

REPORT ON THE WORK OF THE GOVERNMENT

*(Delivered on June 26, 1957 at the Fourth
Session of the First National People's Congress)*

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Premier of the State Council

Fellow Deputies:

It is exactly a year since the Third Session of the First National People's Congress closed. It has been a year of great change. During this period, we have won a fundamental victory in our socialist revolution; this has brought about historic and deep-going changes in our social life. There have been tremendous achievements too in the field of socialist construction, and this has made it possible for us this year to fulfil and even overfulfil the First Five-Year Plan for Development of the National Economy. In the course of our socialist revolution and socialist construction, we have gained much valuable experience and learned many useful lessons. All this will better ensure the further advance of our socialist cause. The past year will go down

in history as a year of great, glorious achievements.

The State Council has decided that I should report on the work of the government during the past year to this session of the First National People's Congress. In the light of the principles put forward in Chairman Mao Tse-tung's speech "On the Correct Handling of Contradictions Among the People" at the Eleventh Session (Enlarged) of the Supreme State Conference, I shall review the work of the government over the past year and comment on opinions expressed concerning government work. My report will be divided into five parts: 1. The socialist revolution. 2. The socialist construction. 3. The people's livelihood. 4. The basic state system. 5. National and international unity.

I. THE SOCIALIST REVOLUTION

The year 1956 saw the basic completion of the socialist transformation of private ownership of the means of production in our agriculture, handicrafts and capitalist industry and commerce. Peasant households numbering 120 million and handicraftsmen numbering over 5 million went over from individual economy to collective economy. Some 70,000 private

industrial enterprises have come under joint state-private management. Nearly two million big, small and medium-sized commercial establishments have been turned into state-private stores, co-operative stores and co-operative groups or straight into state stores. This is a great socialist revolution, changing the old system of private ownership of the means

of production which has lasted several thousand years into a system of public ownership.

Because conditions were ripe and thanks to the correct leadership of the Communist Party and the People's Government and to the efforts of the people throughout the country, our social property incurred no damage, law and order was maintained, and social production suffered no decline in the course of this great revolution. On the contrary, we achieved enormous successes in various fields of work in the very year in which basic victory was won in this great revolution.

The natural calamities that beset us in 1956 were not only the worst since liberation, but also the worst in the last few decades. About 230 million *mou** of land was affected and about 70 million people suffered from these calamities. It was indeed a severe test as we were in the first year of nation-wide agricultural co-operation. But with the vigorous leadership and support given by the Communist Party and the government, the peasants throughout the country turned the advantages of co-operative farming to good account and succeeded in pushing up farm output. The total output value of farm produce in 1956 was some 58,300 million yuan, showing an increase of 2,740 million yuan over 1955 and approaching the target set for the final year of the First Five-Year Plan. Staple food crops (soya-beans excluded) totalled 365,000 million catties,** showing an increase of 15,400 million catties over 1955 and exceeding the target set for the final year of the First Five-Year Plan.

During the high tide of agricultural co-operation because we were busy with the organization of co-operatives and what with collecting and composting manure, building water conservancy and other capital construction projects and because our main

attention was centred on increasing grain output, the growth of some of our auxiliary farm occupations was adversely affected for a time in certain places.

In 1956, cotton and rape-seed crops were the most severely hit crops and output fell below the level of 1955. But in our first year of agricultural co-operation, except in areas seriously hit by natural calamities, over 75 per cent of our peasant households increased their income in varying degrees; only about 10 per cent of them suffered a drop in income. Last year the government spent 860 million yuan on precautionary measures against flood, repairing and restoring dykes, extending relief, and granting loans to those affected by the calamities so that they could restart production to tide over their difficulties. From July last year to the present, the government has made an additional allocation of 7,000 million catties of food grain to help people in the stricken areas. Collective efforts and mutual-aid in production among the agricultural producers' co-operatives themselves have also played a very important role in bringing relief to the areas affected.

In 1956, owing to a simultaneous growth in urban and rural capital construction and in production and a sudden increase in the demand for means of production, there was a run on supplies of materials and equipment, particularly building materials and metal products. Nevertheless, handicrafts and joint state-private enterprises increased their production and business in 1956. The total output value of handicrafts in 1956 amounted to 11,700 million yuan, an increase of 16 per cent over 1955, while the total industrial output value of joint state-private enterprises amounted to 19,100 million yuan, an increase of approximately 32 per cent over 1955. In 1956, commercial concerns under joint state-private management and co-operative stores and groups handled 11,000 million yuan of retail trade. This was an increase of more than 15 per cent compared with 1955. Within less than twelve months after capitalist industry and commerce had gone over to joint state-private

*One *mou* = one-sixth of an acre.—Ed.

**One catty = 1.1023 lb.—Ed.

management by whole trades, the government had already completed the work of assessing the value of the shares held by private owners and fixing the interest rates to be carried by these shares; arrangements were also made as regards jobs to be given to private owners and their agents.

As everyone knows, once small-scale production is changed into collective socialist economy, capitalism loses its basis of existence and development. It is clear therefore what the situation would have been like if during the high tide of agricultural co-operation and handicraft co-operation, and the rapid expansion of socialist economy, the government had not followed a policy of non-discrimination and had made no proper arrangements for private industry and commerce and for their transformation, or if the private industrialists and merchants had not chosen to come into the jointly operated state-private enterprises but refused transformation. It would have been impossible for those two million-odd private industrial and commercial establishments to increase their production and business. They would of certainty have been seriously weakened or even squeezed out of business, with their workers and employees and part of their managerial personnel facing unemployment and the hardships of finding new jobs. Such a situation would have been bad for the people and the state, and worse still for the industrialists and business men. That is why ever since the founding of the People's Republic, the Communist Party and the government have included private industry and commerce in the over-all arrangements of the state, and adopted a policy of utilizing, restricting and transforming private industry and commerce. And since the private industrialists and business men in view of the trends of the times and the aspirations of the people accepted in 1956 joint state-private management by whole trades, the socialist transformation of private ownership of the means of production in private industry and commerce of the whole country was in the main completed.

It was no mere accident, but the result of historical developments in our country that the three big socialist transformations of agriculture, handicrafts and capitalist industry and commerce were, in the main, achieved at one and the same time.

With the nation-wide triumph of the bourgeois-democratic revolution in 1949, the revolution in our country entered the stage of socialist revolution. Subsequently we launched five major campaigns—land reform, resistance to American aggression and aid to Korea, suppression of counter-revolution, *san fan** and *wu fan***, and ideological remoulding.

Land reform completely destroyed the foundation of feudalism. The campaigns to resist American aggression and aid Korea defeated the military adventure launched against New China by the American imperialists and eliminated the pro-American feelings and worship and fear of the United States that infected a section of our people, especially many of our intellectuals. The suppression of counter-revolution dealt a telling blow to counter-revolutionaries of all kinds, and thereby consolidated the people's democratic dictatorship. The *san fan* and *wu fan* campaigns succeeded in beating back the ferocious attacks of the bourgeoisie, and created favourable conditions for the socialist transformation of private industry and commerce. The ideological remoulding campaign provided an opportunity to examine and criticize many reactionary ideas and settle in a preliminary way for the majority of the intellectuals the question as to whom should the intellectuals serve?

It was obvious that without the victories gained in these campaigns, it would

**San fan* ("against three evils") movement. The three evils were corruption, waste and bureaucracy among personnel in government institutions and state enterprises.—Ed.

***Wu fan* ("against five evils") movement. The five evils were bribery of government employees, tax evasion, theft of state property, cheating on government contracts, and stealing economic information for private speculation.—Ed.

have been impossible for us to gain a basic victory in the socialist revolution in so short a time after the birth of New China. These movements were waged in the form of mass struggle under the leadership of the Communist Party, for otherwise it would have been impossible for us either to mobilize the broad masses of our people to win victories or to steel the masses and raise their political understanding, so as to pave the way for the three big socialist transformations. It follows that we should not cast doubts either on the achievement of these campaigns and the methods used in them. The victories of the five major campaigns ensured the smooth carrying out of the three big transformations, which were in fact undertaken in a gradual, planned way. The socialist transformation of agriculture started with mutual-aid teams and proceeded to co-operatives of a semi-socialist type and then to full-fledged socialist co-operatives. The socialist transformation of handicrafts started with supply and marketing groups, and proceeded to the lower forms of co-operatives such as scattered production under joint management, and then to the higher form of handicraft co-operatives; and from small-scale co-operatives to large-scale ones. The socialist transformation of capitalist industry and commerce started with government placing orders with private firms for processing or manufacturing, and proceeded to its purchase and marketing of their entire products, and to the reorganization first of individual firms and then of whole trades into joint state-private enterprises. At the same time, these three socialist transformations were carried out in co-ordination with each other. Once we understand the actual development of the five major campaigns and the three big transformations and their inter-relationship as described above, we shall understand the basic reason why we succeeded not only in carrying on normal industrial and agricultural production but also in developing industry and agriculture during the very first year of these great historic changes that affect the lives of 600 million people.

In the huge mass campaigns mentioned above, there were deviations and mistakes in specific cases. Some of these mistakes and deviations have already been investigated and remedied by the government, others are now under investigation. We welcome more criticisms and suggestions from all the people of our country. Of course in examining deviations and mistakes, we must distinguish between subjective and objective causes, determine which of these deviations and mistakes could have been avoided at the time and which were not entirely avoidable, or were even impossible to avoid. Only by doing so can we ascertain their nature, their magnitude and their scope. We must resolutely correct those deviations and mistakes which were really avoidable at the time and guard against them in future; we should apologize publicly to those people who suffered undeserved damage in the campaigns. Unsettled cases in the campaigns should be speedily attended to by the departments concerned.

However, the deviations and mistakes in the campaigns cannot overshadow the objective need at the time for launching these campaigns or their main achievements. Take for instance the campaign for ideological remoulding. Because it took the form of a mass movement, certain problems were handled in a crude way and, as a result, it hurt the self-respect of certain bourgeois intellectuals from the old society. But this campaign really helped the great majority of the intellectuals to pass, in the main, the tests of the socialist revolution. This is proved by the fact that, during the present rectification campaign, the overwhelming majority of the intellectuals support socialism. Now let us take the suppression of counter-revolution as another example.

In the cases dealt with by the government over the past years, the counter-revolutionaries fell under the following four categories: (1) 16.8 per cent of the counter-revolutionaries dealt with were sentenced to death because they had committed heinous

crimes and public wrath was strong against them. The great bulk of these sentences were passed between the time of liberation and 1952. This was absolutely necessary at the time. (2) 42.3 per cent were sentenced to reform through labour — 25.6 per cent have served out their terms and have been released or given jobs, while 16.7 per cent are still detained to undergo reform through labour. (3) 32 per cent were put under surveillance — 22.9 per cent have regained complete freedom and only 9.1 per cent are still under surveillance. (4) Clemency was extended to 8.9 per cent and they were set free after being reprimanded.

From these figures we see that 57.4 per cent of the counter-revolutionaries have been released or are no longer under public surveillance after undergoing reform through labour or after being shown clemency. Thus they have been given the opportunity to lead a new life. As for the remainder, they are still undergoing reform through labour or are still under surveillance. They too will be given the opportunity to lead a new life if they admit their crimes, abide by the law and honestly go through the process of reform. According to preliminary investigations made by the government, there were deviations in dealing with counter-revolutionaries only in a very small number of cases, while the overwhelming majority were dealt with correctly. Some persons are of the opinion that over 90 per cent of the cases against counter-revolutionaries were mishandled. This is sheer nonsense. Chairman Mao Tse-tung has proposed that a review of the work in this campaign be made. We believe that the results of the review will further prove this point.

The five major campaigns of the past constituted either the thorough accomplishment of the democratic revolution, or an integral part of the socialist revolution. Therefore, it is absolutely impermissible to use individual mistakes or mistakes on a limited scale made in these revolutionary campaigns to upset the achievements. Even though mistakes made by some organiza-

tions or in some places may be quite serious, the achievements of these campaigns cannot be denied. Whenever the Communist Party and the government advocated a certain campaign, it was invariably to meet some pressing objective need and the campaigns were set in motion only after careful studies and try-outs were made. Furthermore, the broad masses of people were mobilized to take part in each campaign and their support obtained. This ensured that the achievements of the campaign were the main thing and deviations and mistakes occurred only in individual cases. This evaluation, however, is questioned by some people who characterize it as "doctrinaire," a "ready-made formula" or a "new type of jargon." The fact is that these people put forward their slogans against "doctrinairism," "formulas" and "new jargon" for the purpose of exaggerating the mistakes and denying the achievements of these campaigns so that certain persons who lack a correct stand or are unable to distinguish right from wrong should regard these deviations and mistakes of an isolated and local character as if they were mistakes of a fundamental and all-pervading character. In this way, they hope to achieve their aim of upsetting the achievements of our revolutionary campaigns and opposing our socialist revolution.

When we say that the socialist revolution has triumphed in the main and that the turbulent class struggle waged by the masses on a large scale has, in the main, concluded, we do not mean that class struggle has ended. When we now stress the need to handle correctly the contradictions among the people, we do not mean that there are no longer contradictions between ourselves and the enemy. It should be pointed out that at present classes still exist in our country. Although the landlord and bureaucrat-capitalist classes have been eliminated for quite some time, the persons who once belonged to these classes are still in the course of remoulding themselves through labour and in life itself, and their original class ideology and class sentiments have not yet been completely changed.

Although the overwhelming majority of private industrialists and business men are now in joint state-private enterprises, the dual character of the bourgeoisie still remains, for, as they still draw a fixed rate of interest on their shares in joint enterprises, exploitation still exists in their relationship with the working class. For instance, some people advocate or support the proposal to extend to twenty years the payment of interest on private capital invested in the joint state-private enterprises. Others want the twenty years' interest to be paid in one lump sum. Some say that drawing interest on investment is not exploitation but only "income obtained without working for it"; that there is no longer any essential difference between members of the bourgeoisie and members of the working class; and furthermore that "bureaucracy is a more dangerous enemy than capitalism." All these absurdities come from that side of the bourgeoisie which is exploiter-minded, profit-seeking and greedy. They are a smoke-screen for attempts at the restoration of capitalism. The fact that a handful of capitalists have come out with a proposal that state representatives withdraw from the joint state-private enterprises is a particularly glaring sign of their refusal to accept socialist transformation. Does this not show clearly that the bourgeoisie still has a dual character? And does this not show clearly that it is still necessary for members of the bourgeoisie to continue to remould themselves? The socialist transformation of the

members of the bourgeoisie means that they should go through a process of self-criticism and gradually change their bourgeois class stand, ideas and sentiments, that is to say, they should "cast off their old selves and take on new selves"—make a change in their very nature. This is something that cannot be attained without long years of efforts at remoulding. What's bad about this for the great bulk of the industrialists and business men who are willing to accept socialist transformation? Is it not a fact that more and more of them are now coming to realize this point? It may be seen from what we have said above that, within the contradictions among the people, the antagonistic aspect of the contradiction between the bourgeoisie and the working class still exists and we still have a serious class struggle, let alone the contradictions between ourselves and the enemy—that is, contradictions between the people on the one hand and the domestic counter-revolution and foreign imperialism on the other. As everybody has seen with his own eyes, in the present rectification campaign there is both ideological and political struggle. Therefore, while we are correctly handling the contradictions among the people, we absolutely cannot afford to ignore either the presence of class struggle or the contradictions between ourselves and the enemy. It is one of our important tasks to see that the fruits of the socialist revolution are made secure and that socialist transformation is carried forward to completion.

II. SOCIALIST CONSTRUCTION

Socialist construction and socialist revolution are going on hand in hand in our country. In our First Five-Year Plan for Development of National Economy, we correctly worked out programmes to co-ordinate socialist construction and transformation, and in 1956, along with the upsurge in socialist transformation, socialist construction advanced with giant strides. Both in scale and speed, economic, educational and cultural developments in 1956

greatly exceeded that in each of the first three years of the Five-Year Plan; in certain fields it even exceeded the sum total of growth in the three previous years.

The following figures illustrate this.

While the total value of our industrial output increased by 17,700 million yuan in the first three years of the Five-Year Plan, the increase in 1956 alone amounted to 13,900 million yuan (these and the follow-

ing figures are exclusive of the output value of handicraft industry). Because of this rapid development, the total value of industrial output for 1956 reached 58,600 million yuan, exceeding the target set for 1957 by the Five-Year Plan. As regards the principal industrial products, while the output of steel increased by a total of 1,500,000 tons in the first three years of the Five-Year Plan, in 1956 alone it registered an increase of 1,610,000 tons. Our output of metal-cutting machine-tools showed no marked increase compared to 1952 because we concentrated on introducing new models and raising quality by redistributing equipment; in 1956, however, on this new basis it showed an increase of over 12,200 units compared with 1955. In addition, the output of electricity, coal, petroleum, chemical fertilizers, cement, and other heavy industrial products also showed a considerable increase in 1956 as compared with annual outputs in the first three years. Such important new products as jet planes, lorries, heavy-type power-generating equipment and single-spindle automatic lathes were also successfully produced in 1956. Because of the favourable conditions afforded by the bumper harvests of 1955, the output of light industry made rapid headway. For instance, while the output of cotton yarn in the first three years of the Five-Year Plan increased by a total of 350,000 bales, in 1956 alone it increased by 1,270,000 bales. In the first three years, the output of cotton piece goods increased by a total of approximately 20,500,000 bolts, in 1956 alone the increase was 43 million bolts. The output of sugar in the first three years increased by 160,000 tons, in 1956 alone it increased by approximately 110,000 tons.

In spite of grave natural calamities, the total value of agricultural output in 1956, as we said before, increased by 2.740 million yuan, which compared favourably with the average annual increase of 2.380 million yuan of the first three years. With the active collaboration between the state and the co-operatives, agricultural development and construction made great head-

way in 1956. While 36 million *mou* of waste land was reclaimed in the first three years of the Five-Year Plan, in 1956 alone 29 million *mou* was reclaimed. In the first three years the irrigated area was expanded by something over 41 million *mou*; in 1956 alone the figure exceeded 100 million *mou*.

In 1956 about 14,000 million yuan was spent on capital construction, amounting to one-third of the total investment provided for under the First Five-Year Plan, thus changing the state of things when only slightly over half of the total investment quota for the Five-Year Plan had been fulfilled in the first three years, and bringing the percentage of fulfilment up to 86 per cent by the end of the first four years. This ensures the overfulfilment of the capital construction plan for the first five years. In 1956, the productive capacity of the steel industry went up by 1,420,000 tons; 3,108 kilometres of railways were newly built or rebuilt.

In line with this rapid development of production and construction in 1956, great progress was made in transport and trade. While the volume of freight carried by modern means of transport throughout the country in the first three years of the Plan increased by 112 million tons, in 1956 alone the increase was 93 million tons. In the first three years total retail sales in commercial establishments increased by 11,300 million yuan, in 1956 alone they registered an increase of 6,200 million yuan.

Cultural and educational work also made great headway in 1956.

It is clear that in 1956 tremendous achievements were made in construction. This provided the state with fairly adequate resources with which to support the newly-born co-operative economy and joint state-private economy, thus strengthening the position of our socialist economy and consolidating the success of the socialist revolution. This also made it possible for the targets of the First Five-Year Plan to be fulfilled and overfulfilled more smoothly and prepared favourable conditions for launching the Second Five-Year Plan.

National construction work in 1956 was, on the whole, properly managed by the government. There were, however, not a few shortcomings and mistakes, which will be dealt with at length in the reports on the state budget and on the national economic plan to be delivered on behalf of the State Council by Vice-Premiers Li Hsien-nien and Po I-po respectively. Certain items of expenditure in the 1956 state budget and certain targets set in the national economic plan for 1956 were higher than they ought to be. From the financial point of view, in implementing the state budget, the expenditure in 1956 exceeded revenue by 1,830 million yuan; 1,650 million yuan was paid out of the surplus accumulated in previous years and the revolving funds in local budgets, 180 million yuan was overdrawn from the banks, and there was a slight excess in the issue of bank notes, with the result that about 2,000 million yuan's worth of stock-piled materials was made use of.

In the economic, cultural and educational fields, between 1,500 and 2,000 million yuan too much was spent on capital construction, and there was too large an increase in the number of clerical and manual workers, in the enrolment of new students in secondary schools and colleges, and in the payscale for some workers. As a result, although 1956 recorded a 41 per cent increase in the output of capital goods and a 22 per cent increase in the output of consumer goods, there was a tightness in the supply of both these types of goods, and the national reserve of materials was reduced. The main cause of this tightness in the supply of materials was that investments in capital construction were a little too large and the range of projects undertaken too great; this resulted in an increase in financial expenditure, in the total number of workers and employees and their wages, and also in an increase in the use of capital goods and consumer goods.

We should make a concrete analysis of our capital construction in 1956. There were a lot of projects where building work had been completed in the previous three

years, and which needed to be equipped with machinery in 1956. Blueprints were also ready and preparations for building had been completed for a lot of other projects, whose construction should start in 1956. In addition, a number of new items of capital construction needed to be arranged in 1956 because more designing and building personnel were available and because an increasing amount of equipment could be produced in China. That being the case, the number of items of capital construction was greatly expanded. So far as the projects themselves were concerned, most of them were well planned, although some were started too soon or the building work was carried on too fast. There were also certain items which were not well planned and obviously a mistake. Those items which were begun too soon or carried ahead too fast did in fact cause some loss in 1956, but they are necessary as part of our long-range programme of national construction. Some items, chiefly non-productive ones, wasted a lot of money, because standards of quality were set too high. We should take all this as a lesson and do our best to avoid such mistakes in future.

It was in the second and third quarters of 1956 that we began to feel the tight situation as regards supply of certain materials resulting from excessive investments in capital construction. We adopted certain remedial measures and checked the development of this tight supply situation. We profited by this experience, and, in drafting the national economic plan and the state budget for 1957, reduced the amount of investments in capital construction and suitably increased the state reserve.

The figures in the 1957 draft state budget and draft plan for development of the national economy now submitted to the Congress for consideration show that our socialist construction is advancing on a forward-looking and really sound basis. Compared with the state budget of 1956, the 1957 budget shows an increase of nearly two per cent in revenue, while expenditure is cut by four per cent in order to avoid a

deficit such as occurred last year. The total value of industrial output will amount to 60,300 million yuan, an increase of 4.5 per cent compared with 1956; agricultural production will amount to 61,100 million yuan, an increase of 4.9 per cent. Investment in capital construction will be reduced to 11,100 million yuan, this is 20 per cent less than in 1956 — but is still 1,400 million yuan more than the amount originally fixed for 1957 in the Five-Year Plan, and the total investment for the five years will still exceed by approximately 5,000 million yuan that originally provided for under the Five-Year Plan.

The budget and the plan have in general been well implemented during the past five months or so of this year. If all our people continue the campaign to increase production and practise economy, follow the policy of building the country by hard work and thrift, do their best to reap a good harvest and there are no serious natural calamities, we shall successfully reach the various targets set for 1957 and ensure fulfilment and overfulfilment of our First Five-Year Plan, thus laying the groundwork for socialist industrialization. Proposals for the Second Five-Year Plan for development of our national economy were put forth by the Chinese Communist Party at its Eighth National Congress. These proposals have been accepted by the State Council and the actual plan is being worked out by the departments concerned.

It must be pointed out that the great successes already achieved and yet to be achieved in our construction under the First Five-Year Plan are inseparable from the assistance given us by the people and the government of the Soviet Union. In the First Five-Year Plan period, the Soviet Union is designing and equipping 156 projects for us; it is giving our country large, long-term credits on favourable terms, and sending over large numbers of technicians and experts to help with our construction work. Such sincere assistance calls for a renewal of our heartfelt thanks to the Soviet Government and people. There are still people who attempt to deny the

tremendous significance of the Soviet Union's sincere assistance to our country. They are obviously bent on breaking up the friendship between China and the Soviet Union, undermining our international solidarity, and so wrecking our socialist construction.

Recently, some people have been putting forward a different view of our country's achievements in socialist construction.

Some think that in our plan for developing the national economy in 1956 we went ahead too fast in every respect, while in 1957 we retreated too fast in every respect. Such a view is obviously incorrect. Our 1956 plan was drawn up in the upsurge of socialist transformation and construction. The basic victory of the socialist revolution fired the enthusiasm of the working people in building socialism. They vied with one another in demanding increases in production and raising their work quotas. The bumper harvest of 1955 provided the material conditions for development of the national economy. At the same time, capital construction, which had been carried forward to the fourth year of the Five-Year Plan, needed to be expanded in scope. All this explains why acceleration of the rate of construction was not only necessary but also possible. It was in line with these conditions that we took a leap forward in the 1956 plan and won great successes in every field, as we have described. It is true that some targets were set too high. But this mistake was only made on a limited scale. Take capital construction for example. Even though it exceeded the planned figure by 1,500-2,000 million yuan, this amount was only 5 or 6 per cent of the whole year's expenditure, and so it was a shortcoming on a limited scale. Consequently, it can by no means be said that construction in 1956 went ahead too fast in every respect.

In 1957, because the previous year's crop was not so good and the state's financial and material reserves were somewhat reduced, it was absolutely necessary that

we should slow down the tempo of construction to a suitable extent and build up our reserve so as to make better progress in the future. This by no means meant beating a hasty retreat all along the line. We should know that nothing ever develops in a straight line. With the changes in objective conditions, the tempo of development must vary, and disequilibrium will occur quite often. The same is true of the progress of socialist construction. Particularly in our country, which is poor and has a large population, where agriculture predominates and natural calamities frequently occur, it is unrealistic to expect the national economy to develop at a uniform and even pace each year.

Some people think that our First Five-Year Plan has been completely bungled. They are entirely wrong. Whether viewed from the angle of industrial production, agricultural production, capital construction, cultural and educational work, or finance, our First Five-Year Plan has been a success; it has worked well; it has not been bungled.

The planned figures for 1957, compared with the actual figures for 1952, provide for an increase of 120 per cent in the value of our total industrial output, that is, an increase of 33,300 million yuan. Take the case of steel. Total output for the First Five-Year Plan period will amount to 16,300,000 tons. By comparison, in old China (including the north-eastern provinces when they were under Japanese occupation) the aggregate steel output for the 49 years between 1900 and 1948 was only 7,600,000 tons. Of course, compared with the industrially developed countries, our present steel production is still very low. So, we must continue to adhere to our policy of priority development for heavy industry while paying sufficient attention to the development of agriculture and light industry.

It is estimated that the total value of China's agricultural production in 1957, if the plan is fulfilled, will be 26 per cent higher than it was in 1952, that is, will

increase by 12,760 million yuan. Take the case of grain and cotton. Actual output for the five years between 1952 and 1956 was 1,658,000 million catties of grain and 130 million *tan** of cotton. By comparison, the five-year output for the relatively good years between 1932 and 1936 in China before liberation was only 1,300,000 million catties of grain and 60,500,000 *tan* of cotton. And don't forget that the 1952-1956 period included two bad years of natural calamities.

In the First Five-Year Plan period, we started work on more than 800 big, above-norm** industrial enterprises, numerous water conservancy and railway-building projects, the Yangtse River bridge, and so on. These projects are all on a pretty big scale, involving relatively up-to-date techniques, and among them, the 156 construction projects designed and equipped for us by the Soviet Union are of first-rate technological quality. These projects have already played an enormous role in our socialist industrialization and agricultural development programme during the first five-year period, and they are bound to play an even bigger role in future.

The building of most of these projects would be unthinkable in old China. Over 8,500 kilometres of railways will have been newly built by the end of the First Five-Year Plan. By contrast, only something over 2,600 kilometres of railways were built by the Kuomintang government in all the 22 years of its rule.

Our cultural and educational work is also making tremendous advances in this period. For example, 280,000 men and women will have graduated from Chinese institutions of higher learning in the course of the plan, providing large numbers of

*One *tan* = 100 catties or 110 lb.—Ed.

**For convenience in administration and financial control, the government has set norms for investment in capital construction of various kinds. If the investment exceeds these, as in bigger scale units, the project is described as "above-norm." The "norms" for investment in industrial units range from 3 to 10 million yuan.—Ed.

trained personnel for the building of New China. In old China, only 210,000 graduates were turned out in the 36 years between 1912 and 1947.

Again, take the case of finance. The aggregate revenue and expenditure for the entire period of the First Five-Year Plan will be balanced at 136,914 million yuan on each side of the ledger. Revenue will include 3,100 million yuan in foreign loans, amounting to only 2.3 per cent of all budgetary revenue. This fully demonstrates that our country relies mainly on internal accumulation to finance our huge construction programme. Over 60 per cent of budget expenditure in this five-year period will be spent on the construction programme of the state. The proportion of expenditure on economic development and on social, cultural and educational undertakings has increased from year to year, while the proportion spent on administration and national defence has steadily decreased. This fully demonstrates that our First Five-Year Plan is a plan of peaceful economic up-building and cultural development.

As a result of increased production there has been an improvement in the people's living conditions in the course of our large-scale construction work. This is a point which I shall speak about later on.

The splendid results accomplished under our First Five-Year Plan are indisputable. Those who allege that our First Five-Year Plan has been bungled are taking a hostile attitude to socialism and deliberately seeking to negate the achievements won by the hard work done by all our people. Such individuals have the greatest dislike for planned socialist economy and a longing for capitalist economy. But they are up against the fact that the broad masses of the people don't want capitalism and stand firm for socialism.

Some people say that planned purchase and marketing has been a thorough mess. This is a direct attack on the socialist

economic system. Socialist planned economy in China cares for the livelihood of all our 600 million people and is fundamentally different from capitalist free enterprise which only permits a small minority to wax rich and live in luxury, and does not care about the suffering of the majority. Our country has a big population and our economy is still very backward, so the supply of consumer goods cannot be plentiful. In our agriculture, the harvests may be good this year and bad the next, and often good here and bad there. To make up for this imbalance, in a good year or in bumper crop areas, provision has to be made against the bad years and for less fortunate areas, and also against serious natural calamities or other unforeseen circumstances. Large-scale construction is proceeding in industry and transport, and the urban population is steadily growing. These are the reasons why, in a country like ours, if we do not introduce planned purchase and marketing and reasonable distribution of grain and other principal consumer goods, we shall be unable to ensure the livelihood of the great masses of the working people, or to carry on socialist construction successfully. The planned purchase and marketing of grain and other principal consumer goods is, therefore, an important policy of distribution in our socialist economy. Four years' practical experience proves that this policy has guaranteed to the people in city and countryside a supply of the necessary consumer goods at fair prices, free from exploitation by private merchants, and this even in the years when natural calamities or crop failures occurred and in areas seriously affected by them. This policy has given support to the industrial construction programme and ensured market stability, thus helping the successful advance of our socialist cause. How can it be said that planned purchase and marketing has been a thorough mess? Those who hold such a view either only care for an easy life for a few, or hanker after capitalist free enterprise to satisfy personal desires to make a fortune. In criticizing this erroneous view,

however, we do not deny certain shortcomings in the carrying out of planned purchase and marketing. For instance, in the case of grain, allocations were so liberal for a time that we had to purchase more, and as a result we purchased too much in some areas, and did not leave the peasants enough reserves. Then in the case of cotton cloth. Since there was an increase in the production of cotton cloth last year, we were rather liberal in the matter of supplies to consumers. This year as production decreased, we had to reduce supplies a bit. All these shortcomings in our work are due to the fact that we did not pay enough attention to over-all and long-range planning. The government will continue to check up on all such mistakes and shortcomings and strive to overcome them.

Some people are against learning from the experience of the Soviet Union, and even say that the mistakes and shortcomings in our construction work are also the result of learning from the Soviet Union. This is a very harmful point of view. We believe that learning from the Soviet Union has been absolutely necessary. The question lies in how we ourselves do the learning. If we do not learn well, the responsibility lies wholly with us. The Soviet Union is the first country in the world to have established socialism and has a rich fund of advanced experience. If we who are engaged in building socialism do not learn from the Soviet Union, are we then to learn from the experience of the United States in building capitalism? In fact, it is exactly because we have conscientiously studied the pioneering experience of the Soviet Union that we have been able to avoid taking many unnecessary detours and so gained great achievements in our construction work. Of course, we should not mechanically copy the experience of other countries; even successful experience must be used with discretion, and in applying such experience care must be taken to see that it is adapted to the actual conditions in our own country. We are now doing things our forbears never did before. Before

we have had practical experience ourselves, it is not at all easy to select the right kind of experience from other countries, and still harder to adapt such experience to actual conditions in our country. To improve our ability to choose and to apply good experience properly will take time and perhaps also mean paying a price. If we do our learning well, we can shorten the time required and pay a smaller price. That is why we must continue our efforts and criticize and overcome doctrinaire methods of learning. At the same time, we must also refute the revisionist view that the universal truths of Marxism and the advanced experience of the Soviet Union should all be repudiated as mere dogma. At present, when the right-wing elements are opposing socialism with revisionism, it is of even greater importance that we combat revisionism. It should be positively stated that in the future we must continue to learn earnestly from the Soviet Union and from all other socialist countries. Of course, wherever possible, we should also draw on whatever knowledge and experience other countries have which is useful to our people.

Now I should like to say something about educational reform and the question of "storming the heights of science."

On the question of educational reform. Any given culture is the reflection in the ideological sphere of a given political and economic system and serves that system. Education in old China was mainly feudal and bourgeois and aimed at enslaving the people; it was at the service of imperialism and the small minority in the country who constituted the ruling class. Education in New China is basically different from education in old China; it must reflect the new economy and politics of socialism, serve the masses of working people, and meet the requirements of our country in socialist transformation and socialist construction. Therefore, it has been necessary for us to carry out a fundamental reform of the educational system inherited from the old society.

In the past few years reforms have been effected and very good results have been achieved. This must be affirmed. In the future, along with the victory of the socialist revolution and the progress of socialist construction, we should continue to carry out certain necessary reforms. In implementing educational reforms, the departments concerned have in the past made certain blunders, mainly in rejecting certain useful aspects of old education, in failing to sum up systematically and carry forward the experience of revolutionary education in the liberated areas, and in failing in the course of studying the experience of the Soviet Union to adapt it sufficiently to China's actual conditions. These shortcomings must be corrected. But those people are completely wrong who, because of these shortcomings, deny that the achievements in educational reforms are the main thing, or even deny that there was any need for such reforms at all and so attempt to turn the educational system of today back onto the old path of pre-liberation China.

A rather outstanding question in the reform of education has been the reorganization of the various colleges and faculties in institutions of higher learning and the reform of syllabuses and teaching methods. In old China, institutions of higher learning, which had to suit the requirements of the imperialists and reactionary rule at home, were abnormally concentrated in the big coastal cities; most of them had inflated and overlapping faculties, and their educational aims were too general and vague. The proportion of engineering faculties in the universities and colleges was small and most of the materials used were copied from the capitalist countries. This kind of education could not possibly meet our requirements in building socialism. Furthermore, the international situation in the first few years after liberation and the building of new industrial bases in inland areas both required that some of our institutions of higher learning be moved into the interior. That was the background against which in

recent years educational departments and institutions have carried out the gigantic task of reorganizing colleges and faculties and reforming syllabuses and teaching methods. This led to a fundamental change in the features of our higher education and made it possible for our universities and colleges to meet, in the main, the requirement of training personnel for the building of socialism.

But shortcomings arose in the process of reorganization and reform. For example, some colleges and universities were not suitably reorganized, the opinions and experience of veteran teachers were not sufficiently heeded. We should carefully assess our experience in this regard, uphold our achievements and overcome our shortcomings. For the future, we should do our utmost to stabilize the situation in our higher educational institutions to facilitate improvement in standards of teaching. We should also steadily improve existing facilities for specialized studies, teaching programmes and teaching materials, in the light of actual conditions in our country.

From the things that have come to light recently during the rectification campaign, it can be seen that there is need for special attention to strengthen political and ideological education in the colleges and schools. First and foremost, teachers and professors, who are engineers of the human soul and are responsible for training up the next generation, should continue their own voluntary self-education and self-remoulding on the basis of the ideological remoulding they underwent in the past. Much has been achieved in ideological remoulding among teachers in the past, but the rectification campaign has proved that it is no easy matter for them to arm themselves with the proletarian ideology, for them to be able to take a correct stand amidst tempestuous class struggles, to distinguish clearly between right and wrong and guide the students along the right way. Therefore, they should continue their efforts to gradually learn Marxism-Leninism in order to acquire a correct

political outlook, and improve their attitude towards labour, gradually identifying themselves with the workers and peasants. Next, educational departments at all levels and teachers and professors should intensify political and ideological education among the students in accordance with the existing ideological situation among them. They should train our students to be builders of the country, loyal to the socialist cause, plain-living and hard-working, able to perform both mental and physical labour. Teaching materials and methods of political education have been unsatisfactory in that they tended to be divorced from reality in some respects. We should sum up our experience in this regard and make improvements in the future. Political instructors have done quite a lot of work in the schools over the past few years. They should continue their efforts, raise their own level and play a still greater part.

Let me turn now to the subject of students taking up manual labour after graduation. Our growing national economy requires that the cultural level of the workers and peasants be constantly raised and that large numbers of cultured and educated youth join the ranks of the labourers. Since liberation, the number of primary and secondary schools and higher educational institutions has greatly increased. To meet the pressing national need for the upper and medium categories of construction personnel, the higher educational institutions and secondary technical schools took in an especially large number of new students. So in the past few years there arose a situation in which nearly all graduates of senior secondary schools entered higher educational institutions and most graduates of junior secondary schools continued their studies in senior secondary schools, with only a small portion of them going to take part in industrial and agricultural production. In 1956, in particular, when enrolments in the higher educational institutions and secondary technical schools were a bit too large, the percentage of graduates of junior and senior secondary schools enjoying the opportunity of further

education rose still higher. It must be pointed out however that this situation was temporary and abnormal. As the state makes proper arrangements in this matter, the situation will gradually normalize. In 1957, both higher educational institutions and secondary schools will enrol fewer students, according to plan. And from now on our educational establishments at all levels will be developed steadily on the basis of the development of the national economy. So, on the one hand, year by year more and more graduates of primary and secondary schools will go on to educational institutions of a higher grade, and on the other hand, an increasing number of them will go into productive labour. This is the only way for our country to have an increasing number of educated manual workers, while the ranks of the intellectuals expand. This will be a normal and healthy situation and will remain so for a long time to come.

Education in old China was monopolized by the landlords and the bourgeoisie. Very few working people had an opportunity to go to primary school, not to mention secondary school or get higher education; they had still less opportunity to go abroad to study. Things are fundamentally different in New China. The schools in New China are open to the working people. In recent years with the rise in their living standards, the working people are eager to send their children to school. So, although our educational institutions have developed in recent years on a scale and at a speed unknown at any time in Chinese history, yet they still cannot meet the ever-increasing needs of the people. Our educational institutions can expand only gradually on the basis of the development of production; it is impossible to do overnight everything that ought to be done.

Our educational policy in future should be to train up socialist-minded, cultured and healthy working people. This policy was not made sufficiently clear in the past. Except for a small number who will go on

studying in higher schools, most graduates of the primary and secondary schools should go into industry and agriculture. Higher educational institutions should also do more effective work in inculcating in their students a love of labour; their graduates in general should do a certain amount of manual work; certain systems of training should be drawn up for this purpose and gradually put into practice. In the past, educational departments have not paid enough attention to labour education, nor have they adopted any effective measures in this regard. At the same time, hangovers of the mentality of the exploiting classes, as expressed in the old sayings "the calling of the scholar stands above all others," and "the prize of scholarly attainment is an official post" still linger on among the general public and particularly among a number of cadres. This has given rise to an unhealthy situation as a result of which quite a number of young persons and students look down on manual work and on the workers and peasants and are unwilling to go into industrial and agricultural production after graduation.

We must explain very clearly to all our youth and students that our country has a bright future only because the working people have become the masters, that labour is the most glorious thing in our country and that it is the workers and peasants who have the best future. Our young people and students should regard participation in industrial and agricultural production as the greatest of honours; they should understand at the same time that such work has many difficulties. The youth of New China must not be discouraged by hardships, they must be determined to stand up to any hardships and to work painstakingly. Parents of students all over the country and public opinion in general should encourage students to go into productive work, particularly in agricultural production. They should continue to criticize the wrong-headed thinking and actions of those parents and cadres who look down on manual labour and prevent students from going into industrial and agricultural pro-

duction. The educational departments should thoroughly and yet steadily improve the present educational system, curriculum and teaching methods in accordance with the educational policy just mentioned and on the basis of the educational reform effected in the past few years.

Furthermore, I would like to say a few words on the question of sending students to study abroad. During the last seven years we have sent more than seven thousand students abroad. The general criteria by which students are chosen to be sent abroad are political, scholastic and physical qualifications. This is as it should be. In order to train higher intellectuals loyal to the cause of socialism, we used to stress the importance of examining one's political qualifications when sending students abroad before the basic victory of the socialist revolution — this was absolutely necessary. But at the same time there was formalism in the examination of the students' political qualifications, and there were a few cases where the political character of the students sent abroad proved to be bad. We must draw a lesson from this shortcoming in our work. Then, too, inadequate attention was sometimes paid to examining the students' scholastic and physical qualifications. We have now decided generally not to send senior secondary school graduates but only university undergraduates and postgraduate research students abroad to study special courses that are not available at home. In selecting students to be sent abroad, sufficient importance must at all times be attached to examining one's political qualifications, and the shortcomings mentioned above must be overcome. Some people have complained that among the students sent abroad too large a proportion was taken up by the children of revolutionary cadres. What are the facts? According to figures available for the 1952-1956 period, of the 6,435 persons sent abroad to study, less than 3.5 per cent were children of revolutionary cadres. Thus it can be seen that the complaint mentioned above does not accord with the facts.

We have made important headway in the field of science in the past year following the call to storm the heights of science. A long-term programme for scientific development, 1956-1967, has been drawn up and put into practice on a trial basis. A plan for the natural sciences has been tentatively drawn up for the year 1957. The State Council's Planning Committee for the Development of Science has been made a permanent body. Marked advances have been made in the organization of various scientific research institutions, and the ranks of scientific workers are expanding. The guiding principles have been established for the organizational structure of scientific work. A system of co-ordination among different branches of scientific work has begun to operate. Some plans have been mapped out while others are being made for gradually solving the problems of supplying books, journals, apparatus and providing other facilities for scientific work. Equipment for carrying out certain important scientific experiments is also being prepared. An atomic reactor of the heavy water type with a power output of 7,000 kilowatts and a cyclotron producing alpha particles with 25 million electronic volts energy is being rapidly built in our country with Soviet help. Scientific research has also achieved much during the year. All this has stirred the enthusiasm of many of our scientific workers to storm the heights of science. Meanwhile, various departments and local organizations are also taking an active interest in the development of science in our country.

While the broad ranks of our patriotic intellectuals are moving on in a surging tide towards science, some people allege that scientific work in China after liberation lags behind what it was in Kuomintang days. There are even people who say that in the next twelve years the question is not how to reach international levels, but how to make up what we missed during the past twelve years, as if we were slipping back and as if nothing had been achieved in science since liberation. Can we agree to

such an allegation? Let us look at the facts:

First, the volume of our scientific work—whether in research personnel, institutions, funds or equipment—is much greater than during Kuomintang days, though, of course, the present scale is still far from what we need for building our country.

Second, the scientific and technological level nowadays is likewise incomparably higher than in the Kuomintang days. Many old scientific institutions have made fresh advances in research work. A number of new branches of science are being studied, notably some sciences and new technologies that have a direct bearing on industrial construction and the building up of our national defences. Many new courses have been opened, too, in the schools of higher learning.

Third, scientific work in New China is characterized, among other things, by the close link between science and production. Production serves as a basic motive force in the development of science. During the years of Kuomintang rule, because of the low level in industrial and agricultural production, scientists had no chance to play their role in production even though they did some research work. In the eight years since liberation, however, departments in charge of production have, as production develops, sent an increasing number of technical problems for solution to scientific research institutions; our scientists have had plenty of opportunities to play their part and have already made great contributions. But our scientific research forces are still far from being able to satisfy all the needs of production.

Fourth, with Marxism providing the correct guidance, the social sciences in our country have also made new advances in the struggle to criticize and repudiate bourgeois social sciences. Such advances would be inconceivable in Kuomintang days. The social sciences have a strongly marked class character, and the critical attitude we took towards bourgeois social

sciences after the victory of the revolution was absolutely necessary.

Fifth, the ranks of our scientific workers are growing fast. Our older generation of scientists, having undergone a process of ideological remoulding and done much practical work, have in general raised their level of political awareness and also improved their professional attainments. More and more students have returned from abroad to strengthen various branches of scientific research and our schools of higher learning are turning out large numbers of graduates, a great source of reinforcement to carry forward scientific work in our country.

In the light of the above facts, how can one say that scientific work in New China even lags behind what it was in Kuomintang days? And how can one say that we must make up for what was missed in the past twelve years? Of course, we do not intend to deny the efforts made and achievements attained by Chinese scientists under extremely difficult conditions in Kuomintang days. We have always regarded these hard-won achievements of theirs as an integral part of China's treasure-house of science. Those who say that science in New China lags behind Kuomintang days are simply denying all that our scientists have achieved during the last eight years; they are trying to deny the superior quality of the socialist system.

Some people are sceptical about the planning of scientific work. They are of the opinion that it is impossible to draw up a long-term national plan for scientific work; and that our scientists must be allowed to work separately and of their own free will. Following the basic victory in socialist revolution and during our intellectuals' enthusiastic march on the heights of science, it was very necessary to invite hundreds of scientists to put their heads together and work out a blueprint for development of science in our country charting the general outlines and path for the advancement of our scientific work to further the cause

of socialist construction. The fundamental task of scientific and technical research is the development of production and conquest of nature. Unless we organize our existing scientific forces properly and gear them to the needs of socialist construction by means of a fairly comprehensive, long-term plan, our scientific work will be without a guide and will be unable to achieve the results desired. Naturally, our plan will have to be continually supplemented and revised and sometimes even revised pretty thoroughly in the light of changing circumstances; nevertheless, we must not deny the need for planning. Unless we make our first blueprints now, we won't be able to draw up more and more comprehensive plans for scientific work in the future. Socialist economy is planned economy, and our scientific work which serves socialist economic construction must also be planned. Apart from the work laid down in the state plan, scientists should undoubtedly be allowed to pursue other research work for which they are specially qualified so as to give full scope to the scientists' energies and abilities. But any attempt to oppose planned guidance of scientific research and reduce our scientific work to a state of anarchy is bad both for socialism and for science.

The principle of co-operation must be carried out for the effective development of scientific research in our country. All departments concerned must work in co-operation with each other. The government has formulated and partly put into operation this year rather good programmes co-ordinating work in the fields of medical science, agronomy and machine-building. The result is that large quantities of manpower and materials have been saved for the state and the advance of our scientific work has been speeded up. This method should be widely adopted. Some people only support the development of scientific work in their own department, but do not support or even seek to restrict the development of scientific work in other departments. Often they refuse to co-operate even to the extent of resisting the

state's reasonable measures for redistribution and reorganization of manpower and resources. This is a serious fault of group-egoism and should be criticized. Unified arrangements should be made concerning scientific research forces throughout the country. On the one hand, there must be an appropriate division of work, and on the other hand, what is even more important, close co-operation. On the one hand, we must "let a hundred [i.e. numerous] schools of thought contend," and, on the other, we must combat factionalism which hinders co-operation.

Our scientific research set-up should comprise four elements: the Chinese Academy of Sciences, the universities and colleges, the research bodies under the national industrial ministries and the local research bodies. In this set-up, the Academy of Sciences is the leading academic organ and centre of research work on key subjects, while universities and colleges, research bodies under the national industrial ministries (including laboratories attached to factories and mines) and local research bodies are the broad base for our research work. This is the organizational principle of our scientific work. We call on the responsible cadres of all departments concerned to make serious efforts to cultivate a spirit of co-operation, to popularize the co-ordinated programmes, and to speedily rectify group-egoism which is a bad way of doing our work.

The progress of scientific work in New China is a result of the efforts of Chinese scientists, under the leadership of the Chinese Communist Party and the People's Government. Some people hold that the Chinese Communist Party and the People's Government are incompetent to direct scientific work. They say that, at present, many of the leaders are not scientists, and that "laymen" are not qualified to lead the "experts." Others even hold that the existence of the State Council's Planning Committee for the Development of Science is a manifestation of distrust of our scientists. The Chinese Communist Party and

the People's Government have at all times taught their cadres to be constantly alert in the course of their work to learn whatever they do not know, and gradually raise their vocational level so that they can do a good job. There are two aspects of leadership in scientific work: academic leadership and leadership in political and ideological orientation and administration. In dealing with academic questions, we have never approved of interference by administrative orders. Our principle is "let a hundred schools of thought contend," that is, settling academic questions through free discussion among scientists and through practice. Leadership by the Party and government over scientific work is even more necessary in the spheres of political and ideological orientation, guiding principles, policies, planning, etc. The facts of the last eight years prove this. The State Council's Planning Committee for the Development of Science is the organ responsible for the guiding principles, policies, plans and important measures concerning scientific work as well as for unified planning of the work to be undertaken by the Academy of Sciences, universities and colleges, and national and local research bodies. The Twelve-Year Plan for Development of Science was the result of the collective efforts of hundreds of Chinese scientists, and most of the members of the Planning Committee are themselves scientists. How can the existence of the Committee be described as a manifestation of distrust of our scientists? If the idea that "laymen" are not qualified to lead "experts" implies that only specialists are qualified to lead in their own field, this not only rejects the idea of political leadership over science but is tantamount to ruling out the possibility of any unified leadership in scientific research. For, because of the highly specialized nature of scientific work, a leader of scientific work who is himself a master of each and every branch of science can nowhere be found. Such an idea can only sow the seeds of disunity in the ranks of scientific workers and is therefore harmful to the development of scientific work.

III. THE PEOPLE'S LIVELIHOOD

Since the liberation, along with the rapid restoration and development of industrial and agricultural production in our country, there has been a marked improvement in the living standards of the broad masses of the people.

First let us look at the living conditions of the peasants who make up over 80 per cent of our population. Since the liberation the total value of our agricultural production has risen from year to year. In 1949 it was 32,600 million yuan. By 1956 this had risen to 58,300 million yuan, a 79 per cent increase. The increase in the total value of agricultural production has led to an increase in the purchasing power of the peasants. In 1950 their purchasing power was 8,100 million yuan. By 1956 it had risen to 19,100 million yuan—an increase of 136 per cent over 1950. The state also supplied more daily necessities and consumer goods to the peasants. Compared with 1950, in 1956 the state increased its supply of cloth by 200 per cent, rubber-soled (plimsoll) shoes by 190 per cent, salt by nearly 100 per cent, sugar by 230 per cent, kerosene by 1,100 per cent, and cigarettes by 140 per cent. Such a great increase in the production and consumption by our over 500 million peasants was unheard of in old China.

Next, let us examine the living conditions of the workers and employees who form the second largest group in our population. At the end of 1949 there were about 8 million workers and employees in our state organizations, state and private enterprises and undertakings. By the end of 1956 their number had increased to 24 million. These include about 3 million who formerly worked in private enterprises and who are now in state or joint state-private enterprises, and cadres working in rural areas. In seven years we have given jobs to about 13 million people, something unheard of in China in the past. In 1952 the average wage for all workers and employees was 446 yuan a year, but in 1956 this had risen to 610 yuan, an increase of nearly 37

per cent in four years. Such a rate of increase in wages was also unknown in China in the past.

Some people close their eyes to such striking changes in the people's living standards in New China, and say that the people's living standards have gone down since the liberation. But as workers and peasants constitute the vast majority of our people, and their living standards have improved, how can they say that the people's livelihood has deteriorated? It should be admitted that in the case of small sections of highly qualified intellectuals and other workers and employees, although their livelihood now is better than during the years just before liberation, it has not yet regained the level before the outbreak of the war against Japanese aggression. However, as the living standards of the masses of workers and peasants are still rather low, it is not possible to raise those of the intellectuals too much or too rapidly. As for the exploiters in the old society who constitute only a small minority of the population, it is quite proper that their living standards should be lower than their pre-liberation level. In a society ruled by exploiting classes, a minority of exploiters lead a life of unbounded luxury, while the masses of the working people who create the wealth of society are poor and half starved. Only in our new socialist China do we consider the interests of the people as a whole, first ensuring the needs of the working people who constitute the vast majority while at the same time taking into account the legitimate needs of the other sections. Those who say our people's living standards have dropped since liberation either take exceptional cases of a local nature as typical of the whole and pass an uncritical judgement accordingly, or are thinking only of a very small minority of exploiters and not of the masses of the working people.

China is an agricultural country, a poor country, economically and culturally backward, with a large population and a

relatively small area of arable land. This being so, our people's living standards are very low compared with those of highly industrialized countries. Though our industry and agriculture have been rapidly rehabilitated and developed since the liberation, the increase in output per capita is still rather slow. Increased production and increased social wealth are the material basis for improving the people's livelihood. The rate of improvement of living standards depends on the rate of development of production, and the rate of increase in the production of daily necessities and consumer goods under present conditions in our country depends to a fairly great extent on the rate of increase of agricultural output.

Ours is a big country of 600 million people. If purchasing power increases per capita by one yuan per year, that means an increase of 600 million yuan for the country, and the state must provide an additional 600 million yuan worth of daily necessities and consumer goods. If people spend this money on food, that means an additional 6,000 million catties of grain. If they spend it on clothes, that means an additional 20 million bolts of cotton cloth—or increasing the production of cotton by 2 million *tan*. Between 1952 and 1956 our output of articles for consumption increased on the average each year by about 3,000 million yuan. When we deduct from the sum a small portion for reserve and another portion to meet the demand of the increased population each year, only 4 yuan can be used to improve the livelihood per person per year. These figures indicate the limitation that confronts the annual improvement in the people's living standards. When we go beyond the limit, we shall come up against a shortage of articles for consumption and a disparity between our purchasing power and the supply of goods, which will make prices unstable. This being so, the living standards of our 600 million people can only be improved gradually on the basis of increased production in our country, and we must not demand too rapid an improvement. Some people, however, do not take these factors into consideration

but think that once we enter socialism there must immediately be a big rise in our living standards, instead of realizing that this can only be achieved gradually after a long period of hard work and arduous construction. In the past we did not make this sufficiently clear to the people. It was a defect on our part that not enough propaganda work was done in this respect. But there are other people who everyday complain about how low the Chinese people's living standards are, and keep praising the American way of life. They are dreaming of pulling China back on to the old semi-colonial road, so that they can once more lead the life of an exploiting minority.

There are also people who say that too great a discrepancy exists between the living standards of our workers and peasants. Is this true? We should admit that there is a difference between their living standards; but when we compare their living conditions we must take into account their different historical backgrounds and the differences between town and country life.

In the old Chinese countryside, the masses of impoverished peasants wore rags and were half famished, feeding on husks for six months out of the year. Since the liberation, as a result of land reform and the co-operative movement, about 20 to 30 per cent of our peasants today have a little more than enough, about 60 per cent make an adequate living, and 10 to 15 per cent are short of food and clothes and need aid from the state or the agricultural co-operatives. The net income of the peasants per capita from agricultural production in the country as a whole is about 70 yuan a year, so that each peasant household gets about 300 yuan. The net income from agricultural production referred to here includes not only the income distributed to the peasant by his co-operative, but also the income derived from his personal agricultural production. Of course, the income of peasants varies in different parts of the country, that of a peasant living on poor land is under 70 yuan, and that of a peasant living on rich land is above this sum.

In 1956 the average yearly wage of workers and employees was 610 yuan, more than twice the annual average income of a peasant household. If we simply compare these figures, there does appear to be too great a discrepancy. But if we take into consideration the different living conditions in villages and towns, that puts a different complexion on the matter. Take the country as a whole: to keep yourself clothed and fed in the countryside you need on the average only 5 yuan a month, while to maintain a living of the same standard in the city costs 10 yuan. So we think that although there is a difference between the living standards of workers and peasants, it is not too great. Moreover, as the labour productivity of the workers is much higher than that of peasants, it is proper that there should be a reasonable difference in income. During the several wage adjustments in the past, we set too high a rate of pay for unskilled workers doing heavy or light jobs, apprentices and workers employed on short-term jobs. This was a serious defect and we should correct it. The peasants were justified in complaining that the wages of such workers were too high; but this has nothing in common with the malicious attack of those who deliberately exaggerate the disparity between the living standards of workers and peasants in order to sow discord between them and weaken the worker-peasant alliance. In future, in fixing the wages of the categories of workers mentioned above, due consideration must be paid to the living conditions of the peasants in that particular area, and adjustments must be made so that a general equilibrium is maintained between their living standards. We should also educate the workers so that they understand that industry cannot develop in isolation. As regards raw materials for industry and markets for manufactured goods, and the supply of articles for consumption to workers and employees, they must rely to a large extent on increased agricultural output and the support of the peasants. While the peasants' living standards cannot rise too fast,

the workers should not make excessive demands for improvement of their own.

Some people say that there is also a great discrepancy between the life of high-ranking and low-ranking employees. This criticism is correct in so far as our country is still very poor, the living standards of workers and peasants are still very low, and therefore there should not be too great a difference between the pay of high-ranking and low-ranking employees. The criticism is wrong, however, if it aims at denying that there should be a reasonable difference in pay for different types of work. Under the socialist system, the principle of distribution suited to the social productive forces is "to each according to his work." In a socialist society there should still be a certain amount of difference between the payments given by the state for simple and complex work, and for manual and mental labour. It would have a bad effect on the raising of labour productivity and the improvement of vocational and technical skill if we were to abolish such differences. So on the one hand we should oppose undue discrepancies in wages, and on the other hand oppose equalitarianism. Last year, during and after the wage reform, in order to suitably reduce the discrepancy in wages between high-ranking and low-ranking employees, the state took steps to bring under control or lower the salaries of heads of enterprises and high-ranking personnel in state organizations. In future, we shall continue to adopt measures to readjust and solve step by step the certain anomalies in salary, housing and medical service enjoyed by high-ranking personnel as well as other survivals of the system of "maintenance without wages" which have become undesirable. As for those who deliberately exaggerate the differences in the treatment of higher and lower employees, or go so far as to describe the leading personnel as "exploiters," they are either extremely naive or malicious.

Now I wish to make some comments on the employment of labour, the wage

system, the apprentice system and the people's cultural life.

Let us first take employment. As I have said above, as a result of the efforts made during the years since the liberation, there has been an increase of 13 million in the ranks of the country's workers and employees, and the unemployed left over from the old society have by and large been given work. On the question of soliciting the services of higher intellectuals still unemployed, last year we began registering their qualifications. Now, step by step over the next few years, we shall make the necessary arrangements to establish them in work suited to their special talents and living conditions.

Since the liberation, our people have had a secure livelihood, public medical and sanitary services have improved, and social relief and welfare work for workers and employees have expanded; thus there has been a very great increase in the population. But because our industry is still very backward, and we have already increased the number of workers in state organizations and industrial enterprises to an unwarranted extent, in future we can each year only take on the number of workers that are absolutely necessary for the growth of production and expansion of enterprises. For a long time to come, therefore, the main field for the employment of labour will still be agricultural production. The handicraft industries and service trades also play an auxiliary part in labour employment. Recently local labour offices in Shanghai, Kiangsu and Kwangtung have taken active steps appropriate to local conditions to find employment for over ten thousand persons in handicraft industries, service trades and other auxiliary public services. This is a good example for all to follow. In future we should continue to encourage the various social organizations and the people themselves to devise means of broadening the scope of employment, and help the government solve the problem of labour employment. In social welfare work, we should also make full use of the resources of the people and

popular organizations, to encourage mutual aid among them, and to set afoot various forms of welfare work. Methods of mutual help and mutual relief organized among the people themselves as publicized recently by the All-China Conference of Workers' Dependents have proved efficacious, and these should be popularized.

Next we come to the problem of the wage system. This is a very complicated problem involving production and distribution. It expresses the relationship between different sections of the working class, different enterprises, different localities and different professions. It also expresses the relationship between the workers and the peasants, between accumulation and consumption, between collective and individual interests, immediate and long-range interests. We should properly adjust these different relationships, but even after we have solved the old inequalities and contradictions, there will be new inequalities and contradictions; so we shall have constantly to readjust and solve these problems.

Immediately after the liberation of our country, the wage system in our country was chaotic in the extreme. The wage system left over from the old regime was extremely irrational, with great gaps between high and low grades, and between what was considered important and unimportant. It reflected the abnormal development of the semi-colonial economy and the competition between different economic groupings and the ruling clique in old China. At the same time, many old cadres and personnel were still provided for by the "system of maintenance without wages" of the old liberated areas. This confusion in the wage system was quite unsuited for state organizations and state-owned enterprises and undertakings under unified control. After the reforms in the wage system in 1950, 1952 and 1956, we have begun to establish a wage system which is, in the main, suited to our conditions. However, it is still far from perfect. There are still unrealistic and unfair practices in the grading of wages, in the system of piece work wages, in the apprentice system,

the system of subsidies and rewards, as well as in the regulations governing workers' welfare, such as labour insurance, free medical service, welfare funds and so forth. We should continue to make readjustments here. There have also been many shortcomings in the work of wage reform. While learning from the advanced experience of other socialist countries in this respect, we had not sufficiently taken the specific conditions in our country into consideration; and instead of making a careful study of what was useful in our former system, we simply ignored them. We should learn a lesson from this.

Next we come to the apprentice system. It was right to do away with the bad feudal rules of pre-liberation days in our apprentice system, but there was much good in it, such as the term of apprenticeship, the techniques to be learned, the pay for apprentices, and the rewards for their masters. We should make a careful study of these things, and adopt some of them. Our present method of short-term training classes for technicians and short-term training of apprentices should be reconsidered and emended. As experience shows, the technicians trained in short-term courses usually have a very limited technical knowledge, and lack the ability to work independently or do different types of work. At the same time, because the apprentices' wages are unduly high, they are promoted so fast after their apprenticeship, and the examinations for promotion are not sufficiently fair, it is easy for young workers to look down on practical experience, and some of them have even become conceited. They think it very easy to master a knowledge of production techniques and have not enough respect for the technical experience acquired by old workers through hard study and long practice. They are often too proud to ask advice from the old workers or learn from them. This tendency has hampered the unity between young and old workers and badly affected co-operation between masters and apprentices. We must patiently educate these young workers, and make

them realize that all-round and skilful technique in production cannot possibly be acquired in a few months or even in a few years: one can only master it gradually through long practice, continuous hard work and diligent study. Our old workers are part of our country's treasured wealth; they have a wealth of technical skill as well as of political and social experience. After undergoing long years of exploitation and oppression in the old society, they now know happiness and equality in our new society; so they understand most keenly how to value and safeguard the fruits of our revolution. Young workers are their successors in socialist construction, and the creators of a wonderful life in future. But being young they lack political and social experience, so the best way to raise their class consciousness and technical skill is to learn from the old workers and to steel themselves in the course of work. In the villages, too, we should teach the young peasants to respect the old peasants, and learn humbly from their experience both in farming and political life. Among the intellectuals, we should teach the young to respect the old scientists, educationists, engineers, physicians, writers and artists, and humbly study the knowledge and experience which they have accumulated through years of hard study.

We come now to the question of the people's cultural life. China is culturally backward. More than 70 per cent of our total population is illiterate. Directly after the liberation, we actively campaigned against illiteracy and popularized education. The number of primary school pupils has increased from 24 million-odd in 1949 to more than 63 million in 1956. From 1949 to 1956 more than 22 million illiterates in various parts of the country have learned to read and write. The money spent by the government on popular education between 1951 and 1957 amounts to nearly 4,900 million yuan, which is more than 24 per cent of the total allocations for culture and education, and more than 54 per cent of the money spent on education in general. This development is fairly rapid. Still we

cannot yet satisfy the demand for all children of school age to enter school. Apart from state-run schools, we should take energetic measures to encourage schools run by local communities or by private individuals, and make full use of the resources of public bodies and of the people to supplement the efforts of the state.

In the past our campaign against illiteracy suffered from fluctuations; and in our primary and kindergarten education there were cases where mistakes were made in granting them unwarranted privileges. We are now correcting these mistakes. There has been a great improvement too in the cultural life of our people, and in future we must, under the guidance of the principle of "letting a hundred flowers blossom and weeding through the old to let the new emerge," do even more to bring into full play the initiative and creative genius of our cultural and artistic workers and of the people. The state can only run a few experimental artistic, cultural or athletic organizations, which should eventually become self-supporting. Most of the various cultural and artistic organizations should be encouraged to become undertakings run by the cultural and artistic workers themselves. Our experience shows that both the idea and the practice of complete reliance on the state which we had in the past were not right. More important still is the development of spare-time cultural, artistic and athletic activities among the people. Those who take part in such activities, whether state-run, self-supporting, or organized by the people in their spare time, should learn from one another and raise their standard through practice, so as to gradually meet the cultural needs of the people.

In the past few years we have made quite some progress to improve our medical and health services, as well as our preventive medicine. The ranks of our medical and sanitary workers have rapidly grown, and great improvements have been made in sanitary work in our cities and country-

side, as well as in personal hygiene. Some of the most dangerous infectious diseases, such as the plague, cholera and smallpox, are virtually under control. However, in leading health campaigns of a mass character, our medical departments still sometimes blow hot and cold. And the medical services still embody many irrational features or practices which inconvenience the people. Among our medical and sanitary workers, we still find cases of lack of unity, cooperation and mutual respect. From now on, these shortcomings should be resolutely overcome; we should firmly adhere to the policy of relying on the masses, thoroughly improve our medical and sanitary work, give full play to the doctors of traditional Chinese medicine, and strengthen the unity of medical and sanitary workers, so as to ensure the further development of our national health.

The aim of the socialist revolution and socialist construction is to increase production and raise the people's living standards, so that all the working people in our socialist society may enjoy a prosperous, cultured, happy life. This has been the great ideal the working people of our country have looked forward to for years. Our country is still very poor, however. We are still culturally backward and confronted with many difficulties, and we lack experience. If we want to shake off poverty and backwardness for good, and build China into a socialist country with a modernized industry and modernized agriculture in which our people will enjoy a happy life, we shall have to battle long and hard. Victory in this battle is not a question of a few years but of tens of years. From the leadership downwards we must encourage a hard-working, thrifty and simple way of life, and maintain and improve upon our fine revolutionary tradition of struggling arduously and perseveringly. And we of the elder generation must teach the young folk, so that they understand that a good life can be achieved only by our own tireless labour.

IV. THE BASIC STATE SYSTEM

Ours is a people's democratic dictatorship, led by the working class and based on the worker-peasant alliance. In our country where all power belongs to the people, the people exercise state power through the National People's Congress and local people's congresses. Democratic centralism operates in these and other state bodies. The Constitution expressly lays it down that these form the basic system of our state. Our state system is the superstructure which rests on the socialist economic relations of our country. It is by virtue of this state system that we have secured a fundamental victory in the socialist revolution and ensured great triumphs in socialist construction. We must continue to rely on this state system to ensure success in building a socialist society in China. It therefore stands to reason that we will allow no wavering on this question of the basic state system of our country.

But, of course, this does not mean that there is no room for perfecting, improving or developing various aspects of this state system of ours. On the contrary, improvement and development is often necessary. Social institutions under socialism in our country are still in their infancy and survivals of old relations of production are bound to find expression in some parts of our state apparatus. There can be no doubt that as the days pass remnants of these old relations of production will gradually disappear, while socialist relations of production will fully establish themselves and make still greater advances. Therefore, certain forms of organization and methods of work in our basic state system must be constantly improved as our economy advances and changes take place in the political situation.

But it is only a short time since we embarked on the building of socialism in China and our experience is very limited, so the perfecting of the basic state system of our country can come about only as a result of practical work in socialist con-

struction and through a gradual building up of experience.

All the more do the various institutions and forms of organization in the political, economic, cultural and other fields, devised according to our basic state system, need constant improvement as conditions change. For instance, in the sphere of relations between the central and local authorities, in the early days of the liberation, military and political commissions (or administrative committees) were set up for the greater administrative areas to facilitate administration. But by 1954 we abolished these organizations to meet the need of strengthening centralized management as called for by a planned economy. Then in the last two years, as regards certain matters, the central authorities were found to have taken too much into their own hands; there were shortcomings resulting from rigidity in administration. To get rid of these shortcomings we began an examination of the government structure. The government has now decided to make suitable readjustments expanding the powers of local authorities, so that their initiative may be fully developed and thus advance the cause of socialist construction under the co-ordinating leadership of the central authorities. All these changes are obviously necessary and appropriate. This example is enough to explain why we must constantly improve our institutions and forms of organization as objective conditions require, otherwise they will not fit in with the economic base, fail to serve its needs, and even hinder economic development.

Things at present still leave much to be desired, and here and there one can find shortcomings in various aspects of our institutions. This may be due, on the one hand, to the fact that timely changes have not been made when called for by the situation in certain institutions which were desirable and suitable at the time of their establishment. On the other hand, this

may be due to the fact that a thorough study of the matter was not made at the time, and as a result the institutions established were not entirely in keeping with objective requirements, or even their very establishment was a mistake. Again, certain flaws in our institutions have arisen because insufficient consideration was given to the specific conditions of our country when we were learning to adapt the up-to-date experience of other socialist countries. Wherever shortcomings and mistakes are found in our institutions, the departments concerned under the State Council must consider useful suggestions from any quarter and work out ways of improvement and perfection, or abolish such institutions as are no longer suitable.

I should like to make a few observations on the question of the legal system in which many people have taken an interest. It must be said that while the legal system in our country today is not all it should be, neither do we have a situation in which "there is no law to go by," as some people make it out to be. After the establishment of the Chinese People's Republic, and in the years immediately preceding and following the proclamation of our Constitution we have drawn up and put into force many important laws, such as the Trade Union Law, the Labour Insurance Regulations, the Land Reform Law, the Model Regulations for Agricultural Producers' Co-operatives, the Regulations Governing National Regional Autonomy, the Electoral Law, the Marriage Law, and the National Service Law, the Regulations Governing the Punishment of Counter-Revolutionaries, the Regulations Governing Punishment for Corruption, the Regulations Governing Arrest and Custody, etc. Moreover, the government has, as the need arose, devised rules and regulations for separate localities and issued many decisions and directives. All these, in fact, have for the time being served the purpose of law.

In the early days of the founding of our state, and throughout the period of transition, political and economic condi-

tions changed rapidly, and it was, and continues to be difficult to draw up laws of a fundamental character suited to long-term periods. For instance, it is difficult to draft the civil and criminal codes before the basic completion of the socialist transformation of private ownership and the full establishment of socialist ownership of the means of production. Under these circumstances, it is necessary and proper for the state to issue provisional regulations, decisions and directives as terms of reference for general observance. It is only when these regulations, decisions and directives have proved effective that we can advance to sum up experience on which to enact laws that can be applied for a long time. The laws of capitalist countries were also incomplete at first, and it was years before they were drawn up. Socialist transformation of the private ownership of the means of production has by and large been completed in our country and socialist ownership of the means of production has been established. We have also acquired experience in various fields of work. So now we are in the position to enact various socialist laws after a review of existing laws and regulations in the light of this experience. For example, a first draft of the criminal code is now ready and a civil code and regulations governing public security are in process of being drafted by the departments concerned.

Certain right-wing elements have come out with quite a number of utterances of a destructive nature, on the pretence of helping the Communist Party with its rectification campaign. Not a few such views are aimed directly against the basic state system of our country. These people have taken their stand on bourgeois democracy to attack our state system. They slander the people's democratic dictatorship, describing it as the root of all mistakes and shortcomings. To defame our state system, they try to negate our achievements and magnify such shortcomings as occur in our work. They attempt to set up apart from the National People's Congress — the supreme organ of state power in our

country — certain other organs of state power, such as what they called a “political planning council,” a “rehabilitation committee,” and such like. What they are really trying to do is to divorce our state power from the leadership of the working class and of its vanguard — the Communist Party. They dress up these destructive views of theirs in all sorts of ways, in an attempt to deceive those who have not been able to see through their subterfuges. Of course, we can't put these anti-socialist views on a par with criticisms made in good faith. We welcome criticism of shortcomings and mistakes offered with the aim of perfecting and developing our socialist system. But what the right-wing elements are in fact trying to do is to divert our country from the socialist road to the capitalist road. The broad masses of the people will not permit this.

Our state system has two functions: democracy and dictatorship. Some people believe that with the basic victory gained in our socialist revolution, dictatorship no longer has a role to play. This is wrong. It is wrong because there are remnants of counter-revolutionaries in our country who are still trying to seize every opportunity to carry out wrecking activities. There are still persons among those who come from the exploiting classes who engage in activities designed to undermine the cause of socialism. Furthermore, there are still robbers, swindlers, murderers, arsonists, gangs of hooligans and all sorts of bad characters who attempt serious violations of law and order. In particular, there is the fact which we must not for a moment forget: United States imperialism and the Chiang Kai-shek clique are constantly organizing armed provocations against us and sending agents and spies to carry out wrecking and subversive activities on our mainland. In these circumstances, we must not weaken the functioning of the dictatorship in our state system; we must improve the way the dictatorship functions and continue to consolidate our national defences and safeguard the cause of socialism.

As laid down in our Constitution, citizens of our country enjoy a wide measure of democracy and freedom. As socialist construction goes ahead with giant strides, these civil rights will be further extended and still more adequate safeguards will be provided. In capitalist countries, only the exploiting classes, which constitute a very small section of the population, enjoy freedom; the broad masses of the working people have no real freedom to speak of. It is entirely different with the socialist states; guarantees are devised to see that the broad masses do enjoy the freedoms laid down in the Constitution, while the counter-revolutionaries, constituting only a small part of the population, are deprived of their freedom. The right-wing elements say there is too little freedom in our country, and speak as if there would be freedom only when the state granted facilities and provided guarantees to those who opposed the basic state system laid down in our Constitution, and opposed socialism in words and deeds. It is quite clear that the people will not agree to give them this sort of freedom.

The right-wing elements have also chosen to attack our electoral system. They say that only direct elections of the kind held in capitalist countries can be described as the most democratic. But the fact is, although some capitalist countries have so-called universal, direct suffrage, the bourgeoisie in power has always tried to manipulate things by every means, especially by using money and applying administrative measures to control elections in order to preserve its rule.

In our country, the opposite is the case. Here the electoral system safeguards first of all the democratic rights of the workers, the peasants and other working people; then it gives consideration to members of the bourgeoisie, which account for only a small part of the population, and other individuals who are patriotic, so that they too can have a certain number of representatives in our organs of state power.

At present, direct elections are the rule at the primary levels while indirect elec-

tions are held from the county level upwards. This way of conducting elections is judged a better form of democracy suited to conditions in our country today. But this does not exclude a gradual adoption, when conditions are ripe, of the method of direct elections also at the county level and upwards. In our elections, it has been found suitable to draw up joint slates of candidates through consultation between the Communist Party, other democratic parties and people's organizations. On this question of candidates the fact that the number of candidates on past joint slates was the same as the number to be elected was a result of consultations. Future practical steps to be taken in this connection will, as in the past, be decided by consultations between all concerned. In a word, the electoral system of our country is such that it really serves to protect the democratic rights of the greatest number of people, it unites all forces that can be united on the common ground of socialism; it is not a travesty of elections designed to defraud the people and protect the interests of the few.

The suffrage is only one of the democratic rights enjoyed by our people. The democratic life of our country has a much richer content than this. The Constitution lays it down that "All organs of state must rely on the masses of the people, constantly maintain close contact with them, heed their opinions and accept their supervision." It is precisely this mass line that our state organs follow in their work. Many important laws are fully deliberated upon and discussed by the masses during their drafting stage. The state economic plans are made final only after control figures or draft plans put forward by the departments concerned have been discussed by the rank and file members of production units at the primary levels.

To encourage the mass of workers and staff to take an active part in managing enterprises and in exercising supervision over administrative work, we are promoting a system of delegate meeting of workers and clerks in enterprises. In agricultural

co-operatives, we are instituting a system of meetings of members' representatives and management committees in accordance with the policy of democratic management in co-operatives.

Citizens of our country are constantly voicing criticisms and suggestions regarding various aspects of government work through their deputies, through the supervisory organs, through the people's organizations and the newspapers and magazines. They also often make known their views to the leading organs at various levels by direct correspondence or by personal calls. It is by these means that government organs are at all times kept informed of the opinions of the people and improve their work accordingly. Leading government organizations, however, are not doing very satisfactory work in dealing with the people's criticisms, suggestions, calls and correspondence. We must bring about a rapid change in this situation and see to it that government organizations at all levels attach great importance to this work.

The current rectification campaign is another vivid manifestation of the democratic life of our country. To get the masses to publicly expose and criticize the shortcomings and mistakes of state organs and government personnel in order to overcome these shortcomings and mistakes — this is something which none of the self-styled "free and democratic" capitalist countries does or dares to do.

However, it must be pointed out that bureaucratic ways still exist — indeed, even to a serious degree — in our administrative bodies at various levels. The socialist system has only just been established in our country. The personnel of our state organs are still constantly subject to influences from the old society, especially bourgeois ideology. The educational level of our people is still not high and this cannot but handicap them to a certain extent in exercising their right to take part in the management and supervision of state affairs. All this makes it possible for bureaucracy to breed in our state organs. At the same time, the growth of bureaucracy is aided

by certain shortcomings in our state administration, for instance, over-inflated organizations, too many rungs on the administrative ladder, over-centralization of powers in certain fields, etc. Bureaucratic practices impair relations between our state organs and the people and greatly harm our work. We must continue to expand the scope of democracy, rely on supervision by the masses, and so wage a ceaseless fight against bureaucracy.

Democratic centralism operates in our state organs by combining widespread democracy with a high degree of centralism. We are not practising democracy for its own sake. We need widespread democracy because we want to rally all the forces that can be rallied to build socialism and develop the social forces of production. If we had only democracy without centralism, it would be impossible to get the whole of our people to make a well-organized, concerted effort directed to a common aim and developed according to a unified plan. It would therefore be also impossible to achieve the great aim of building a socialist society in our country. The practical operation of democratic centralism varies with changes in the objective situation. We all know that in the past, during the revolutionary wars and the socialist revolution, we put more emphasis on centralism than on democracy. But even in wartime and during the period of revolution, centralism was still based on a wide measure of democracy. This had to be so, otherwise we would not have been able to meet wartime exigencies or ensure the victory of the socialist revolution. With the socialist revolution basically accomplished, it became possible for us to further extend the scope of our democracy. In the past two years, the extension of democracy has been very marked both in relations between the central and local authorities and in the sphere of economic management. But under no circumstances should we abandon centralized leadership merely because of the extension of democracy.

Because of their natural bent towards anarchism the petty bourgeoisie often take

a fancy to so-called "absolute democracy," in other words, democracy without centralized leadership. Such "absolute democracy" can only turn the people into a scattered and disorganized mass, unable to safeguard their interests by collective effort. That is why the right-wing elements who oppose socialism have a particular liking for this concept of "absolute democracy." They want to use this concept to sap the will of the working people and shatter their sense of organization and their fighting spirit. To defeat these right-wing conspiracies, we must resolutely safeguard our system of democratic centralism so as to prevent the idea of so-called "absolute democracy" from penetrating our ranks.

The leading role of the Chinese Communist Party in the political life of the state is set out in clear terms in our Constitution. The Communist Party is the vanguard of the working class, and the leadership of the Communist Party is the embodiment of the leadership of the working class. The Chinese people, led by the Communist Party, have achieved two great victories—in the democratic revolution, and in the socialist revolution. This leadership of the Communist Party is likewise necessary in the building of socialism which calls for the transformation of society according to the world outlook of the working class. It is the unshakable purpose of the Communist Party to lead the entire Chinese people to build a prosperous and happy communist society—a society without exploitation or classes, in other words, that "world of universal harmony" the Chinese people have always dreamed of. Is there any party other than the Communist Party able to lead the Chinese people to achieve this lofty purpose? Certain right-wing elements describe this leading position of the Communist Party in the political life of our country as a "monopoly of the state by the Party." This is a malicious slander. The fact is it is precisely under the leadership of the Communist Party that the Chinese people have really become masters of their own country, that

they have been able to give full play to their talents and energies in building a new life. As the workers of Peking put it recently: "China under the leadership of the Communist Party is a country where the working class 'monopolizes' the state, where the people 'monopolize' the state." This is the best reply to the hue and cry about the "monopoly of the state by the Communist Party." This talk about so-called "monopoly of the state by the Party" is designed to denigrate the Communist Party as a sect divorced from and opposed to the masses. Hence some right-wing elements have further declared that the Communist Party is the root cause of sectarianism. This is sheer slander entirely contradicted by the facts. As a matter of fact, the Chinese Communist Party has always opposed sectarianism; during both the democratic and socialist revolutions, the Communist Party bent every effort to rally all the forces that could be rallied, thus bringing about the great revolutionary unity of the people of the entire country. After the main battle had been won in the socialist revolution, the Chinese Communist Party further took the initiative in putting forward its policy towards the other democratic parties — the policy of long-term co-existence and mutual supervision. Furthermore, the ultimate aim of the Chinese Communist Party is to bring about a communist society in which there will be no more classes and political parties, the Communist Party included. There is absolutely no place for sectarianism in such a party. The Communist Party has always taught its members to pay constant attention to strengthening its ties with the masses and strictly forbids them to take a sectarian attitude towards people outside the Party. The Chinese people place their trust in the leadership of the Communist Party precisely because the facts tell them clearly that the Chinese Communist Party, which is a working class party, serves the people whole-heartedly.

The worker-peasant alliance is our basic force in building a socialist society, but all other classes and social strata which

support socialism and are willing to accept socialist transformation must also be rallied to the cause. The people's democratic united front, based on the worker-peasant alliance and led by the Communist Party, is the concrete manifestation of this great revolutionary unity of the people of the whole country. This united front enables us to keep closer contact and forge firmer ties with the broad masses of the people; it enables all sections of the people to express their views and desires better so that the state can take timely steps, make suitable readjustments as regards their interests, and correctly handle whatever contradictions that may arise among them. Moreover, by rallying the various parties and groups and people's organizations in the united front, we can educate people better in socialist ideas, more effectively carry through socialist transformation and advance the cause of socialist construction. Herein lies the function and purpose of the policy put forward by the Communist Party for long-term co-existence with the other democratic parties and the exercise of mutual supervision.

What the people expect of the democratic parties is that they should firmly adhere to the socialist stand and pay proper attention to ideological remoulding so that they can play a positive role to the best of their abilities in state affairs. The people's democratic united front will certainly develop and grow stronger with the progress of socialist construction. It is wrong to doubt the significance of the united front policy, belittle its role, or to minimize the importance of united front work.

At the same time, it must be affirmed that the Communist Party is the guiding force and the core of the united front, and that socialism is the political basis of the united front, in other words, the common goal of struggle for the people of the entire country. These unshakable principles mark out the path which all democratic parties within the united front must keep to, and any party which departs from this path excludes itself from the united front.

The organs of state power in our country are made up of representatives of our various nationalities, classes, parties and people's organizations, under the leadership of the Communist Party. All major policies of the state are discussed and drawn up by the state organs concerned after prior consultations in various ways among all concerned. Furthermore, representatives of the various democratic parties and democrats without party affiliations take part in executing these policies in the organizations concerned. This method, in which the various democratic parties and non-party democrats participate in the state administration under the leadership of the Communist Party, can best unite the people of the whole country and mobilize all positive forces for the building of socialism. This precisely shows the advantages of our state system. The much-vaunted two-party or multi-party systems of capitalist countries under which different political parties get in and out of office are nothing but travesties of democracy which various factions of the bourgeoisie use to hoodwink the working people. What some right-wing elements are now dreaming of is to transplant to China this bourgeois system of multi-party politics and alternation in office-holding by various parties, to replace our system of people's democracy.

When I was entrusted by the First National People's Congress in 1954 with the task of forming a government, I worked out the composition of the State Council in accordance with the principle of the people's democratic united front led by the Communist Party as laid down in the Constitution. At that time, members of the democratic parties other than the Communist Party and non-party democrats made up something over one-fourth of the total membership of the government. This ratio was also largely maintained when the government membership was later enlarged. These arrangements were made in the light of the situation obtaining at that time and as we look back today we still think they were appropriate.

The firm and strong core of leadership by the Communist Party in all state organs, schools, enterprises and popular organizations is essential in order to ensure the correct execution of government policies in all fields. The principle of the over-all leadership of the Communist Party is to be understood mainly in a political sense; it does not imply that all practical work must be directly managed by the Communist Party. Indeed, work in many specialized fields should be in the hands of experts. By experts I include here of course experts who are also Communist Party members. As for the specific organizational forms and working methods adopted to put Communist Party leadership into practice, these can and should vary according to the time and the task in hand, to bring into fuller play the leading role of the Party and to give full scope to the initiative of both the leaders and the led, Communist Party members and people outside the Party, and to enable them to co-operate better. Well-intentioned criticisms and suggestions made by many people in this respect deserve careful study. But the right-wing elements have put forward preposterous demands, such as "Let Communist Party organizations quit state organs and schools!" "No recruitment of new members by the Communist Party among intellectuals!" "There must be no Party system running things apart from the state apparatus!" "Let the Communist Party get out of office!" etc. These are all of a piece with, and complement the lies I have already mentioned about "bureaucracy being a more dangerous enemy than capitalism" or the demand to organize "a political planning council," or "a rehabilitation committee," or the talk about the "monopoly of the state by the Communist Party," or "alternation in office-holding by various parties," etc. These are all aimed at drawing the people's political power away from the leadership of the party of the working class so that the nature of our state may be perverted and changed along capitalist lines as these people desire.

Some people have criticized lack of a clear division of function between the Communist Party and the government. This question needs a bit of analysis. In directly issuing political calls and announcing policy-making decisions to the masses, the Party, far from hampering the work of the government, renders it great help. Party and government organizations of the same level have jointly proclaimed a number of decisions in the nature of political calls or policy directives and certain instructions whose implementation took on the character of a mass campaign and which called for joint work by the Party and the government. Inspections in certain fields of work were made jointly by the Party and government organizations concerned. Sometimes, members of the Communist Party and other democratic parties in responsible positions have been invited to attend government meetings. These methods have been found helpful in accelerating the progress of work and should continue to be used in the future. But, in some departments, Communist Party organizations have monopolized the work and taken over administrative control; or, on some specific questions, they have bypassed the administration and directly intervened in the work. This sort of thing befits neither the work of the government nor the work of the Party; it should be corrected.

Some people have raised the issue that non-Communist leading members in state organs, schools, or enterprises do not have the authority that should go with their posts. There were, indeed, a number of facts to support what they said. But a detailed analysis of the situation will show that several different cases are involved. The first case is where Communists and non-Communists co-operate closely and are not divided by "walls" or "moats." The second case is where some Communist Party organizations and officials do not have sufficient respect for the functions and powers of non-Communists and even adopt an attitude which is discriminative or keep them at arm's length. This is a grave mistake of a sectarian character. The third

case is where some non-Communists fail to devote enough effort to the duties that go with their posts. They stand aloof from and look askance at Communist Party organizations and members; but on the other hand, the Communist Party organizations and leading officials concerned have often made inadequate efforts to approach and help them. The two latter cases deserve our serious attention. We must make energetic efforts to correct them.

In settling this question the key lies first of all in Communist Party organizations educating their members so that they whole-heartedly carry out the Party's united front policy, overcome sectarianism, respect, unite with and help non-Communists in their work, be modest and listen to their opinions and criticisms, and learn from their professional skills and experience so as to continuously improve both themselves and their work.

Systems of work that adversely affect unity and aggravate misunderstandings should be changed. At the same time, people outside the Communist Party should, on their part, courageously perform their functions and duties, rid themselves of any feelings of antipathy they may have with regard to cadres coming from the working class or peasantry and any feelings of suspicion and disunity with regard to Communist Party members, and be sincere and open-minded in working with Communist Party members. They should criticize defects in the work whenever they occur and put forward their proposals for improvement. They must also study harder to raise their ideological level and understanding of things so that Communist Party members and non-Communists will work together in close co-operation and harmony. Some non-Communists who are still inclined to oppose socialism should in particular make greater efforts to remould themselves and rid themselves of such sentiments.

The rectification campaign that is going on in the Chinese Communist Party is also being carried on in state organs. The aim of the rectification campaign is to effectively overcome

bureaucracy, sectarianism and subjectivism. We should welcome and consider all constructive criticisms directed against erroneous ideas and styles of work even when the critic is prejudiced and, without taking everything into consideration, goes to extremes in his attitude, or when the criticism is not fully based on fact. We should accept whatever is beneficial and proceed to improve our work. Some right-wing elements have alleged that proletarian dictatorship is the root cause of bureaucracy, sectarianism and subjectivism or, in reproaching our state organs with shortcomings and defects, compare them with the state organs of the exploiting classes. Such preposterous assertions must be repudiated. In a country of bourgeois dictatorship, state organs are means by which the bourgeoisie oppress and exploit the

masses. They are fundamentally opposed to the interests of the people. In these state organs, bureaucracy, sectarianism and subjectivism are not only unavoidable, but also ineradicable.

The case with our state organs is entirely different. Socialism is the common cause of the whole people undertaken under the leadership of the working class. A socialist country must and can mobilize the broadest masses of the people to take part in the management and supervision of state affairs. That is why, fundamentally speaking, a socialist country has no place for bureaucracy, sectarianism and subjectivism. We must and certainly can wipe out these germs, and the guarantee of this is the intrinsic vitality of our basic state system.

V. NATIONAL AND INTERNATIONAL UNITY

Fellow Deputies! We can all see that the people of our country have made very great achievements in a very short period. Our socialist revolution has gained a basic victory. We are going ahead with our gigantic programme of socialist construction. The people's livelihood is gradually being improved. A basic state system that corresponds well with the socialist economic base of our country has been established and it is helping to consolidate and advance the cause of socialism in our country.

On what forces have we relied to ensure the winning of one victory after another? At home, we have relied upon the great unity of our people of different nationalities under the leadership of the Communist Party. Internationally, we have relied upon the unity between our country and other countries in the socialist camp headed by the Soviet Union, and the unity between our country and all other peace-loving countries and peoples of the world. At the present time, we are confronted with a task that is even more difficult and greater than before. To carry out this task successfully, we must make

further efforts to strengthen the great unity of the people on the basis of socialism, criticize and repudiate all ideas that are opposed to socialism and continue to weed out the handful of hidden and open counter-revolutionaries. Internationally, we should further strengthen the great unity of the socialist camp and the great unity among all the peace-loving countries and peoples of the world, isolate the imperialist aggressive bloc and struggle for a lasting world peace and peaceful co-existence among nations with different social systems.

In dealing with the question of the great unity of the people throughout the country, we must first of all make clear what we mean by "the people." At the present stage, the word "people" refers to all patriotic people of all nationalities, democratic classes, democratic parties, people's organizations and all walks of life who support socialism and take part in socialist construction, i.e. every person who enjoys the civil rights under the Constitution. The counter-revolutionary elements, reactionary forces and groups and those who are still under surveillance or

being reformed through labour are our enemies who oppose socialism and the people. After the basic victory in the socialist revolution, although the contradictions between ourselves and our enemies still exist, the number of our enemies in the country has been greatly reduced. In these circumstances, contradictions among the people have come to the fore. This is the reason why Chairman Mao Tse-tung specially told us in his speech on February 27, 1957 at the Eleventh Session (Enlarged) of the Supreme State Conference, that we must learn to be good at distinguishing between the two types of contradictions which are different in nature — contradictions between ourselves and the enemy and contradictions among the people — and pointed out the principles and ways of correctly handling the contradictions among the people. But it is not impossible for one of the two types of contradictions to turn into the other. Once they have become new men after being reformed through labour, those who were put under surveillance may enjoy the civil rights and come within the meaning of the term "the people." On the other hand, some individuals or groups who are now part of the people may become enemies of the people if they persist in their anti-socialist position, resist socialist transformation and seek to undermine the socialist construction.

In the present era of great social changes in China, some within the ranks of the people, for the time being, are not accustomed to the new socialist system, others may intensely dislike it. In the course of social development, people often generally fall in their thinking and standpoint into three categories — the progressive, the intermediate and the backward — and often divide themselves into leftists, those in the middle and rightists. This is not an artificial classification. It is determined by the objective law of social development and the objective law of development of man's thinking. The working class wants to reform society in accordance with its world outlook. This implies that it must also remould the

standpoint and ideologies of the people of other classes so that they can meet the needs of social development.

Although the bourgeois right-wing elements hold themselves to be within the ranks of the people, they have taken a stand in opposition to socialism and even take action that is not in the interests of the cause of socialism. We must, therefore, draw a sharp line between ourselves and the right-wing elements politically and ideologically and wage a necessary, determined struggle against them so that the overwhelming majority of the people who are genuinely patriotic will see why the standpoint and action of the right wing are wrong. Once the right wing is wholly isolated, changes will take place among them. It is our hope that these right-wing elements, helped by outside prodding, and profiting from their own experience and their own increasing understanding of things, will repent and accept the opportunities given them to remould themselves. The door of socialist transformation remains open for them. But it is quite possible that a very small number of right-wing elements will persist in their reactionary stand, refuse to remould themselves and even take actions to sabotage the socialist construction. In that case they will cut themselves away from the people.

The aim of our long-term struggle is to build a firm unity of all our people on the basis of socialism and, to attain this, we must wage a consistent battle on two fronts. On the one hand we must handle contradictions among the people correctly and make serious efforts to overcome subjectivism, bureaucracy and sectarianism in our ways of thinking and of doing things; on the other hand we must thoroughly criticize and repudiate the utterances of the right wing against socialism, against the basic system of our state, against the leading role of the Communist Party, and against national and international unity, so that the distinction between right and wrong in regard to these fundamental questions is made crystal clear. We believe that the overwhelming majority of the people of our country are truly

patriotic and are willing to take the side of socialism. Both the rectification campaign being carried out by the Communist Party and the review of its work being done by the government will ensure that contradictions among the people are resolved consistently as they crop up and that mistakes are corrected. Those who try to take advantage of contradictions among the people and the rectification campaign of the Communist Party to sow discord within the ranks of our people and to sabotage the cause of socialism will not succeed. On the contrary the exposure of their plots will serve to teach the people of the whole country to rally more closely round the Communist Party.

With our own country united, we are in a better position to consolidate unity between ourselves and all other countries in the socialist camp and unity between ourselves and all other peace-loving countries and peoples in the world.

During the past year, world peace has been constantly threatened by the policy of arms drive and war preparation of the aggressive imperialist bloc headed by the United States. But the ever-growing forces of peace have succeeded in making the general international situation develop in a direction favourable to the people throughout the world in their struggle for a lasting peace and against war.

The aggressive imperialist bloc attempted to drive a breach in Hungary and then smite the other socialist countries one by one. But the Hungarian people beat back this imperialist attack, and all the countries in the socialist camp have learned a deep and useful lesson from the events in Hungary. The result has been not the weakening, but the strengthening of the unity of the entire socialist camp. The visits of Comrade Voroshilov, President of the Presidium of the Supreme Soviet of the U.S.S.R., and of the Premiers of Czechoslovakia and Poland to our country not long ago, as well as the exchange of visits between leaders of the socialist countries during recent months,

have played an important part in strengthening the unity of the socialist camp. The facts have proved that, despite all attempts at sowing discord and dissension, international socialist solidarity based on proletarian internationalism and the principle of equality among nations is unbreakable.

During the past year, the Soviet Union has put forward a series of reasonable proposals on such major international questions as disarmament, prohibition of the use of weapons of mass destruction, cessation of nuclear weapons tests, abolition of military bases in foreign countries, the withdrawal of armed forces from foreign countries, and the holding of a "summit" conference among the Big Powers. All this has helped ease the international situation. In order to safeguard peace in the Near and Middle East, the Soviet Union has proposed that the Big Powers pledge to respect the sovereignty and independence of the countries in that area, and refrain from interfering in their internal affairs. These proposals by the Soviet Union are what all the countries in the socialist camp advocate. This fully proves that we socialist countries will never encroach on the rights of others nor tolerate encroachment on our rights by other countries, and that we stand resolutely for peaceful co-existence among all nations.

The great victory which the heroic Egyptian people won in defeating the British and French aggression and safeguarding Egypt's sovereignty over the Suez Canal, marked a new upsurge in the struggle against colonialism. Their struggle was also in defence of world peace. During the past year, such nationalist countries in Asia and Africa as India, Burma, Indonesia, Ceylon, Egypt and Syria have played a more and more important role in defending world peace. The Japanese people's struggles against U.S. military occupation, to win independence and freedom and to defend world peace have also made great progress. All these are important factors in bringing about a relaxation in the international situation.

The United States, however, taking advantage of the weakened positions of Britain and France, has done its best to seize their colonies and spheres of influence in the Near and Middle East, in North Africa and other parts of the world, and intensified its enslavement and oppression of the people in those places. This is the new colonial policy of the United States. Because this policy is more cleverly camouflaged and because the people of some countries still lack experience in the struggle, it is quite possible that the designs of the United States colonialists will succeed for a time in certain countries, such as Jordan, and put a temporary check on the struggles of their people for national independence. But like every other movement of the people, the movement for national independence and against colonialism cannot be suppressed. The increasingly brazen intervention and ruthless enslavement and oppression practised by the United States will surely serve to rouse the people of those countries more thoroughly and make them see more clearly the true colours of the U.S. colonialists. This is proved by the fact that, with each passing day, in almost all the countries dominated by the United States, there is a stronger and more insistent demand for putting an end to U.S. control, for the adoption of a policy of peace and neutrality and in opposition to aggressive military blocs. The struggle for national independence and against colonialism is a long-term and complex struggle that has its ups and downs as it advances, but it is a struggle that will ultimately be victorious. Every setback and every difficulty met in this struggle teaches the people of the various countries to raise their level of political consciousness and helps them in the long run to find the correct way to lead their struggle to victory.

It is of special importance to note that in spite of the tight grip which the U.S. aggressors have clamped on China's territory of Taiwan, the people there have launched a large-scale movement against the United States, a movement, moreover, which occurred directly after the United

States had established its base in Taiwan for guided missiles. The United States has now declared unilateral abrogation of subparagraph 13(d) of the Korean Armistice Agreement in order to bring new types of weapons into South Korea. In so doing, the United States not only attempts to continue to obstruct the peaceful unification of Korea, menace the Korean Democratic People's Republic and aggravate tension in the Far East, but also attempts to suppress the people in South Korea and strengthen its colonial rule there. This shows that the United States, treading the footsteps of the old colonialists, has to depend more and more on bayonets to maintain its new colonial rule. It can be definitely stated that the new colonialism of the United States will end up no better than the old colonialism. The Chinese Government fully agrees with the proposal put forward by the Government of the Korean Democratic People's Republic for the holding of an international conference with broad participation of countries concerned, and strongly condemns the United States for its unilateral action in sabotaging the Korean Armistice Agreement.

Attempts made by the United States to seize the colonial interests of its allies and to encroach on their sovereignty have resulted in an increasingly clear tendency on the part of these countries to move further and further away from it. Among the principal allies of the United States there is a growing tendency to shake off U.S. economic and political control, and an increasing willingness to come to terms and carry on mutually beneficial dealings with the socialist countries. At the same time, the people of all countries in the world, including the American people, are conducting a peace movement which daily grows in scale. This is clear evidence that more and more people are condemning the U.S. aggressive clique's policy of arms drive and war preparation.

The danger of war still exists. We must not for a moment relax our vigilance towards the U.S. aggressive clique. But since the socialist camp has become more

powerful and more united, the ranks of the peace-loving countries and peoples are constantly expanding, the demand of the American people for peace is growing and the U.S. aggressive clique is finding itself more and more isolated, it is possible for us to bring about a further relaxation in the international situation and force the imperialist war bloc to accept the principle of peaceful co-existence, provided of course we can unite with all the international forces that can be united with and persist in our struggles.

Fellow Deputies! The international situation is favourable for our socialist construction. Basing ourselves on the

brilliant directives of Chairman Mao Tse-tung on the correct handling of contradictions among the people, we are forging an even stronger unity through our rectification campaign against bureaucracy, sectarianism and subjectivism and through our victorious struggles in exposing and repudiating the anti-socialist right wing. So long as we continue to exert our efforts to strengthen national and international unity and carry through the policy of increasing production and practising economy and building our country by hard work and thrift, there is no force in the world that can hold back the victorious advance of our great socialist cause.

