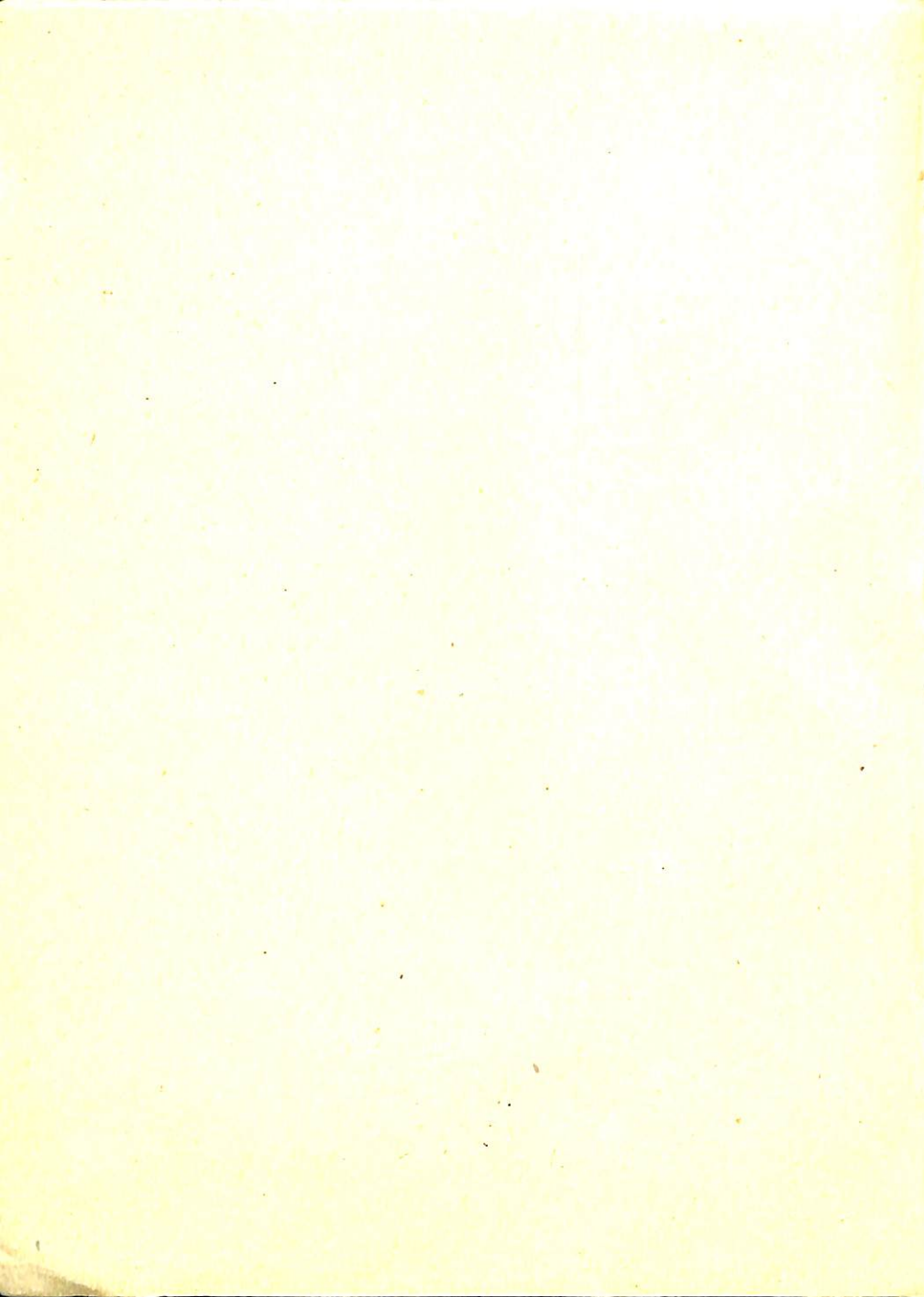


CHOU EN-LAI

REPORT ON THE WORK
OF THE GOVERNMENT

*Delivered at the First Session
of the Second National People's Congress
on April 18, 1959*

FOREIGN LANGUAGES PRESS
PEKING



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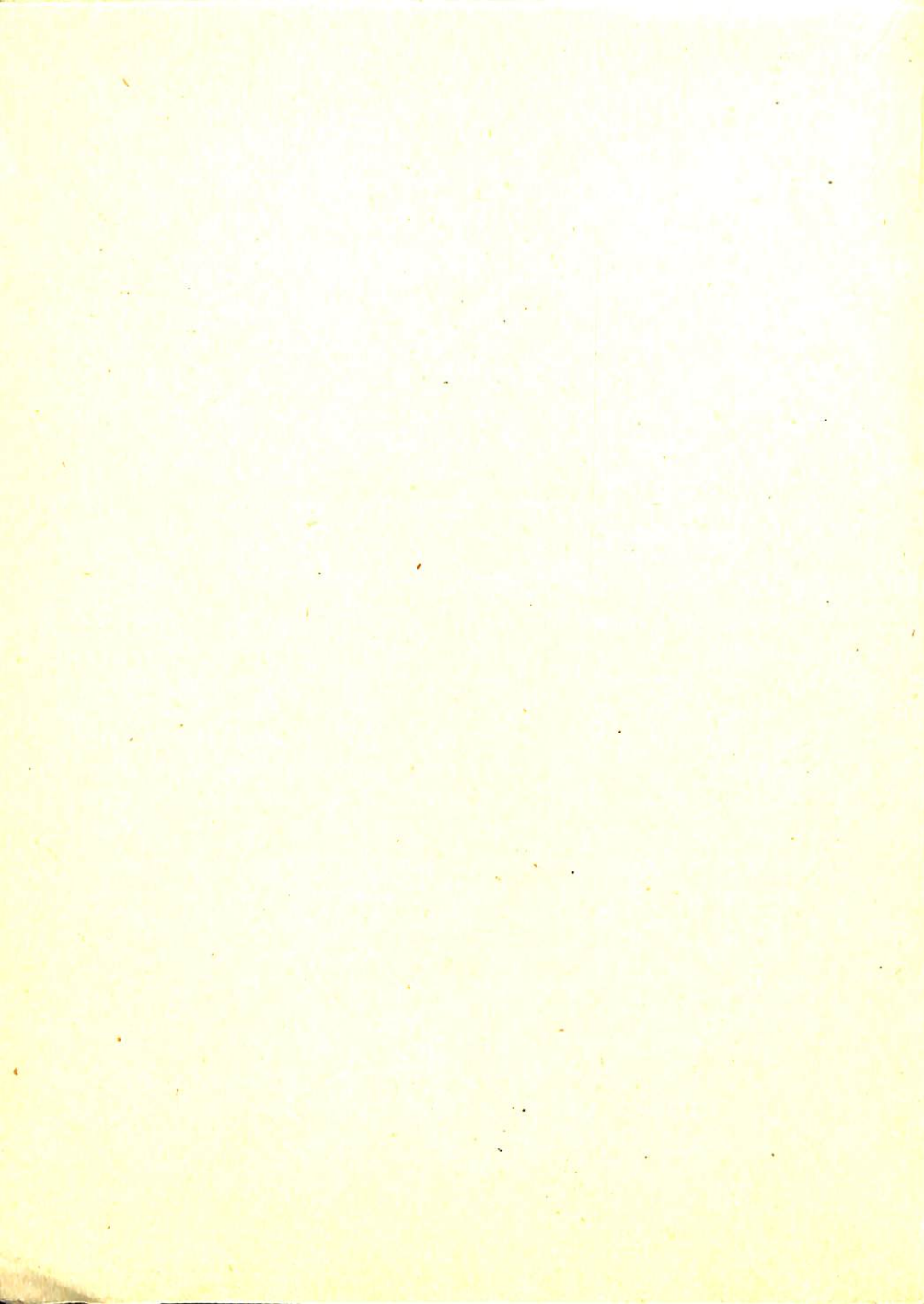
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Fellow Deputies:

In accordance with the decision of the State Council, I will now report on the work of the government to the First Session of the Second National People's Congress.

I

THE GREAT ACHIEVEMENTS OF THE FIRST FIVE-YEAR PLAN AND OF 1958 — THE FIRST YEAR OF THE SECOND FIVE-YEAR PLAN

During the four years and more of the term of office of the First National People's Congress, a series of changes of great historic significance have taken place in our country.

When the First Session of the First National People's Congress convened in 1954, the socialist sector already occupied a leading position in our national economy, but there still remained a large amount of capitalist industry and commerce and of individual agriculture and handicrafts. The movement for mutual aid in labour had developed widely in the rural areas; about 60 per cent of all peasant households had joined agricultural labour mutual-aid teams, but only about 2 per cent of all peasant households had yet organized themselves into agricultural producers' co-operatives. By that time our country had completed the tasks of the period of economic rehabilitation, and had begun large-scale, planned economic construction, but it remained to be seen whether

we would be able to lay a foundation for socialist industrialization in a fairly short period in such a big country as ours with a population of more than 600 million. How do things stand now? All of us can see what brilliant achievements in socialist revolution and socialist construction were gained by the Chinese people in just over four years under the leadership of the Chinese Communist Party and Chairman Mao Tse-tung.

In 1955 and 1956, our country carried out the overall socialist transformation of capitalist industry and commerce, and of agriculture and handicrafts, and thus accomplished, in the main, the task of the socialist revolution in the sphere of ownership of the means of production. Now, with the exception of a few national minority areas, our country has in the main only two types of ownership of the means of production — socialist ownership by the whole people and socialist collective ownership. In 1957 and the first half of 1958, our people carried through the nation-wide rectification campaign and the struggle against the bourgeois rightists, and won a great victory for the socialist revolution on the ideological and political fronts. Thus, in the struggle between the two roads, socialism has now won a basic victory over capitalism on all fronts.

In our country socialist construction and socialist revolution are carried out simultaneously, with the one promoting the other. From 1953 to 1957, China carried out its First Five-Year Plan for development of the national economy. When we put forward this plan, the imperialists declared that it was all a dream, foredoomed to failure. But the fact is that we overfulfilled the First Five-Year Plan in 1957 and, on this basis, began to im-

plement the even more magnificent Second Five-Year Plan in 1958.

As a result of the fulfilment and overfulfilment of the First Five-Year Plan, the total value of our industrial and agricultural output in 1957 amounted to 138,740 million yuan, an increase of 68 per cent compared with 1952 when it was 82,710 million yuan. The total output value of industry reached 65,020 million yuan, an increase of 141 per cent over 1952 when it was 27,010 million yuan; that of handicraft production reached 13,370 million yuan, an increase of 83 per cent over 1952 when it was 7,310 million yuan; and that of agriculture reached 60,350 million yuan, an increase of 25 per cent over 1952 when it was 48,390 million yuan.¹

During the First Five-Year Plan period, capital investments made by the state in the economic and cultural fields totalled 49,300 million yuan, exceeding by 15.3 per cent the planned figure of 42,740 million yuan. During the five years under review construction started on more

¹In calculating the output value of industry and agriculture during the First Five-Year Plan period, prices were taken as being constant at the 1952 level. The output value of industry and agriculture in 1957 and 1952 was calculated on this same basis.

Because the prices of a certain number of industrial and agricultural products were adjusted in 1957, in calculating the output value of industry and agriculture during the Second Five-Year Plan period prices are taken as being constant at the 1957 price level. Therefore, when comparing the output value in 1957 with those of the years of the Second Five-Year Plan, all prices should be calculated as being constant at the 1957 price level. Thus, the total output value of industry and agriculture in 1957 should be 124,100 million yuan, that of industry and handicrafts, 70,400 million yuan, and that of agriculture, 53,700 million yuan.

than 10,000 industrial and mining projects, of which 921 were above-norm,¹ 227 more than was envisaged under the plan. By the end of 1957, 537 above-norm industrial and mining projects had been completed or partially completed and had gone into production.

As a result of the fulfilment of the First Five-Year Plan, we not only greatly strengthened those branches of industry which already existed, but began to create many new branches of industry such as those for the manufacture of metallurgical, mining and power-generating equipment, aircraft, motor vehicles and modern machine tools, as well as those for the smelting of high-grade alloy steels and important non-ferrous metals. There was a big increase in our technical forces too. In 1957, industries throughout the country employed 175,000 engineers and technicians, a threefold increase compared with 1952 when the number was 58,000; industries and capital construction projects employed 10,190,000 workers and staff, or 66 per cent more than in 1952 when the number was 6,150,000. As a result of the increase both in industrial output and the variety of industrial products, the rate of industrial self-sufficiency in both materials and equipment also went up. For example, in 1957 the rate of self-sufficiency in steel products reached 86 per cent, and in machinery and equipment, over 60 per cent.

At the same time, important changes took place in the ratio between industry and agriculture, and between heavy and light industries. Industry and handicrafts contributed 41.5 per cent of the combined output value of

¹The norm of investment in capital construction for heavy industry ranges between five to ten million yuan and that for light industry, between three to five million yuan — Tr.

industry and agriculture in 1952, while in 1957 their share rose to 56.5 per cent. In 1952, capital goods accounted for 39.7 per cent of the total output value of industry; this proportion rose to 52.8 per cent in 1957.

It may therefore be said that by fulfilling and overfulfilling the First Five-Year Plan, a preliminary foundation was laid for the socialist industrialization of our country.

In 1958, the first year of the Second Five-Year Plan, a big leap unparalleled in Chinese history took place in the development of our national economy.

In 1958, the total value of our industrial and agricultural output reached 205,000 million yuan; this was 65 per cent more than the 124,100 million yuan in 1957. The total output value of industry and handicrafts amounted to 117,000 million yuan, or 66 per cent more than the 70,400 million yuan in 1957. Compared with 1957, the output of pig iron, steel, coal, power-generating equipment, locomotives, motor vehicles, and engines more than doubled (part of the pig iron and steel output was produced by indigenous methods). The total value of agricultural output reached 88,000 million yuan, this was 64 per cent more than the 53,700 million yuan in 1957. The output of food crops, cotton and cured tobacco also more than doubled. Capital investments made through the state budget totalled 21,400 million yuan, or 70 per cent more than the 12,600 million yuan in 1957.

In the case of many industrial and agricultural products increases in output in 1958 alone exceeded the increases of 1957 over 1952. For instance, compared with 1952, steel output in 1957 increased by 4 million tons; coal, by 64 million tons; machine tools (here and below, excluding simple machine tools), by 14,300; food crops,

by 61,200 million catties;¹ and cotton, by 6.73 million *tan*.² Compared with 1957, however, steel output in 1958 increased by 5.73 million tons; coal, by 140 million tons; machine tools, by 22,000; food crops, by 380,000 million catties; and cotton, by 33.58 million *tan*.

Side by side with this leap forward in industry and agriculture, big leaps were also made in transport, posts and telecommunications, in commerce, and in culture and education.

In the course of the big leap forward in 1958, the Chinese people came up with a great creation in social organization—the people's commune established in response to the demands of the broad mass of peasants in the rural areas throughout the country. On the basis of agricultural co-operation, 120 million peasant households in the country went on to organize themselves into more than 26,000 large-scale people's communes in which industry, agriculture, trade, education and military affairs are combined and government administration and commune management are merged. This form of organization, the people's commune, has emerged to meet the needs of the big advance in our industry and agriculture. It will have vitally important significance for the development of our country's social economy. In the conditions obtaining in our country, it is not only the best form for promoting the continued development of the productive forces and quickening the tempo of socialist construction, but is the best form for effecting the future transition of our entire countryside from socialist collective ownership

¹ A catty is equivalent to 0.5 kilogramme or 1.1023 pounds.

² A *tan* is equivalent to 0.05 ton or 0.984 hundredweight—Tr.

to ownership by the whole people and the transition from socialist to communist society.

The expansion of the national economy in 1958 is clearly not just an ordinary advance but a gigantic and all-round leap forward.

Our national economy has developed at a speed which has never been attained and cannot be attained under the capitalist system. Take steel for instance. Britain's annual steel output reached 1.31 million tons as early as 1880; but by 1935 it had only increased to 10.02 million tons. China's steel output was 1.35 million tons in 1952, but by 1958 it had already increased to 11.08 million tons. That is to say, it took us only six years to achieve in steel production what it took Britain more than 50 years to do. As regards coal, early in 1854, Britain was already able to produce 65.7 million tons, about as much as we produced in 1952, which was 66.49 million tons. It was not till 1907, after a lapse of more than fifty years, that Britain increased its coal output to 270 million tons; while it took our country only six years to reach that level in 1958. Twice in the early twentieth century British coal output came close to 300 million tons, but it has declined and stagnated in the past twenty-odd years. In 1958 it was only about 220 million tons, and lagged behind that of our country.

The imperialists, and the U.S. imperialists in particular, have done all they could to deny that this big leap forward has taken place in our national economy, because they know that this fact will inevitably strengthen the confidence of people the world over in the superiority of socialism and increase their doubts about the capitalist system. Since they have found it impossible to deny the facts about our big leap, they have resorted to every

form of distortion and slander. No matter how they rack their brains, they will never achieve their ends. They allege that we are using slave labour here. The work which the workers and peasants do voluntarily and conscientiously for their own well-being is described as "slave labour," while forced and bitter toil for the capitalists and landlords in the face of the threat of starvation is called "free labour"! Then how is it that the masses of so-called "free" labourers in the Western world live in sorrow and suffering while the so-called "slave" labourers under socialism are filled with joy and hope? They allege that the well-being of the people is sacrificed in our country. But while unemployment is spreading everywhere in the capitalist world, the socialist system has not only ended, once and for all, the phenomenon of unemployment long inherited from the old society, but also ensures that the standards of living of our more than 600 million people rise steadily along with the growth of production. During the big leap forward of 1958, the year-round average figure of workers and employees in the country increased by about 8 million compared with 1957. The number of people employed in cities has never been so large; while in the countryside the broad mass of women have been freed from their household chores and have joined agricultural production. However, as a result of the all-round leap in industrial and agricultural production and because mechanization cannot proceed so fast in our country, a shortage of manpower is still being felt in the cities and countryside. The incomes of our people have increased remarkably, and so has their purchasing power; the total retail sales of commodities increased by 16 per cent over 1957. Particular mention should be made of the fact that while

our capital goods industries spurted ahead, the output value of our consumer goods industries also increased by 34 per cent in 1958 alone. Has the capitalist world ever attained such rates of increase? The bosses of the Western bourgeoisie can make as much noise as they like. Our workers and peasants have lost nothing but the "freedom" to be unemployed and starve.

The imperialists are unable to understand nor do they want to understand the reasons for our big leap forward. What are the reasons after all?

The big leap forward in 1958 was brought about on the basis of the victory of our socialist revolution and the fulfilment of the First Five-Year Plan. The fact that for a long time in the past our country was "poor and blank," both economically and culturally, was not because we lacked manpower or natural resources, but because we lacked a social system which could meet the requirements of the development of the productive forces. As you all know, ours is a country with a big population, rich natural resources and good climatic conditions, all of which are highly favourable to the growth of the productive forces. Old China had the same population and the same geographical conditions, but semi-colonial and semi-feudal as it was it could never bring about any leap forward. Even after liberation, it would have been impossible to achieve such a big leap forward as that of 1958 before we had effected the socialist transformation of capitalist industry and commerce, individual peasant economy and handicrafts, and won a revolutionary victory on the political and ideological fronts. Moreover, with the fulfilment of the First Five-Year Plan, the building of a number of big, modern key enterprises, and the training of a body of personnel fully capable of mastering modern tech-

niques, we were able to design and build on our own some fairly large and technically complicated industrial enterprises, such as integrated iron and steel works with an annual capacity of 1,500,000 tons of steel, coal mines with an annual capacity of 2,400,000 tons of coal, hydroelectric power stations with a generating capacity of 1,000,000 kilowatts and thermal power stations with a generating capacity of 650,000 kilowatts. Without this material and technical foundation, it would also have been impossible for us to achieve the big leap forward in 1958.

The most important reason for that big leap forward, however, was the fact that in the spring of 1958 we summed up the experience gained in carrying through the First Five-Year Plan, began to find a better way of building socialism in our country, and worked out the general line of "going all out, aiming high and getting greater, quicker, better and more economical results to build socialism." This general line, laid down by the Central Committee of the Chinese Communist Party and Chairman Mao Tse-tung, is a line which takes full account of the enthusiasm of more than 600 million people in building socialism after the victory of the socialist revolution, and mobilizes all positive factors to the fullest extent. It was under the guidance of this general line that the big leap forward of 1958 was brought about.

Under the general line, we effected an overall leap forward in the industrial field with steel as the key link, pursuing the policy of giving priority to heavy industry and simultaneously developing heavy and light industries. Steel is the most important material at the present stage of our industrial production and capital construction and an insufficient output of it hampers the growth of

our entire national economy. In 1958, therefore, we mobilized the whole nation to increase the output of iron and steel, and so raised steel output from 5,350,000 tons in 1957 to 11,080,000 tons. The leap forward in steel output gave a direct impetus to a leap forward in the coal industry and created conditions for a simultaneous leap forward in the machine-building and other industries. How could the iron and steel and other industries develop at such high speed? This was because, on the industrial front, we implemented the policy of simultaneous development of national and local industries, the policy of simultaneous development of large enterprises and medium-sized and small enterprises, the policy of simultaneously employing modern and indigenous methods of production, and the working method of combining centralized leadership with a full-scale mass movement in industrial management, thus opening up the concrete way of developing our industry with greater, quicker, better and more economical results.

In 1958, we extended the powers of local governments in the management of industrial construction and production. This gave a dynamic spur to the initiative of local organs on all levels and to the working people in building industry energetically, greatly accelerated the tempo of construction and rapidly increased industrial output. More than 1,000 above-norm industrial and mining enterprises, either newly built or expanded, were started in 1958 by the Central Government and the provincial, municipal and autonomous regional governments; of these about 700, completed or partially completed, went into operation. This exceeded the total of 537 industrial and mining enterprises which were put into operation, completed or partially completed, during the

First Five-Year Plan. Large numbers of below-normal industrial and mining projects simultaneously employing modern and indigenous methods of production were started by different provinces, municipalities, autonomous regions, special administrative regions and counties, and the overwhelming majority of these, completed or partially completed, were put into operation in 1958. In addition, the people's communes set up a host of industrial and mining units which, in the main, employ indigenous methods of production. Thanks to all this construction, our industrial production capacity has rapidly increased.

Of course, the big leap in industry in 1958 depended mainly on increased production in existing enterprises. By expanding equipment, increasing the labour force, improving management and efficiency in the utilization of equipment and raising labour productivity, the existing enterprises greatly increased their production. Many enterprises put into effect the measures of workers' participation in management, cadres' participation in production, the welding of leading personnel, technicians and workers into a single entity, and launched a mass movement to improve working techniques, equipment and the design of products, make more rational use of raw and other materials, make fuller use of existing equipment, develop the trial manufacture and production of new products, improve the organization of production, and reform irrational rules and regulations. As a result, the productive potential of existing industrial enterprises was brought into fuller play.

The great achievements scored in 1958 on the agricultural front also testified to the power of the general line for socialist construction; they proved that industry and agriculture should and can be developed simultane-

ously and that agriculture, as well as industry, can be developed at top speed. As a matter of fact, the 1958 leap in industry and agriculture began with the latter. Our output of agricultural machinery and chemical fertilizer is still low, but once the initiative of the peasants is brought into full play, farm yields per unit area can still be raised rapidly. The National Programme for Agricultural Development as revised in 1957 stipulates that by 1967 the per *mou*¹ yield of grain in the three regions into which the country is divided should reach the targets of 400, 500 and 800 catties respectively and in the case of cotton, 60, 80 and 100 catties respectively. As a matter of fact, by 1958 most counties and municipalities throughout the country reached the targets of grain production laid down for them in the National Programme for Agricultural Development ahead of schedule, while most of the country's cotton-producing areas also hit the targets of cotton production set them by the Programme ahead of schedule. In the same year, many places reported the reaping of exceptionally high yields of grain and cotton over wide areas.

The measures taken by the peasant masses to raise per *mou* yields are those covering soil improvement, fertilizer, water conservancy, seed selection, close planting, plant protection, field management, and tools reform, which are commonly called the eight-point "Charter of Agriculture." In the case of soil improvement, a great amount of work was done to deep-plough the land, improve soil fertility and level the fields. In the case of fertilizer, in 1958, bigger sources of fertilizer were tapped than in previous years and large numbers of small fac-

¹ A *mou* is equivalent to 0.06 hectare or 0.1647 acre—Tr.

tories and workshops were built to make and process all kinds of fertilizer. In water conservancy, the area under irrigation increased by 480,000,000 *mou* in 1958, over 90 per cent greater than the preceding year. In seed selection, improved strains were in the main popularized for such major crops as rice, wheat and cotton and improved strains were exchanged between different areas. Close planting in varying degrees was practised extensively and much experience was gained in experiments with rational close planting. Much was also done in plant protection and the elimination of plant diseases and insect pests. In 1958, notable achievements were registered in field management; high-yielding fields and experimental plots were popularized everywhere; and intensive and meticulous garden-style cultivation of farmlands was put into trial practice in some places. All this played a dynamic and leading role in reforming farming techniques. Tools reform made initial headway all over the country; the movement to use all sorts of vehicles to replace the shoulder-pole and the popularization of ball-bearings were warmly welcomed by the peasants; new farm tools of all types were invented in large numbers.

The fact that the measures for increased industrial and agricultural production could be popularized and crowned with success was inseparably connected with the close ties existing between the Communist Party and the masses and the raising of the socialist consciousness of the masses as a result of the rectification campaign. The principle of "Party secretaries assuming leadership and placing politics in command" was accepted by the broad mass of the people. The measures of cadres participating in manual labour and cultivating experimental plots, transferring cadres to work at the grass-roots levels, and

cadres eating, living and working with the masses, were carried out throughout the country. These measures have given great inspiration to the workers and peasants. In every sphere of endeavour, a series of measures was taken to overcome conservatism; to topple old idols; to promote a communist style of doing things and the spirit of daring in thinking, speaking, acting, inventing and creating; to organize visits for study and make public appraisals of work done; and extend socialist emulation and co-operation. All this had great effect in pushing production and construction forward to an upsurge and ensured the realization of the all-round big leap forward of the national economy.

The countries in the socialist camp headed by the great Soviet Union have given us many-sided assistance in our socialist construction. The 166 important projects which the Soviet Union helped us build during the First Five-Year Plan played a notable part in the development of our economic construction. The rich store of experience garnered by the Soviet Union since it was founded is another important source which we draw on to carry out our economic construction plans.

Our achievements are phenomenal. But for a country with a population of over 600 million, the industrial and agricultural levels we have now reached are still very low. To meet the big requirements of our economic development and improving the people's livelihood, we must continue to work hard. Because it is only a very short time since we embarked on our socialist construction and an even shorter time since we put into effect the general line for socialist construction advanced by the Party, our experience is far from adequate and there are not a few shortcomings in our work. We must, there-

fore, continue to learn with modesty and we have no grounds whatsoever for self-complacency. On the basis of the great victories of 1958, we should continue to leap forward along the road opened up in 1958 and strive to win even greater victories on all fronts in 1959.

II

OUR TASKS ON THE ECONOMIC FRONT IN 1959—THE SECOND YEAR OF THE SECOND FIVE-YEAR PLAN

Nineteen fifty-nine is the second year in which the Chinese people are carrying out their Second Five-Year Plan for development of the national economy under the guidance of the general line for socialist construction. The Sixth Plenary Session of the Eighth Central Committee of the Chinese Communist Party, which convened in November 1958, discussed the major tasks and policies in developing the national economy in 1959 and put forward four targets: 18 million tons of steel, 380 million tons of coal, 1,050,000 million catties of grain and 100 million *tan* of cotton. On the basis of these targets and the conditions of production and construction in the first quarter of this year, the Seventh Plenary Session of the Eighth Central Committee of the Chinese Communist Party, in early April this year, adopted the 1959 draft plan for development of the national economy. This draft has been approved by the State Council and submitted for consideration and decision to the current session of the National People's Congress. We consider that the main task of the whole nation this year is to work energetically to fulfil and overfulfil the national economic development plan centring on the four major targets.

The 1959 plan for development of the national economy envisages a continued big leap forward. As we can see from the draft plan, the total value of industrial and agricultural output in 1959 will increase by 40 per cent over the 205,000 million yuan in 1958 and amount to 287,000 million yuan; of this amount the share of industry and handicrafts will be 165,000 million yuan and the share of agriculture 122,000 million yuan. The output of 17 of 32 major industrial products will increase by over 50 per cent. They are pig iron, steel, crude oil, sulphuric acid, chemical fertilizer, antibiotics, power-generating equipment, locomotives, freight wagons, tractors, grain combine harvesters, power-driven shellers, engines, cotton spinning machines, paper-making equipment, sugar-refining equipment and sugar. With few exceptions, the output of the other major industrial products will also increase by more than 30 per cent. The output of certain products will be doubled or will even be increased several fold. For example, in 1958 China produced power-generating equipment with a total capacity of only 800,000 kilowatts, while the total capacity of such equipment produced in 1959 will be 2.8 to 3 million kilowatts, representing an increase of 250 to 275 per cent. Major farm products whose output will increase by over 40 per cent include grain, cotton, jute, ambary hemp, sugarcane, sugar-beet, groundnuts, rapeseed and pigs.

The total investment in capital construction for 1959 set out in the state budget is 27,000 million yuan, 26 per cent more than in 1958 when it was 21,400 million yuan. The number of above-norm projects under construction this year totals 1,092. They include 51 iron and steel enterprises, 33 non-ferrous metals enterprises, 154 engineering works, 184 power stations, 83 collieries, 19 oil-

mining and oil-refining enterprises, 53 chemical enterprises, 105 building materials enterprises and lumbering enterprises, 161 light industrial enterprises, 28 water conservancy projects, and 5,500 kilometres of new railway trunk lines, double tracks, branch lines and special lines for various enterprises. Investments in these above-norm construction projects account for about two-thirds of the total capital investment this year. The remainder of the investment will be used to build large numbers of below-norm projects.

To provide the necessary transport facilities for the rapid development of industrial and agricultural production and capital construction, the plan sets the volume of railway freight at 520 million tons in 1959, or 36 per cent over the 380 million tons in 1958; the volume of freight handled by enterprises directly under the Ministry of Communications will amount to 35 million tons, or 25 per cent over the 28 million tons in 1958. The plan provides that, on the basis of a continued leap forward in agricultural and light industrial production, the total retail sales in 1959 will amount to 65,000 million yuan, or 19 per cent over the 54,800 million yuan in 1958.

The 1959 plan is drawn up in accordance with the Party's general line of "going all out, aiming high, and getting greater, quicker, better and more economical results to build socialism"; it is drawn up on the basis of the set of policies included in the concept of "walking on two legs" — the policy of the simultaneous development of industry and agriculture on the basis of priority for heavy industry, the policy of the simultaneous development of heavy and light industries, the policy of the simultaneous development of national and local industries, the policy of the simultaneous development of large

enterprises and medium-sized and small enterprises, and the policy of simultaneously employing modern and indigenous methods of production. The plan takes into account not only the objective possibilities presented by the material and technical conditions in our country, but also the subjective driving force born of the revolutionary energy of the masses; it not only takes into account the requirement of mutual co-ordination between industry and agriculture, between heavy and light industries and between production and transport in the course of their development, but also adheres to the principles of laying stress on the most important things in construction, giving priority to heavy industry, particularly to industries producing raw and other materials, and regarding steel as the key link. The production of 18 million tons of steel is the most important task on the industrial front. To accomplish this task, the plan has raised as far as possible the production targets for pig iron, coal and electric power as well as for transport, and has given the engineering industry the task of speeding up the production of equipment for mining, coal-washing, coke-making, steel-rolling, power generation and transport. To alter the situation in which industries providing raw materials and other materials and power lag behind the processing industries, we have raised the rate of increase in the output of steel products, copper, aluminium, sulphuric acid and electric power. In accordance with the requirement of the simultaneous development of heavy and light industries, the plan provides that in 1959 there will be an increase of 46 per cent in the output of capital goods and an increase of 34 per cent in the output of consumer goods. Provision has been made in the plan for increases in the output of certain industrial goods needed by the

people in their daily life and especially those which were not produced in sufficient quantities for some time in the past. In accordance with the requirement of simultaneous development of industry and agriculture, the plan provides that the total value of industrial and handicraft output in 1959 will increase by 41 per cent over 1958 while the total value of agricultural production will increase by 39 per cent over 1958. To co-ordinate increases in the output of agricultural and animal products with the development of light industry and the people's rising standards of living, the rates of increase for bast-fibre, sugarcane, rapeseed, pigs, cattle and horses will be raised in 1959 under the condition of ensuring a continued big leap forward in grain and cotton production. Industrial support for agriculture will also be strengthened to supply the latter with more irrigation and drainage machines, tractors, grain combine harvesters, power-driven shellers, wheel-barrow with rubber tyres, chemical fertilizers and farm insecticides.

Fulfilment of the magnificent 1959 plan for national economic development will further expand the material foundation of socialism in our country, provide better conditions for the continued leap forward in our industry and for agricultural mechanization, achieve ahead of schedule and overfulfil the targets for grain and cotton output set in the National Programme for Agricultural Development, and ensure a continued rise in the people's material living standards.

The percentage increases in the targets of quite a number of products set in the 1959 plan, as compared with 1958, are higher than those achieved in 1958, as compared with 1957. This is true in the case of such industrial products as electric power, sulphuric acid,

chemical fertilizers, freight wagons, cotton spinning machines, cotton yarn, cotton cloth, paper, edible vegetable oils and sugar, as well as such farm produce as jute, ambary hemp, sugar-cane, rapeseed, big livestock and pigs. There are also certain products whose planned percentage increases in 1959 output are lower than those achieved in 1958, but whose output increases in absolute figures will be greater than in 1958. For instance, steel output in 1958 increased by 107 per cent or 5.73 million tons compared with 1957; the planned rate of increase in 1959, compared with 1958, is 62 per cent, but the planned increase in absolute terms is 6.92 million tons. This also applies to the total value of industrial and agricultural production: in 1958 it increased by 65 per cent compared with 1957, an increase of 80,900 million yuan; its increase in 1959 will be 40 per cent compared with 1958, but in absolute figures the increase will be 82,000 million yuan. Therefore, the rate of increase must not be measured in percentages alone but, at the same time, in absolute figures. It is quite impracticable to regard the leap forward as meaning that the percentage increase of the total value of industrial and agricultural output and the output of every single product must be higher in each succeeding year.

Moreover, in the course of the leap forward it is also possible that output increases of certain industrial and agricultural products, particularly certain agricultural products, in one particular year may be lower than in the previous year. The 1959 plan schedules an increase of 40 per cent in grain production and this is undoubtedly a very high rate, rarely known in history. It should be remembered that an increase in grain output is to a great extent limited by natural conditions and it is impossible

to double output year after year or send it up constantly by as much as the absolute increase registered in 1958. When there are still very few farm machines and very little chemical fertilizer, even an annual increase of between 10 and 20 per cent is a leap forward. The absolute increase in grain output in 1959 will be 300,000 million catties and this is an enormous figure. We all know that our total grain output in the highest pre-liberation year of 1936 was only 277,400 million catties. When the economy had recovered in the post-liberation year of 1952, it was still only 308,800 million catties. As a result of the efforts made during the First Five-Year Plan, it just reached 370,000 million catties in 1957. Now, on the basis of the increase of 380,000 million catties scored in 1958, we are going to raise the grain output by another 300,000 million catties. This, of course, is a plan for a leap forward which can be fulfilled only by a tremendous effort.¹

To fulfil this big-scale 1959 plan with its very fast tempo, the whole nation must continue its heroic endeavours, work hard, perseveringly and resourcefully, and energetically overcome all difficulties. It is impossible that there should be no difficulties in the large-scale development of the national economy and this is especially true in our country which is economically backward and gave us little to start off with. In the present period, many important raw and other materials, electric power and transport capacity still lag behind the demands of national economic development, it is still not possible to bring about a quick and radical change in this respect

¹The output of soya bean is not included in the output of grain listed in this paragraph.

and this is one of the difficulties we face. Besides, it is also possible that we may come up against certain difficulties that are hard to foresee, such as natural calamities seriously affecting agriculture. We should be fully prepared in our minds to face these difficulties and should strive to overcome them by every possible means. No difficulty can prevent us from winning victories, provided we are prepared and work energetically to overcome it.

We have many favourable conditions to ensure fulfilment of the 1959 plan. The big leap of 1958 created the general premise for our continued big leap forward. We have a stronger material and technical basis than in 1958. We have the people's communes which are able to promote the expansion of the productive forces. Thanks to the victories gained on all fronts in 1958, our more than 600 million people have acquired greater confidence and energy, have more experience and have learned new methods. Through practice in 1958, growing numbers of cadres and the masses have grasped the Party's general line for socialist construction and the whole set of policies known as "walking on two legs." All these are conditions which favour us.

What must we pay attention to if we are to fulfil the 1959 plan? The most important thing at present is to strengthen centralized leadership, make overall arrangements, look to our organizational work and concrete measures and vigorously develop the mass movement in all fields of economic endeavour.

On the industrial front it is particularly necessary to strengthen centralized leadership, so as to integrate fully the resources of the central authorities with those of the local authorities and the resources of the state with those of the masses, and to make overall arrangements in the

light of the country's unified plan. Here the needs of the key construction projects must be met first of all and the fulfilment of tasks of an overall nature must be ensured.

Thanks to the victory of the socialist revolution, the inspiration of the general line for socialist construction and the success of the people's communes, the initiative of the cadres and the masses all over the country and in every field of work has soared to unprecedented heights; all want rapid development of the projects that they need. It is quite natural for such desires to be expressed, they reflect the growing prosperity of our country. But our plan must base itself on objective possibilities. Our material and technical foundation is after all still very weak. While our material, financial and manpower resources go to satisfy the needs of certain key projects, we cannot meet the needs of other projects so satisfactorily. To resolve this contradiction, the interests of the parts must give way to those of the whole, and the completion of the key projects must be ensured in the first place. It was in accordance with this principle that we worked out the 1959 plan for industrial production and construction, and we must observe this principle in executing the plan. Readjustments in the tasks of production and capital construction, distribution and allocation of important raw and other materials and equipment, increasing and transferring members of the administrative staff and workers in enterprises, changes in the labour and wages systems, and disposition of technical forces must be put under the full charge and united command of the central authorities as well as the provincial, municipal or autonomous regional authorities. As to specific production and construction tasks, a priority list should be

worked out from higher to lower levels, taking into consideration their importance and urgency, and the availability of raw and other materials and equipment. For example, the most urgent task for the engineering industry at present is to produce rapidly the mining, coal-washing, coke-making, steel-rolling, power-generating, irrigation and draining equipment and rolling-stock stipulated in the plan. Raw and other materials which are under the unified allocation of the state must first of all go to meet the needs of producing such equipment. In arranging for the manufacture of such equipment, the engineering departments should also work out an order of production covering types and models, so that the production and construction needs of the key enterprises will be met in good time and with the types and models they require.

It is necessary to strengthen leadership in organizational work, and constantly make a thorough check-up of the various links in production and construction, so that the tremendous work of accomplishing the 1959 tasks in industrial production and capital construction will be fulfilled according to schedule and all quantitative and qualitative requirements will be satisfied. As to the more important products and construction projects, it is necessary to draw up 10-day, monthly or quarterly timetables and for the central leading organs and those of the provinces, municipalities or autonomous regions to send inspectors to make personal rounds of the workshops and construction sites to check up on progress and quality, and thus guarantee proper fulfilment of the planned targets.

As the experience of previous years, and that of 1958 in particular, shows, the most fundamental guarantee of

fulfilment of the industrial plan is the thorough application of the mass line in work, that is to say, the linking of centralized leadership with a vigorous mass movement. It is imperative that all industrial enterprises carry out the system whereby the director assumes full charge under the leadership of the enterprise's Communist Party committee and that they observe thoroughly all rational and necessary rules and regulations. We will not countenance any lack of personal responsibility or violation of necessary rules and regulations in either production or construction work. But the centralism we need is that based on democracy; centralized leadership should not be such as to hinder the mobilizing of the masses, rather it must guarantee their unhampered mobilization. We should actively lead administrative staff and workers to discuss tasks laid down in the state plan at staff and workers' representative conferences and at other meetings in the spirit of airing views and open and free debate to devise ways and means for fulfilling and overfulfilling the tasks set. Cadres of the basic units and activists from among the masses should be invited to participate on a broad basis in important meetings held by the enterprises, and their opinions should be canvassed when any important decision is made. Such methods as "Party secretaries taking command," leading cadres working on "experimental plots," the calling of on-the-spot conferences, the organization of visits for study and public appraisals of work done, the launching of emulation drives with red banners for the winners, cadres taking part in manual labour, workers participating in management, and closer co-ordination among the leading personnel, technicians and workers—all of which were found effective in

developing the mass movement in 1958 — must be strictly adhered to and developed and improved still further.

The mass movement on the industrial front to set up small enterprises using indigenous production methods should continue to be developed and steadily improved. Small enterprises employing indigenous methods will still face a heavy task in this year's industrial production, such as in mining, coal-washing, coke-making, copper-smelting and the production of building materials. After improving their techniques these enterprises will also play a certain part in iron smelting and steel making. Although the quality of certain amounts of the iron, steel and other products manufactured by indigenous methods is not high enough and their costs of production are relatively high, they are able to meet the immediate needs of our country in certain respects, particularly those of the vast countryside. Therefore, we should by no means belittle the role played by small enterprises and indigenous methods. If we do, we will commit mistakes. The simultaneous employment of modern and indigenous methods of production is a long-term policy for the development of our industry. The combination of modern and indigenous methods is a permanent feature, though both in content and in form what we signify by "modern" and "indigenous" will in the future be different from what they are now. It goes without saying that small enterprises employing indigenous methods of production, no matter to what branch of industry they belong, should improve their techniques, working methods and labour organization, endeavour to increase labour productivity, raise the quality and reduce the cost of their products. Through the gradual adoption of certain modern techniques such

indigenous production in small enterprises will be transformed into modern production. This is an essential task. Those enterprises employing indigenous methods of production which consume comparatively more labour power and raw materials should tackle this task more urgently.

As on the industrial front, it is necessary also to persist in the mass line as a working method and launch a vigorous mass movement to fulfil the 1959 plan in the fields of agriculture, transport, posts and telecommunications, and trade.

Last autumn and winter the mass of peasants on the agricultural front did a great deal of spade work for this year's production. To realize the leap forward plan of this year, however, we must continue to mobilize the masses and unfold the mass movement for high yields on vast expanses of land. Cadres of the people's communes and counties must go into the fields frequently and be one with the commune members. They must work hard for rich summer and autumn harvests, for the realization of the ten proposals made by the National Conference of Representatives of Advanced Units in Socialist Agricultural Construction in January this year, and for fulfilment and overfulfilment of this year's production plan for food crops, cotton, oil-bearing crops, bast-fibres, sugar-crops, and various kinds of non-staple foods as well as in forestry, animal husbandry, side-occupations and fishery.

Last year's great leap forward in agriculture brought us rich experience pertaining to the eight technical measures for increasing production, namely: soil improvement, use of fertilizer, water conservancy, seed selection, close planting, plant protection, field management and reform of farm tools. This experience enables us to see that we should apply different measures according to

different natural conditions and crops and not apply the same measures indiscriminately, and that the various measures are related to, and dependent on, each other, so we should not rest content with applying one or several of them alone. We must do a good job in summing up this experience so that the people's communes and their production brigades can decide on, and earnestly carry out, the proper technical measures for increasing production according to their own concrete conditions.

Continuing the great leap forward in agriculture before the mechanization of farming is realized calls for a lot of labour power. Although the emergence of people's communes, community dining-rooms and nurseries has released women from household chores by the tens of thousands, there is still a shortage of manpower in the countryside owing to the great increase of productive work. Under present conditions the number of people engaged in agriculture (including farming, forestry, animal husbandry, side-occupations and fishery) should not, in general, be less than 80 per cent of the manpower available in the countryside. To ensure the manpower needs of the countryside, factories and mines in the urban districts should, within a given period of time, stop recruiting workers from the countryside and send back their surplus occasional workers to the rural areas from which they came. The building of industrial and mining enterprises and other capital construction projects by the counties and people's communes should, in general, be carried out with the farming season in mind, that is to say, more projects should be built during the slack farming season, and less in the busy season. The number of administrative and service personnel in the people's communes must also be sharply reduced. Such jobs as can

be done by people capable only of doing light or subsidiary work should, wherever possible, be done by them so that fully able-bodied men and women can be relieved, wholly or partially, from such jobs.

The fundamental way to end the manpower shortage in the countryside is to raise labour productivity in farming, to press ahead step by step with technical innovation and the technical revolution in farming and gradually semi-mechanize and mechanize farm tools. The farm-tools reform movement started in 1958 must be continued and those reformed tools which have proved their worth in practice must be energetically promoted and popularized.

Consolidation of the people's communes is the prerequisite of the smooth growth of agricultural production. The resolution of the Sixth Plenary Session of the Eighth Central Committee of the Party has enabled the broad masses of cadres and people to have a correct understanding of the nature of socialist collective ownership in the people's communes at the present stage and of the necessity for the people's communes to practise the principles of "to each according to his work" and of exchange on the basis of equal values; the administrative system of unified leadership for the commune as a whole while management and business accounting are done by the production units at different levels; and democracy and industry and thrift in running the commune. This has played a decisive role in consolidating the people's communes. The check-up in the people's communes in the past few months has gradually strengthened their administrative systems and has considerably improved the working style of their cadres. Every people's commune throughout the country should, in the nearest

future, convene a representative conference of its members to sum up the results of the check-up, review the work of production and make fresh work assignments, check up on the commune's accounts, discuss the way to distribute the summer harvest and elect the administrative bodies. We are confident that when all the work of checking-up and organization is well done, the people's communes will bring rank and file initiative into fuller play and further develop their energies. This will be a further guarantee for fulfilling the tasks of increasing agricultural production in 1959.

To realize the 1959 plan in the field of transport, first of all railway transport, we must strengthen organizational work, fully tap the possibilities of existing transport facilities and, at the same time, fulfil the tasks of capital construction according to plan.

Transport departments should plan their work better, try to shorten loading and unloading time, speed up the turn-around of freight vehicles and ships and economize on fuel consumption so that more goods can be carried with existing facilities. In transport, proper arrangements should be made depending on the importance and urgency of the goods to be carried so as to ensure, in the first place, timely transport of such important capital goods as iron and steel and coal and such important consumer goods as grain and non-staple foods. Special attention should be paid to the integration of long-distance and short-distance transport and of land and water transport. To reinforce short-distance transport, we should make a big effort to organize the use of the vehicles and ships of the rural people's communes so as to make up for the shortage of modern means of transport. All industrial and trading departments should give

active help to transport departments in rationalizing their work, reducing and if possible eliminating such unreasonable phenomena as shipping the same goods from opposite directions, shipping goods over excessively long distances or by interrupted stages to their destination.

To ensure supplies of essential materials and continued market stability, the trading departments face a heavy task in 1959. As I said before, total retail sales of commodities in 1959 will reach 65,000 million yuan, or 19 per cent over 1958. This increase is 3.8 times the total retail sales figure of 17,000 million yuan of 1950, soon after the founding of the Republic. Compared with the 34,800 million yuan of 1953, the first year of the First Five-Year Plan, it is 87 per cent greater. As our country has a big population, a slight increase in each person's consumption means a phenomenally large total of additional consumption. In the circumstances where the output of consumer goods cannot yet keep pace with demands, it is difficult to avoid completely the situation where one commodity or the other is temporarily in short supply. The important task of the trading departments at present is to make overall arrangements for the markets throughout the country; do the job of supplying consumer goods to the best of their ability and avoid and reduce as much as possible any discrepancy between supply and demand.

Trading organs at various levels should endeavour to improve the work of purchasing the produce of agriculture and rural side-occupations and industrial goods for daily consumption. They should also see to it that the purchase of "waste materials" used as raw materials in industry is done well; promote agricultural production and side-occupations and expand the interflow of com-

modities between the cities and rural areas by making purchase and marketing contracts. At the same time they must improve the administration of export trade so as to fulfil the state export plan on time and as regards quantity and quality.

No matter whether it is on the industrial, agricultural, transport, or trading front, the central aim of the mass movement should always be the raising of labour productivity, increased production, the strict practice of economy and opposition to waste. The scope of the 1959 national economic plan is immense and the tasks involved are difficult, but it can by no means be said that there are no more potentialities to be tapped or that our planned targets cannot be overfulfilled. The possibilities of technical innovation and the technical revolution in both production and construction are unlimited. The improvement of tools and equipment, improved utilization of equipment, improvements in the design of products and projects and operating and building methods, economies in manpower and raw and other materials, the use of various substitutes and "waste materials," improvements in the quality of products and projects, reduction in the number of rejects and seconds — all these measures will help raise labour productivity and reduce costs. So long as we are determined to make politics take command, raise the political consciousness of the cadres and masses, make people realize the great political significance of the 1959 plan and the problems which lie ahead, and mobilize the masses to the fullest possible extent, we are sure to discover new ways and means for increasing production and practising economy. For example, the average daily output of coal in all mines throughout the country was 960,000 tons in January and February this year, but after the emulation

drive centring on technical innovations and the technical revolution was launched among the broad mass of the workers and staff in early March, the average daily output in that month jumped to 1,130,000 tons, thus overfulfilling the task set for the first quarter of the year. A similar mass movement is beginning to make its appearance not only in the coal industry, but in other industries, and in agriculture and transport as well. Now we are in the early part of the second quarter of the year, the decisive hour for fulfilment of the annual plan. We must ideologically and politically mobilize the energy of every worker, peasant, intellectual, and patriotic citizen in every part of the country for the immediate launching of a nation-wide movement for increasing production and practising economy. We are confident that if we can develop such a movement in earnest and keep it going to the end, we will certainly be able to fulfil and overfulfil the 1959 plan for development of the national economy.

III

OUR TASKS ON THE CULTURAL AND EDUCATIONAL FRONTS

An upsurge of our socialist culture has started along with the upsurge of our socialist economy. Through the rectification campaign and after the struggle against the rightists, the leading position of the proletariat was firmly established and strengthened in the various branches and units of cultural and educational undertakings, thus providing the political guarantee for the upsurge of culture and education. In 1958, it was not only the cultural and educational undertakings run by the state which made

rapid progress; masses of workers and peasants felt a pressing need to master culture and they too founded schools on their own, developed the sciences and culture and engaged in various spare-time literary and artistic activities, all together creating the panorama of a vast, mass cultural revolution. Most of the intellectuals on the cultural and educational fronts, in the course of self-remoulding, have enhanced their own socialist initiative, strengthened their ties with the workers, peasants and productive labour, and played an energetic part in popularizing culture and raising our cultural level. Our tasks are to continue to mobilize all positive factors on the cultural and educational fronts, to push forward the cultural revolution, to popularize socialist culture and carry out the work of consolidating the positions gained and raising quality on the basis of popularization, so that cultural and educational work can meet the needs of socialist construction as a whole.

Education in our country has made tremendous progress in the last few years, and especially in 1958. In 1952, the number of students in higher educational institutions was 190,000; by 1957, it was already 440,000, an increase of over 100 per cent; in 1958, it again increased by 50 per cent compared with 1957, reaching 660,000. The number of middle school students in 1952 was over three million; in 1957 it was over seven million, also an increase of over 100 per cent; in 1958, compared with 1957, it again increased by 70 per cent to 12 million. Primary school pupils in 1952 numbered over 51 million; in 1957 there were already over 64 million, an increase of 26 per cent; in 1958 there was another 34 per cent increase compared with 1957, bringing the total to 86 million. In 1958, spare-time school education for work-

ers and peasants, including general, technical as well as political courses, given in varied forms, also made tremendous progress. Much has also been done in wiping out illiteracy.

But these quantitative increases are by no means the only manifestation of our achievements in the field of education. What is more important is the fact that, as the Communist Party has greatly strengthened its leadership in educational work, we have, based on the working-class world outlook and the socialist and communist principles of education, carried out the policy of making education serve working-class politics and combining education with productive labour, thereby initiating a great and profound revolution in the educational field.

Serving working-class politics and the cause of socialism is the basic starting point of our education. In our schools, socialist and communist ideological and political education must be carried out in the most conscientious way to raise the socialist consciousness of the students; our children and youth must be educated in cultural knowledge and modern scientific achievements, step by step and in a systematic way, and form the habit of taking part in productive labour in the course of their schooling so as to fit them not only for mental work but also for physical labour. Those who stick to the standpoint of the old society where education was run by the exploiting classes are, of course, opposed to our policy. In actual fact, the bourgeoisie and other exploiting classes introduce into their own schools political and ideological education aimed at bolstering up their own class interests. Bourgeois society gives the workers only some rough, shallow and limited knowledge and makes every attempt to hoodwink, paralyse and corrupt them ideologically and

politically. The bourgeoisie consistently trains intellectuals serving their system of exploitation in the spirit of separating theory from practice, and mental labour from physical labour. Our educational policy is the very opposite of this policy of the bourgeoisie. Our aim is to arm the workers, peasants and intellectuals with the scientific and revolutionary proletarian world outlook, to wipe out lock, stock and barrel, the ideological influences of the exploiting classes, to make education serve the working people, to put culture into their hands and to combine mental work with physical labour.

We have already officially begun to introduce productive labour into the educational programme of our schools, and, in the light of varying conditions, to organize students to take part in productive labour for specified periods of time. Through engaging in productive labour, the mass of faculty members and students have acquired much more practical knowledge of production, and love of labour and respect for the labourers have been fostered. In institutions of higher learning, practical work in production has also given a powerful impetus to scientific research. The facts show that properly integrating education with productive labour can assist in strengthening the ties between school and society, bringing about the integration of theory and practice and the gradual integration of mental and physical labour, and turning our schools day by day into a new type of school training new men with a communist outlook. Of course, we have only gained a preliminary experience in this far-reaching revolution in education; there are still shortcomings in our work and questions that remain to be studied further and solved. We must continue to accumulate and sum up our experience, and constantly improve our work

so as to carry out this policy of integrating education with productive labour still more effectively.

In developing education in our country we must adopt the method of combining popularization with a raising of quality. In order to popularize culture and meet the urgent needs of the current development of national construction, in addition to full-time, regular schools at all levels, we must also, wherever possible and practicable, continue to set up and improve half-day schools, and spare-time schools in the countryside, factories and mines. The work of wiping out illiteracy must be energetically carried out with the participation of the masses. At the same time, we must also pay special attention to raising the quality of teaching and studying in schools of all types. Last year, schools at all levels all made great progress; now it is time to improve, consolidate and raise up their level on the basis of this great development. Full-time, regular schools at all levels should make it their constant and fundamental task to raise the quality of teaching and studying; in the first place, we must devote relatively more energy to perfecting a number of "key" schools so as to train specialized personnel of higher quality for the state and bring about a rapid rise in our country's scientific and cultural level.

In 1958, great achievements were made in both the patriotic public health movement which centred on wiping out the "four pests"¹ and the principal diseases, and the athletic movement aimed at improving the physique of the people. We must continue these movements. In our public health work, we must continue to carry out the

¹ The "four pests" are rats, flies, mosquitoes and grain-eating sparrows — *Tr.*

mass line and have specialists work in co-operation with the masses so as to improve the health conditions of our people rapidly and effectively. We must get the doctors of the traditional school of Chinese medicine and doctors of the modern school to unite, organize them to make joint efforts in the interests of people's health and develop the medical heritage of the motherland and the medical and pharmaceutical sciences. In the field of athletics, it is necessary, too, to carry out the policy of combining popularization with a raising of quality, to organize mass athletic movements on a wide scale and step by step raise the level of athletics in our country.

In the fields of science and technology, 1958 saw the start of a mass movement for scientific exploration in which thousands upon thousands of people took part. Research work in many fields yielded good results. The ranks of scientific and technical workers greatly increased. In serving the cause of socialist construction, many scientific workers, engineers and technicians in scientific research institutes and institutions of higher learning and on the industrial and agricultural production fronts have displayed a very high degree of initiative.

We are still backward in science and technology and we will have to work still harder in these fields. Tasks directly serving production and construction must be given top priority. There are a thousand and one technical problems in every sphere of production and construction, and scientific and technical workers should work hard to solve them through a division of labour and co-ordination of efforts. Attention must also be given to developing the most advanced branches of science and technology; and as regards those branches in which we lack conditions for development, we must make

all the necessary preparations now. Basic theoretical research exerts a far-reaching influence on scientific and technological progress, and we must pay sufficient attention to this field as well.

Theoretical studies in the social sciences must also be developed energetically and given better leadership. It is impermissible to ignore their importance. Theoretical workers in the social sciences must be encouraged to make long-term, systematic efforts under the guidance of Marxism-Leninism, to collect sufficient relevant material and undertake independent, creative studies.

There is a lively movement on the literary and artistic fronts, both in the work of professional writers and artists and in the amateur literary and artistic activities of the workers and peasants. We must encourage professional writers and artists to work hard to produce works of a still higher ideological and artistic level which will educate and answer the cultural needs of the people. At the same time, we must give energetic leadership to the literary and artistic activities of the masses, and pay attention to training those with literary and artistic talents who appear among the working people.

To achieve a sound development in science and art, we must carry out the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" on the basis of serving the cause of socialism. This policy has pointed out the way of flourishing and development for our science and culture, and given tremendous inspiration to the entire scientific and cultural circles. Soon after the Party put forward this policy in 1956, the bourgeois rightists distorted it. Pretending to be fragrant socialist "flowers" they attacked the Party and socialism in an attempt to seize the leadership in cul-

tural affairs. Victory in the anti-rightist struggle smashed this reactionary attempt and favourable conditions for carrying out the policy were thus created. The leap forward in socialist construction and the upsurge of the mass cultural revolution have opened up a vast area for "a hundred flowers to blossom and a hundred schools of thought to contend" in the fields of science and art. Through free debates among different schools and views in science, through free competition between different forms and styles in art, we are confident that before long our scientific and cultural work will enter a flourishing era and achieve great successes.

The creation of an army of working-class intellectuals numbering tens of millions is a great historic task on the cultural and educational front. It is by training new intellectuals and remoulding old intellectuals that such an army will be created.

Happy results have been achieved of late in the self-remoulding of the old intellectuals: many of them are not only sincerely willing to accept Party leadership and serve socialist construction, but have begun to go out among the masses and take part in physical labour in factories and villages at regular intervals, have acquired new experience in living and working with the working people and raised their ideological level. Some bourgeois intellectuals after prolonged and serious self-remoulding, have begun to transform themselves into working-class intellectuals and among them some advanced ones have joined the Chinese Communist Party. These facts show the complete correctness of the policy of uniting, educating and remoulding the intellectuals consistently followed by the Party and the state. By coming over politically to the side of socialism and unit-

ing with the masses, old intellectuals can use their knowledge and skill and give full play to their specialities in serving the cause of socialism, and so win the approval of the people. However, it will still take a fairly long time for them to go further and make a complete break with their bourgeois world outlook and really grasp the working-class world outlook. It is wrong to think that old intellectuals no longer need to remould themselves or that they cannot work unless they complete their remoulding in a very short time. All old intellectuals willing to take the socialist road must continue to exert themselves, and remould themselves step by step through their work for a long time to come. We must make proper arrangements for them to work, appreciate their initiative, and help them to achieve greater results in their work. At the same time we must help them study Marxism-Leninism, find more chances for them to go among the masses, learn about actual conditions and, of their own free will, take part to a suitable extent in physical labour.

Great numbers of young intellectuals are sprouting up pretty fast. They are advancing bravely along the road of being "both red and expert," and have made their first contributions in various fields of work. We must lead them to strive for still greater achievements, encourage them constantly to scale the heights of scientific knowledge and teach them never to indulge in self-conceit. Young intellectuals too are faced with the task of constantly remoulding themselves. Whatever post they may hold, they must, while striving to raise their vocational level, seriously study Marxism-Leninism, take part in the production and struggles of the masses, participate in physical labour, and be strict with them-

selves politically and ideologically as well as in work. They must learn with modesty from their learned elders who in turn should also learn from the strong points of the young intellectuals. All patriotic intellectuals should rally under the banner of socialism and work together to build our great motherland.

IV

THE POLITICAL LIFE OF OUR COUNTRY

Since the decisive victory won in the socialist revolution on various fronts, the people's democratic dictatorship and the unity of our people have become more firmly consolidated than ever. The reasons for this are as follows:

1. In the fields of industry and commerce, we have virtually replaced bourgeois ownership of the means of production with ownership of the means of production by the whole people, and at the same time pay a fixed rate of interest to the capitalists, thus basically resolving the economic contradiction between the working people and the bourgeois industrialists and businessmen.

2. In the fields of agriculture and handicrafts, we have replaced the individual ownership of the peasants and handicraft workers with collective ownership of the means of production, and have thus resolved the contradictions among the peasants and handicraft workers themselves, arising out of individual ownership, as well as the contradiction between individual economy and socialist planned economy.

3. On the ideological and political fronts, we have waged the struggle against the bourgeois rightists, shat-

tered their attack against the Communist Party, the people and socialism, heightened the socialist consciousness of the people in all social strata, and completely isolated the bourgeois rightists among the people.

4. We have carried out the rectification campaign among the mass of people, and first of all, among the advanced section of the people, conducted debates and education on the question of the struggle between the socialist and capitalist roads, and launched the struggle against bureaucracy, sectarianism and subjectivism, so that the ties between the cadres and the masses have been greatly strengthened.

The remnants of the counter-revolutionaries in our country have, in the main, been weeded out and more than ever a stable social order is ensured. There are, however, still a very small number of counter-revolutionaries; these we must continue to weed out. Towards the counter-revolutionaries who have been uncovered, we will continue to carry out the policy of combining punishment with leniency, which has proved its effectiveness in the past few years. With regard to the bourgeois rightists, we follow the lenient policy of helping them to remould themselves, not depriving them of their civil rights, and making appropriate arrangements for their work and livelihood, with a view to remoulding gradually, so far as possible, all those who can be remoulded into new men.

U.S. imperialism now occupies many places in the West Pacific, including our Taiwan, and is threatening us constantly. Therefore, we must continue to strengthen our defences to safeguard our people's peaceful construction work.

As mentioned above, through the victory of the socialist revolution and particularly the deepening of the rectification campaign, and as a result of the steady implementation of the policy laid down by Chairman Mao Tse-tung for the correct handling of contradictions among the people, there has been a great development of people's democracy within the ranks of our people. From now on, all the good methods developed in the rectification campaign should be made a permanent feature of our political life. The masses should be consulted on problems that arise. Full discussions should be conducted if opinions differ. Cadres' meetings and mass meetings should be held regularly, *tatsepao*¹ should be encouraged and observing the principle of "not blaming the one who speaks, but taking every criticism as a warning" should be insisted on so that everybody may speak his mind freely. We should not fear a clash of opinions; when contradictions are brought fully into the open, it becomes easier to find proper solutions to the problems raised fairly quickly. In both city and countryside, meetings should certainly be held with cadres of three, four, five or even six different administrative levels sitting together. Through such cadres' meetings, which are attended by cadres working in the basic units and by both advanced and not so advanced elements of the masses, Party and state policies and decisions made at higher levels should be made known direct to cadres working in the basic units and to the masses, and the opinions of the latter brought to the direct attention of the leading cadres. Experience has proved that these

¹Posters written in big characters and posted up for everybody to see — Tr.

meetings are most convenient for pooling the wisdom of the masses and strengthening the unity of the people; they are an effective means of developing people's democracy.

In the past year, government workers have made remarkable progress in getting close to the masses. Vast numbers of cadres have corrected ways of thinking and working which estrange them from the masses in varying degrees, and have overcome the bureaucratic, lifeless, spendthrift, haughty and finicky airs with which they were infected in the old society, and now are just like ordinary labourers when they go among the masses. Over a million cadres of state organs from the county level up have been sent to the countryside, factories and mines to take part in manual labour and administrative work in basic units. At the same time, leading cadres in rural work and in the factories have gone at regular intervals to the people's communes or factory workshops as commune members or workers; commanders of the armed forces have similarly gone to the companies as privates; and all leading cadres who are physically fit have taken regular part in manual labour. This is becoming a new social custom. This is a revolutionary and communist custom. It opens up a new way not only of linking the cadres and the masses but of integrating mental and manual labour. In 1959, state organs of all levels should, on the basis of summing up the experience gained in 1958, continue to organize the systematic and regular assignment of cadres to work in basic units and to take part in manual labour.

The worker-peasant alliance is the foundation of the great unity of the Chinese people. This alliance has become more and more firmly consolidated as a result

of the people's commune movement and the forward leap in the socialist cause as a whole. There are still some social strata which belong neither to the workers nor the peasants. Proceeding from the premise of continuing to strengthen the worker-peasant alliance, we will continue to maintain the alliance of the labouring people with those non-labouring people who are willing to co-operate with the labouring people during the period of socialist construction.

On the heels of the struggle against the rightists, a fairly thoroughgoing rectification campaign was also launched among members of the democratic parties and groups and elements of the national bourgeoisie. Through study, work and participation in manual labour, many of them have made varying degrees of progress. Except for a handful of rightists, most of the members of these democratic parties and other democrats who work in state organs have fulfilled their duties at their posts. During the rectification campaign, the democratic parties tidied up their organizations. They still play a positive role in rallying the various social forces to serve socialism. In the future, it is still necessary in our country to continue to consolidate and develop the people's democratic united front on the basis of serving socialism. Proceeding from the premise of accepting the leading position of the Communist Party, "long-term co-existence and mutual supervision" between the Communist Party and the various democratic parties and groups is still beneficial to the people's cause. As for the capitalists, the state will pay them a fixed rate of interest for the period originally specified, and will actively help them continue to educate and remould

themselves in the course of taking part in socialist construction.

In the work concerning nationalities, the government has had great success in the past four years in further promoting national regional autonomy on the principle of ensuring the unity of the country and equality between all nationalities in accordance with the stipulations of the Constitution. In addition to the Inner Mongolian Autonomous Region, the Sinkiang Uighur Autonomous Region, the Kwangsi Chuang Autonomous Region and the Ningsia Hui Autonomous Region have been successively established. A Preparatory Committee for the Autonomous Region of Tibet has also been established. Furthermore, 29 autonomous *chou* and 54 autonomous counties have been established in Chinghai, Kansu, Sinkiang, Yunnan, Szechuan, Kweichow and other provinces and autonomous regions. These national autonomous areas embrace more than 30 national minorities.

In the national minority areas, with the exception of Tibet and a very few other places, democratic reforms have been carried out and socialist transformation has been accomplished in the main, and on this basis the switch to the people's communes has been realized. Many national minorities who only yesterday were still fettered by the feudal or even slave system have today taken the bright road of socialism. They are truly forging ahead in seven league boots.

In 1958, a tremendous leap forward also took place in the economy and culture of the national minorities. Statistics show that in the four autonomous regions of Inner Mongolia, Sinkiang, Kwangsi and Ningsia, the total value of industrial output increased 88 per cent in

1958 as compared with the previous year, while the output of food crops shot up by 83 per cent. There has been a rapid increase in the number of national minority students throughout the country. In the first half of 1958, the enrolment of national minority primary school pupils reached 3,190,000; middle school students, 310,000; and students in higher educational institutions, 16,000. Of the country's national minority population of 36,000,000, the number of students totalled 3,510,000. Compared with pre-liberation days, the number of primary school pupils has increased over six times; middle school students, 79 times; and students in higher educational institutions, 27 times. Written language schemes have been devised for many national minorities who had no written language in the past, and they now have books and newspapers published in their own languages.

Because of the correct implementation of our policy towards the nationalities, the friendship and solidarity between the Han and other brother nationalities and between the different national minorities have been greatly strengthened. In the past few years, a continuous struggle has been waged among Han cadres against the tendency towards Han chauvinism. During the rectification campaign, struggles were also waged in many national minority areas against local nationalism in different forms and degree. The broad masses of national minority cadres and people, after tempering themselves in the rectification campaign and through practical work in economic and cultural construction, have steadily enhanced their political consciousness and large numbers of advanced elements are coming to the fore from their midst. These constitute a reliable force for the further

rapid advance of the socialist cause in the national minority areas.

The unity of our motherland is the paramount interest of all the nationalities in China. China as a united, multi-national country is the product of a long process of historical development. Ever since they began their invasions against China, the imperialists have consistently tried to disrupt the unity of China and to undermine the solidarity among its nationalities, but they have failed. On the contrary, imperialist aggression awakened the overwhelming majority of the people of China's many nationalities to the fact of their common destiny and the value of a united country. The victory of the Chinese people's revolution and the founding of the People's Republic of China brought all the nationalities in the country closer together. The patriotic people of all the nationalities have realized, from the lessons taught by historical facts, that the nationalities can achieve prosperity only in the big united family of the motherland which has cast off imperialist oppression and taken the socialist path. They realize that the people's democratic state led by the Communist Party has uprooted national oppression and is striving to get rid of the last vestiges of ways of thinking connected with national discrimination which were inherited from the past. Under the capitalist system, a relatively developed and powerful nationality invariably does its best to keep other nationalities in a backward state so as to oppress and exploit them. But it is quite the reverse under the socialist system. In our country, not only do all nationalities enjoy political equality but those nationalities which have bigger populations and are more advanced economically, politically and culturally have the duty to

help the other nationalities which are smaller and relatively backward, so that all may progress and develop together.

The recent armed rebellion of the former local government of Tibet and the reactionary clique of the upper social strata in Tibet, aimed at betraying the motherland and disrupting unity, has already met with ignominious defeat. The government has ordered the dissolution of the former local government of Tibet (the *kasha*) and enjoined the Preparatory Committee for the Autonomous Region of Tibet to assume the functions and exercise the powers of local government so that national local autonomy may be speedily realized and democratic reforms instituted step by step in Tibet. This measure is warmly welcomed by the broad mass of patriotic people in Tibet, both clerics and laymen. This is a great victory for our policy of national unity.

The policy of the Central People's Government in regard to the Tibet region has always been clear. In accordance with the stipulations of the Constitution, we have always adhered to the principle of the unity of all the nationalities of our country and the unity of the Tibetan people themselves and have stood for the institution of national local autonomy in Tibet. The Central People's Government has always adhered to the policy of respecting freedom of religious beliefs and has taken various positive measures to help the economic and cultural development of the Tibet region. All this has been warmly welcomed by the Tibetan people. According to the 17-article agreement on the peaceful liberation of Tibet of 1951, the local government of Tibet should unite the people and drive the imperialist aggressive forces out of Tibet; the backward social system in Tibet must be

reformed. In view of the state of mind of the people of the upper social strata in Tibet, we agreed that the reforms there could be put off a bit so as to allow time for the former local government of Tibet and the people of the upper social strata to give full consideration to the question. But the former local government of Tibet and the reactionary clique of the upper social strata continued their collusion with the imperialists, the Chiang Kai-shek gang and foreign reactionaries on whose forces they attempted to rely to split the motherland, restore the imperialist aggressive forces in Tibet, and preserve a backward, dark, reactionary and cruel serfdom in Tibet. They did not want at all to put into effect a democratic local autonomy with the participation of the people, but persistently obstructed the progress of preparatory work for setting up the Tibet Autonomous Region. Their activities seriously violated the interests of the Tibetan people and the common interests of all the nationalities of the country. That is why their rebellion was instantly and firmly opposed by the people of all nationalities throughout the country, and first and foremost by the broad mass of the Tibetan people, including many patriotic and progressive people of the upper social strata. The reactionaries were totally mistaken in their appraisal of the situation. They failed to see that the day has long since passed when the imperialists could manipulate China's internal affairs as they please.

The situation in Tibet is now completely under control by the Tibet Military Area Command of the People's Liberation Army and the Preparatory Committee for the Autonomous Region of Tibet. The units under the Tibet Military Area Command of the People's Liberation Army, with the active support of the Tibetan people, both lamas

and laymen, are continuing to mop up remnants of the rebels who have fled to remote areas. The Preparatory Committee for the Autonomous Region of Tibet has begun to assume the functions and powers of local government. As for future social reforms in Tibet, the Central Government will conduct full consultation with the patriotic people of the upper and middle social strata and the masses of all walks of life in Tibet to decide on the time, steps and measures for their institution. In any case, the reforms will be carried out step by step with full regard for the specific conditions in Tibet, and in the course of the reforms the religious beliefs and customs and habits of the Tibetan people will be fully respected and the fine aspects of Tibetan culture will be upheld and developed. Although the Dalai Lama has been abducted to India, we still hope he will be able to free himself from the grip of the rebels and return to the motherland.

The Tibetan reactionaries often put on pious airs and express the hope that everyone will go to heaven, but they turned Tibet into a hell on earth; they want to force the Tibetan people to live perpetually in the abysmal darkness of a life of barbarism and cruelty worse than that of the Middle Ages in Europe. They also often pretended to be peace-loving, but in actual fact they directed bandits to wreak havoc among the people by committing arson, murder, rape and plunder, and in the end they themselves went to the length of madly launching the armed rebellion, thus bringing about their own destruction. Tibet consists of three parts: Chamdo, Chientsang and Houtsang. Its total population is 1,200,000. Only about 20,000 took part in the rebellion — a majority of these acted under coercion or were

duped — including part of the so-called Khambas, rebels who had fled to Tibet from the area to the east of the Kingsha River which used to belong to the former province of Sikang. There are thus in Tibet over 1,100,000 labouring people who demand reforms, progressives of the upper social strata who support reform and middle-of-the-roaders who can be won over. There are now some people abroad who are harping on their sympathy for the Tibetans. But they do not make clear which section of the Tibetans they sympathize with — the working people and progressives who demand and support reform and the middle-of-the-roaders who can be won over, amounting to over 1,100,000 people, or the handful of reactionaries. We hope that all well-intentioned friends — I refer to those who are willing to persist in practising the five principles of peaceful co-existence with our country and have declared for non-interference in China's internal affairs — will in the first place note this clear distinction between the overwhelming majority and the small handful. When one comes to understand the true conditions in Tibet, one ought to sympathize with the overwhelming majority of the Tibetan working people who are oppressed by an outdated system, and with their demand for social reforms. With the defeat of the rebellion of the Tibetan reactionaries, the Tibetan people are now in a position to shake off the fetters of serfdom and realize their desire for democratic autonomy and social progress. With the help of other nationalities of the country, they will build the Tibetan plateau step by step into a true paradise on earth. What a joyful thing this is for the Tibetan people, for the people of all the nationalities of our country, and for all those abroad who genuinely sympathize with the Tibetan people!

Tibet is China's territory, and the rebellion of the Tibetan reactionaries and its suppression are China's internal affairs. Even the imperialists bent on carrying out aggression against Tibet cannot deny these facts. After the outbreak of the rebellion in Tibet, and after the Dalai Lama was abducted to India by the rebels, Prime Minister Nehru of our great friendly neighbour India issued successive statements on non-interference in China's internal affairs and in favour of continued consolidation of friendly Sino-Indian relations. We welcome these statements. Friendship has existed for well over two thousand years between China and India, which, moreover, are the initiators of the five principles of peaceful co-existence. There is no reason at all why either of our two countries should let a handful of Tibetan rebels shake our mutual friendship and the principles in foreign relations jointly adhered to by our two countries. It is true that before the defeat of the rebellion in Tibet, the Tibetan reactionaries and certain foreign reactionaries made use of certain areas on the Sino-Indian border to carry out activities designed to disrupt the unity of our country and undermine Sino-Indian friendship. The plans of these reactionaries, however, have already fallen through. It is our hope that, with the suppression of the rebellion in Tibet and through the joint efforts of China and India, we will lay an even firmer foundation for, and secure an even more flourishing development of, friendly relations between our two great peace-loving countries in Asia with their populations totalling more than 1,000 million people. All the vicious provocations of those who are deliberately seeking to disrupt Sino-Indian friendship will come to naught.

FOREIGN POLICY

While winning great victories on all fronts at home, we have also made important progress in the field of foreign relations. Together with the other countries in the socialist camp headed by the Soviet Union and with all peace-loving countries and peoples, our country has made great efforts in the cause of defending world peace. The number of countries that have established full or partial diplomatic relations with us has, in the past four years, increased from 20 to 33; we have established economic relations with 93 countries and areas and cultural ties and exchanges of friendly visits with 104. The U.S. imperialists' attempt to isolate and ostracize New China in international affairs has suffered one defeat after another.

The present overall international situation is characterized by the fact that the forces of socialism, the forces of the national independence movements and other peace-loving forces are growing rapidly while the imperialists' policy of aggression and war is beset with innumerable difficulties. As Chairman Mao Tse-tung has put it, the enemy rots with each passing day, while for us things are getting better daily.

The socialist camp headed by the Soviet Union is forging ahead rapidly. The Soviet people, under the leadership of the Communist Party of the Soviet Union, have achieved great successes in developing their national economy, improving the people's well-being, enhancing the might of the Soviet Union and the socialist camp and safeguarding world peace. After taking the lead in

sending up man-made earth satellites, the Soviet Union was again the first to launch an artificial planet. Not long ago, the 21st Congress of the Communist Party of the Soviet Union adopted the grand seven-year plan for development of the national economy. This plan signifies that the Soviet Union has entered an important historical period — the period of extensive building of communist society — and is announcing to mankind that communist society with its infinite splendour is not far off. The other socialist countries are also rapidly developing their own national economies. The entire socialist camp is in the midst of an upsurge of economic construction. It is quite certain that within a not very long historical period the Soviet Union will outstrip the United States in the level of per capita output, China will also become a great and advanced industrial power, and the entire socialist camp will markedly surpass the imperialist camp in material production, thus fully ensuring world peace.

The unity of the socialist camp headed by the Soviet Union is even more firmly consolidated.

It is a fundamental policy of our country to strengthen our unity with the Soviet Union and with all the other socialist countries. The fraternal relations of friendship and mutual assistance between our country and the Soviet Union and other socialist countries have developed greatly over the past few years. We have united as one and worked in close co-operation for the common cause of safeguarding world peace and promoting the progress of mankind. In the past year and more, our country has concluded three agreements with the Soviet Union on Soviet aid to our country in major items of scientific and technological research, in building 47 enterprises and

in building another 78 enterprises, and a Treaty on Commerce and Navigation; it has also concluded a series of agreements on the development of friendly co-operation and the strengthening of economic, trade and cultural ties with Albania, Mongolia, the German Democratic Republic, the Vietnam Democratic Republic, Poland, Czechoslovakia, Hungary, Rumania, the Korean Democratic People's Republic and Bulgaria respectively. The Soviet Union and other socialist countries have given us tremendous assistance in our socialist economic and cultural construction. Here I would like to express, on behalf of our government and people, our deep gratitude to the governments and peoples of the Soviet Union and the other socialist countries. We are deeply aware, from our own experience, that mutual support and co-operation among the socialist countries is an important condition for their smooth development. In the future, we shall continue to strengthen actively our co-operation with the Soviet Union and other fraternal countries in the political, economic, technical, cultural and other fields, and continue to deepen the education of our people in proletarian internationalism.

The imperialists and the reactionaries in various countries always fear the unity of the peoples of various countries, and especially the unity of the peoples of the socialist countries. Recently, they have thought up all sorts of dirty tricks in their attempt to disrupt the friendship between the two biggest socialist countries, China and the Soviet Union. They are hostile to the friendship and unity between China and the Soviet Union and between all socialist countries, because this friendship and unity constitutes a strong bulwark for the cause of peace and progress of mankind, is in the interests of the

people of the whole world and of world peace, and operates only to the disadvantage of the imperialist aggressors and reactionaries in various countries. But the steel bulwark of the friendship and solidarity between China, the Soviet Union and all the other socialist countries is based on their common interests and ideals; it cannot be broken up by anybody, and never will be. The more the enemy seeks to undermine it, the more the people of the world will realize that mankind's bright future hinges on it and the more they will rally round it.

The socialist countries consistently support the endeavours of the people of the world and all peace-loving countries to safeguard peace, support the struggles of all oppressed nations against aggression and colonialism, and support the newly independent countries in safeguarding their national interests and developing their national economy. It is obvious that the more the forces of aggression are curbed, the more secure the cause of peace will be.

In recent years, the national independence movement has been rising to ever greater heights and the imperialist colonial system has continued to disintegrate. Asia, Africa and Latin America, which used to be the imperialists' rear, have now come to the forefront in the fight against aggression and colonialism. Even the spokesman of the U.S. Government has admitted that U.S. imperialism, which is the prop of modern colonialism, is already caught up in a "veritable whirlwind." Just as previously their aggression against Egypt and threats against Syria ended in ignominious defeat, the imperialists' subversive activities against Indonesia and their armed aggression against Lebanon and Jordan met with severe reverses

in 1958. The national revolutionary movement in Iraq broke through the multiple oppression of the imperialists and the domestic reactionaries and won brilliant victories. The African peoples, who have long been subjected to imperialist enslavement and plunder, are rapidly awakening. Many newly independent countries have emerged on the African continent. The Algerian people who are engaged in a heroic struggle have established their own government. The struggles for freedom and independence of the oppressed peoples of Congo, Kamerun, Nyasaland and other parts of Africa are growing vigorously. The day is drawing ever nearer when the African peoples will again be masters of the African continent. In Latin America the national independence movement goes hand in hand with the struggle for democracy and against dictatorship. The Cuban people, after prolonged armed struggle, have finally overthrown Batista's dictatorial regime fostered from first to last by U.S. imperialism. This marks a new upsurge in the national and democratic movements in Latin America.

The imperialist colonial forces will not step down from the stage of history of their own accord, and the struggle to achieve and safeguard national independence will not all be plain sailing. The imperialist colonial forces are trying hard to maintain or recover their control over those countries which have recently gained independence. Besides resorting to direct threats of force and to armed suppression, they are also patching up military blocs, concluding military treaties, establishing military bases, stepping up economic aggression, engineering military coups d'etat and organizing subversive activities. Particularly worth noting is the fact that lately the imperialists are trying by all possible means to undermine the

internal unity of the newly independent countries and sabotage the solidarity among them and between them and the socialist countries, with the aim of defeating them one by one and playing the divide-and-rule game. In order to gain complete victory, therefore, all the countries striving to win and safeguard national independence not only have to defeat the armed intervention and aggression of the imperialists but also have to foil their various underhand schemes and machinations.

The Chinese people have always sympathized with all struggles against imperialism, colonialism, aggression and intervention, because our country itself, not long ago, was a semi-colonial country suffering greatly from imperialist aggression, and even now imperialist forces are still occupying our territory of Taiwan. We are ready to give support and assistance to the full extent of our capabilities to all national independence movements in Asia, Africa and Latin America. In the Arab nation's anti-imperialist struggles over the past years, we have always stood on the side of the Arab peoples. A complicated situation has arisen recently in the Arab national independence movement. Some people in power in the United Arab Republic have launched an attack on the Republic of Iraq and then also attacked the Soviet Union, the great friend of the Arab peoples. Obviously, such actions are injurious to the cause of Arab national independence and therefore cannot enlist the sympathy of the Arab peoples. Like all other friends of the Arab nation, we hope that a way may be found to overcome this difficulty now facing the Arab cause of national independence so that the imperialists will not succeed in their sinister scheme to harm the Arab nation.

Our country is developing good diplomatic relations with a number of countries in Asia and Africa which have gained independence lately. India, Indonesia, Burma, Cambodia, Ceylon, Nepal, Afghanistan and some Arab and African countries are pursuing a policy of peace and neutrality in international affairs. They oppose war and refuse to be drawn into aggressive military blocs. In the common struggle against the imperialists' policy of aggression and war, and in the common endeavour to uphold the five principles of peaceful co-existence and the ten principles laid down by the Bandung Conference, our country has built up friendship with these countries on a broad basis. We hold this friendship very dear and are thankful to many friendly countries which have given our country support in international affairs. Since the beginning of 1958, our country has concluded agreements strengthening economic and trade ties and cultural co-operation with Yemen, Burma, Indonesia, the United Arab Republic, Ceylon, Tunisia, Morocco and Iraq successively; at the same time, we have also increased our friendly contacts with other Asian and African countries. Many of the Southeast Asian countries are our next-door or near-by neighbours. We share common interests with these countries and there are no disputes between us which cannot be settled by peaceful means. We are, therefore, able to form, and indeed have already formed, together with these countries, a peace zone in Asia. We hope that this peace zone may last for ever, and spread over the whole of Asia.

The U.S. imperialists, in order to poison the relations between many Southeast Asian countries and our country and to cover up their own aggressive activities

against those countries, have deliberately spread the slander that our country will pose a "formidable threat" to our neighbours in Southeast Asia. The Yugoslav revisionist group, which has sold out to U.S. imperialism, is also trying hard to damage the friendly relations between the Asian and African countries and China and the other socialist countries following the failure of its activities to disrupt the solidarity of the socialist countries. But all these provocations and attempts at sowing dissension are foredoomed to failure. It is known that our country has never encroached on the territory, or interfered in the internal affairs of any neighbour, and it will never do so in the future. The remnant Kuomintang bandits who fled to Burma have incessantly harassed our frontiers over the past ten years, endangering our security. Yet even in these circumstances our country has done no more than guard our frontiers and has remained patient, waiting for the Government of Burma, our friendly neighbour, to handle the situation on its own. The undetermined boundary lines between our country and certain neighbouring Southeast Asian countries and the question of the nationality of Chinese nationals abroad have been used by mischief-makers as propaganda material. But as is well known, the undetermined boundary lines between our country and certain neighbours are the results of many historical causes, first and foremost, prolonged imperialist aggression. Our country has always stood for a reasonable settlement of this question in accordance with the five principles of peaceful co-existence through peaceful negotiation with the countries concerned. Pending its settlement, we consider it to be in the interests of both parties to maintain the *status quo* and not to let the imperialists succeed

in their scheme of sowing discord between us. As for the question of overseas Chinese, our government has always advised our nationals abroad to respect the laws and customs of the country of their residence, to refrain from participating in local political activities and to strive to help the local people in developing their economy. The voluntary choice by overseas Chinese of the nationality of the country of their residence also has the approval of our government. Certain Southeast Asian countries have adopted a wrong policy of discrimination against the Chinese. In doing so they are completely taken in by the imperialists' slanders and their treacherous attempts to sow dissension. It is our hope that this situation can be remedied and that the proper interests of the overseas Chinese will be protected.

The imperialists are furthermore spreading the rumour that our country is engaged in what they call "dumping" and "economic expansion" in Southeast Asia. But as everybody knows, a socialist country has no need at all for so-called "economic expansion" or "dumping." Our country has an immense domestic market. Our import-export trade with capitalist countries only accounts for 0.5 per cent of the total volume of imports and exports of the capitalist world; our exports to the Southeast Asian countries make up one per cent of their total imports, so there is no question at all of "dumping" or "grabbing foreign markets." Of course, the possibility exists for developing economic co-operation between our country and those countries on a voluntary basis and on the principle of equality and mutual benefit. We will in the future continue to develop such co-operation in the interest of both parties concerned.

The imperialists are always busy interfering in the internal affairs of all other countries and trying to bring the whole earth, and even the moon, under their armed control. Yet they are unable to run their own houses properly. The imperialist countries are being swept by an economic crisis. Their mutual contradictions are coming out into the open. Although the imperialist countries are still looking for some way of compromise to ease their mutual conflicts temporarily, their contradictions are irreconcilable and are growing more and more acute as the result of the unbalanced development of capitalism; their disintegration is inevitable as a general trend. Gloom and confusion reign throughout the entire imperialist camp, and the bourgeoisie of the West has lost their faith in the future.

The socialist countries have always advocated peaceful co-existence and peaceful competition with the capitalist countries. The Soviet Union, China and other socialist countries have, over the past four years, made unremitting efforts to ease international tension and defend the peace and security of the peoples of the world; they have put forward important peace proposals for disarmament, the prohibition of tests of atomic and hydrogen weapons, the holding of an East-West summit conference and the establishment of atom-free zones and systems of collective security in Europe and in Asia and the Pacific region. These peace endeavours and proposals of the socialist countries have inspired the peace-loving countries and peoples of the world and become a decisive factor in easing the international situation. The warlike imperialist group, however, has all along rejected these peace proposals and attempted to turn back the wheel of history by means of a new war.

The NATO bloc, the Bagdad Pact bloc and the SEATO bloc are still stepping up their activities, and the United States is still expanding its network of military bases all over the world, and manufacturing atomic and hydrogen weapons and arming the forces of a number of countries with such weapons. The grave danger of war still exists. All the peace-loving forces of the world must continue in a state of vigilance to defend peace and oppose war. Even relatively sober-minded people within the imperialist camp have begun to realize that, with the socialist camp mightier than ever and the broad masses in all countries firmly opposed to war, launching a new world war will certainly not bring a favourable outcome to imperialism but, on the contrary, will only accelerate the end of the whole imperialist system and the victory of socialism throughout the world.

The U.S. imperialists are devoting special efforts to reviving militarism in Germany and Japan in the hope of aggravating international tension by means of these two old hotbeds of war in Europe and Asia. This cannot but arouse the serious attention of the peace-loving countries and peoples of the world.

For a long time since the conclusion of World War II, the U.S. imperialists have persistently prosecuted a policy of keeping Germany divided and reviving West German militarism. The Soviet Union and the German Democratic Republic have put forward a series of reasonable proposals and made unremitting efforts for the removal of the threat to peace in Europe and the world and to promote the fulfilment of the German people's national task of unifying their motherland through direct negotiations between the two German states. Not long ago, the Soviet Government further proposed to terminate

the occupation regime in West Berlin and convert West Berlin into a free city, and the holding of a peace conference of the countries concerned to discuss and conclude a peace treaty with Germany. The Chinese Government supports these proposals made by the Soviet Government. Thanks to the consistent efforts of the Soviet Government and the pressing demand of the peace-loving countries and peoples of the world, the United States, Britain and France have had to agree to the Soviet proposal for holding a foreign ministers' conference and a conference of heads of government. We hope that these conferences will help settle the international issues that are ripe for solution, first of all, the question of a peace treaty with Germany and the Berlin question, thereby opening the way for easing international tension.

In the East, the U.S. imperialists have persisted in fostering the revival of Japanese militarism. The Japanese monopoly capitalist group, on its part, is counting on the support of the United States to realize its lurking imperialist ambitions. Recently, the Kishi government is again stepping up preparations for revising the Japan-U.S. "Security Treaty," entering into new military plots with the United States, and attempting to equip the Japanese armed forces with atomic weapons. This poses a serious threat to the security of the Asian countries, and to that of our country in particular. The Chinese people have always supported the Japanese people's just demand to shake off U.S. control, follow a policy of peace and neutrality, and turn Japan into an independent, peace-loving and democratic country. To promote normalization of Sino-Japanese relations, the Chinese Government, forgiving past misdeeds, has dealt leniently with the overwhelming majority of the Japanese war criminals in the

Japanese war of aggression against China, and has actively assisted the repatriation of Japanese nationals from China and the development of trade and friendly contacts between the two peoples. It was with such support from our government that the fourth non-official Sino-Japanese trade agreement was signed on March 5, 1958 after clearing away many obstacles. The Kishi government, however, refused to give the proper assurances and thus made it impossible to implement the agreement. In May 1958 there occurred in Nagasaki the incident in which the Chinese national flag was insulted with the connivance of the Kishi government. In October 1958, after our People's Liberation Army started shelling Quemoy, Kishi himself openly slandered our country as an "aggressor" and clamoured that the Chinese people should not be allowed to liberate Taiwan. In this way, Sino-Japanese relations have been almost completely broken off. This reactionary policy of the Kishi government aroused great indignation among the Japanese people. Although the Kishi government cannot but profess willingness to resume Sino-Japanese trade in the face of the pressure of the Japanese people, in actual fact it has continued to follow the United States in its hostility to China and its plotting to create "two Chinas," and has continued to obstruct the normalization of Sino-Japanese relations, thus preventing up to now the realization of the Chinese and Japanese peoples' desire to improve relations and resume trade between the two countries. The Chinese people's interests accord with those of the Japanese people. The Chinese people cannot sit idly by while Japanese militarism is being revived, nor can they tolerate the continued hostile policy of the Kishi government towards China. The Chinese

people welcome the great efforts made by the Japanese people to advance friendly relations between the two peoples. We regard as entirely correct the series of proposals for improving Sino-Japanese relations and resuming diplomatic relations between China and Japan which were put forward recently by the delegation of the Japanese Communist Party and that of the Japanese Socialist Party during their successive visits to China. We are confident that the Japanese people will ultimately break down all obstacles and develop peaceful and friendly relations with the Chinese people.

While further reviving Japanese militarism, the U.S. imperialists are stepping up their aggressive activities and war preparations in East Asia. The objective of the United States in lining up the members of the SEATO bloc at the recent Wellington meeting was to plot new aggressive and subversive activities and create new tensions in the East Asian area, and to further tighten its control over the Asian members of the bloc. The U.S. imperialists are exerting their utmost efforts to obstruct the unification of Vietnam, reinforce their military establishments in south Vietnam and, in an attempt to turn Laos into their military base, instigate the Laotian authorities to repudiate the Geneva agreements. The United States has engaged in flagrant subversive activities against the Kingdom of Cambodia through the instrumentality of countries under its control. While the Chinese People's Volunteers on their own initiative had completely withdrawn from Korea last year, the U.S. imperialists not only refused to withdraw their forces of aggression from south Korea, but went even further in introducing large quantities of military equipment, including nuclear and rocket weapons, into south Korea and

supporting the Syngman Rhee clique's clamorous demand to scrap the Korean Armistice Agreement as a whole. These aggressive activities of the United States in East Asia seriously endanger the security of the Vietnam Democratic Republic, the Korean Democratic People's Republic and the People's Republic of China as well as the peace of East Asia. As a party related to the Geneva agreements and the Korean Armistice Agreement, we absolutely cannot allow the United States to violate these agreements and realize its scheme of extending aggression. We desire to establish and develop friendly, good-neighbourly relations with all our neighbours in accordance with the five principles of peaceful co-existence. We advocate the establishment of an area free of atomic weapons, an area of peace, throughout the whole of East Asia and the Pacific region. We believe this in conformity with the fundamental interests of the peoples of East Asia and the Pacific region. China does not want to threaten or harm anybody, nor ask anybody to change the social-political systems they have chosen. But we want to remind those people who follow the U.S. imperialists in hostility to and threats against our country that if they persist in this line of action they must bear all the consequences arising therefrom.

China is willing to establish diplomatic relations on an equal footing with all countries. There are now no diplomatic relations between China and the United States, and indeed their relations are very bad. As the whole world knows, responsibility for this state of affairs does not rest with us. We have not gone swashbuckling to the United States, we are not blockading the United States, occupying its territory or creating two United States of America. There is only one United States of

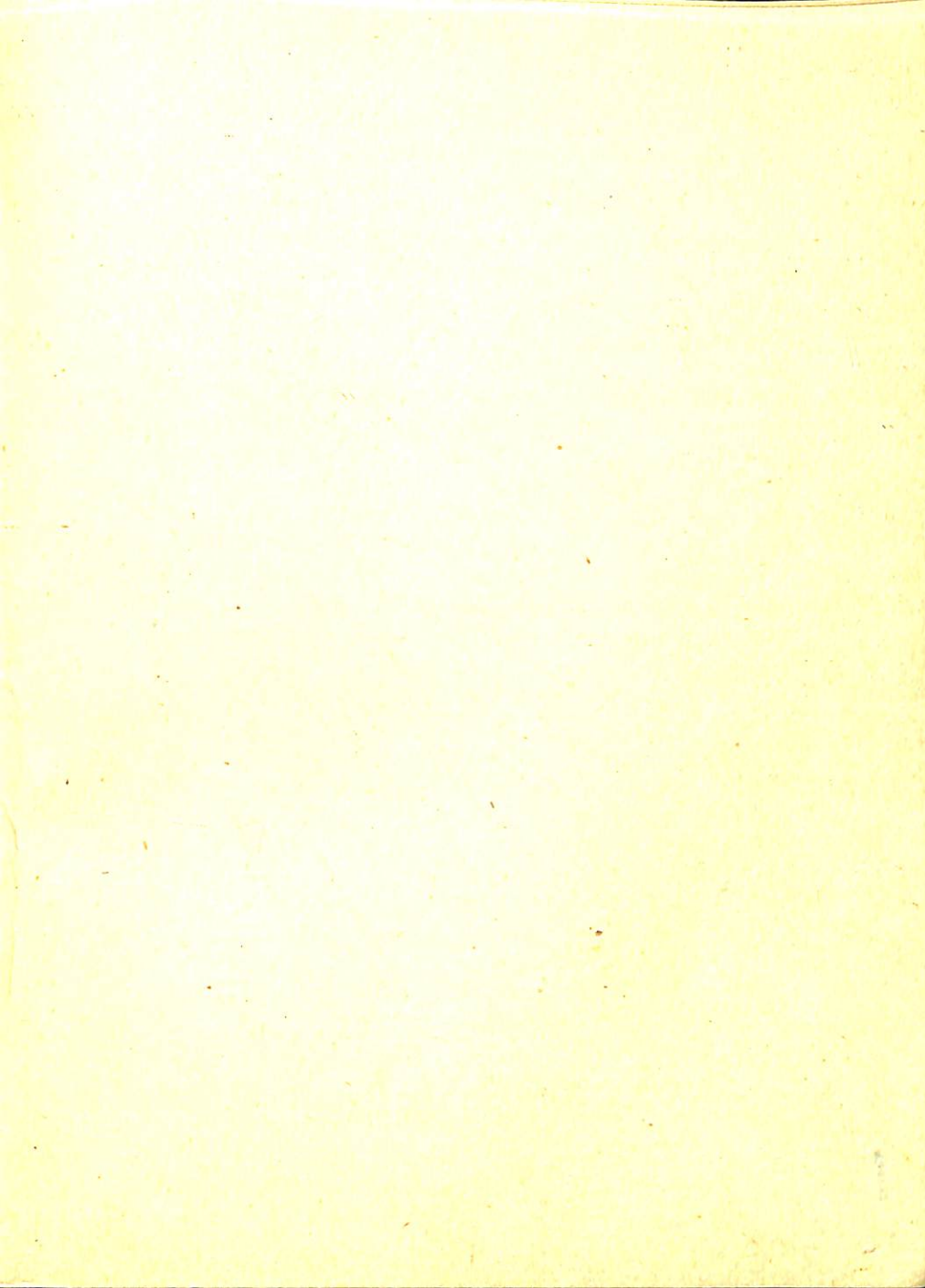
America in the world. Likewise, there is only one China in the world. Taiwan is an inalienable part of Chinese territory. We are determined to liberate Taiwan, Penghu, Quemoy and Matsu. All U.S. armed forces in the Taiwan area must be withdrawn. The Chinese people absolutely will not tolerate any plot to carve up Chinese territory and create "two Chinas." In accordance with this principle, any country that desires to establish diplomatic relations with our country must sever so-called diplomatic relations with the Chiang Kai-shek clique and respect our country's legitimate rights in international affairs. We are willing to enter into contacts and co-operation with other countries in international organizations and conferences, but we decidedly will not participate in any international activities in which a situation of "two Chinas" may arise. The ways for the Chinese people to maintain and develop friendly relations with other peoples cannot be blocked. The intrigues of the U.S. imperialists and their followers to create "two Chinas," like the "non-recognition policy" pursued by the United States towards China, will only lead them into a blind alley.

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Fellow Deputies! Both internally and internationally, the situation is favourable for our cause. Our cause is thriving and making great strides in every respect. This is because it is a just cause enjoying the support of the broad mass of the people.

Our country will mark its glorious 10th anniversary on October 1 this year. In reviewing the developments over the past ten years, we are all very happy and full of confidence. All our achievements have been gained

through the concerted efforts of all our united patriotic people. We have in the past united with all those who could be united with; we will continue to do so in the future. The current session of our Congress will adopt the 1959 plan for development of the national economy. All the forces of the entire nation have to be mobilized in order to fulfil this grand plan. The National Committee of the Chinese People's Political Consultative Conference is in session alongside our Congress. We are convinced that the two sessions will contribute greatly to the fulfilment of our tasks under the 1959 plan. Under the leadership of the Chinese Communist Party and Chairman Mao Tse-tung and guided by the general line of going all out, aiming high and getting greater, quicker; better and more economical results in building socialism, let us unite closely and greet the 10th anniversary of the founding of the People's Republic of China — our great motherland — with energetic efforts to fulfil and overfulfil the 1959 plan!



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