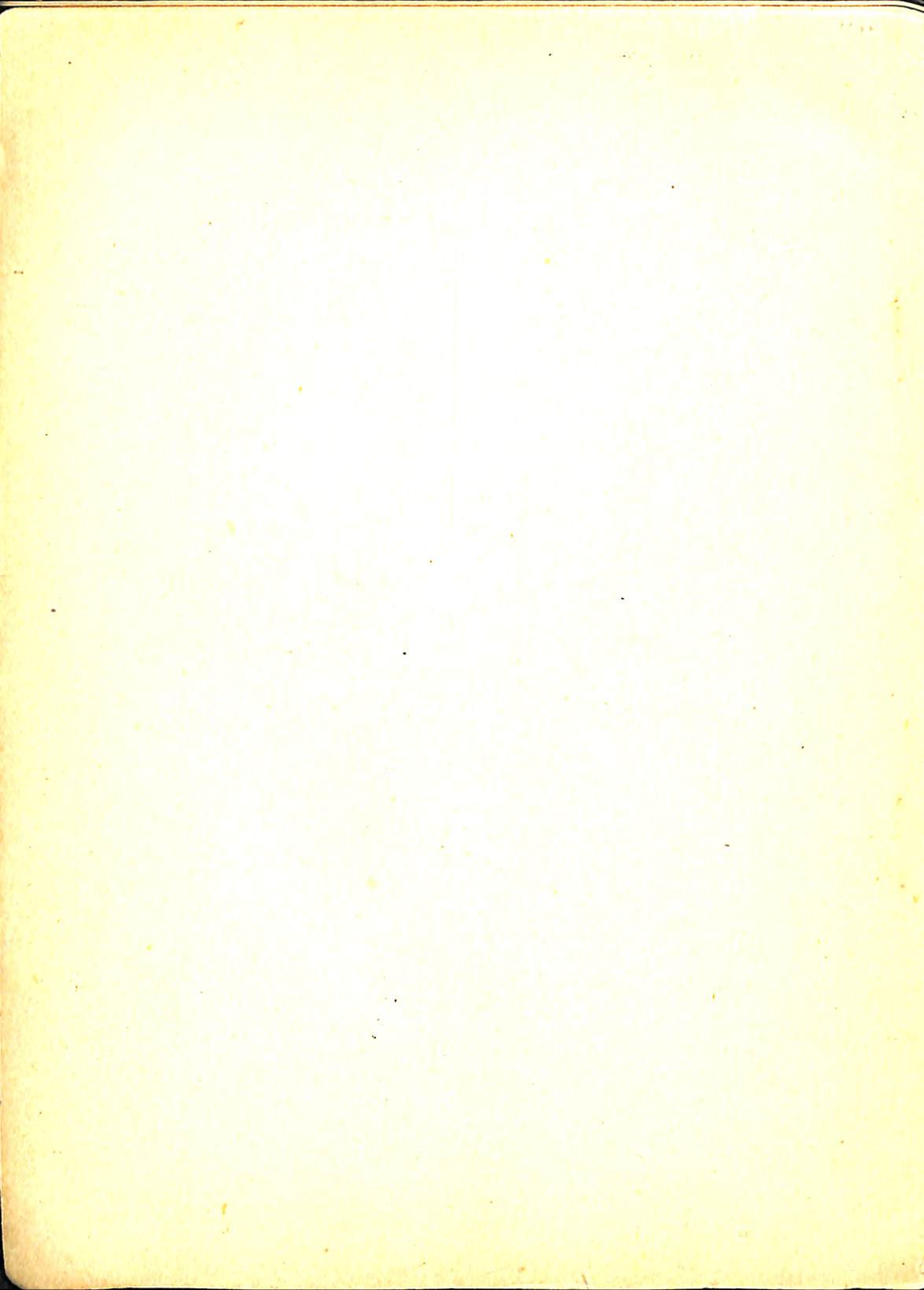


THE POLITICAL REPORT
OF THE CENTRAL COMMITTEE
OF THE COMMUNIST PARTY OF CHINA
TO THE EIGHTH NATIONAL CONGRESS
OF THE PARTY

LIU SHAO-CHI





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Delivered on September 15, 1956

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FOREIGN LANGUAGES PRESS
PEKING 1956

Printed in the People's Republic of China

Comrades!

Eleven years have passed since the Seventh National Congress of our Party. In these eleven years our motherland has experienced two great historical changes of world-wide significance. 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 into people making a fresh start and living on their own toil.

The national bourgeois elements are in the process of change-over 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 aspect, 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, and 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 checked 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.

All these changes have not only aroused unprecedented revolutionary enthusiasm among the six hundred million people of our country, they could not but give rise to a great power of attraction in international life, 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 several hundred million 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, further strengthen

our socialist construction, further improve and perfect the political life of our country, correctly handle the 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 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 forces, 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 often themselves 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 had 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 reactionaries, 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, however, 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 therefore the Kuomintang reactionaries should insist on forcing war on the people, we had made sufficient preparations and would mobilize the people's forces to defeat them and make the instigators of war lie on the bed they had made. 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 by no means 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 oppose the people taking up arms and demand that they submit to the attacking enemy would be following 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.

After the establishment of the People's Republic of China, the working class has won ruling power 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 one form of 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, takes 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 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 within a relatively 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, if it 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 capitalist industry and commerce and force them to go bankrupt, 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, or to 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 now 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, of China's 120 million peasant households, 110 million, or 91.7 per cent of the total number of peasant households, have joined agricultural producers' co-operatives. Of these again, 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. Those who are in industrial producers' co-operatives, producers' groups or supply and marketing co-operatives now constitute 90 per cent of the total number of all who follow the calling of individual handicrafts. Individual fishermen,

individual salt producers and labourers working on their own in the transport trades have, in the main, been drawn into the co-operative organizations.

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

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

This upsurge in the 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 the enterprises operated by bureaucrat-capital which had had the economic arteries of our country in its grip. These enterprises, including the Japanese, German and Italian concerns in China taken over by the Kuomintang government following the victory of 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 heights in our economy.

Subsequently the People's Government made a major effort to develop state-owned industries, state-owned transport trades and other state-owned enterprises. The output value of the state-owned industries in 1949 only stood at 26.3 per cent of the total industrial output value, in 1952

it had climbed to 41.5 per cent, and by 1955 it had made up 51.3 per cent.

The People's Government transformed all private banks and money shops into unified, joint state-private banks which are 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 trades, 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 the conditions of 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 are the policies and measures we have adopted? Let us now speak briefly on 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.

It was on the basis of a land reform thoroughly completed that we launched the movement for agricultural co-operation. 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 struggle of the peasants themselves. Was it necessary for us to spend so much time on it? We consider that the time involved was completely 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 of 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 for 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. Improvement in the economic position of the peasant masses was recorded 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 popula-

tion remained poor peasants or lower middle peasants, owing to the fact that in China's rural districts the population is large while land is little, the average arable land per head in the country being only three *mou* (approximately one-fifth of a hectare), and in many areas in the southern part of the country the average arable land per head being only one *mou*, or even less. For them there was no guarantee to attain to a life of prosperity by continuing with individual farming. Such being the case, the poor peasants and the not 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 set about establishing on a wide scale among the peasants mutual-aid organizations for agricultural production which contain rudiments of socialism — organizations in which peasants are engaged in collective labour. Inasmuch as the mutual-aid teams are superior to peasants "working on their own," 40 per cent of the country's total peasant households came into the mutual-aid organizations in 1952, and the number rose to nearly 58 per cent in 1954. In 1952, on the basis of the 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-operatives 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-operatives at the end of 1951, but having been shown to advantage against 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 following, as we all know, 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 enthusiasm for agricultural co-operation on the part of the peasant masses. The elementary type of co-operatives were subsequently reorganized, group after immense group, into the advanced type, which are 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 mode 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. Thereby all possible 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 the favourable position of exercising 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 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 order to consolidate the alliance

with the middle peasants, the key here 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 should not be infringed, nor the middle peasants 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 produced salutary effects 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 catties 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 has unswervingly adopted the policy of uniting with the middle peasants and because the middle peasants now 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 masses of the middle peasants at last stopped

wavering in the high tide of the co-operative movement and actively 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, to be determined by their respective conditions. The purpose of this was to reform them, turning them into people making 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 had been completed throughout the country, thus 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 segments of individual economy.

Barring a very limited scope in which they can market their own products, the broad masses of 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 economy. Viewed from the interests of the national economy as a whole, much of the 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 trades, their conditions are very much the same as those of the handicraftsmen.

The socialist transformation of handicrafts, fisheries, salt production and transport trades generally takes the form of co-operation. Over the last few years the co-operative movement in these fields has made strides forward. By 1955 the number of handicraftsmen in handicraft producers' co-operatives had reached 29 per cent of the total handicraft calling, but it was not until the first half of this year that the movement for co-operation in the handicrafts and other segments 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 directly 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 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 together with the capitalist industry and 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 scattered 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 had 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 indicated support of 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 for developing 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, and of attaining unity 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 there is the necessity of making use of them in the economic realm during the transition period. In the early days following the 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, we have over the past few years 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 steered clear of 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 expand to some extent. Facts have proved 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 had 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 a fairly sufficient supply of goods and materials on the market which facilitated the stabilization of prices. Of course this policy is not, by any means, a policy that also 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 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 spring 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 restrictions which were too rigid or too many. 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 the private industrial enterprises were supplied with raw materials, orders were placed with them for processing and manufac-

turing 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 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 of developing 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 the nationalization of means of production privately owned by the bourgeoisie. Before the conversion 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 took the form of fixed percentage interest, viz., for a certain period the state pays, through the special companies for whole trades, a fixed percentage of interest to the capitalists on their investments. 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 had 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 through struggles, 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 wait for them. 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 wishful thinking and 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 working people worthy of the name.

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 out the policy. 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 wait for them; coercion or commands in any form will not be allowed. The most urgent problem awaiting solution now, is that, wherever possible, an increase in the output of about a million co-operatives now existing and in the income of their members must be ensured. Some of the co-operatives which were rather hastily set up have either to settle 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 do-

mestic 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 the co-operatives; this is indeed a tremendous change in the life of hundreds of millions of peasants. Co-operative cadres must fully realize the meaning of this change, cautiously take up 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 that their income will increase every year.

In the transformation of handicrafts and what used to make up other sections of individual economy, the actual problems arising in the course of the development of the various kinds of co-operative organizations must be tackled on the merit of each case by taking into consideration the characteristics of the different trades and using different 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 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 themselves will enjoy the profit or bear the loss themselves. All kinds of co-operatives must pay attention to keeping and developing whatever fine

traditions the original individual economy has in production and in management. After co-operation the quality of handicraft products must by all means become better, and not worse, 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 merit of each case, taking into consideration, as before, the characteristics of the different trades and the needs of various aspects of socio-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 understand fully and carry out their tasks in the transformation of enterprises, in production, in uniting 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 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 Preparation 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 the 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 indus-

trial 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 can be completed in this period. The sum invested in capital construction in the first three years of the plan plus the sum planned for this year already amounts 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 about 60 per cent of all the machinery and equipment needed for the economic construction of our country.

In agriculture, we also have the possibility of surpassing 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 windstorms 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 the 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 can 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 the construction plans set for part of the projects involving some important construction units. As for other above-norm 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, questions of transport and urban construction must also be accordingly solved.

We must also make serious efforts in the field of agriculture. In addition to making further efforts to continue 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 to bring about socialist transformation and consolidate and extend the system of collective ownership and ownership by the whole people; (3) to further 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;¹ of cotton, about 48 million *tan*;² 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. The transport system must continue to be rationalized to 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 the 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 up 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, exert our efforts to improve research and the designing of products, and manufacture new products. It is wrong to neglect our own technical personnel and to fail to make the best use of them and train them.

¹One catty equals $\frac{1}{2}$ kilogramme.

²One *tan* equals 50 kilogrammes.

According to preliminary estimates, our national income at the end of the Second Five-Year Plan should be about 50 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 fairly improved. 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, table 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 the general task in the transition period during the Third Five-Year Plan.

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 eco-

nomically 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 with the outbreak of the war to resist U.S. aggression and aid Korea, it has not been carried out earlier. 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 with due emphasis on certain key fields. Thus, in the second five-year period, funds for 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 so-

cialism to carry on national construction, to run enterprises and co-operatives, and handle all other affairs in an industrious and economical way. This is also the policy 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 the fields of 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 the industries manufacturing the means of production. In old China, the value of output of the industries manufacturing the means of production constituted a very low 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 the means of production. In 1952, the value of output of industries manufacturing the 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 possibly rise to more than 40 per cent.

In order to develop our national economy according to plan, we must continue to carry through the policy of giv-

ing 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 isn't 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 precisely use those funds accumulated by light industry 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 under the charge of local authorities.

During the period of the First Five-Year Plan, we have gradually shifted our industrial centres 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, continue to 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 we are building our large enterprises, in order to co-ordinate with the building and operation of these large enterprises, accelerate industrial development, strengthen

co-operation between industries, enlarge the variety of products, and facilitate the full utilization of our resources and existing enterprises, particularly 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, on the one hand, 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 develop their full possibilities. 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 find expression 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, due to the backward equipment and the low technical level of some enterprises, due to the absence in others of proper standards for finished products or of proper technological regulations, due to the

failure in other cases to introduce a strict system of checks for quality and technical supervision, and particularly due to 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 failed to measure up to the required specifications and had to be classified as low quality goods. The side-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 the confusion that was once caused in some cases while transforming 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 such a grave state of affairs where there was an actual drop in the quality of many products. 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 to master their respective techniques in a brief period 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 are without 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 purchasing should step by step be put into practice. What is even more important, ideological-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 the 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 are the problems which call for solution with regard to improving the livelihood of the workers and employees? First and foremost, we must see to it that the wages of workers and employees are gradually increased on the basis of the development of production; we must continue to 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 strive to ensure and improve the supply of non-staple foods. Fourthly, we must gradually increase the welfare facilities for the workers and employees and make energetic efforts to solve their housing and other urgent problems. Fifthly, we must ensure that the workers and employees have time to look after their domestic affairs and take a proper rest.

Many of the problems which confront the workers and employees cannot be solved in a short time until we have made greater advances in the socialist construction. We must work hard, we should not concentrate on individual

interests and immediate interests and neglect the long-term interests and those of the whole country. We must explain this to the workers and employees. But, on the other hand, it is equally wrong to place one-sided stress on the long-term interests and the interests of the whole country 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 the 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 what are the immediate tasks confronting their enterprises; they should learn to be good at arousing 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, grasp 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 meticulous 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 on 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 work of what they are charged with; they should not meddle with what is none of their business and which 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, following the industrialization of the country 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, approximating 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 cultivated land 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, raising the multiple crop index, 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 reared 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 the towns and the villages throughout the country, manure for farm crops, as well as meat and bristles for export; and that is why 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 leadership 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 every agricultural producers' co-operative 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 developments, 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.

During the period of the Second Five-Year Plan, according to preliminary estimates, on the basis of the further development of the national economy, the volume of

domestic retail sales in our country in 1962 will be about 50 per cent more than in 1957, while the total value of import and export trade will also be greatly increased.

Thanks to the fact that the socialist transformation of private commerce has, in the main, been completed, a unified socialist market has come into existence, 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 production, 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 both the people and the export trade, 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, in particular, demands that earnest efforts be made now to improve the co-ordination between purchasing and marketing, correctly implement the price policy and properly readjust the prices of certain commodities.

Many measures concerning the co-ordination between 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 the existing economic conditions in our country. Before the change-over of capitalist industry and commerce into joint state-private management by 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 the products of private enterprises. 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 to make unified purchases, or it was for the state trading organizations to make 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 was lowered 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 now 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 the free market, which is 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 prices had been stabilized some 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 commodity prices, work out a more comprehensive policy and plan for prices which is suited to present concrete conditions and benefits 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 them. If the difference between buying and selling prices of goods bought and sold locally is too big, it should be duly narrowed. 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 we have accumulated in the commercial field, and according to plan, train the necessary cadres and experts 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 the 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 catch up with 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 academic

and 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 about the cultural revolution in our country, 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 ideologies, 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 full 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 have participated 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 the thorough carrying-out of democratic reform, and the victory in the suppression of counter-revolutionaries; of the achievements 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, an unprecedented state of stability has come into being in our society.

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, for the first time, reversed this situation, 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 changes 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 people's democratic dictatorship began to shoulder the task of transition from capitalism to socialism. That is to say, it was to change the private ownership of the 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 own 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, and just 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 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; and that neither of these two requirements can be dispensed with. Is it not perfectly clear that it is only by entering into an alliance with the broad masses of people who are capable of embracing socialism that the proletariat can establish the dictatorship of the great majority over the reactionary classes, and that only by doing this, can the proletariat achieve socialism? "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. Without an alliance with the peasantry, the realization of socialism would be out of the question. 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 those relations: in the land reform, in the movement for mutual aid and co-operation, in the guidance of agricultural production 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 say that the defect of not paying enough attention to the concrete interests of the peasantry is still by no means infrequent in our work. After 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 so-called "convenience" brought about by 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.

The same policy towards the peasants applies to handicraftsmen, small shopkeepers and pedlars, and other in-

dividual working people, who have recently joined various co-operative organizations. 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 they want to solve many urgent problems which they face. 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 people from the national bourgeoisie had already been enlisted into the government organs in the revolutionary bases. Since this was done during the period of bourgeois-democratic revolution, it was easy to understand. After 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 their 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 least numerous in our society. Furthermore this class is very feeble both politically and economically. However, whether in the past or now, this class has always had great influence and played an important role in our society. On the one hand, this is because, in the course of the past

history of China, 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 that, 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 consider this alliance as a useless burden.

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 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 socialist workers; and the democratic parties will become parties of this section of workers. Since survivals of bourgeois ideology will long linger in the thought of this part of workers, 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. But now 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 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 capable of exercising influence of one kind or another in society. 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 so that they can contribute to the construction 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 correct 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 are the major tasks that 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 further and to carry on a struggle against bureaucracy.

In many of our state organs, there is a phenomenon of bureaucracy, 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, which manifests itself in being isolated from the masses and from reality, seriously hinders the growth of democracy in national life, hampers the unfolding of popular initiative, and holds back the advance of the socialist cause. 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 policy and the 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 the organizations at subordinate levels, acquaint themselves with their conditions, check upon the work done and listen to opinions, and 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 democracy, 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 struggle against bureaucracy effectively, we must strengthen our 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 the Party committees should be responsible for constant supervision over the 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 Government; and supervision by all the local people's congresses over all the local gov-

ernment 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 the government organs at all levels. In the struggle against bureaucracy, the supervisory organs of the state should play their assigned part to the full.

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 suppress 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 and 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. During the past few years, however, 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 to 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 to make arrangements for carrying it out in a manner suitable to a particular place and a particular time involved. 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 in their 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 the 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 unhurried 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 the 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, acting in accordance with the principle of observing objective possibilities and economic justification. 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 the 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 to 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 aspects. Some of them have attained the same or roughly the same level as the Han nationality, some 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 sentiment 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 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 relatively 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 break down the reactionary order and to establish the 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 liberate the social productive forces 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 social productive forces; a corresponding change in the method 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 or-

ganization or any individual. Should his civil rights be unlawfully encroached upon, the state will step in and 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 the 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 consolidated and national security strengthened.

In dealing with counter-revolutionaries and other criminals, we have all along adopted the policy of combining punishment with leniency. All those who make honest confessions, repent of their crimes and do something to their credit, receive lenient treatment. As everyone knows, this policy has achieved great results. Since the second half of last year, counter-revolutionaries have met with increasing difficulties in their activities, because of the effect of this policy of combining punishment with leniency, because of the upsurge of socialist construction, and because the masses of the people have a higher level of political consciousness and are better organized. A sharp differentiation has taken place among counter-revolutionaries. 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 idea 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 condemned 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 their 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 purely 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 and 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. Now, 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 agricultural 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 USSR, 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 end 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 in trying to establish world domination. 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 thousands of kilometres away from the borders of the United States, occupying China's Taiwan and over-running the territories of Japan, South Korea, the Philippines and the countries of Western Europe.

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 the present time 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 now 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

aggrandizement 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, and neutralist tendencies on the part of these nations to refuse to let themselves be tied to the American war-chariot and to favour, instead, peaceful co-existence with socialist countries, are also growing with each passing day. 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 are some 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. Affected by 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 exemplified by developments since the government of Egypt took back the Suez Canal Company. The British and French governments want 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 stands for 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.

It is not to be doubted that the imperialists will still continue to create tense situations, that they will still 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 yet to traverse

many a 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 huge 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 community of objectives and mutual assistance, is unbreakable and eternal. To further consolidate and strengthen this unity and friendship is our supreme international duty, as well as 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 against colonialism, and for national independence being waged by all oppressed peoples and all countries that are suffering from aggression. Every victory won in this struggle, whether in Asia, Africa

or in Latin America, will further strengthen the forces of peace.

In past experience, in present circumstances, and in cherished hopes, China has much in common 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 history. The imperialists are attempting with all means 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 our country and neighbouring countries can be settled by peaceful negotiation in accordance with the five principles. The development or establishment of friendly relations between our country and 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 be-

lieve 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 best 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 vicious means to disrupt our country and attempted to isolate us, the great New China is 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, our friends are increasing daily all over the world. Facts prove that iron curtain is not on our side; our doors are wide open to all.

The above is the basic policy which we have followed in dealing with international affairs. In the future 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 one 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 to 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 asks 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 mistakes in their ideological understanding. There are struggles in our Party between correct ideology and wrong ideology and between correct line and 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 not only have their social roots, but also have their roots in their ideological understanding. If a person does not understand that a correct view can only be based on an objective and all-round reflection of reality, but insists on doing

things according to his own subjective and one-sided approach to things, then he will go on making mistakes, great or small, even though all his intentions are good. In order to prevent mistakes, therefore, the basic thing to do is to seek 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 here the basic experience in the history of the Party as to 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 "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 aspects 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. From the history of the Party we can draw 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 methods to sum up

experience in struggles, 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 repudiated 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 pointed 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 arbitrary way of doing things developed 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 then of the various classes of our country and ignoring the actual relative strength of our side and 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 to 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 prac-

tically all the Party organizations and revolutionary organizations led by the Party in Kuomintang-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 the level of their political understanding as a result of the experience they had learnt from the 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. With regard to these comrades, the Party patiently waited for and helped them to really 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, to 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 in work, 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 really 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 realize the mistakes of doctrinaire-

ism which is divorced from reality, and the mistakes of empiricism which is divorced from theory. They developed the style of work of maintaining a close contact with the masses, conducting investigations and studies, and seeking the truth from 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, and 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 lines of work, but instead rest content with praises for our 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 ex-

perience 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 the 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 in line with the pressing needs of the practical work in which the Party is now engaged, 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 the young people.

In order to effectively combat subjectivism, the Party's leading organs at all levels should all of them considerably strengthen the work of investigation and research into the 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 the 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 as referred to

above, not a small number of Party functionaries have begun to get conceited and self-complacent. Ensnconced 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 to the work by such subjectivist methods of work as described above; must help them know 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 an indispensable condition 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 the 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 deliberate consideration opinions contrary to his own, to resolutely approve opposing views if reasonable, or whatever is reasonable in them; he must continue

to work amicably with but never turn his back on any comrade who, with the correct motives and in accordance with normal procedure, may have put forward any 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 greater flourishing of its organization and cause.

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 with them. 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 the 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. All these provisions will certainly raise tremendously 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 necessity for personal responsibility or the important role of a leader; on the contrary, it is the guarantee that a leader can play his personal role in a fully 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 blow" 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 forces of the Party, and caused great losses to its cause.

Having corrected the mistakes resulting from the opportunist line of Wang Ming and Po Ku and other comrades, the Party's Central Committee headed by Comrade Mao Tse-tung also radically changed the erroneous 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.

With regard to 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, the Party has adopted a firm attitude and weeded them out. 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 the mistakes. To do so is to help them and continue to unite with them to 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 their mistakes and correct them so as to 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; there should be no abuse of organizational powers to take 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 are 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 among its members are bound to grow stronger day by day. And the unity and solidarity of the Party among its members are, of course, to the advantage not only of the Party itself, but also of the entire

working class and the people of the country as a whole, 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 whole Party, and this is done precisely for the purpose of building the solidarity of the entire working class and the people of the country as a whole 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 organizational 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, and 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 are rapidly becoming an impressive force at various posts. The Party should continue to give them every encouragement in their desire to advance, help them overcome certain special difficulties in taking up work, and assist them in improving their skills. The Party should also correct any mistaken ideas of discriminating against women within and without 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 the welfare of the people and knows what lies deep 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 forever be inexhaustible and unconquerable.

As at home, the 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, without the support of the world's revolutionary forces, the victory of our cause of socialism would be impossible, nor can it be consolidated even if it has been 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 warmth and take a modest attitude towards them. 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 forever united! Let us be forever 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!

