered by Comrade Liu Shao-chi on behalf of the Central Committee. Now, I am entrusted by the Central Committee with the task of delivering to the Congress this Report on the Proposals for the Second Five-Year Plan.

I. IMPLEMENTATION OF THE FIRST FIVE-YEAR PLAN

Before speaking on the Proposals for the Second Five-Year Plan, I shall first talk about the basic conditions of the implementation of the First Five-Year Plan.

In the course of implementing the First Five-Year Plan, thanks to the efforts of the people, and above all to the efforts of the working people of the whole country, victories which are quicker and greater than expected have

been gained in both our work of socialist construction and of socialist transformation. Our achievements are tremendous, but there have also been some defects and errors in our work which we must strive to correct.

In regard to capital construction: It is estimated that, by the end of 1957, our investments in capital construction will probably exceed the planned total by more than 10 per cent; and that the programme for the above-norm construction projects included in the Plan, with a few exceptions, will be completed on or ahead of schedule and, furthermore, a number of new construction projects which are to be started in this period are added in each year. It is estimated that, by the end of 1957, some 500 newly built or reconstructed above-norm industrial enterprises will have been completed. This will increase the productive capacity of our industry, and help to establish new branches of industry and renovate to a certain degree some older ones, thereby beginning to alter the hitherto extremely backward state of China's industry. Through construction work under the First Five-Year Plan, our industrial base in the Northeast, with the Anshan Integrated Iron and Steel Works as its core, will be greatly reinforced. In Inner Mongolia, Northwest China and North China, many new industrial cities will take shape. The length of railways newly built or restored within these five years will reach some five thousand and five hundred kilometres. Important trunk lines such as the Chining-Erhlien and the Paochi-Chengtou lines are already finished. The Yingtian-Amoy Railway is nearing completion. The Lanchow-Sinkiang Railway has already been extended to the west of Yumen. Important highways such as the Sikang-Tibet and Chinghai-Tibet roads have been completed and opened to traffic. Completion of these railways and highways has strengthened the links between the vast areas of our Northwest and Southwest and other parts of the country. In

the field of water conservancy, the work to bring the Huai River under permanent control is being continued; the construction of the pivotal water conservancy and hydroelectric engineering project at Sanmen Gorge on the Yellow River has started; a number of large water-conservancy projects and many small and medium ones have likewise been started. The many completed water conservancy projects have already begun to play a definite part in preventing floods and irrigating farmland. In the past few years, great achievements have also been made in geological work to meet the needs of our capital construction. As stated above, in terms of investments and progress in building most of the major projects, capital construction under the First Five-Year Plan will probably reach our original goals. But it should also be pointed out that some branches of our economy will possibly fail to fulfil their original investment plans; part of the construction work of a few major projects will possibly fall behind the original schedule. These branches and construction projects, in the period of more than a year from now, should step up their work and strive for the fulfilment of the original plans as far as possible. It should likewise be pointed out that some construction units concerned themselves only with speed, and overlooked quality and safety, thus resulting in poor quality, many accidents, and waste in construction work. This should be a lesson to us.

In regard to industrial production: The total value of industrial output (here and below, this includes the value of output of modern industries and handicrafts, being calculated in terms of constant prices of 1952) has every year exceeded the value set in the annual plan. In 1956 it will reach the level set for 1957 in the Plan. By 1957 it will possibly exceed by about 15 per cent the target originally set in the Plan. As to the output of major industrial products, in 1957 the overwhelming majority of them will sur-

pass the planned targets. For instance, steel will reach 5,500,000 tons; electricity, 18,000 million kilowatt-hours; coal, 120 million tons; metal-cutting machine-tools, 30,000 units; power-generating equipment, 340,000 kilowatts; timber, 24 million cubic metres; cotton yarn, 5,600,000 bales; machine-processed sugar, 800,000 tons; and machine-made paper, 800,000 tons. As to important new industrial products, we are now able to manufacture power-generating, metallurgical and mining equipment and new types of metal-cutting machine-tools, which our country could not make in the past. We are also able to produce motor-vehicles and jet planes, which we were unable to make in the past. We have begun producing a certain amount of large-type steel products and high-grade alloy steels which we were unable to produce before. But owing to the shortage of raw materials, a slack market, or technical reasons, the original output plan for several kinds of products may not be fulfilled—for instance, oil, sulphur black, edible vegetable oils, cigarettes and matches.

In regard to agricultural production: In 1953 and 1954, many areas of our country suffered rather severe natural calamities. Consequently the agricultural production plans for these two years were not fulfilled. Nevertheless, the food crop surpassed that of 1952, which was a year of bumper harvests. The year 1955 was again one of good harvests. The output of grain (here and below not including soya beans) reached 349,600 million catties, that of cotton reached 30,360,000 *tan*, and the output of other agricultural products also increased. In 1956 many areas have suffered severely from floods, water-logging, typhoons and drought, resulting in a measure of damage to certain crops, especially cotton. But, because the whole countryside is in the high tide of the co-operative movement, production will be increased in those areas untouched by natural calamities, and the 1956 total output of grain in the whole country

will still be able to reach the level to be attained in 1957 as set down in the First Five-Year Plan. Provided that there are no particularly severe natural calamities in the coming year and more, it will be possible in 1957 for the main grain and certain industrial crops to exceed the targets set in the original Plan. But soya beans, peanuts, rape-seed, jute, ambary, and certain kinds of livestock will probably not be able to reach the original targets. We must take effective measures to strengthen these weak links.

In regard to transport, posts and tele-communications: Alongside the development of industrial and agricultural production and the expanding scale of capital construction, there has been an annual increase in the volume of traffic and of business handled by our posts and tele-communications. It is estimated that, in 1957, the target for freight mileage handled by all major transport departments will possibly be overfulfilled. But, because the plan for the technical reconstruction of certain existing lines and equipment has not been fulfilled, certain lines and transportation centres are at present overburdened and congested with traffic. Endeavours are being made to alter this situation.

In regard to commerce: With the constant growth of socialist commerce, a well-planned and well-organized domestic market has already taken shape, and the leading position of socialist commerce is being consolidated. In 1956 the volume of retail trade will increase by 66.3 per cent as compared with 1952, and the total value of imports and exports, by 65 per cent. It is estimated that, by 1957, all plans for retail sales and for the sales of most commodities in the home market, and plans for exports and imports, will be fulfilled, and some even overfulfilled. In the past few years, the volume of commodity circulation in the country has been expanded on the basis of increased production, and, as a result of carrying out the policy of planned purchase and distribution in regard to several

kinds of the most essential daily necessities, supplies of the people's daily necessities have been ensured. This has secured, in the main, stability of prices and promoted industrial and agricultural production and the improvement of the people's life. At present, the chief defect in commercial work is that the supply of commodities is not well-organized, and business management is unsatisfactory. This has created overstocking of some goods at one time and shortage at another.

In regard to culture, education, scientific research and public health: Considerable advances have been made in all these fields in the past few years. It is estimated that by 1957, except for a few branches, we shall be able to overfulfil all the targets, including those for higher, secondary and primary education, scientific research, journalism, publications, broadcasting, literature, arts, cinema, physical culture and medical service. For instance, the 1957 enrolment in institutions of higher learning will reach about 470,000, surpassing the original target by about 9 per cent, and there will be 68 research institutes under the Chinese Academy of Sciences, 17 more than in the original plan.

In regard to co-operation in agriculture and handicrafts: By the end of June 1956, a total of 992,000 agricultural producers' co-operatives had been organized throughout the country. Their members made up 91.7 per cent of the country's peasant households; those belonging to co-operatives of the advanced type constituted 62.6 per cent of all peasant households. Approximately 90 per cent of all the handicraftsmen had been organized. It is our estimate that by the end of 1957, after we have worked for another year and more, co-operation in agriculture and handicrafts will be virtually universal throughout the country, except for a few border areas.

In regard to socialist transformation of private industry and commerce: By the end of June 1956, 99 per cent of capitalist industrial enterprises, in terms of output value,

and 98 per cent in terms of number of workers and employees, had come under joint state-private operation. Of the private commercial and catering establishments, 68 per cent in terms of number of shops, and 74 per cent in terms of number of personnel, had been transformed into joint state-private shops, co-operative shops or co-operative groups. The conversion of capitalist industry and commerce into joint state-private enterprises by whole trades and the introduction of the system of a fixed rate of interest on shares have prepared the way for the nationalization of capitalist means of production.

Here I wish to speak briefly about the improvement of the people's material well-being.

Taken as a whole, the rate of increase of the wages of the workers and employees in the past few years was in the main compatible with that of labour productivity. However, in a certain period of time, the rate of increase in wages lagged far behind that of labour productivity. For instance, labour productivity in industry (excluding private industry) in 1955 was about 10 per cent higher than in 1954, while the average wages of the workers and employees increased only 0.6 per cent. A similar situation was found in other branches of the national economy. Immediately after we discovered this mistake in our work at the end of 1955 we set about correcting it. Beginning from April 1956, we implemented a nation-wide reform of the wages system, fixing the average wages of the workers and employees for 1956 at about 13 per cent above that of 1955. Thus the average wages of the workers and employees in 1956 will be 33.5 per cent higher than in 1952, surpassing the 33 per cent increase in five years laid down in the First Five-Year Plan. The increase of labour productivity will also exceed the original target. In state-owned industrial enterprises, for instance, labour productivity, according to the 1956 target, will be 70.4 per cent higher than in 1952, surpassing the 64

per cent increase in five years stipulated in the First Five-Year Plan.

During the past few years, we stabilized the agricultural taxes for the benefit of the peasants, and appropriately raised the price of grain purchased by the state, thus gradually improving the life of the peasants on the basis of expanded production. But we also made some mistakes. In 1954, because we did not completely grasp the situation of grain production in the whole country, and purchased a little more grain from the peasants than we should have, discontent arose among a section of the peasants. In 1955, we carried out the policy of fixed quotas for the production, purchase and marketing of grain, which set the minds of the peasants at ease and raised their enthusiasm in production. It is now estimated that the total income of the peasants can be increased by about 30 per cent in these five years.

From the situation described above, it can be seen that our First Five-Year Plan can definitely be fulfilled successfully. Most of the targets can be surpassed, if we make strenuous efforts and if no particularly serious natural calamities or unexpected accidents occur. The execution of the First Five-Year Plan has brought about, and its over-fulfilment will further bring about, profound changes in our national economy. This expresses itself mainly in the following: Industrial and agricultural production has been raised greatly, with the total output value of industry and agriculture (including the output value of modern industries, handicrafts and agriculture) in 1957 estimated to increase by more than 60 per cent compared with 1952; the share contributed by the value of industrial output (including output of handicrafts) to the total value of industrial and agricultural output will be approximately 50 per cent, with industry producing capital goods accounting for over 40 per cent of total industrial output—a fact that will strengthen the leading role of industry in the national

economy. Furthermore, as a decisive victory has been scored in socialist transformation, the socialist sector has assumed the predominant position in all fields—industry, agriculture, transport and commerce. Now, all branches of our national economy are prospering, and culture, education, and scientific research are entering a flourishing period. This has created conditions for the continued raising of the people's standard of living.

It should be pointed out that the unity of our people of all nationalities, all democratic parties and all patriots under the leadership of the Communist Party of China, and the initiative and enthusiasm they have shown in the task of socialist transformation and socialist construction are the foundation and guarantee for the great achievements enumerated above.

We must also point out that the great Soviet Union and the People's Democracies have given us tremendous assistance in the carrying out of our First Five-Year Plan. During this period, the Soviet Union has granted us loans on favourable terms, helped us to design 205 industrial enterprises and supplied the bulk of the equipment for them, sent large numbers of outstanding experts to China and rendered us much technical aid in other ways. The People's Democracies, too, have given us much assistance in equipment, materials, technical forces and so on. Experts from the Soviet Union and the People's Democracies who are working in China have been making outstanding contributions to the cause of socialist construction in our country. We wish to take this opportunity to express our deep gratitude for the sincere, fraternal assistance given us by the Soviet Union and the People's Democracies.

In carrying out the First Five-Year Plan, we have acquired considerable experience and learnt not a few lessons. By drawing on these, we shall be able to work still better in socialist construction. Here I only wish to put forward some views on certain questions which we con-

sider to be fairly important in guiding economic work during the past few years.

First, we should, in accordance with needs and possibilities, set a reasonable rate for the growth of the national economy and place the Plan on a forward-looking and completely sound basis, to ensure a fairly balanced development of the national economy. Since it is difficult for us, while drawing up the long-term plan, to fully envisage the various new circumstances and questions that may arise in the course of its implementation, we should set the long-term targets in a comparatively realistic way and leave it for the annual plans to make the necessary adjustments. The targets set in the First Five-Year Plan are, in the main, correct. The arrangements of the annual plans of the past four years were, by and large, suited to the specific conditions of the time, and were therefore capable of ensuring an overfulfilment of our First Five-Year Plan. But it should be pointed out that in certain parts of our annual plans for 1955 and 1956, we erred on the side of setting the targets too high or too low, which gave rise to certain difficulties in our work.

In drawing up the 1955 plan, because of the crop failures in the previous two years, we narrowed down the scale of capital construction a bit too much, and in the campaign to practise economy in that year, we made inappropriate cuts in investments for certain non-productive capital construction projects. And as the plans for capital construction were changed frequently and issued to the departments concerned very late, they were not quite satisfactorily fulfilled. As a result, not only was there an excessive financial surplus, but also a temporary false surplus of important building materials like steel products, cement and timber. If we had, at an earlier date, prepared a number of reserve projects and enlarged the scale of construction in time or if we had increased our state reserves of certain materials in a planned way, this temporary laying-up of

materials could have been resolved. However, since we underestimated the developments ahead and regarded temporary surpluses of materials as a relatively permanent phenomenon, we resorted to export to resolve our difficulties with temporary surpluses of steel products and cement. This was clearly not the right thing to do.

At the time when we drew up the plan for 1956, owing to the bumper harvest of the previous year and to the great victories won in socialist transformation, it was necessary as well as possible to set a fairly high tempo for development of the national economy. But we failed to strike a proper balance between the scale of capital construction and the capacity for supplying materials, and therefore we set the scale of capital construction somewhat larger than it should be. At the same time, there appeared in certain branches of the national economy a tendency to do many things at once and to have them done in a hurry. As a result, not only were our national finances somewhat strained, but there occurred a serious shortage of building materials, such as steel products, cement and timber. The state reserve of materials was too heavily drawn upon, and quite a strained situation was brought about in various spheres of the national economy.

Experience shows that, in drawing up the long-term plan, we should set the targets realistically in accordance with the basic requirements of socialist industrialization and with the possibilities of the material and financial resources and manpower of the country. At the same time, a certain amount of reserves should be built up so that the plan can be put on a sounder basis. But while drawing up annual plans, we should bring whatever potentialities we have into play according to the conditions which will possibly develop in the current year and subsequent years, so as to ensure fulfilment and overfulfilment of the long-term plan. Experience further shows that we should guard against two different tendencies in drawing up the annual

plans: when conditions are favourable, we must discern the unfavourable factors confronting and ahead of us and guard against impatience and rashness; when conditions are unfavourable, we must see that there also exist many favourable factors confronting and ahead of us and guard against timidity and hesitance. That is to say, we should make an over-all analysis of the objective conditions, and at the same time try as best as we can to make a unified plan for the main targets of the current year and the next year, so that each of the annual plans may dovetail with the next and advance at a fairly even pace.

Secondly, we should co-ordinate key projects with over-all arrangements, so that the various branches of the national economy can develop proportionately. During the past few years, while giving priority to the development of heavy industry, we adopted the policy of speeding up agricultural co-operation to push forward the development of agricultural production, and correspondingly developed light industry, thus making it possible to avoid the danger of dislocation between the several major branches of the national economy.

In dealing with this relationship between key projects and over-all arrangements, we have, however, also made mistakes in some cases. For instance, in 1953, in the construction work of some departments and localities there appeared the tendency to do everything at once and do it everywhere, taking no account of actual conditions, and recklessly running ahead. As a result, this affected the priority construction projects of the state, gave rise to difficulties in finance and waste of manpower and material resources. Such a tendency recurred in the beginning of 1956, following the publication of the Draft National Programme for Agricultural Development (1956-1967). Some departments and localities, impatient for success, attempted to accomplish within three or five years, or even one or two years, tasks that required seven or twelve years to

complete. These tendencies were all discovered and corrected by the Central Committee in good time.

In the same period, there appeared another tendency—the tendency to give certain important tasks too much emphasis so that they fell out of step with other related tasks. For example, in the beginning of 1956, in order to speed up agricultural development, we overestimated the needs in that year for the two-wheeled, double-shared plough and the small-size steam engine, and drew up production plans for too high an output of them. Although plans for the two products were repeatedly revised to reduce output, the planned figures were still too high. As a result, too much steel was consumed, thus creating more tension in the supply of steel in 1956. Also, some machine-building factories were made to rush up production at one time and reduce it at another. To take another example, in the course of our construction, certain industrial enterprises advanced too rapidly so that the raw materials needed were not all available. The result was that it was impossible for those enterprises to give full play to their productive capacity. At the start of our industrial construction, things like these might not be entirely avoidable. But it was not impossible to foresee them and make more judicious preparations against them.

In our construction work during the past few years, we have made arrangements that are on the whole appropriate with regard to the relationship between the central and the local authorities, and between the coastal areas and the interior. But there were still shortcomings in this respect. For some time, we laid emphasis on the construction work undertaken by the central authorities, but paid inadequate attention to the development of local construction work; we laid emphasis on construction work in the interior, but paid inadequate attention to that in the coastal areas. Hereafter, we should constantly pay attention to

readjusting the above-mentioned relationships, so as to avoid one-sidedness."

The foregoing shows that while we lay emphasis on key projects, it does not mean that they can be developed in isolation, independent of an over-all arrangement; and while we require an over-all arrangement, it does not mean that we may lay equal emphasis on all things without giving assurance to the key projects. In drawing up plans and arranging our work, we must neatly co-ordinate key projects with over-all arrangement.

Thirdly, we should build up our reserves and perfect our system of stockpiling materials. Loss of balance is bound to occur frequently as our national economy develops. Hence we must lay aside the necessary reserves of materials, financial resources, mineral resources, productive capacity, etc., and in particular, we must increase state-held stocks of materials, so that an even growth of our national economy and the smooth execution of annual plans may be ensured, and that any unexpected difficulties that may arise can be coped with. In the next few years, our agricultural production is still very much subject to the influence of natural calamities. To meet possible crop failures, we must have stocks of grain and of major industrial crops. In order to meet the needs of the daily expansion of the scale of our construction and production, we must also have stocks of equipment and raw materials. Furthermore, we still lack experience in planning, and our plans are often incomplete and inaccurate. Even if they are fairly accurate at the moment when they are drawn up, they may be thrown out of balance by unforeseeable factors. For instance, in 1956, when the utilization rate of the open-hearth and blast furnaces was raised as a result of the introduction of new technique, the supply of ores and coke failed to catch up. In order to eliminate or mitigate the unbalanced conditions which may occur in

carrying out the plan, we must also hold the necessary reserves.

Although the state's stocks of materials were not very large in the past few years, they played a part in meeting the demands of our production and capital construction, and made a contribution towards easing the tense material shortages of 1956. It should be pointed out, however, that in the past we did not grasp the full importance of keeping reserves of materials. As I have said before, in 1955, when there was a small surplus of certain materials, we injudiciously exported part of them. So when the scale of capital construction was expanded in 1956, an acute shortage of these materials was felt.

We must understand that in a country like ours where the economy is backward and the population is large, shortage of materials will occur frequently for a long time to come, whereas any surplus will be transient. Therefore we need to pay still more attention to augmenting our reserves and instituting a storage system, for the state to store necessary materials, and especially important materials the supplies of which are not so abundant. All state enterprises should also keep proper material reserves. Of course, the storage of materials, whether made by the state or by state enterprises, should be carried out in a well-planned way, and the quantities of materials should be fixed within reasonable limits and increased gradually. We cannot expect to make big increases at once because this would harm our current production and construction. Furthermore, we must also combat the wrong view of regarding the overstocking of products caused by blind production as storage of materials by the state, because this would inevitably cause state funds to run to waste or lie unused, which is also harmful to our production and construction.

Fourthly, the relationship between economy and finance should be correctly handled. Years of experience tell us that our financial revenue must be based on our economic

development, and our financial expenditure must also, and above all, ensure the development of our economy. Thus, we should first of all consider the economic development plan, particularly the plan for industrial and agricultural production. Then, basing ourselves on it, we should draw up the financial plan, with which to ensure the successful carrying out of the economic plan. If, instead of enlarging our financial resources in accordance with the conditions of our economic development, we set our targets for financial revenue too low, or, if we only worry about cutting financial expenditure and keep too much in reserve, we will tend to hold back the full development of economic construction. This would be wrong.

In drawing up our financial revenue plan, we must take into account the prospects of economic development and the correct ratio between accumulation and consumption, and avoid placing the figures so high as to put a great strain on our efforts. In drawing up our financial expenditure plan, apart from making a correct distribution in line with the demands of ensuring the construction of key projects and the proportionate development of the national economy, we should also give consideration to the balance between the scale of construction and the supply of materials and keep in hand a definite amount of reserve funds to meet unexpected needs, and avoid placing the figures so high as to put a great strain on our efforts. It would be obviously wrong, too, to take only the demands of construction into account and ignore the financial possibilities, or without considering whether there are adequate supplies of equipment, materials and technical personnel, put forward indices which are too high and excessively big plans for investments.

Comrades often like to argue whether or not there should be "financial limitations." In our view, it is of course wrong to ignore the demands of economic development, and subjectively set up limitations which hamper eco-

nomical development. We should oppose such limitations. But, if financial plans conform to the actual condition of economic development, and embody the correct relations between accumulation and consumption, between priority construction projects and over-all arrangements, then such financial plans must undoubtedly be strictly carried out, and should by no means be branded as "financial limitations" and blindly challenged.

It should also be pointed out here that many of the shortcomings and mistakes in our work are inseparable from subjectivism and bureaucracy among the leadership. Some leading comrades sit up on high, do not approach the masses, are ignorant of the actual conditions, and are subjective in dealing with questions and making arrangements for work. Consequently one can hardly expect their decisions to be correct; in fact, they may be wrong. Bureaucracy at higher levels, moreover, fosters commandism at lower levels.

At present the various departments of the State Council are overstaffed and divided into too many levels, causing the lower organizations to be inundated with official documents, telegrams and forms. There are leading cadres in certain departments who are not even aware what directives have been issued from and what regulations have been made in their departments. A quick end must be put to such manifestations of bureaucracy.

Although we have made great achievements in our governmental work, we must never allow ourselves to have the slightest feeling of self-complacency and conceit. It should also be observed that our national economy is developing at high speed, and that the situation changes often and rapidly. New problems can appear anywhere at any moment, and many of these problems are interlinked and crisscrossed with complications. Therefore, we must constantly maintain close contact with the masses, get down to reality, strengthen the work of investigation and study,

take changes in the situation in hand, make concrete analyses of conditions, both favourable and unfavourable, and estimate both advantages and difficulties correctly so that decisions can be made in time to regulate the activities of all departments and aspects of our national economy in order to avoid dislocation and clashes. In this vast country of ours, where situations are complicated and sweeping changes in the economy are taking place, any sort of negligence may result in big mistakes and great losses. Consequently, the overcoming of subjectivism and bureaucracy is of especially great importance.

II. FUNDAMENTAL TASKS OF THE SECOND FIVE-YEAR PLAN

The Central Committee of the Party considers that in drawing up the Second Five-Year Plan for Development of the National Economy we should start from the anticipated achievements of the First Five-Year Plan, bear in mind the basic requirement that by about the end of the Third Five-Year Plan period we must fulfil the fundamental task of the state in the transition period, and make a practical appraisal of the various conditions inside and outside the country during the Second Five-Year Plan period, so that the planning may be all-embracing. Only in this way can the plan be both forward-looking and sound.

The Central Committee of the Party suggests that the fundamental tasks of the Second Five-Year Plan for Development of the National Economy should be: (1) to continue industrial construction with heavy industry as its core and promote technical reconstruction of the national economy, and build a solid foundation for socialist industrialization; (2) to carry through socialist transformation, and consolidate and expand the system of collective ownership and the system of ownership by the whole peo-

ple; (3) to further increase the production of industry, agriculture and handicrafts and correspondingly develop transport and commerce on the basis of developing capital construction and carrying through socialist transformation; (4) to make vigorous efforts to train personnel for construction work and strengthen scientific research to meet the needs of the development of socialist economy and culture; and (5) to reinforce the national defences and raise the level of the people's material and cultural life on the basis of increased industrial and agricultural production.

The main purpose of the socialist industrialization of our country is to build up, in the main, a comprehensive industrial system approximately within a period of three Five-Year Plans. Such an industrial system will be able to produce the principal machinery, equipment and materials to meet in the main the needs of our expanded reproduction and of the technical reconstruction of our national economy. It will also be able to produce various types of consumer goods to satisfy suitably the needs born of the ever-rising living standards of the people.

Some may ask: Given the continuous development of the economies of the socialist countries headed by the Soviet Union, and given the possibilities of economic and technical co-operation among the socialist countries, is it still necessary for our country to set up a comprehensive industrial system? We think that even though our country's situation today is quite different from that of the Soviet Union in the early years of its establishment when it was economically isolated and could not get assistance from other countries and that the existence and development of the Soviet Union and the People's Democracies is a very favourable condition for our socialist construction, yet a populous country like ours, which has rich resources and great demands, still needs to build its own comprehensive industrial system. This is because, in accordance with

our internal requirements, we must quickly alter the long-term backwardness of our national economy; and in accordance with international requirements, the establishment of a powerful industry in our country can promote a common economic upsurge in the socialist countries and add to the forces in defence of world peace. The parasitic view that we need not build our own comprehensive industrial system, and can rely wholly on international assistance, is therefore wrong.

Another view, that we can close our doors and carry on construction on our own, is wrong too. Needless to say, the establishment of a comprehensive industrial system in our country requires assistance from the Soviet Union and the People's Democracies for a long time to come. At the same time it is also necessary for us to develop and expand economic, technical and cultural exchanges with other countries. Even when we have built up a socialist industrial state, it will still be inconceivable that we should close our doors and have nothing to ask from others. Facts show that, not only will economic and technical co-operation among the socialist countries expand continuously, but, with the daily growth of the forces of the peoples of various countries in the struggle for peace, democracy and national independence, and the international situation tending more and more towards relaxation, economic, technical and cultural relations between us and various other countries of the world will certainly expand from day to day. Therefore, the isolationist view of socialist construction is also wrong.

In order to lay a solid foundation for the socialist industrialization of our country, it is necessary, during the Second Five-Year Plan, to continue to expand our metallurgical industry, to make vigorous efforts to speed the construction of our machine-building industry to strengthen our electric power, coal-mining and building material industries, and to energetically develop the backward

branches of our industry—the oil, chemical, and radio equipment industries. At the same time, we should also press ahead with the technical reconstruction of our national economy and, first of all, technical reconstruction of industry, so as to raise the technical level of our industry.

As attested by experience, industrial construction, with heavy industry as its core, cannot and should not be carried on in isolation, but must be co-ordinated with other branches of the national economy, especially agriculture. Agriculture is a necessary condition for industrial development, and for the development of the entire national economy. To retard the development of agriculture would not only have a direct adverse effect on the development of light industry and the betterment of the people's livelihood, but greatly affect the development of heavy industry as well as of the national economy as a whole; it would also adversely affect the consolidation of the worker-peasant alliance. Therefore, in the Second Five-Year Plan period we should continue to make great efforts to develop agriculture so that its development may be co-ordinated with that of industry. To ensure a well-proportioned, mutually co-ordinated development of all branches and aspects of the national economy, we should arrange proper relations between heavy industry and light industry, between industrial and agricultural production on the one hand and transport and the circulation of commodities on the other, between economic construction and cultural development, between national construction and the livelihood of the people. At the same time, we should make further adjustments in the relations between the central and the local authorities, between the areas close to the coast and the interior, and between the various nationalities. All this is intended to harness all positive factors and useful forces to the great cause of building socialism.

In the Second Five-Year Plan period, it will be possible for our capital construction, and industrial and agricul-

tural production, to keep up their expansion at a relatively high speed. The Central Committee holds that in this period, on the basis of increased state revenue, state investments in capital construction can be increased from the figure of about 35 per cent of the total state revenue in the first five-year period, to about 40 per cent. Hence investments in capital construction in the second five-year period will be about double those in the first. As regards industrial and agricultural production, according to preliminary calculations, the total value of industrial output in 1962 will be about 100 per cent more than in 1957. Within this total, the value of output of both capital goods and consumer goods will increase considerably, but the rate of increase in capital goods will be still greater. The total value of agricultural output will increase by about 35 per cent. By 1962, the total value of industrial and agricultural output will be about 75 per cent above the figure set for 1957 by the First Five-Year Plan.

It should be explained here that the increased percentages as enumerated in the Proposals for the Second Five-Year Plan are calculated with the planned targets set in the First Five-Year Plan as the basis, and no account is taken of the possibility that these targets may be surpassed. They thus appear to be relatively high. After the conclusion of the First Five-Year Plan, if the figures actually achieved in 1957 are used as the basis, then the percentage increases in the Proposals may turn out to be relatively lower. For instance, China's steel output for 1962 as suggested in the Proposals is 10,500,000-12,000,000 tons. This represents an increase of 150-190 per cent, as compared with the 1957 target set in the First Five-Year Plan — which is 4,120,000 tons. But compared with the 1957 output of steel as now envisaged, which is 5,500,000 tons, the increase will be about 100-120 per cent.

We consider that the rates of expansion of capital construction and industrial and agricultural production, men-

tioned above, are suitable, being put on a forward-looking and perfectly sound basis. We are convinced that if only we rely on the masses and bring their initiative and creative ability into play, we can mobilize great strength, overcome all difficulties in the path of our advance and successfully accomplish the tasks set by the Second Five-Year Plan just as we have done in the First.

III. SOME MAJOR QUESTIONS CONCERNING THE PROPOSALS FOR THE SECOND FIVE-YEAR PLAN

I have explained above the fundamental tasks of the Second Five-Year Plan. The specific principles and targets with regard to the Second Five-Year Plan have been dealt with in the Proposals put forward by the Central Committee. Here, I shall only speak briefly on a number of major questions concerning the Proposals for the Second Five-Year Plan.

1. REASONABLE ACCUMULATION AND DISTRIBUTION OF FUNDS

The scale of our national construction will depend on the amount of funds we can accumulate and how we distribute them. If we amass more funds and distribute them properly, the rate of expanded reproduction in society will be faster, and we shall be able to bring about a well-proportioned development of the various branches of the national economy. Therefore, a reasonable solution of the questions of accumulation and distribution of funds is of great importance.

National income is the material wealth newly created in production by the working people of the whole country. In socialist countries, the entire national income belongs to the working people themselves. They use a part of it for

the maintenance and improvement of their own living standards and the other part for expanded reproduction of society, i.e., on accumulation. In the distribution and redistribution of national income, a suitable proportion must be maintained between the part for consumption and the part for accumulation. If the proportion of consumption is too small, the improvement of the life of the people will be impeded. If the proportion of accumulation is too small, expanded reproduction of society will be slowed down. Both would be detrimental to the people.

In the Second Five-Year Plan period, our national income will probably rise by approximately 50 per cent as compared with the first five years. Because our national economy is still very backward, with agriculture still occupying a relatively large part, and because the standard of living of our people is still relatively low, the portion of national income going to accumulation cannot and should not be increased too much and too fast, but may be slightly bigger than that in the first five-year period. Thus, in the Second Five-Year Plan period, the amount of accumulation will still show a great increase along with the rise in the national income.

After the problem of the accumulation of funds is solved, we must also solve the problem of distributing such funds. Taking into account the present internal and international conditions, the Central Committee considers that, for the Second Five-Year Plan period, it is necessary and possible for us to cut down appropriately in our state budget the proportion of expenditure going to national defence and administration, and to raise that going to economic, cultural and educational undertakings. In the first five-year period, expenditure for national defence and administration constitutes approximately 32 per cent of all state expenditure. In the second five-year period, we should endeavour to cut it down to

approximately 20 per cent. In this way, expenditure for economic, cultural and educational undertakings can be raised from approximately 56 per cent in the first five-year period to 60-70 per cent in the second, thereby ensuring a rapid progress in the economic, cultural and educational spheres.

In distributing state investments in capital construction, a relatively high rate of development should be ensured for industry and agriculture. In the total amount of investments, investments in industry may be raised from 58.2 per cent in the first five-year period, to approximately 60 per cent in the second; and investments in agriculture, water conservancy and forestry may be raised from 7.6 per cent to around 10 per cent. In addition, attention should be paid to proper allocation of investments for transport, posts and tele-communications, for cultural, educational, scientific and public health departments, for urban construction departments and commerce, so that each may retain an appropriate proportion.

In distributing industrial investments, suitable proportions should be kept between light and heavy industries. In the first five years, as there are still considerable potentialities in our light industry, the Plan stipulates that investments in light industry should constitute 11.2 per cent of the total industrial investment (this has been raised a little in the course of implementation)—a percentage which is appropriate. Considering the gradual rise in consumption by the people in the second five years, and that our productive capacity in certain products of light industry will be inadequate, we deem it necessary to suitably increase the percentage of investments in light industry. However, some of the light industrial enterprises have not fully tapped their potentialities, large numbers of joint state-private enterprises, in particular once reorganized, will be able to further increase their output, and the handicrafts, being put on the co-operative basis, will also further increase the production of consumer goods. In allocating investments

to light industries, we should also take these factors into account.

2. CORRECT ARRANGEMENT OF THE CAPITAL CONSTRUCTION PROGRAMME

Apart from the reasonable distribution of investments necessary in capital construction, which we have just dealt with, attention should also be paid to the following questions related to capital construction:

(1) QUESTION OF STRENGTHENING THE MACHINE-BUILDING AND METALLURGICAL INDUSTRIES

In our industrial construction, which has heavy industry as its core, special attention should be paid to building up the machine-building and metallurgical industries.

The development of the machine-building industry is one of the principal links in the establishment of a comprehensive industrial system in our country. During the First Five-Year Plan period, we are still unable to make many heavy machines, precision machines and complete sets of equipment for many types of factories. We are therefore compelled to import about 40 per cent of the machines and equipment needed for our construction. Hence a crucial question in our industrial construction from now on will be the vigorous development of the machine-building industry — particularly the manufacture of various types of heavy equipment, special-duty machine-tools, precision machine-tools, and instruments which we need but of which we are short. Through our construction under the Second Five-Year Plan, we should strive to raise the percentage of machines and equipment produced at home to about 70 per cent of our needs.

Metallurgy is the foundation of heavy industry; unless we have a powerful metallurgical industry, it will be difficult for us to develop machine-building. In the First Five-Year Plan period, we supplied only about 80 per cent of the nation's steel needs from domestic production while we imported all, or nearly all, our supplies of many special types of steel products. Hence, another crucial question in our industrial construction from now on will be the vigorous development of metallurgy. We should strive to ensure that as a result of construction in the Second Five-Year Plan, the quantities and types of steel products and major non-ferrous metals produced will meet, in the main, the needs of the various branches of the national economy, and in particular, of machine-building.

Among the various branches of heavy industry, we must not only strive to develop the machine-building and metallurgical industries, but also strengthen many other weak links and fill up many blanks. For instance, the mining and refining of rare metals, the establishment and expansion of an organic synthetic chemical industry, the peaceful utilization of atomic energy, etc. should all be taken as important aspects of our construction and given sufficient attention.

To develop heavy industry, it is necessary to continue to improve and expand geological work and correctly link general reconnaissance with priority prospecting work. Efforts should be made to explore more mines and more kinds of ores, and collect more data on mineral deposits so as to satisfy the long-term as well as immediate needs of industrial construction.

(2) QUESTION OF GEOGRAPHICAL DISTRIBUTION OF PRODUCTIVE FORCES

In order to achieve a rational distribution of productive forces in our country, to promote the economic develop-

ment of all areas, and to adapt the geographical disposition of our industries to the situation of our resources and national defence, it is necessary to build new industrial bases in the interior in a planned way. We must firmly adhere to this policy. The building up of new industrial projects in the interior will also promote the economic and cultural development of the national minority areas. During the Second Five-Year Plan period we must continue the construction of the industrial bases in Central China and Inner Mongolia with the iron and steel industry as their core; actively proceed with the construction of new industrial bases in Southwest China, Northwest China and the area around the Sanmen Gorge, with iron and steel industry and large-type hydro-electric power stations as their core; carry on with the building of oil and non-ferrous metal industries in Sinkiang; and intensify geological work in Tibet in order to prepare the way for its industrial development.

At the same time, we must make full use of the existing industrial bases in areas near the coast. Many of the materials, equipment, funds and technical personnel needed for industrial construction in the interior have to be supplied and supported by the existing industries in the cities near the coast. We may say that the existing industrial bases in the areas near the coast are the starting-point of the industrialization of our country. And it is not only to meet the daily-increasing needs of our state and people but also to build up more powerful industrial bases in the interior that we make full use of and strengthen the industrial bases in the areas near the coast. In the Second Five-Year Plan period, we should continue to strengthen the industrial base in Northeast China, make full use of and strengthen to a proper extent the industries of the cities near the coast in East, North and South China, so that they may play a more active role in national construction.

To be sure, in making full use of the existing industrial bases in the cities near the coast, we must proceed rationally and avoid thoughtlessness in our work. To proceed rationally is to reconstruct those enterprises which it is necessary as well as possible to reconstruct, but not to reconstruct all existing enterprises. It is to set up, as a rule, fewer new enterprises in those cities in which there are already a fairly large number of industrial enterprises. It also requires that, before building new enterprises and reconstructing existing ones, we should take into account sources of raw materials, market conditions, techniques of production, and transport facilities, and pay attention to a rational division of work with other areas.

As to the distribution of industrial enterprises, whether in the interior or along the coast, our policy is to achieve both proper dispersion and mutual co-ordination, and to combat both the tendency towards over-concentration and towards neglect of correlation.

In carrying out the rational distribution of industrial productive forces, we shall build up many new cities and enlarge many existing ones. To achieve this, we should strengthen the work of city planning and urban construction, so as to co-ordinate them with industrial construction.

(3) QUESTION OF CO-ORDINATION BETWEEN LARGE ENTERPRISES ON THE ONE HAND AND SMALL AND MEDIUM ENTERPRISES ON THE OTHER

The many large-scale industrial enterprises which we began to build during the First Five-Year Plan period and those which we shall begin to build in the Second Five-Year Plan period constitute the backbone of a self-reliant and comprehensive industrial system in our country. But while we are building large-scale enterprises, it is also necessary to build up a good number of small and medium

ones. We need these so that, in a relatively short period of time, we can turn out more industrial products to satisfy the needs of both national construction and of consumption by the people.

Some hold that we should establish more large enterprises and fewer small or medium enterprises, because to set up large enterprises is more rational economically and technically. Some other people, however, think we should set up more small and medium enterprises and fewer large enterprises, because to set up the former requires less time, and the investments yield a quicker return. We think that neither is true in all cases. In certain industries or under given conditions, it is reasonable to establish large enterprises, while in others or under different conditions, it might be more reasonable to establish small or medium ones. For each branch, generally speaking, there should be some large enterprises to serve as the backbone, and there should also be many small and medium enterprises to support the large ones.

In order that the enterprises may be built in a more rational way, we may, whenever this is necessary and feasible, establish a large enterprise stage by stage. As regards small and medium enterprises, wherever resources are plentiful and other conditions are available, we may draw up a comprehensive plan to pave the way for future development. Further, when planning the co-ordination of small and medium enterprises with large ones, we should first utilize the existing small and medium enterprises and handicrafts under state ownership or joint state-private ownership so as to exploit their productive potentialities.

3. DEVELOPMENT OF INDUSTRIAL PRODUCTION

It is provided in our First Five-Year Plan that in 1957 the total value of industrial output (including the value of

output of the handicrafts) will increase by 90.3 per cent as compared with 1952. The Central Committee proposes that the total value of industrial output in 1962 should approximately double that set originally in the plan for 1957. The reasons why, in the Second Five-Year Plan period, the increase of the total value of industrial output can be maintained at a rather high speed, are that in this period the number of newly-built and reconstructed enterprises going into operation will increase; most of the existing enterprises will take technical measures to increase production or undertake technical reconstruction; the joint state-private enterprises will have accomplished their economic reorganization, and will have, in the main, been nationalized; all the handicrafts, with a few exceptions, will have been organized into co-operatives; and agricultural development will also possibly proceed at a rather high speed.

Regarding the development of industrial production, I should like to speak here only about the following questions:

(1) QUESTION OF TURNING TO ACCOUNT THE PRODUCTIVE POTENTIALITIES OF INDUSTRIAL ENTERPRISES

According to a rough calculation, by 1957, the output value of newly-built and reconstructed enterprises will account for about 15 per cent of the total value of industrial output; whereas by 1962, that of the newly-built and reconstructed enterprises to be completed in the first and second five-year periods will account for about 50 per cent. Therefore, it is of great significance for the development of industrial production to strengthen our organizational work and turn these enterprises to the fullest account.

In the newly-built industrial enterprises and those which have undergone major reconstruction, especially those of heavy industry, a period of time should be allowed from their entering into operation to the full attain-

ment of the designed productive capacity, during which the technical personnel and workers will get acquainted with the properties and capacity of the machinery and equipment and the technological processes. But this period can be shortened if the labour enthusiasm and wisdom of the technical personnel, workers and employees are given full play. Moreover, some of the productive capacities set down in the designing data can be exceeded. As shown by the statistics of April 1956, of the 141 above-norm industrial construction projects successively put into operation in the period from 1953 to 1955, 30 have reached ahead of schedule and surpassed their designed capacity, 33 will be able to reach their designed capacity ahead of schedule, 71 will be able to reach their designed capacity on time, and only 7 will fail to do so. That is to say, nearly half of the enterprises will be able to shorten the period allotted and attain their designed capacity ahead of schedule. An instance in this respect is the reconstructed Shenyang Pneumatic Tools Plant, which attained the designed capacity in the second year of its reconstruction, as against the four years which it was estimated to take, and is expected to more than double its designed output capacity in 1957. Another instance is the newly-built Fushun Aluminium Works, which was put into operation in the beginning of 1955, and at the end of the same year, its output already reached about 110 per cent of its designed capacity. From this it is evident that newly-built and reconstructed enterprises have very great potentialities for production. In order to turn these potentialities to the fullest account, the primary thing to do is to strengthen the preparatory work for production, especially training of personnel, preparation in technique, organization of co-operation, and the supply of materials. The departments concerned should study, summarize and popularize the concrete experience gained in these matters.

But it can by no means be said that, given the newly-built and reconstructed enterprises, we need no longer pay

attention to production in the older enterprises. In the Second Five-Year Plan period the output value of the older enterprises will still make up a fairly large part of the total value of industrial output, and many of the newly-built and reconstructed enterprises will still have to rely on their co-operation and support. We must take different measures in accordance with actual conditions. We should systematically reconstruct or carry out the technical renovation of certain enterprises. In the case of others, we should readjust their equipment and provide them with some new equipment. With the rest, we should continue to improve their operation and management so as to give full play to their potentialities.

(2) QUESTION OF PROMOTING SPECIALIZATION AND CO-OPERATION IN INDUSTRIAL PRODUCTION

Labour productivity can be raised, production costs reduced and technical development advanced by specialization and co-operation in industry, especially in heavy industry. But specialization and co-operation in industry are rather complicated problems which can only be settled severally and step by step over a fairly long period as our country's industrial level rises and in accordance with concrete conditions and possibilities. We must not do this work blindly and crudely.

In the First Five-Year Plan period, we have been bringing into full play the possibilities of existing multiple-product factories and seeing to it that their production meets the manifold needs of national construction and the people's life. On the other hand, in the machine-building industry, we have begun to set up some specialized plants according to types of products and have reorganized some machine-building plants whose products used to be too varied, turning them in the direction of specialization. All this is en-

tirely necessary. In the Second Five-Year Plan period, apart from setting up a few specialized factories, we should make rational adjustments of the planned list of products which the various types of newly-built and reconstructed enterprises will produce so as to avoid both the defect resulting from too great a variety of products and the tendency towards undue specialization. With respect to existing enterprises, we should on the one hand suitably readjust the planned list of products in certain enterprises so as to rationalize their production, and on the other hand retain some of the multiple-product factories. In the case of most of the joint state-private enterprises, we should allow them to continue to turn out the kinds of products which they have been manufacturing, to meet the manifold needs of society and the requirements of state enterprises for co-operative support. In an industrial area or an industrial city, we may make an over-all arrangement, in accordance with the needs and possibilities, to organize specialized production of certain forgings, castings and standard products. In promoting specialization in industrial production, we should guard against the tendency to produce fewer types of products.

With the gradual development of industrial production towards specialization, the task of co-operation becomes heavier and more complicated. Thus it is necessary to take further corrective action against the inclination to work in isolation and reluctance to co-operate. Enterprises which must and can co-operate should lay down concrete tasks of co-operation in their annual plans, and enter into co-operation contracts.

(3) QUESTION OF RAISING THE QUALITY AND INCREASING THE VARIETY OF PRODUCTS

Inferior quality and lack of variety of many industrial products, particularly certain products of light industry, have

become an outstanding problem in current industrial development and adversely affected national construction and the people's life. There is no doubt that the quality of many products of our heavy and light industries is being steadily improved and their types constantly increased. But this is not the case for all industrial products. The quality of certain industrial products even continues to deteriorate while fewer are produced. A big effort must be made to remedy this.

Although the low quality and limited range of industrial products can to a large extent be attributed to our low technical level and out-of-date equipment, this does not mean that it is impossible for us to raise the quality of our industrial products and increase the number of types produced, still less can this be used as an excuse for lowering quality and producing fewer types. Some industrial departments have failed to pay due attention to the quality and variety of their products and lack long-term plans and effective measures to deal with this question. In examining the execution of plans, these departments are very often too much concerned about whether the output target is reached, but not whether the targets for quality and the production of new types of products are achieved. Prizes are awarded to those who have overfulfilled the output plan in quantity but not to those who have raised the quality and increased the types of products. All these are important reasons for the present low quality and limited variety of industrial products. Besides, in regard to products of light industry, they were, in the past, purchased and distributed *in toto* by the commercial departments. Products of higher and lower quality and of new and old types were bought and sold at the same prices or with only a slight difference in prices. These systems and measures also fostered the tendency of enterprises to overlook the quality and variety of products. Therefore, right now as well as in the Second Five-Year Plan period, the various indus-

trial departments should work out long-term development plans in regard to industrial technique, energetically mobilize personnel for the designing of new products and strengthen leadership over the designing and trial manufacture of new products, strengthen the technical management of the enterprises, improve the supply of raw materials, and introduce a system of awarding prizes for good quality products. They should, in particular, encourage the broad mass of workers and employees to strive for improved quality and a greater variety of products. At the same time, the commercial departments should gradually introduce the system of selective purchase of certain commodities and the method of grading commodities and fixing prices according to quality.

4. DEVELOPMENT OF AGRICULTURAL PRODUCTION

In the Proposals for the Second Five-Year Plan, the Central Committee proposes that grain output in the five years will total about 2,200,000 million catties, with the 1962 output amounting to about 500,000 million catties; while the output of cotton in the five years will total about 210 million *tan*, with the 1962 output amounting to approximately 48 million *tan*. Compared with the original target for 1957, the total value of agricultural output in 1962 will show an increase of approximately 35 per cent. These targets have been advanced on the basis of the following considerations: On the one hand, with the exception of a few areas, the advanced form of co-operation will have been reached in agriculture and thus we will be able to further implement the provisions of the Draft National Programme for Agricultural Development (1956-1967), extensively adopt various measures for increasing production and spread all the experience gained in this respect; at the same time the irrigated area and the area under cultivation will be expanded,

the supply of chemical fertilizers will be increased, and the means of production and farming techniques will be improved. All this will promote the further development of agricultural production. On the other hand, losses due to various kinds of natural calamities are still unavoidable, many rivers which cause serious damage still cannot be completely harnessed, land reclamation still cannot be carried out on a larger scale, and conditions for agricultural mechanization are not yet all ready. All this places a limit on the extent to which we can increase the rate of development of agricultural production. But of course, we should make full use of the favourable conditions mentioned above, in an effort to achieve a greater growth of agricultural production during the period of the Second Five-Year Plan.

As regards the development of agricultural production, special attention should be paid to the following two questions:

(1) QUESTION OF INCREASING YIELDS

The chief way to increase agricultural production in the Second Five-Year Plan period is, on the basis of co-operation, and relying on the labour enthusiasm of the peasants, to gradually improve the technique of agricultural production, build irrigation works, increase the use of manure and fertilizers, and popularize advanced experience, so as to increase yields. In implementing these measures to increase production, we must follow the principle of coordinating the work of the state with that of the co-operatives.

As regards the construction of irrigation works: On the one hand, the central and the local authorities should undertake a certain number of large and medium water conservancy projects, such as the projects for the permanent control of the Yellow River, the Huai River and the Haiho

River, and flood and water-logging prevention projects in various places. On the other hand, the co-operatives should build small-scale irrigation works in large numbers, improve the existing irrigation installations, and strengthen the work for the conservation of soil and water. In low lands subject to water-logging, they should devise and put into effect various measures for its prevention and drainage, and change the farming system so as to reduce the damage caused by it.

As regards increasing the use of manure and fertilizers: On the one hand, the state should energetically develop the fertilizer industry, and try to import more chemical fertilizers, in order to increase their supply. On the other hand, and principally, the co-operatives and their members should accumulate manure by extensively raising pigs (or sheep in some places), make green manure and collect other natural fertilizers.

As regards popularizing various technical measures and advanced experience in increasing production: We should actively promote the work of technical guidance. On the one hand, we should draw on the advanced experience of other places in increasing production and popularize it in a way suitable to local conditions, and based on scientific experiment and study. On the other hand, we should pay close attention to summing up and popularizing advanced experience acquired locally in increasing production.

Here we should especially point out that we must be both active and prudent in carrying out new technical measures and popularizing advanced experience. In the past few years we have achieved great results in this work, but in some places there have been mistakes of mechanical application and enforcement by coercion, resulting in ill consequences. Hereafter, measures for increasing production and advanced experience should be popularized step by step only after they have been proved effective through experiments; and, furthermore, in the course of populariza-

tion, appropriate steps should be mapped out in conformity with the specific local conditions of the time. Meanwhile, the local peasants, especially the old and experienced peasants, should be consulted; one should never seek to spread any measure or experience by coercion. Nor should local habits in farming be rashly rejected.

(2) QUESTION OF DEVELOPING A DIVERSIFIED AGRICULTURAL ECONOMY

We must pay adequate attention to grain which ensures the livelihood of the people and is the basis for developing agricultural economy as a whole. During the past few years, all localities have attached importance to the increase of grain and cotton yields. This is quite necessary. But some localities have consequently not given adequate attention to increasing production in other branches of agricultural economy — industrial crops (except cotton), livestock-breeding, forestry, fisheries, sericulture, and subsidiary cottage occupations. In addition, some agricultural products and local and special products have been affected by the low prices fixed for purchase by the state. As a result of all this, our agricultural economy has been unable to achieve an all-round, full development, which in turn has adversely affected the development of our national economy as a whole and the income of the peasants. Therefore, the local authorities, down to every agricultural producers' co-operative, in planning for their production, should work out an over-all plan of agricultural development, taking into account the historical and present conditions of the locality, the natural environment and economic and technical conditions, and the peasants' ways of production and life, so as to avoid any tendency towards uniformity and one-sidedness. In pastoral areas, forest areas and fishing areas, plans should be worked out centring on livestock-breeding, forest-

ry and fishery respectively, and at the same time providing for the development of agriculture and other subsidiary occupations according to existing possibilities.

We should adopt many concrete measures to promote the all-round development of agricultural economy. The various kinds of production which the peasants are in the habit of engaging in and which are needed by society should continue to be carried on and further developed. We should encourage the co-operatives as well as enterprises and plantations managed by the central or local authorities to undertake, under the technical guidance of the state, the production of things that are urgently needed by society, and especially those of great economic value, such as sub-tropical and tropical crops, and those agricultural and subsidiary occupation products which are needed for export. We should encourage the members of co-operatives to undertake separately the subsidiary cottage occupations where unified management by the co-operatives is unnecessary. The commercial departments should set reasonable purchasing prices for such agricultural products and subsidiary occupation products and improve purchasing systems. At the same time, the departments concerned should give suitable help to the co-operatives in restoring trades for the processing of agricultural products in rural districts.

5. DEVELOPMENT OF TRANSPORT AND POSTS AND TELE-COMMUNICATIONS

In the Second Five-Year Plan period, with the development of industrial and agricultural production, the expanding of the scale of capital construction, and the development and construction in the interior and the border areas, there is need for a great increase in transport and communication facilities. This requires us to give priority to

railway building projects, and build a corresponding nationwide transport and communication network. Thus the transport, postal and tele-communication departments are faced with the following gigantic tasks: on the one hand, we should proceed with the necessary reconstruction and technical renovation of existing lines and facilities; on the other hand, we should continue to build new lines, mainly railways and highways in the Northwest and Southwest, and ports on the coast and the Yangtse River, and also increase necessary transport and communication facilities. The transport and postal and tele-communication departments should work out an over-all plan according to the above-mentioned twofold task and in order of importance and urgency, so as to ensure fulfilment of the tasks in the spheres of transport and posts and tele-communications put forward in the Proposals for the Second Five-Year Plan.

Some transport and communication lines are already somewhat strained at the present time. This is mainly due to insufficient capacity of facilities. However, it should also be noted that there are still certain potentialities in some transport and communication lines and facilities which have not yet been exploited. Therefore, the transport and postal and tele-communication departments should vigorously take effective technical measures, and strengthen the organizational work in transport and communications.

Our country lacks modern transport facilities and lines, and those we have are not evenly distributed; furthermore there are immense numbers of such traditional means of transportation as junks and animal-drawn vehicles in our country; they are widely distributed and will remain for a long time to come an important auxiliary force of transport and are, in some areas, at present even the main force of transport. In view of this, we should make full use of these means of transport, and properly develop and carry out technical improvement on them step by step. We should make combined use of modern and traditional means of

transport wherever possible, so as to meet the ever increasing needs of transportation.

6. STRENGTHEN WORK IN COMMERCE

To better the life of the people, not only must we increase their money income, but also see to it that a definite amount of commodities suiting their needs is made available to them. According to a rough estimate, the volume of various consumer goods for everyday use and part of the means of production to be sold to the people of town and countryside, that is, the total volume of retail trade in 1962, will increase by about 50 per cent as compared with the targets originally planned for 1957. This is an arduous task for the commercial departments. They must keep strengthening their work in purchasing and marketing; continue to carry through the policy of planned purchase and distribution in regard to major daily necessities; build up commercial networks in a rational way; and organize according to plan a number of free markets under the guidance of the state to meet the growing needs of the people. In the field of foreign trade, we should organize export of suitable materials according to plan so as to ensure imports of equipment and materials needed for national construction.

As a link between production and consumption, and between industrial and agricultural production, commerce is not only entrusted with the task of meeting the needs of the people's everyday life and the needs of part of our production as well as that of accumulating funds for the state, but is also entrusted with the task of stimulating the growth of industrial and agricultural production. As the law of value still plays a certain role in our economic life, and an important role in certain fields, its correct application and

the correct handling of our price policy will stimulate the growth of our industrial and agricultural production.

In the First Five-Year Plan period, commodity prices in our country have been, by and large, stable and the price relations between industrial and farm products have on the whole been reasonable. This indicates that our price policy has been correct. It has promoted the development of our industrial and agricultural production and national construction and contributed to guaranteeing the smooth progress of our socialist transformation. But there were still some defects and mistakes in the execution of our price policy. They found expression mainly in the following: the prices for the purchase of some farm produce and special and local products were fixed too low, or fluctuated between high and low, which adversely affected increases in their production, or even led to reduced production in some cases; the difference between the prices of some products of light industry of different qualities and types was too small, which adversely affected the work of improving the quality and increasing the variety of these products. These defects have been detected and put right step by step, but they are not yet wholly eradicated. In the future, we need to make further study and readjustment in regard to commodity prices.

Correct handling of the price policy is a very complicated matter. In a country like ours where the population is very large and the economic conditions varied, we must take a very prudent attitude towards price readjustment, and must not go about it in a rash manner. For instance, to unduly raise the price of farm produce purchased by the state will do harm to our industrial production, to our workers' life, and to the maintenance of a correctly proportioned development of different kinds of farm produce. To unduly cut the selling price of industrial products may result in deficient supplies of commodities. Therefore, both undue rises and undue cuts in prices will be unfavourable

to the growth of industrial and agricultural production and improvement of the people's livelihood. In the Second Five-Year Plan period, we shall keep to the policy of stabilizing our prices, but make suitable adjustments as needed in the case of certain unreasonable prices.

As a result of the victory in socialist transformation, socialist economy has assumed a predominant position in our country. This enables us to make better use of the law of value, within proper limits, to stimulate production of those industrial and farm products which are small in output value but great in variety, and that need not be purchased and marketed exclusively by the state, so as to meet the many-sided needs of the life of the people. In order to meet the situation described above and prevent a lowering of quality and reduction in the variety of products resulting from over-rigid and excessive control, we shall, now and in the Second Five-Year Plan period, adopt many important measures in the field of commerce. For instance, a number of free markets will be organized in a planned way under the leadership of the unified state market; producers will be allowed, within certain limits, to market their own products; the method of selective purchase by the state will be adopted in regard to certain industrial products of daily use; and the method of grading and fixing prices according to quality will be adopted in regard to all commodities. Far from disrupting the unified state market, these measures will supplement it in a helpful way.

7. REORGANIZATION OF ENTERPRISES AND ARRANGEMENTS FOR PERSONNEL DURING THE SOCIALIST TRANSFORMATION

In regard to the work of socialist transformation, I shall only deal with the following two questions:

(1) QUESTION OF REORGANIZATION OF SMALL AND MEDIUM JOINT STATE-PRIVATE ENTERPRISES, AND OF HANDICRAFTSMEN AND SMALL TRADERS' CO-OPERATIVES

As the large joint state-private enterprises came under joint operation at an earlier date, their production and management have already been brought into the orbit of state planning step by step, and their systems of operation and management have also, on the whole, undergone preliminary reform. But the large numbers of scattered small and medium joint state-private enterprises that recently came into being remain to be properly reorganized and arranged. Many individual handicraftsmen and small traders and pedlars having been brought into co-operatives, these co-operatives also need reorganization and arrangement. Only by so doing can we enable their members to carry on their production and operation under more rational conditions, so as to gradually adapt themselves to the planned management of the state. In conducting reorganization, we must pay attention to preventing and rectifying the tendency towards over-concentration.

In the field of industry, small-sized factories certainly have their shortcomings, but they are more mobile and flexible in production and management, and find it easier to adapt themselves to varied, ever-changing needs. Therefore, all small factories that are rationally operated and able to meet the needs of society should be preserved and not merged or eliminated thoughtlessly. As regards handicraft co-operative organizations, we should refrain, as a rule, from making them over-concentrated. We should follow the principles of developing production, meeting the needs of society and increasing the income of their members and allow big co-operatives, small co-operatives and groups to exist side by side. Certain manufacturing

trades and especially many repairing trades and personal service establishments should be allowed to operate on a scattered basis and retain their original features of management, so that they can serve the inhabitants directly and can draw upon the family for auxiliary labour for production. Some of the handicrafts may be allowed to carry on their production individually under the leadership of the handicraft co-operative organizations. They may also be allowed to produce and market all by themselves, without being organized.

In regard to commerce, trading establishments should be so distributed as to suit the convenience of the people to the greatest extent. Therefore, it is all the more improper to get them over-concentrated. They should rather be duly dispersed and operated in a great variety of ways to serve the population. Our leading commercial organizations have usually given more thought to their own convenience in administration, and less to the convenience of the inhabitants, thus giving rise to the tendency towards over-concentration—undue concentration and elimination of a number of small shops and traders and pedlars. This tendency must be quickly corrected. From now on, both in the residential quarters of cities and in the wide countryside, we should preserve a considerable number of small traders and pedlars to serve the people better in such forms as co-operative shops, co-operative groups, distributors for the state on a commission basis or even buying and marketing all by themselves.

(2) QUESTION OF MAKING ARRANGEMENTS FOR AND
RE-EDUCATING INDUSTRIAL AND MERCHANT
CAPITALISTS AND SMALL PROPRIETORS

As capitalist industry and commerce comes under joint state-private operation, we should train outstanding workers

and employees and promote them to take part in the management of the enterprises. At the same time we should draw in the former industrial and merchant capitalists and small proprietors to take part in operational and managerial work or assume some leading positions. With the institution of joint operation and the system of paying fixed rates of interest on shares to the capitalists, the bourgeois elements in the enterprises take on a dual nature—they are at once capitalists and staff members. Therefore, the representatives of the state shares should cooperate well with all those representing the interests of the capitalists and give free scope to their special knowledge and their initiative and, in the process of working with them, make efforts to re-educate them, help them overcome their bourgeois ideas and style of work, help them score achievements in work and gradually turn them into working people in the real sense of the term; we should not assume a discriminatory attitude towards them. By so doing, we shall do good to the enterprises as well as to the state and the working class. In order to do this work satisfactorily, we should see to it that workers and employees of the enterprises understand the matter and regard the work of uniting with and re-educating the capitalists and their agents as an important task.

The overwhelming majority of the hundreds of thousands of capitalists and their agents in the joint state-private enterprises have certain production skills or management experience, and some of them are highly skilled or have rich experience. We must make full use of their production skill and what is useful in their management experience. In these respects the state's representatives should endeavour to learn from them.

8. IMPROVING THE STATE ADMINISTRATIVE SYSTEM AND BRINGING LOCAL INITIATIVE INTO FULL PLAY

In the Second Five-Year Plan period, an increasing number of construction projects in the country will be undertaken by the local authorities or completed through the concerted efforts of the central and local authorities. Therefore, to afford local authorities free scope for their initiative is an essential condition for the accomplishment of our socialist construction.

Now that decisive victory has been won in the socialist transformation of our country and our people's democratic dictatorship has been further consolidated, we must and can, in keeping with the principles of unified leadership, level-to-level administration, devising what is appropriate in each locality and in each case, define more clearly the respective sphere of jurisdiction of the central and the local authorities, and improve the state administrative system, so that local-initiative can have free scope. In the period from May to August this year, the State Council called a series of national meetings on questions concerning the state administrative system. At these meetings the existing situation of excessive centralization was examined, the question of improving the state administrative system was discussed, and a draft resolution for improving the system was introduced. The State Council is now extensively soliciting views from different circles on this draft resolution.

In defining the respective spheres of jurisdiction of the central and the local authorities, we deem it necessary to observe the following principles: (1) Explicit stipulations should be made so that the provinces, autonomous regions, and municipalities directly under the central authority will have a definite degree of jurisdiction over planning, finance, enterprises, public institutions, materials and per-

sonnel. (2) All enterprises and public institutions which are vital to the national economy as a whole and which are concentrated, of an over-all nature and of key importance and should be administered by the central authorities, while the rest should, as far as possible, be administered by the local authorities. When enterprises and public institutions are handed over by the central to the local authorities, their planning and financial and personnel administration should in general be handed over as well. (3) The administration of enterprises and public institutions should be effectively improved, and dual leadership in which in some cases the central authorities play the main role while the local authorities a subsidiary one and in other cases vice versa, should be promoted, so as to strengthen effectively our leadership over enterprises and public institutions. (4) Important plans and financial targets under the administration of the central authorities should be issued to the local authorities in a unified way by the State Council, and the method hitherto employed of having many important targets issued separately by various departments should be changed. (5) The local authorities must be allowed a certain latitude for flexible readjustment regarding certain important targets of the plan and quotas of personnel. (6) Specific arrangements should be made with regard to the various autonomous rights in the national autonomous regions and attention be paid to helping the national minority regions in their political, economic and cultural development. (7) The state administrative system should be improved step by step. Certain important changes should be carried out steadily and in orderly progression, i.e., to make preparations for them this year, to give them a try-out next year and to carry them through in the Second Five-Year Plan period.

In order to carry out effectively the above-mentioned principles, the essential point in our opinion is to duly

extend the jurisdiction of the local authorities under the unified leadership of the central authorities. As the local authorities are in closer contact with the primary units of enterprises and public institutions and with the masses, and enjoy greater facilities to understand the actual conditions they will, as their jurisdiction is extended, be able to organize more effectively all local forces and positive factors for socialist construction.

In order to bring into fuller play the initiative of the localities and strengthen further the unity among all nationalities of the country, we should, at present and in the Second Five-Year Plan period, pay more attention to the work among national minorities. In all areas where national minorities live in compact communities and where autonomous administrations should be, but have not yet been, set up, we should according to the provisions of the Constitution energetically help them to set up such administrations. We should strictly respect the autonomous rights of the national autonomous regions. We should train and promote large numbers of cadres from among the national minorities, unceasingly raise their political understanding and their ability in tackling various kinds of problems so that they may prove equal to their responsibilities, and exercise the functions and powers that go with their posts. In areas where national minorities live in compact communities, or where a number of national minorities live together, or where they are scattered among other nationalities, the equal rights of nationalities, freedom of religious belief, and the habits and customs and language of each national minority should be respected. As for those national minorities who have still no written languages or whose written languages are not yet fully developed, we should energetically help them create or reform them.

9. TRAINING PERSONNEL FOR CONSTRUCTION WORK AND PROMOTING SCIENTIFIC RESEARCH

In the Second Five-Year Plan period, in order to build a firm basis for socialist industrialization, proceed with national construction, and push ahead the technical reconstruction of our national economy, we must make great efforts to train personnel for construction work and promote scientific research.

(1) QUESTION OF TRAINING AND DISTRIBUTION OF PERSONNEL FOR CONSTRUCTION

It is the foremost task of education to train for the state personnel for the work of construction, especially industrial technicians and personnel for scientific research. In the past few years, our work of training such personnel has made marked progress, but from the point of view of national construction, the personnel trained in our universities, colleges and secondary vocational schools are still inadequate to meet actual needs, especially with regard to quality and types of qualifications. Therefore, in the Second Five-Year Plan period, we should further develop our higher education and secondary vocational education, and draw up comprehensive plans according to the principles of "giving priority to the most important aspects and due consideration to the rest" and of co-ordinating needs with possibilities.

In order to improve the work of training personnel for construction, we must pay due consideration to the relation between numbers and quality. In the past few years, we have put undue emphasis on numbers and neglected quality; this is a tendency which must be corrected. Educational institutions should do their utmost to increase the number of students as far as possible on condition that their quality is ensured to a certain extent. Government

and other organs which need cadres should, however, take into consideration actual needs and practical possibilities, and should not make a big demand which outruns what the educational institutions can supply, so that the number of students will not be recklessly increased to the detriment of quality.

In both higher education and secondary vocational education, practical measures, measures which are not subjectively designed, should be taken to readjust their faculties and departments and set up special fields of study, to improve the educational plan, teaching programmes, textbooks and teaching methods, so that the trainees will be better able to meet actual needs of various branches of the national economy. At present, the greatest difficulties in developing and raising the levels of higher education and secondary vocational education are the shortage of teachers and the low standard of the students. It is therefore necessary to select a suitable number of fine graduates from universities and colleges and train them as research students, and to send some university and college graduates as well as faculty members to study abroad certain select subjects which are absent from our own curricula, so as to increase the number of teachers. At the same time, senior and junior middle schools must be appropriately developed and run well, and the standard of middle-school students raised. Our universities and colleges and secondary vocational schools are in general not well-off in books and laboratory apparatus. This inadequacy should be gradually remedied; and buildings necessary for the development of these institutions should also be provided.

To train personnel for construction, we must also develop spare-time education, that is, help those workers and employees qualified for advanced education to enter evening schools or correspondence schools where they will be trained into specialized personnel of intermediate and

higher levels. Those who attend these schools must do so of their own free will, and they should carry on their study at different times and in groups. The institutions concerned should guarantee the time needed by those workers and employees who take up spare-time studies. Such time should not be too long, nor should the studies be too intense, lest their work or health be affected.

In view of the shortage of scientific and technical personnel, a rational distribution of personnel for construction becomes all the more important. In the distribution of such personnel to meet the needs of production and construction and of scientific research and teaching, we should give priority to what is most important and at the same time have due regard to the rest. Also we should continue to rectify the cases of improper allocation of scientific and technical personnel, and those in which cadres have not been given work suited to their abilities.

(2) QUESTION OF STRENGTHENING SCIENTIFIC RESEARCH

Recently, under the direct leadership of the Central Committee of the Party and the State Council, several hundred outstanding scientists from all parts of the country got together and drafted a comprehensive twelve-year plan for the nation-wide development of science and technology, and another for the development of philosophy and the social sciences, putting forward respectively the most important research tasks in the natural and social sciences. This is a very important step for raising the level of our scientific research, and for ensuring that many important branches of science and technology in our country will within twelve years approach the advanced levels of development in the world. It is necessary to complete these two plans at an early date under the leadership of the Central Committee of the Party and the State Council

and organize all the forces devoted to scientific research in the country to fulfil step by step the tasks laid down by these two plans. Since the tasks to be undertaken in this regard are very arduous and we still have an insufficient number of experts in scientific research while modern science and technology are developing at a tremendous pace, and since, in addition, those branches of science to which we now give priority in our research work are our weak points or even form gaps in our work, we should concentrate our forces on first dealing with important problems and avoid the tendency to do everything at once and so disperse our forces indiscriminately in various fields.

In order to promote scientific research, we must step by step build up the institutes of scientific research in the Chinese Academy of Sciences, government departments and enterprises and put them on a sound basis, strengthen scientific research in the universities and colleges, and see to it that a division of labour and close co-operation and co-ordination are achieved. Scientific research institutes should be rationally distributed in various localities. Scientific research should be closely co-ordinated with the various kinds of national construction work, especially economic construction. In scientific research, the principle of "letting diverse schools of thought contend" must be strictly followed and free discussion of academic questions encouraged, so as to give full play to the initiative and creative ability of those engaged in scientific research.

In order to promote our scientific research, it is also necessary to solve in time the problem of providing the requisite literature, material, instruments and laboratories; to make vigorous efforts to improve the working conditions of those engaged in scientific research; and to further enhance international contacts and co-operation in scientific research, and collect and exchange scientific and technological data both at home and abroad.

10. FURTHER IMPROVEMENT OF THE PEOPLE'S LIFE

In the Second Five-Year Plan period, it will be possible for us to further improve the life of the people on the basis of expanded production and increased national income.

Fundamentally, all our construction work is undertaken in the interests of the people. In the course of our work, however, it is often not easy to co-ordinate satisfactorily the long-term interests of the people with their immediate interests, and the interests of the collective with those of the individual. Therefore, it is necessary for us to maintain a suitable proportion in the use of national income between accumulation and consumption, and to see that the life of the people is improved step by step while a gradual expansion of the scale of national construction is ensured.

Here, I shall deal with the following questions in particular:

(1) QUESTION OF IMPROVING THE MATERIAL WELL-BEING OF WORKERS AND EMPLOYEES

In the Second Five-Year Plan period, the average wages of workers and employees will be raised by 25 to 30 per cent. Such a rate of increase will be in keeping with the level of economic growth and the rate of increase of labour productivity in our country. In view of the experience mentioned above, we must, in the annual plans, constantly maintain a suitable proportion between the increase of wages and that of labour productivity, so that the wages of workers and employees may be raised comparatively evenly along with the rise in labour productivity. Moreover, in making annual plans for the increase of the wages of workers and employees, we should pay attention to the possibilities of production and supply of daily necessities, so as to avoid dislocation between the increase of wages

and the supply of commodities. In readjusting the wages of workers and employees, the principle of "to each according to his work" must be adhered to, so as to further improve the wages system.

To improve the material well-being of the workers and employees, we should, apart from further raising their wages, adopt both now and in the Second Five-Year Plan period practical measures wherever possible to improve step by step their housing, safety, medical and health services and duly provide additional welfare amenities. In this connection, the State Council has worked out some specific measures which will be announced and put into effect in the near future.

We should continue to fight against the bureaucratic attitude of indifference to the life of the workers and employees. In fact, it is not entirely owing to the lack of financial or material resources that much of what might have been done for the welfare of the workers and employees has not yet been done. It is mainly because the leading personnel of some of the departments concerned have adopted a bureaucratic attitude towards improvement of the life of the workers and employees. It should be pointed out that some of the welfare amenities can be provided without any increase in state expenditure. If only we rectify our bureaucratic style of work, concern ourselves more about the life of the masses and conscientiously carry out the plan and the various regulations of the state in this regard, we shall be able to do better the important work of improving the material well-being of the workers and employees.

(2) QUESTION OF IMPROVING THE MATERIAL WELL-BEING OF THE PEASANTS .

To improve the material well-being of the peasants, we should, on the one hand, pay attention to readjusting the

proportion between the state's accumulation and the income of the co-operatives to provide a correct solution for the question of the peasants' contribution to the state's revenue, and, on the other hand, pay attention to readjusting the proportion between the common accumulation of the agricultural producers' co-operatives and the income of the individual members to provide a correct solution for the question of distribution of the total income of co-operatives. In the Second Five-Year Plan period, the agricultural tax should be kept in proper relation to the state revenue, and the agricultural tax proper and additional taxes should be combined so as to simplify the tax system. At the same time, all co-operatives are required to adhere to the provisions of the "Model Regulations for Advanced Agricultural Producers' Co-operatives," so that their reserve and welfare funds and administrative expenses will in general not exceed the proportions prescribed in the regulations. If this is done and if the plan for increased agricultural output is fulfilled in the Second Five-Year Plan period, it will be possible for the peasants to increase their total income by 25 to 30 per cent in the five years.

In the Second Five-Year Plan period, the state will continue in every way to help the agricultural producers' co-operatives expand production; state investments in water conservancy projects and agriculture will be greatly increased as compared with those under the First Five-Year Plan; agricultural loans will also be increased. At the same time, the state will again allocate special relief funds for rural areas affected by natural calamities. With regard to many hilly areas and old revolutionary base areas where natural conditions are unfavourable, the state should from now on pay particular attention to helping the local people develop production and improve their living.

(3) QUESTION OF RAISING THE CULTURAL STANDARDS OF THE PEOPLE

In the Second Five-Year Plan period, along with the progress of economic construction and the increase of the people's cultural demands, we should, in accordance with the provisions of the Proposals, continue to make efforts to wipe out illiteracy, develop primary school education, promote spare-time education for workers and peasants, and push ahead step by step with the reform of written Chinese. At the same time, we should take further steps to promote cultural work for the masses and expand our work in journalism, publications, broadcasting, literature, art and the cinema. In undertaking work in these fields, special attention should be paid to improving quality.

Energetic but steady steps should be taken in our cultural and educational work among the broad masses. In wiping out illiteracy and developing primary school education, social, cultural and publication work during the past few years, we made the mistake of being either conservative or rash, thereby causing damage to our work, which should not have occurred. We should learn a lesson from this and promote our cultural and educational work in future in a practical way, according to actual needs and possibilities.

In promoting cultural and educational work among the masses, we must rely fully on the masses and follow the mass line. The mistake of taking everything into one's own hands and imposing one's will upon the masses occurred quite often in educational and cultural work in the past. Henceforward, these mistakes must be rectified. We should insist that the voluntary principle is observed, and that the masses are constantly consulted. In regard to the undertakings which really meet the needs of the masses and which can and will be undertaken by the masses of their own accord, such as village schools, literacy classes,

clubs, and spare-time theatrical troupes, we should give them support and help and strengthen our leadership of them. Of course, in making use of the strength of the masses, we must always try to save the people's time and energy, and must not arbitrarily increase the people's burdens.

(4) QUESTION OF IMPROVING THE HEALTH OF THE PEOPLE

In the Second Five-Year Plan period, we must continue to develop public health and medical services, take further steps for the development of physical culture and athletics, and appropriately promote birth control.

In the past few years, the patriotic movement for better sanitation has played an important part in the improvement of environmental sanitation and reduction of diseases. In the last year or two, however, we have somewhat relaxed our leadership over this movement. Henceforward, we must make further efforts to carry on this movement more thoroughly and regularly, so as to further improve environmental sanitation in town and countryside and reduce the incidence of contagious and occupational diseases. At the same time, we should also actively popularize our experience in combating schistosomiasis, and eliminate, by periods, by districts, and in a planned way, the most harmful local diseases. The basic units of health organizations throughout the country have played an important part in the prevention and cure of diseases. The public health departments should henceforward strengthen their leadership of them.

There still exist many defects in health and medical services. For instance, because of bad administration and high fees charged in the hospitals, full use has not been made of the beds which are now still limited in number,

and some people cannot afford to see doctors and be hospitalized. Beds in the sanatoria have not been brought under unified management, thus resulting in great waste. Besides, there are also defects in the system of free medical services and in the system of medical work. In order to eliminate these defects, the public health departments should make investigations and study conscientiously to devise practicable methods for improvement.

We should further popularize physical training among the masses, effectively improve the physique of the people and raise our level in sports. In doing so, we must see that the training is conducted step by step and with due regard for the specific conditions of people engaged in production, studies and other kinds of work, as well as their physical fitness. The standards fixed for them should not be too high and no immediate achievements should be expected from them. Generalization should also be avoided.

To protect women and children and bring up and educate our younger generation in a way conducive to the health and prosperity of the nation, we agree that a due measure of birth control is desirable. Health departments should, in co-operation with other institutions concerned, carry out intelligent propaganda and adopt effective measures towards this end.

11. CONTINUING TO PRACTISE STRICT ECONOMY

Industriousness and thrift are fine traditions of our people. All state organs, state enterprises, public institutions and co-operatives should practise strict economy in order to make full use of manpower, materials and money, thereby stepping up the socialist construction of our country.

A year ago, the Central Committee of the Party and the State Council called upon all government workers and the people of the whole country to practise economy and

eliminate waste. They were asked to put an end to such undesirable things as carrying on too many non-productive projects, high construction costs of productive projects, low quality of engineering work and industrial products, heavy damage to and loss of materials, over-expansion and over-staffing of organizations. Considerable improvements have been made after more than a year's effort. However, it should be pointed out that not all departments have strictly practised economy and cases of waste still exist. Furthermore, in the course of practising economy and opposing Rightist conservative ideas, there arose a one-sided emphasis on economy and the tendency towards stressing quantity and speed at the expense of quality and economy, and as a result quite a few engineering projects and industrial products were found to be defective in quality. Some had to be done over again, and others were of less use than they should have been or even became useless. Thus not only was the goal of practising economy not attained, but waste was caused.

In the Second Five-Year Plan period, because of the enlarged scale of national construction, we will still come up against many difficulties in regard to material supplies, funds and technical personnel. The practice of strict economy and rational utilization of materials, money and manpower are important methods of overcoming these difficulties. It should be recognized that economy or waste depends much on whether the planning is good or not. Economy ensuing from good planning is the greatest economy, while waste caused by bad planning is the greatest waste. Therefore, state organs at all levels and enterprises should first of all do their work in drawing up plans well. All enterprises should improve supervision of technical-economic norms and extend the introduction of various kinds of reasonable, advanced norms. They should strengthen technical control, improve the quality of industrial products and engineering projects, and reduce the number of

rejects, products of inferior quality and waste and accidents resulting from engineering defects. They should enforce the system of personal responsibility and put an end to the state of affairs in which responsibility for work is not specified. All this is intended to prevent waste and tap all potentialities conducive to economy. All public institutions should curtail unnecessary expenditure and personnel, strengthen financial management and auditing, so as to lower the proportion of expenditure for public institutions in the budget. All co-operatives should continue to carry through the principle of "industry and thrift" in their operation.

The state administrative organs should continue to cut down overlapping organizations and reduce superfluous staff. Generally speaking, the state administrative organizations at different levels are at present still inflated and over-staffed. This is more true of the organizations at higher levels than those at lower levels, more true of big organizations than small ones. We must take effective measures to continue the readjustment of organizations at all levels and re-apportionment of government cadres. The structure of administrative organizations is to be simplified. An appropriate number of people working in organizations at the higher levels is to be transferred to lower organizations, and part of the personnel in non-productive departments is to be transferred to productive departments. These are effective measures of practising economy in state organs at the present time.

12. STRENGTHENING OUR UNITY AND CO-OPERATION WITH THE SOVIET UNION AND THE PEOPLE'S DEMOCRACIES, AND EXPANDING ECONOMIC, TECHNICAL AND CULTURAL CO-OPERATION AND CONTACTS AMONG NATIONS

In order to accomplish socialist construction, we must, in addition to mobilizing all positive factors at home, unite

with all international forces that can be united with and make use of all international conditions favourable to us. We have made consistent efforts to strengthen our unity with the great Soviet Union and the People's Democracies and carry out all-round co-operation with them and give each other support. We have also been endeavouring to develop economic co-operation, trade relations and cultural and technical contact with countries having different social systems, especially with those in Asia and Africa.

The mutual help and co-operation between China and the Soviet Union and the People's Democracies is based on an unbreakable fraternal friendship, and aims at promoting the common economic advance of all socialist countries and continuously improving the material well-being and cultural standards of their peoples.

As stated above, both in the period of rehabilitation of our national economy and in the period of carrying out the First Five-Year Plan for Development of the National Economy, we have received enormous all-round and sincere aid from the Soviet Union as well as important aid from other fraternal countries. This aid has enabled us to tide over many difficulties and made it possible for our cause of socialist construction to forge ahead at a fairly high speed. In the Second Five-Year Plan period, the Soviet Union and the People's Democracies will continue to give us large-scale, fraternal help. Particularly noteworthy are the big enterprises to be designed and equipped with this help; such enterprises will form yet another stone in laying the foundation for the socialist industrialization of our country. In the past, we have benefited very much by learning from the advanced experience of the Soviet Union and the People's Democracies in construction and in the spheres of science and technology. In future, we will go on earnestly learning from them.

As a member of the socialist camp, China, too, has its duty. We must acquit ourselves well of this duty. It is our duty to provide our brother countries with a large amount of farm produce, animal products, minerals and certain kinds of machinery and industrial products which they need in construction. We must make efforts to increase production or, to an appropriate extent, economize in home consumption to ensure the supply of these goods. We also need to have a sound plan for production and consumption at home in order to guarantee the necessary export goods for trading with other countries on the principle of equality and mutual benefit, each supplying what the other needs.

In the past few years, our co-operation and contacts with many Asian and African countries in the economic, technical and cultural fields have become increasingly closer. Such co-operation and contacts have been developed on an even wider scale especially since the Asian-African Conference. The overwhelming majority of the Asian and African countries urgently desire to overcome their economic and cultural backwardness caused by protracted colonial rule, and are therefore deeply aware of the necessity of economic and cultural co-operation among themselves. Our country has always advocated co-operation in these fields with other countries in Asia and Africa on the principle of equality and mutual benefit and with no conditions attached, in order to help promote each other's independent development economically and technically and, in the cultural field, to help each other develop its outstanding good features and learn from each other. This co-operation contributes to the safeguarding of the national independence of the Asian and African countries and the expansion of the area of peace. It is, therefore, beneficial to our peaceful construction. At present, the scope of this co-operation is still not very large. But the important thing is that countries in Asia and Africa have begun to

co-operate with each other and are increasing their contacts with the Latin American countries. There is undoubtedly a great future for such co-operation and contacts.

We are also willing to develop economic, technical and cultural contacts with other countries of the world on the principle of equality and mutual benefit. We have consistently endeavoured to extend our trade with the Western countries and are ready to take in all that is useful in their science, technology and methods of management to serve our work of construction. Although the United States has been carrying out an embargo against us and has forced many other countries to follow suit, this policy which totally contradicts the interests of the people of all countries has, however, met with increasingly strong opposition from all quarters. Sooner or later, this unreasonable, artificial barrier will be swept aside.

We advocate the expansion of co-operation and contacts among nations in the economic, technical and cultural fields not only because this will speed up the completion of our socialist construction, but also because it will provide a reliable basis for peaceful co-existence between nations. Therefore, it conforms in every way to the interests of the people throughout the world and to the interests of the cause of peace.

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Comrades! The day is not far off when the First Five-Year Plan will be successfully completed and the Second Five-Year Plan will begin. In the coming year or so, all the comrades of the Party, under the leadership of the Central Committee and Comrade Mao Tse-tung, should redouble their efforts and, together with the workers, peasants and intellectuals, and together with the various nationalities, political parties and all the patriotic people of the country, fight for the overfulfilment of the First Five-Year Plan and

make active preparations for the Second Five-Year Plan. Provided we remain modest and prudent, guard against self-conceit and rashness, and correct subjectivist ideas and bureaucratic styles of work among us, we shall be able to mobilize all our forces and overcome all difficulties, and march forward in triumph in our struggle to build China into a great socialist industrial power.