

April 29, 1959

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PEKING REVIEW

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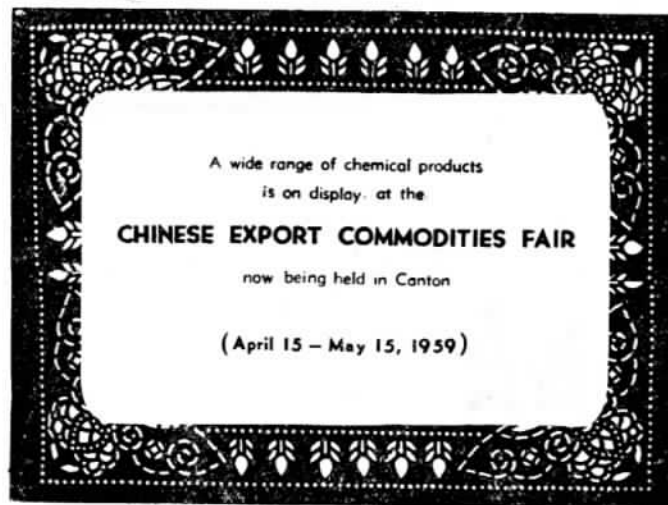


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(BEIJING ZHOUBAO)

A WEEKLY MAGAZINE OF CHINESE
NEWS AND VIEWS

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A Word to Our Readers

THIS enlarged issue of **Peking Review** is a day late. We regret the delay, but there were compelling reasons. Postponing publication, it seemed to us, was justified so that we could bring you up-to-the-minute news of the First Session of the Second National People's Congress which has just ended.

Included in this issue are Vice-Premier Li Fu-chun's report on the draft national economic plan for 1959 and Vice-Premier and Finance Minister Li Hsien-nien's report on the final state accounts for 1958 and the draft state budget for 1959. The 1959 plan for development of the national economy is a plan for a continued big leap forward on the basis of the accomplishments scored in 1958. The 1959 budget is one designed to serve peace and the people's well-being. These two documents are particularly valuable for their concise interpretation of the policies to be followed and the wealth of background material they furnish.

Discussions on Premier Chou En-lai's report on the work of the government and Vice-Premier Li Fu-chun's report on the draft national economic plan for 1959 led to nationwide rejoicing and enthusiasm. At the sessions of the National People's Congress and the Chinese People's Political Consultative Conference, speaker after speaker pledged their full support and expressed complete confidence that the magnificent 1959 plan would be successfully carried out.

Also printed in this issue are excerpts from speeches made at the National People's Congress voicing sharp protest against the designs of the imperialist interventionists and Indian expansionists on Tibet. Many deputies spoke on this subject. Limitations of space, however, permit publication of only a fraction of all that was said on this vital question at the National People's Congress.

There can be no doubt as to the Chinese people's sentiments against foreign interference in China's internal affairs. Tibet is part and parcel of China. This established historical fact cannot be denied even by the imperialists. The Chinese people, therefore, are well within their rights in putting down the armed rebellion of the handful of Tibetan reactionaries who plotted in cahoots with the imperialists and foreign reactionaries. The anti-Chinese ballyhoo raised by the expansionist elements in India only serves to show that they are going the way of the British imperialists in a vain attempt to separate Tibet from China and convert it into their protectorate.

As reported elsewhere in this issue, a mounting wave of protest is spreading throughout the country against any foreign interference in China's domestic affairs.

To provide our readers with the background material and factual data needed for a full understanding of the truth about Tibet, the next number of **Peking Review** will be a special issue devoted to Tibet. We will bring you articles on the historical background of Tibet and political developments there.

News from the N.P.C. Session

ON the afternoon of April 27, at 3:45, Peking time, 1,157 people's deputies to the National People's Congress, exercising the power delegated to them by the people of China, filed past the big ballot boxes in Huai Ren Tang Hall and cast their secret ballots to elect the Chairman of the People's Republic of China and other leading personnel of the state. All ballots were printed in the Han, Mongolian, Uighur and Tibetan languages. At 5:05 Peng Chen, the executive chairman of the day's session, solemnly announced: "Deputy Liu Shao-chi is elected Chairman of the People's Republic of China. . . . Deputy Soong Ching Ling and Deputy Tung Pi-wu are elected Vice-Chairmen of the People's Republic of China." The people's deputies and the members of the C.P.P.C.C. who were also present at this session greeted the new Chairman and Vice-Chairmen with a standing ovation. Then the deputies elected Chu Teh Chairman of the Standing Committee of the National People's Congress. The N.P.C. also approved Chairman Liu Shao-chi's nomination of Chou En-lai as Premier of the State Council. Thunderous applause greeted them.

Other leading personnel of the state elected are: Hsieh Chueh-tsai, President of the Supreme People's Court, and Chang Ting-cheng, Chief Procurator of the Supreme People's Procuracy. Among the 16 elected Vice-Chairmen of the Standing Committee of the N.P.C. are Lin Po-chu, Li Chi-shen, Lo Jung-huan, Kuo Mo-jo, Peng Chen, the Dalai Lama and Panchen Erdeni.

The list of candidates were put forward jointly by 143 members of the Presidium of the present session of the N.P.C. and group leaders of the deputies.

Mao Tse-tung was present at the session and cast his votes. The entire congress rose to its feet and cheered the beloved leader of the Chinese people when he went to the platform to take his seat in the Presidium. Chairman Mao himself proposed last year, as we reported at the time, not to be a candidate for Chairman of the People's Republic. At its plenary session last December, the Central Committee of the Chinese Communist Party approved his proposal. (See *Peking Review*, No. 43, Dec. 23, 1958.)

As soon as the election results were broadcast over the radio people in all parts of China festively greeted the news. In the capital, men and women rushed into the streets beating gongs and cymbals. Firecrackers exploded late into the night. Cheers of "Long Live Chairman Mao Tse-tung! Long Live the People's Republic of China! Long Live the Chinese Communist Party!" resounded through the streets. Thousands of Peking citizens flocked to Tien An Men Square, danced under the open sky.

The next day, on April 28, the N.P.C. decided on the choice of Vice-Premiers and other members of the State Council, the Vice-Chairmen and other members of the National Defence Council. Then the N.P.C. adopted resolutions, including a resolution on the report on the work

of the government, the 1959 national economic plan, and the 1958 final state accounts and the 1959 state budget; a resolution on the report on the work of the Standing Committee of the N.P.C. and a resolution on Tibet. The First Session of the Second National People's Congress then adjourned.

Reports to the N.P.C. At the outset, as we reported last week, the session heard a report on the work of the government by Premier Chou En-lai, which is a comprehensive analysis of all aspects of work in the country during the more than four years since the convocation of the First Session of the First N.P.C. (see *Peking Review*, No. 16, April 21, 1959). The report was keenly and intensely discussed by the people's deputies. In their numerous group discussions, the deputies described the great progress that had been made

in their respective fields during the past few years.

On April 21, the deputies listened with great interest to a report on the national economic plan for 1959 by Vice-Premier Li Fu-chun, who is also head of the State Planning Commission, and a report on the 1958 final accounts and the 1959 state budget by Vice-Premier Li Hsien-nien, concurrently Minister of Finance.

Vice-Premier Li Fu-chun's report envisages a 40 per cent increase in the total output value of industry and agriculture over 1958. The output value of the capital goods industries in 1959 will be 46 per cent higher than in 1958



Chairman Mao casting his vote



The Presidium of the First Session of the Second National People's Congress

and that of the consumer goods industries will be 34 per cent higher. In addition to the targets of 1,050,000 million *jin* of grain and 100 million *dan* of cotton this year, efforts will be made on the agricultural front to effect an overall development in industrial crops, forestry, animal husbandry, rural side lines and fisheries.

Vice-Premier Li Hsien-nien's report showed an increase of 35 per cent in 1958 over 1957 in both revenue and expenditures with a favourable balance of 900 million yuan. He proposed a balanced budget for 1959 with a 24.2 per cent increase in revenue and a 27 per cent increase in expenditures.

The deputies also heard a report on the work of the Standing Committee of the National People's Congress delivered by Peng Chen, one of the Vice-Chairmen of the Standing Committee and Secretary-General.

Peng Chen briefly summed up the activities of the Standing Committee since the close of the Fifth Session of the First N.P.C. over a year ago. During this period the Standing Committee met 17 times and adopted 38 resolutions on various subjects. It decided to ratify a number of treaties and pacts with other countries, and enacted a number of regulations and decrees, including the agricultural tax regulations. It also approved the "Declaration of the Government of the People's Republic of China on China's Territorial Sea" and the organic rules for the people's congresses and people's councils of several autonomous *chou* and autonomous counties.

Discussion on Rebellion in Tibet. General discussion began on April 22 when Panchen Erdeni and five other deputies took the floor and sternly condemned the imperialists and the Indian expansionists for intervening in the internal affairs of China and supporting the Tibetan rebels.

Panchen Erdeni, Acting Chairman of the Preparatory Committee for the Autonomous Region of Tibet, was the first to speak. He was greeted with prolonged applause. Speaking in the Tibetan language, dressed in a dark brown silk Tibetan robe, the tall, young Panchen proclaimed: "I solemnly declare here before all the

deputies to the National People's Congress: Our Tibet is the Tibet of China, now and always; we will never allow foreigners to interfere in our affairs in Tibet or the rest of China!" Prolonged, thunderous applause broke out from the deputies in Huai Ren Tang Hall. He was followed by Ngapo Ngawang-Jigme, Vice-Chairman and Secretary-General of the Preparatory Committee for the Autonomous Region of Tibet; Li Chi-shen, Chairman of the Revolutionary Committee of the Kuomintang; Shen Chun-ju, Chairman of the China Democratic League; Huang Yen-pei, Chairman of the China Democratic National Construction Association; and Ngawang Jaltso, Vice-President of the Chinese Buddhists Association.

Their speeches were interrupted again and again by the applause of the deputies signifying their approval.

In the sessions that followed, many people's deputies in succession condemned the British imperialists and the Indian expansionists for their interference in China's internal affairs. Many of the speakers were Tibetans and representatives of other national minorities in China. These speeches from the rostrum of the N.P.C. voiced the sentiments and thoughts of China's 650 million people united as one against any foreign provocations.

Discussion on the Big Leap. During the plenary sessions and in the group discussions, the deputies fully endorsed Premier Chou's report on the work of the government and the reports of Vice-Premiers Li Fu-chun and Li Hsien-nien. The deputies also reviewed the developments in their respective fields of work.

Wang Ho-shou, Minister of Metallurgical Industry, described the growth of China's steel industry. When this year's target of 18 million tons is met, he said, the situation in China's steel production will be greatly changed. He said that the many small iron and steel plants set up in the provinces, autonomous regions and municipalities will grow into more complete iron and steel enterprises this year and the number of large-scale iron and steel works will also multiply. Many regions which had no iron and steel industry will soon have their own steel bases.



The deputies greeting the new leading personnel of the state

Vice-Premier Teng Tzu-hui talked on agriculture and water conservancy. He said that the doubling of both grain and cotton output in 1958 was achieved by raising per *mu* yields. He said that the decisive factor of success was that the peasants, inspired by the general line for building socialism, earnestly carried out the 8-point "Charter of Agriculture" and that close planting was the key to raising per *mu* yields. In July 1955 Teng Tzu-hui made a report to the First N.P.C. on the project of harnessing the Yellow River. At this session he reported on the big progress already made with this project.

Many of the deputies are peasants from the people's communes in many parts of the country. In their down-to-earth speeches they presented enthusiastic accounts of

the big leap forward in agriculture in their respective localities and of the progress of the people's communes.

Li Shun-ta, chairman of the Hsikou People's Commune in Shansi Province, for example, said (in a speech prepared jointly with Deputy Shen Chi-lan, another member of the commune) that for the first time in history the peasants in his area, the Taihang Mountains, had an iron mine and a branch railway and that highways had been built to link up with the mine. A coal mine, too, had been opened. What's more, electricity has been installed in his commune for lighting and production.

The resolution on Premier Chou's report and the two Vice-Premiers' reports adopted by the N.P.C. session on April 28 sums up the views of the deputies on China's progress during the term of office of the First N.P.C.:

"In the past four years and more, tremendous achievements have been made in all spheres of work in our country. In particular, the all-round big leap forward in socialist construction in 1958 had far-reaching significance economically, politically and ideologically. It showed the great creativeness and heroic spirit of the Chinese people led by the Chinese Communist Party, the Central People's Government and Chairman Mao Tse-tung in the struggle to change the backward state of the national economy and culture."

The resolution notes that the 1959 national economic plan and the 1959 state budget are "forward-looking and well-founded." It calls on the nation to greet the tenth anniversary of the People's Republic by working to fulfil and overfulfil the 1959 plan.

N.P.C. Resolution on the Question of Tibet

The following resolution was adopted on April 28 by the First Session of the Second National People's Congress.—Ed.

THE First Session of the Second National People's Congress, after detailed discussion of various questions relating to Tibet, has decided as follows:

(1) Congress fully approves all the measures taken by the State Council after the former local government and the reactionary clique of the upper social strata in Tibet started their rebellion on March 10, 1959. Congress greets the Chinese People's Liberation Army units stationed in Tibet which have quickly put down the rebellion, as well as the Tibetan lamas, laymen of all circles and patriotic people of all social strata who have actively helped the People's Liberation Army quell the rebellion; and expresses its appreciation of the services rendered by them.

(2) The rebellion of the former local government and the reactionary clique of the upper social strata in Tibet was not fortuitous. Since the latter part of the 19th century and the beginning of the 20th century, when the

British imperialists engaged in military, political and economic aggression against the Tibet region of our country with India as their base, an acute, long-term struggle has been waged between the patriotic Tibetan people who oppose aggression and a handful of Tibetan traitors who were bought over and made use of by the aggressive foreign forces. On the eve of the liberation of China, the pro-imperialist elements were dominant in the leading group of the former local government of Tibet. After the peaceful liberation of Tibet in 1951, the Central People's Government, in order to give these pro-imperialist elements time to come to their senses, adopted a magnanimous attitude towards them, let them remain in their posts in the former local government of Tibet, and would not look into their past misdeeds so long as they broke with the imperialists and other foreign interventionists and did not engage in disruptive activities. This policy of the Central People's Government was completely correct because it facilitated the Central People's Government and the People's Liberation Army in establishing ties with the broad mass of the Tibetan people and many

people of the upper and middle social strata and enabled them to win the latter's confidence. The traitors in the former local government of Tibet, however, while feigning compliance with the 17-article agreement on the peaceful liberation of Tibet, continued to conspire with the imperialists and foreign interventionists, plotted to bring about the so-called "independence of Tibet" as demanded by the imperialists and foreign interventionists, and finally launched the armed rebellion. It was only after the rebels attacked the People's Liberation Army units stationed in Lhasa that the Central People's Government directed the People's Liberation Army to put down the rebellion, and ordered the dissolution of the former local government of Tibet. In this way, the crimes of these traitors were completely exposed before the Tibetan people of all strata as well as before the people of the whole world. All right is on the side of the Central People's Government and all those who support its policy. All those foreigners who express their "sympathy" with these treacherous and inhuman rebels, who have betrayed and tried to split their motherland and engaged in slaughter and arson, and who attempt to seize this opportunity to interfere in China's internal affairs, will only enable the people of all the nationalities of our country and the people throughout the world to see them in their true colours and to draw the necessary lessons.

(3) National regional autonomy under the unified leadership of the Central People's Government should be resolutely implemented in Tibet as in other national minority areas of our country. The former local government and the reactionary clique of the upper social strata in Tibet, in making a vain attempt to bring about the so-called "independence of Tibet," were actively opposed to national regional autonomy. Following the dissolution of the former local government of Tibet and the failure of the rebellion launched by the reactionary clique of the upper social strata in Tibet, it is now already possible, while enforcing military control by the People's Liberation Army, to set up, step by step, local administrative organs of the Tibetan Autonomous Region at all levels and build up self-defence forces of the Tibetan people under the leadership of the Preparatory Committee for the Tibetan Autonomous Region, and for the Preparatory Committee to begin to carry out the functions and exercise the powers of autonomy. Representatives of the broad mass of people and of patriots of all social strata should participate in the local administrative organs of the Tibetan Autonomous Region at all levels. All officers and men of the People's Liberation Army units in Tibet and all working personnel of the Han and other nationalities in Tibet must establish the closest fraternal ties with the Tibetan people, work hard and make heroic endeavours in serving the interests of the Tibetan people.

(4) The existing social system in Tibet is an extremely backward system of serfdom. The degree of cruelty which characterized the exploitation, oppression and persecution of the labouring people by the serf owners can hardly be paralleled in any other part of the world. Even those who have repeatedly expressed "sympathy" for the Tibetan rebels cannot explain why they are so enthusiastic in backing up such a backward system. The Tibetan people for a long time have firmly demanded the reform of their social system. Many open-minded people of the upper and middle social strata have also come to realize that without

reform the Tibetan people will never get the chance to enjoy a prosperous life. With the putting down of the rebellion started by the reactionary elements of the former local government of Tibet who are opposed to reform, conditions have been provided for the smooth realization of the desire for reform of the broad mass of the Tibetan people. The Preparatory Committee for the Tibetan Autonomous Region should, in accordance with the Constitution, the aspirations of the broad mass of the Tibetan people and the social, economic and cultural characteristics of Tibet, carry out democratic reforms in Tibet step by step and free the Tibetan people from suffering so as to lay the foundations for the building of a prosperous, socialist new Tibet. In the course of reform, the patriotic people of all social strata throughout Tibet, both lamas and laymen, should be closely united, and distinctions should be made in dealing with those who have taken no part in the rebellion, those who were forced to join the rebellion but later surrendered quickly, and those serf owners who determinedly joined the rebellion. Attention should be paid to protecting the freedom of religious belief of all the Tibetan people and religious and cultural relics.

(5) Tibet is an inalienable part of China. It belongs to the big family of the Chinese people, to the broad mass of the Tibetan people, not to the handful of reactionaries, much less to the imperialists and foreign interventionists. The rebellion of the handful of Tibetan reactionaries and its suppression are wholly internal affairs of China which do not permit of any interference by foreigners. It is the firm and unalterable policy of the People's Republic of China to implement national regional autonomy in the Tibet area under the unified leadership of the Central People's Government and with the broad masses and patriotic people of all walks of life as the masters, to carry through democratic reforms under the unified leadership of the Central People's Government and to build a prosperous, socialist new Tibet by relying on the fraternal unity and mutual assistance of the working people of all nationalities. The rebellion of the handful of Tibetan reactionaries is not only powerless to prevent realization of this policy but will only accelerate the awakening of the Tibetan people and thus speed up its implementation. Similarly, no intervention against this policy of ours in Tibet by any foreign forces, no matter under what pretext or form, can prevent its realization. On the contrary, it can only rouse the Chinese people of all nationalities, including the Tibetan people, to wage a patriotic struggle against intervention. The People's Republic of China has consistently abided by the Five Principles, coexisting peacefully with its neighbours in the southwest, respecting their sovereignty and territorial integrity and not interfering in their internal affairs. The National People's Congress notes with regret that certain people in Indian political circles have recently made extremely unfriendly statements and committed extremely unfriendly acts which interfere in China's internal affairs. These statements and acts do not conform to the common interests of the peoples of the two countries, they only conform to the interests of their common enemy, the imperialists. Congress hopes that this abnormal situation will quickly disappear and that through the joint efforts of both sides, the great and long-standing friendly relations between China and India will be further consolidated and developed.

Chinese People Will Not Tolerate Foreign Intervention in Tibet

FROM one end of China to the other the people have been enraged by the provocations of the Indian expansionist elements. These ambitious Indian politicians, in league with the British imperialists, who but yesterday were sitting on their backs, and the discredited Chiang Kai-shek clique, have been working hand in glove with rebels in Tibet to sever Tibet from the Chinese motherland. From Lhasa to Lushun, from the far west of Sinkiang to the seaboard provinces in the east, the 650 million people of China warn the provocateurs: the quelling of this rebellion is China's internal affair. The people of China will brook no outside interference against the unity of their motherland.

Many speeches at the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference were devoted to Tibet, and the expansionist elements in India who have stepped into the boots of the British imperialists were condemned. Indignation meetings were held in cities and towns, in the factories and people's communes, schools and universities. Everywhere feelings ran high.

Newspaper offices and the Broadcasting Centre in Peking have been flooded with letters and telephone messages. Some have made personal visits to the editorial offices to voice their anger. The national dailies and the newspapers in the provinces, as well as radio broadcasts, have turned over entire pages and peak-listening time to expressions of the people's indignation. Letters to the editor, in which the interventionists are warned in strong language to keep their hands off Tibet, keep pouring into the newspaper offices and have become a prominent feature in the newspapers these days.

The scandalous behaviour of a mob of Indian expansionist elements in front of the Chinese Consulate in Bombay on April 20, who, with the connivance of the police, hurled insults at a picture of Chairman Mao Tse-tung, the beloved leader of the Chinese people, has been universally condemned in China. The outrage is regarded as a deliberate insult to the Chinese people as a whole. Workers, peasants, students, housewives in Peking, Shanghai, Shenyang, Wuhan, Canton, Chungking—in fact, in all cities and towns where the news of this violence became known—were infuriated by this latest affront from the Indian expansionists. It is a serious provocation which the 650 million people of China will not ignore.

In the schools, universities, and the institutes with large numbers of students from the national minorities, the Indian expansionists and their mentors, the British imperialists, have been excoriated in no uncertain terms. At the Central Institute for Nationalities in Peking, for example, the students and their teachers have put up several thousand *dazibao* (opinions written in bold characters on large sheets of paper and posted on the walls for everybody to see) in the last few days which flay the Indian expansionist elements for their provoca-

tions against China. Some 40 nationalities are represented at this Institute and the *dazibao* are penned in their different languages. A typical one was put up by a Tibetan student: "The Indian expansionists clamour for Tibetan 'independence.' This is a naked attempt to interfere in China's internal affairs. But it will be as difficult for them to realize this ambitious expansionist scheme of theirs as to move the Himalayas away."

The people of the national minorities, who know from their own experience that it is the united China under the leadership of the Communist Party that has enabled them to enjoy what they have today, lashed out at the interventionists who have been trying in vain to sever Tibet from the mother country. They declared that the expansionist elements in India who are bent on interfering in China's internal affairs must come to their senses, for the people of China today are not what they were in the 19th century or under Chiang Kai-shek; having stood on their own feet they will not allow others to push them around again.

In all parts of China protest meetings continue to be held as the extent of the complicity of the Indian expansionists in the armed rebellion in Tibet comes to light. On Sunday when the newspapers carrying reports of the meeting of Prime Minister Nehru with the Dalai Lama and of Nehru's subsequent press conference in Mussoorie reached the public, people in Peking and other cities began to hold meetings again and to discuss the situation which had agitated their minds for days on end. Since the Dalai Lama confirmed that he had written the letters to General Tan Kuan-san, the authenticity of which the Indian expansionists had questioned, the admission brought into bold relief the fact that the Dalai Lama had all the time been under duress.

One old worker fired a series of questions at the Indian expansionist elements: Was it not a case of interference in China's internal affairs when an official of the Indian Ministry of External Affairs distributed the so-called "Statement of the Dalai Lama"? Weren't the Indian expansionists trying to strike at the unity and solidarity of China's nationalities when they purposely chose the day of the opening of the National People's Congress to issue the so-called "Statement of the Dalai Lama"? Weren't they openly trying to undermine the friendship between China and India when thugs insulted the picture of Chairman Mao Tse-tung in front of the Chinese Consulate in Bombay with the connivance of the Indian police?

The mood of the nation has been voiced in speeches at the N.P.C. session. We publish excerpts from some of these speeches in the following pages. For lack of space we have not been able to include the speeches of many other deputies from different walks of life. For example, the speech of Tan Kah Kee, a well-known figure among overseas Chinese, who warned the Indian expan-

sionists that they were hurtling themselves into flames like moths when they tried to provoke the Chinese people; or the speech of General Fu Chung, Deputy Chief of the General Political Department of the Chinese People's Liberation Army, who warned the imperialists

and expansionists that their schemes to invade China's territory of Tibet would be crushed by the iron fists of the united people of all the nationalities of China, and many others. We take you now to the N.P.C. session and the speeches delivered there.

Speeches on Tibet by N.P.C. Deputies

Panchen Erdeni Chuji-Geltseng

*Acting Chairman of the Preparatory Committee
for the Autonomous Region of Tibet*

I was greatly incensed when I read the so-called "statement of the Dalai Lama" issued through an official of the Indian Ministry of External Affairs in Tezpur on April 18th. When I compare it with either the Dalai Lama's usual statements and actions or the three letters which he himself wrote to Tan Kuan-san, the acting representative of the Central People's Government in Tibet, I see that this alleged statement has nothing in common with them. The tone of the statement is not that of the Dalai Lama himself, nor does it conform to our ordinary Tibetan usage. It is obvious that this so-called statement of the Dalai Lama was imposed on him by foreigners.

That Tibet is an inalienable part of Chinese territory nobody can deny. From very early times, Tibet has had close political, economic and cultural ties with the interior of the mother country. In the thirteenth century, the Tibet region was formally included in Chinese territory. Since then, Tibet has always been a part of China.

The so-called statement of the Dalai Lama said: The Tibetan people are different from the Han people. But can this be a ground for "independence"? As everyone knows, apart from the Han nationality, China has more than fifty national minorities that differ in national traits not only from the Han people but also from each other. In regard to nationality they differ, but in relation to the motherland all of them are members of the big family of the motherland. There are many multi-national countries in the world. Difference in nationality cannot in any way be used as a pretext for splitting the motherland.

What the statement asserted, about there having "always been a strong desire for independence on the part of the Tibetan people," is a complete fabrication. In fact, the overwhelming majority of the Tibetan people, like all the other nationalities of the motherland, consider it is in their best interest to safeguard the unity of the motherland and the solidarity of all the nationalities and to oppose imperialist aggression. The Tibetan people know from their own experience that the inevit-

able outcome of separation from the motherland would not be independence for Tibet, but the turning of Tibet into a colony and protectorate of a foreign country.

We know that this so-called "independence" for Tibet was first proposed by the British. The British aggressors invaded Tibet on a large scale in 1904, slaughtering many of our Tibetan compatriots and occupying Lhasa by armed force. After that Britain not only plotted to detach Tibet from China and prevented the Chinese Government from "interfering in Tibetan internal affairs," but created grievous divisions even within Tibet. As a result of the vicious machinations of the British aggressors and their running dogs, the former Panchen was driven out, the Living Buddha Rabchen was murdered, the Living Buddha Geda was poisoned and so was the father of the Dalai Lama. Such are the bloody lessons we have learnt from so-called "independence" for Tibet.

Now some Indians are again talking about "independence" for Tibet and saying that they "recognize Chinese suzerainty but do not permit China to interfere in Tibet's internal affairs." It may be asked, why is it that China cannot run Chinese affairs, while other people can? What difference is there between these utterances and those of the British in the past? I think there is none. These statements are approved only by the imperialists, colonialists and reactionaries, and not by the Indian and other peoples of the world, nor by all those people in India who stand for the five principles of peaceful co-existence, treasure Sino-Indian friendship and genuinely sympathize with the Tibetan people.

We Tibetan people are firmly opposed to these statements. On behalf of all the Tibetan people, clerics and laymen, I solemnly declare here before all the deputies to the National People's Congress: Our Tibet is the Tibet of China, now and always; we will never allow foreigners to interfere in our affairs in Tibet or the rest of China!

It goes without saying that Tibet as an autonomous region of the motherland enjoys the right of national regional autonomy. As we all know, national local autonomy is the basic policy of the Chinese Communist Party and the Central People's Government in solving the nationality problem in our country. The policy has been written into our Con-



Panchen Erdeni addressing the National People's Congress

stitution and the Agreement on the Measures for the Peaceful Liberation of Tibet. Article 3 of the agreement stipulates: "In accordance with the policy towards nationalities laid down in the Common Programme of the Chinese People's Political Consultative Conference, the Tibetan people have the right of exercising national regional autonomy under the unified leadership of the Central People's Government." The Preparatory Committee for the Autonomous Region of Tibet was set up early in 1956 and the Dalai Lama was appointed Chairman. Such work of the Preparatory Committee as was done in the past was decided on under the personal direction of the Dalai Lama after full consultation among people of all sections. Most of the members and functionaries of the Preparatory Committee were Tibetans from various sections of the population.

All these are incontrovertible facts. As for the lack of progress in the work of the Preparatory Committee, that was due to obstruction and sabotage by the former local government and the reactionary group of the upper social strata in Tibet. This reactionary group persistently obstructed the work of the Preparatory Committee, persecuted functionaries and patriots of Tibetan nationality, tried to create disunity between Tibetans and Hans and among Tibetans themselves, and opposed any democratic and progressive measures. Although Tibet has been liberated for eight years, its political and social system remains unchanged. How can it be said that the local government of Tibet did not enjoy any measure of autonomy? I consider it entirely a matter of duty and normal in relations between a central and a local government for the central government to guide and examine the work of the local government. In the past it was not that the Central Government did too much looking into the work of the former local government of Tibet but rather too little.

In the eight years since liberation, the Central Government has consistently adhered to the policy of national solidarity and acted magnanimously towards the former local government of Tibet. However, those incorrigible reactionaries took the central authorities' attitude as a sign of weakness and went to the extreme of turning frenziedly against the motherland and the people. The facts prove that what they want is not autonomy but so-called "independence" for Tibet. Indeed, it is not "independence" for Tibet either, but an attempt, under the guise of "independence," to sell out the motherland for their own advancement and maintain their reactionary rule. This guise of "independence" is the same as the guise of "Manchukuo" used by the Manchu traitor Pu Yi* who sold out to the Japanese aggressors.

Now the situation in Tibet is already completely under the control of the Tibet Military Area Command of the People's Liberation Army and the Preparatory Committee for the Autonomous Region of Tibet. With the active support of the Tibetan people, both lamas and laymen, the People's Liberation Army units are continuing to mop up the remnants of the rebels. I am confident that the rebel remnants in the Tibet region will be fully accounted for in a very short time and that the Tibetan

people will embark on the sunny road of prosperity and progress. The schemes of the Tibetan rebels for so-called independence have gone bankrupt. It is utterly futile for the rebels under the direction of their foreign masters to usurp the name of the Dalai Lama in carrying out their activities to disrupt and split the motherland. The imperialists are doing their utmost to use this incident to undermine Sino-Indian relations. This is intolerable. It is worth noting that the reactionaries in India, treading the path of the British imperialists, have always harboured expansionist ambitions towards Tibet and have carried out various forms of sabotage which undoubtedly benefit the imperialists and are unfavourable to the friendship between China and India.

The imperialists and foreign reactionaries disguise themselves as friends of the Tibetan people just as ferocious devils sometimes don the guise of benevolent Bodhisattvas. But the Tibetan people, for long victims of foreign aggression, see clearly; they can clearly distinguish friends from enemies. No matter how skilfully the imperialists and foreign reactionaries may disguise themselves, they can deceive no one.

Ngapo Ngawang - Jigme

Vice-Chairman and Secretary-General of the Preparatory Committee for the Autonomous Region of Tibet

I should now like to speak about the statement issued to the press in the name of the Dalai Lama on April 18 in Tezpur, India.

I am a member of the Tibetan landlord class, and I also held official posts in the former local government of Tibet. I was a *kaloön** of the government for ten years. In 1951, I was the chief plenipotentiary delegate of the local government of Tibet in the negotiations with the Central People's Government. In 1956, when the Preparatory Committee for the Autonomous Region of Tibet was established, I was appointed Secretary-General of that Committee. Therefore, I knew every detail of all the work done in Tibet over the past few years.

Here I should like especially to make a brief review of developments since 1951.

In 1951, the former local government of Tibet headed by the Dalai Lama sent five of us as plenipotentiary delegates to Peking by two routes, one group by way of the Kham area, and the other via India. After the two groups met in Peking, they had detailed discussions on an intimate and friendly basis with the plenipotentiary delegates of the Central Government, which arrived at unanimous opinions satisfactory to both parties. After that they signed the seventeen-article agreement.

Following the conclusion of this agreement, the People's Liberation Army and working personnel arrived in Tibet. With notable results, they conscientiously abided by the seventeen-article agreement and the policy of national equality and unity. Before the peaceful liberation of Tibet, there was quite a feeling of fear among the Tibetan people, owing to wild rumours spread by the imperialists and the Chiang Kai-shek band of brigands. But now Tibetans regard the People's Liberation Army as members of their own family.

* *Kaloön* is the Tibetan name for the members of the *kasha*, the former local government of Tibet. — Ed.

* Pu Yi was the last of the emperors of the Ching dynasty overthrown in 1911. Subsequently he was puppet emperor of "Manchukuo," the Japanese occupation regime in Northeast China. — Ed.

REJOICING IN LHASA

Tibet celebrated the third anniversary of the Preparatory Committee for the Autonomous Region of Tibet on April 22 with special animation. It was the first anniversary since the Committee assumed the functions and powers of local government by order of the State Council on March 28, 1959.

In Lhasa, more than a thousand representatives from all the nationalities there and from every walk of life turned up at the celebration meeting. Living Buddhas in red robes, *kanpos* (high-ranking monks), lamas and people of high society in Lhasa rubbed shoulders with Tibetan functionaries, workers, peasants and representatives of the P.L.A. They were celebrating the entry of the Tibetan people into a new era of national regional autonomy, the beginning of a new free life.

Addressing the meeting, Chang Kuo-hua, Vice-Chairman of the Preparatory Committee, reviewed the work of the Committee in the past three years. Although many decisions were taken in the period under review, he said, little actual progress had been made owing to obstruction by the reactionaries. With the Preparatory Committee now actually taking over the reins of government, a new page is turned in the history of Tibet and there is every likelihood that a full-fledged autonomous region will be set up at an early date, he added.

Living Buddha Pebabla Cholieh-namje, one of the Tibetan Vice-Chairmen of the Committee who could not attend the meeting owing to ill health, sent it a message of greetings. Lamin Yishi Tsuden, Tibetan Deputy Secretary-General of the Committee since its inauguration, described the dissolution of the former local government of Tibet and the assumption of its functions and powers by the Preparatory Committee as "a great event truly deserving celebration." Another prominent Tibetan leader at the meeting was Sampo Tsewong-Rentzen, Deputy Commander of the Tibet Military Area Command and one of the six *kaloons* of the former local government. He has just recovered from the wound inflicted by the rebels. General Tan Kuan-san, Political Commissar of the P.L.A. Tibet Military Area Command, was also among the speakers. He described how, when temple-dancing was being held in the Potala Palace, the Dalai Lama personally told Teng Shao-tung, Deputy Commander of the Military Area Command, that he would like to see a performance at the auditorium of the Military Area Command and later himself fixed March 10 as the date. General Tan Kuan-san assured the gathering that the People's Liberation Army would live up to the expectations of the Tibetan people and thoroughly put down the rebellion.

Meanwhile, the P.L.A. had won a resounding victory in cleaning up the Loka area, a stronghold of the rebel gang of oppressors and traitors who have now been routed everywhere in Tibet. The vast area south of the Tsangpo River and north of the Himalaya Mountains is now under the firm control of the P.L.A. The Loka area, southeast of Lhasa, is that part of China bordering on India and Bhutan. It was in this area that the rebels headed by Amdutsong Gomputashi, Khmatsong and Sandu Tsong were receiving arms from abroad and supplies air-dropped from unidentified foreign planes.

Take construction in Tibet as another example: the Central Government sent men and material to build thousands of kilometres of highways, and thus relieved the Tibetan people of their difficulties in communications. In addition, hospitals were set up to provide free medical services in various big cities and towns and many primary and middle schools were established. In short, the Central Government has done a great deal to help the Tibetan people develop Tibet's economy, culture, etc.

Politically, in accordance with the agreement, the functions and powers of the former local government in Tibet and the position and powers of the Dalai Lama remained unchanged. Officials at all levels remained at their posts as before. The Central Government never used any compulsion with regard to the political powers and work of the former local government of Tibet.

According to the agreement, the local Tibetan troops should have been reorganized into the People's Liberation Army and the extremely backward system in Tibet has to be reformed. However, since the former local government of Tibet and the reactionary clique of the upper social strata objected, the Central Government, proceeding from a policy of magnanimity and cherishing unity, gave them ample time to think things over. In the end, the Tibetan troops were not reorganized and the system was not reformed in the least.

The Central Government proposed national local autonomy for Tibet. The Preparatory Committee for the Autonomous Region of Tibet was set up in April 1956. The Dalai Lama was appointed Chairman to lead the work of the Committee. The Committee was staffed mostly by Tibetans. The funds for the Committee and its subordinate organizations were provided by the Central Government.

The Central Government and the People's Liberation Army have conscientiously respected freedom of religious belief, protected the lamaseries and respected local customs and habits. There was never any damage done to any monastery in the Tibet region. In a word, the Central Government has consistently and earnestly abided by the seventeen-article agreement and the policy of national equality and unity.

As stated above, the Central Government has pursued correct policies towards Tibet in the past few years. Everything that is done aims at helping the Tibetan people to free themselves from backwardness and darkness and

has awakened them more and more with each passing day. But the former local government of Tibet and the reactionary clique of the upper social strata were bent on subjugating the Tibetan people perpetually under the rule of feudal serfdom. They took fright at the gradual awakening of the Tibetan people, and colluded with the imperialists, the Chiang Kai-shek bandit clique and foreign reactionaries.

In May and June last year, the Tibetan reactionaries stepped up their efforts to gather together the rebels who had escaped to Tibet from various places in neighbouring provinces and had carried out armed rebellion along both banks of the Tsangpo River. Even then the Central Government still fully respected the former local government of Tibet and repeatedly ordered it to put down the armed rebellion in the area under its administration. While paying lip-service to the agreement, the former local government clandestinely supported the armed rebels in every way and, as events developed, it concentrated large groups of rebels in Lhasa. Since none

of the measures of the Central Government gave them any pretext, they utilized the Dalai Lama's decision to go to the Tibet Military Area Command to attend a theatrical performance to spread rumours and mislead the public.

The course of events was that the Dalai Lama himself had asked, one month in advance, to go to the Tibet Military Area Command to attend a theatrical performance, and the date of March 10 was also fixed by the Dalai Lama himself. The rebels, however, alleged that the Dalai Lama was invited to go to the Military Area Command to see a performance and that this would be the excuse for carrying him off by force to the interior of the country. On March 10, at the gate of Norbu Lingka where the Dalai Lama lived, the reactionaries killed Kanchung Soanamchiatso, a member of the religious affairs committee of the Preparatory Committee for the Autonomous Region of Tibet and brother of Pebala Hutuketu, a principal leader of the Chamdo area, and wounded Sampo Tsewong Rentzen, Deputy Commander of the Tibetan Military Area Command. They occupied by force the inner and outer walls of the living quarters of the Dalai Lama. Their lawlessness knew no bounds. But the central authorities still maintained a magnanimous attitude and, out of a desire for unity, asked the former local government of Tibet to correct its mistakes and take measures to put down the rebellion.

To help the Dalai Lama, General Tan Kuan-san, acting representative of the Central People's Government in Tibet, successively wrote three letters to the Dalai Lama, two of which were carried by me personally to the Dalai Lama. In reply, the Dalai Lama also sent, through me, three letters in his own handwriting to General Tan Kuan-san, in which he described in detail the coercion the rebels were subjecting him to. And then on the night of March 17, the Dalai Lama was abducted by the rebels. Later, starting at 3:40 a.m. on March 20, the rebels launched armed attacks against the People's Liberation Army units in Lhasa and the offices of the Central Government agencies in Tibet. In order to safeguard the unification of the motherland and the security of the Tibetan people, the People's Liberation Army could not but counter-attack at ten o'clock (Peking time) on the morning of March 20. With the all-out support of the broad mass of the people in Tibet, the rebellion in the Lhasa area was put down in a very short time. Up to that hour, the People's Liberation Army had not fired a single shot. All the people in the city of Lhasa, both lamas and laymen, can testify to this.

Since the Dalai Lama assumed office, I have worked with him in an association as close as shadow to body. I am therefore able to comprehend the thoughts and wishes of the Dalai Lama. In the past eight years, neither from his public statements, nor from his talks with us Tibetan officials in private, did we ever hear anything about "the independence of Tibet" or the sundering of the unity of the motherland. What we heard was that he not only cared deeply for the happiness of the Tibetan people, but also for the consolidation of the unification of the motherland. Therefore we can categorically affirm that the statement issued in India in the name of the Dalai Lama definitely does not come from the thought or wish of the Dalai Lama himself. It is absolutely clear that this statement was not written in the style of the Dalai Lama himself, nor indeed does it sound like writing by Tibetans

in the Tibetan language. It does sound very much like a piece written by foreigners and imposed on the Dalai Lama.

The Venerable Shirob Jaltso

President of the Chinese Buddhist Association

On April 18, a statement was alleged to have been issued by the Dalai Lama who had been abducted to India by the Tibetan reactionary clique, in which there is much talk about Tibetan "independence." This utterly absurd statement is totally different from all that the Dalai Lama said at home and abroad in the past eight years. It plays the same old tune of Tibetan "independence" that the imperialists and foreign reactionaries have been harping on recently.

Everybody knows that the British imperialists used India as a base to invade China's Tibet when they occupied India. However, after the British imperialists were compelled to quit India, some Indian expansionists not only forgot the disaster of the dark occupation period, but, on the contrary, followed the footsteps of the aggressors and attempted to succeed to the privileges the British imperialists once had in Tibet. They have forgotten the pain after the wound is healed.

Tibet is an inalienable part of China's territory. If, as they say, Tibet should be "independent" because the Tibetans are different from the Hans, cannot it be inferred that four independent states should be established in India because there exist four different castes? The expansionists' outrageous actions seriously violate the five principles of peaceful coexistence jointly observed by China and India. It is certain that if they do not change their course, not only will their expansionist dream never come true, but they will bring the wolves into their own house. We cherish Sino-Indian friendship, but we are firmly opposed to the flagrant interference in China's internal affairs by the expansionists of a foreign country.

The policy of freedom of religious belief is the unalterable policy of the Chinese Communist Party towards religion. Since liberation, the Communist Party and the People's Government have adopted measures to protect all religions in the country. Politically, the Dalai Lama and Panchen Erdeni have taken their place of leadership in the supreme organ of state power. I myself and many other people in Buddhist circles have also taken part in guiding the work of state administrative organs at various levels. There has not been the slightest discrimination against the political rights of religious believers. The Chinese Buddhist Association, a national organization of Buddhists, has been set up with branches in Tibet, Inner Mongolia and other places. Legitimate Buddhist activities enjoy complete freedom. The Dalai Lama, Panchen Erdeni, I myself and many other Buddhists have participated in quite a number of international Buddhist gatherings. The religious life of Buddhists is respected by the people and their material life is looked after by the government.

With the financial help of the government, many famous Buddhist shrines and temples have been repaired and now look like new. These include the Wutaishan Shrine which was destroyed by the Japanese and the traitor troops during the War of Resistance to Japanese Aggression; Gumbum (Taerh) Monastery which is the

birthplace of Tson-kha-pa, founder of the Yellow Sect of Buddhism; the Chiatsum Monastery in Huangchung County, Chinghai Province, the birthplace of the Dalai Lama; the Jungcho Temple in Peking and the Lingyin Monastery in Hangchow. The government has also allocated large sums of money to build the *sarira-stupa* (the holy tooth reliquary), in the beautiful Western Hills on the outskirts of Peking. Many Buddhist cultural and ancient relics, such as the murals in Tunhuang and Pingling, the stone carvings in Yunkang and Lungmen, the stone scriptures in Fangshan, and the editions of the scriptures in Ginling, have been preserved and put in good order with the help of the government.

Or take the Tibet area as an example. The Central Government has not changed the original status and authority of the Dalai Lama or the income of the lamaseries. Ecclesiastical officials at all levels have carried on their duties as usual. The People's Liberation Army units stationed in Tibet and the cadres who have gone to work there have consistently respected the religious beliefs of the local people. When Vice-Premier Chen Yi went to Lhasa to greet the establishment of the Preparatory Committee for the Autonomous Region of Tibet, he provided meals for more than two hundred thousand lamas throughout Tibet, presented gifts and made contributions to various monasteries. All these are expressions of the great national policy of the Communist Party and Chairman Mao Tse-tung, respected and loved by Buddhists, and acts of boundless bountifulness.

Let us look at the traitorous group who have advertised that they protect Buddhism. They have abducted the Dalai Lama, smeared the reputation of that Buddhist leader, threatened and hoodwinked Buddhist believers into killing to preserve the prerogatives of traitors, burned and destroyed Buddhist scriptures, statues, dagobas and monasteries, carried away Buddhist cultural relics and treasures, murdered lamas and committed all kinds of heinous crimes. All this not only violates the law of the state but religious precepts as well. They are really beasts of prey who have donned Buddhist garb.

On the other hand, our People's Liberation Army, even in the battles to put down the rebellion, still persisted in respecting religious beliefs and protecting monasteries and cultural relics. For instance, treasuring the place where the Dalai Lama lived as well as the architectural treasures of Tibet, they took care to preserve intact the building of the Potala Palace which was turned into the headquarters of the rebellion.

The imperialists and their apologists are using the present rebellion to create disturbances. Putting up a great show of sorrow, as if their very parents had died, they are weeping bitter tears over Buddhism "destroyed" in Tibet. To hoodwink religious circles, they sometimes act as if their hearts were breaking. However, feigned tears can by no means deceive Chinese Buddhists into suspecting the Chinese Communist Party which has always protected religion and thoroughly implemented its policy of freedom of religious belief.

Li Chi-shen

*Chairman of the Revolutionary Committee of
the Kuomintang*

That the imperialists, who are hostile to China, have recently been taking advantage of the rebellion in Tibet

to raise a hue and cry can cause no surprise. But it is regrettable that in India, our great neighbour, there are clamours for interference in China's internal affairs. Certain political figures in that country even display great "enthusiasm" for the rebellion engineered by a handful of reactionaries of the Tibetan upper social strata. While they declared that "India stood by her acceptance of China's suzerainty over Tibet," they described this rebellion as an "expression of Tibetan patriotic sentiments," expressed "sympathy" for the rebels and "distress" at our suppression of the rebellion in Tibet.

How can the action of the reactionary clique of Tibet in betraying their motherland be described as an "expression of patriotic sentiments"? Can it be that the persons expressing such views regard opposition to the Central People's Government of China and secession from China as patriotism? If that is the case, then for whom do they cherish patriotism, China, or India? If there is no connection between the rebels and the Indian expansionist elements, then why are certain Indian political figures so sympathetic with the Tibetan reactionary clique in their criminal betrayal of the motherland? Why has it been possible for Kalimpong to be used as the centre of activities by these rebels for such a long time? Why is it that the so-called "statement of the Dalai Lama" came to be distributed by an official of the Indian Ministry of External Affairs?

The world now knows that with this so-called statement the banner for "independence" for Tibet had openly been raised. This shows that it wasn't autonomy that the Tibetan rebels were after. What is more important, it shows that the Indian expansionists have actually become swollen-headed. They regarded China's attitude of setting great store by Sino-Indian friendship, and of exercising great restraint, as a sign of weakness that could be taken advantage of. These expansionists are indeed nursing no small ambitions; they have gone so far, indeed, as to want to turn Tibet into their colony or protectorate. But any outside support to the armed rebels of Tibet constitutes interference in China's internal affairs and violation of China's sovereignty. This will not be tolerated by China's more than 600 million people. We greatly value the friendship between China and India, and we will continue to consolidate and develop this friendship. But we will never allow it to be misused by the Indian expansionists for interfering in our internal affairs. It would be wise for them to come to their senses. The time has long since passed when the Chinese people could be pushed around by others. Those who want to inherit from the British imperialists the legacy of making inroads into Tibet had better wake up—it will get them nowhere.

Shen Chun-ju

Chairman of the China Democratic League

The gang of rebels dared to launch the armed rebellion in Tibet because they knew they could count on the support of the imperialists, the Chiang Kai-shek clique and the expansionist elements in India. It was in the nature of things for the imperialists and the Chiang Kai-shek clique to try to undermine China's unity, but we never thought that there would be people in India, our great neighbouring country, who would support a hand-

ful of Tibetan traitors in their criminal attempts to sever Tibet from China.

India is a great country with a long tradition of friendship with China. A new stage of development in Sino-Indian friendly relations followed the founding of New China. Our two countries have maintained friendly co-operation in international affairs, especially in their strivings for peaceful coexistence among the nations and the preservation of world peace. The five principles of peaceful coexistence initiated by our two countries have in recent years been recognized by an increasing number of countries as a yardstick for settling international matters. But after the outbreak of the rebellion in Tibet many slanders similar to those made by the imperialists against China and expressions of "sympathy" and "encouragement" for the Tibetan clique of rebels appeared in the Indian press and in the views and statements of certain political figures in India. And recently officials of the Indian Government even took to distributing a so-called "statement of the Dalai Lama."

Can this be in the interests of friendly relations between China and India? Can this square with the five principles sponsored by the Indian Government? Do friends behave like this? It is unpleasant to mention these things. But how can it be pleasant when we are faced with acts of interference in our internal affairs by foreign countries? The actions of certain Indian politicians are tarnishing the good name which India has won for herself in international affairs in the past few years. If this state of affairs is allowed to go on, it would be difficult for people to make a distinction between them and the British imperialists of bygone years who committed aggression against Tibet. As a friend of India, I think I should give this word of frank advice at this crucial moment.

Huang Yen-peï

Chairman of the China Democratic National Construction Association

What surprised me most was that an official of the Indian Ministry of External Affairs distributed what was purported to be a statement of the Dalai Lama in Tezpur on April 18. This "statement of the Dalai Lama" is extremely absurd. Is it possible that Indian official quarters had no fore-knowledge of this political document which openly attacks the Chinese Government?

For a long time the Tibetan reactionaries used Kalimpong in India as a centre to plot against the motherland from abroad. After the outbreak of the rebellion in Tibet, the rebels fled to India where they were lionized and given a warm welcome. There they initiated a noisy campaign for "independence," and now this absurd document has been issued through Indian official channels. Can anyone find anything in all these happenings that is in accord with the five principles of peaceful coexistence? Didn't Prime Minister Nehru declare that nothing that would embarrass India's relations with China would be permitted? And didn't he say too that no political activities against another country would be permitted in India? How can a country friendly to China permit such political activities against China?

I would like to point out to the Indian circles: Suppose you were in our place, suppose a country bordering on India allowed its territory to be used as a centre of

activities against India to sever one of India's provinces or states. Would the people and government of India tolerate this? This serious question affects the five principles of peaceful coexistence and relations between China and India. If it is allowed to go on in the wrong direction, the only result can be that it will harm the interests of India, which is known for its advocacy of peaceful coexistence, and give comfort to the colonialists.

ULANFU

Alternate Member of the Political Bureau of the Chinese Communist Party's Central Committee, Vice-Premier of the State Council and Chairman of the Inner Mongolian Autonomous Region

The Tibetan reactionaries resorted to another trick — "the Tibetans are different from the Han people" — but their reasoning doesn't have a leg to stand on. True, Tibetans differ from the Han people, but differences in nationality are no grounds for severing Tibet from China. There are many multi-national countries in the world today. India, for example, is one. But we have not heard of Indian politicians advocating the creation of separate independent states just because there are many different nationalities in India. It is obvious that nationality differences cannot be used as a pretext for splitting the mother country. . . .

The suppression of the rebellion in Tibet is entirely the internal affair of China. We will not allow any foreign country to interfere. It is interesting to note that since the outbreak of the rebellion in Tibet a certain section of official quarters in India and some politicians have shown undue "enthusiasm" and "sympathy" for the handful of Tibetan traitors who engineered the rebellion, as though the rebels were their own flesh and blood. They openly called for interference in China's internal affairs with such utterances as "there is no historical foundation for China to exercise sovereignty in Tibet," that the relations between India and Tibet were like those between mother and son, and so on and so forth. They practically regard China's Tibet as a part of India.

In the meantime, the imperialists have opened up their propaganda barrage in a frantic attempt to sow dissension between China and India. In these circumstances, all those who cherish friendship between China and India and the five principles of peaceful coexistence must sharpen their vigilance against the attempts of the imperialists and the Indian expansionists to undermine Sino-Indian friendship. All the nationalities of China have always valued their friendship with the Indian people. But the British imperialists and the Indian expansionists have interpreted these expressions of friendship as a sign of weakness. Recently they have interfered in our affairs more and more, trying to sever Tibet from China through the reactionary elements of the Tibetan upper strata and turn Tibet into their colony or protectorate. We want to warn the Indian expansionist elements who have inherited the infamous cloak of the British imperialists as far as Tibet is concerned. It is best for them to come to their senses. The days when the Chinese people could be pushed around are gone for ever. No outside force can take Tibet away from China, save the Tibetan reactionaries from their doom, or prevent the Tibetan people from taking the road of democracy and socialism.

On Prime Minister Nehru's Statements

by "RENMIN RIBAO" COMMENTATOR

The following commentary appeared in "Renmin Ribao" (People's Daily) on April 27, 1959. Subheads are ours. — Ed.

INDIAN Prime Minister Nehru, before and after meeting the Dalai Lama on April 24, made a series of statements. The remarks he made after meeting the Dalai Lama confirmed the authenticity of the letters written by the Dalai Lama concerning his being held under duress by Tibetan reactionary elements. This, of course, will help clear up the many incorrect views on this question which Indian press and political circles have expressed. In addition to this, Prime Minister Nehru also reiterated his desire to adhere to the five principles of peaceful co-existence, and has repeatedly expressed the hope that those in India who have talked a lot about the Tibet question "should exercise wisdom and restraint and feel a sense of responsibility in saying anything on this matter." We welcome these remarks of Prime Minister Nehru, which are beneficial to Sino-Indian friendship.

The Three Letters

The three letters written by the Dalai Lama to General Tan Kuan-san are an important key to a clear understanding of the nature of the rebellion in Tibet and the plight of the Dalai Lama after March 10. In these three letters, what the Dalai Lama stated was not just what Prime Minister Nehru called a "desire to avoid conflict with the Chinese." The Dalai Lama clearly pointed out again and again that he was being "obstructed" and "endangered"; that his "life would be in danger"; that those who were obstructing and endangering him under the pretext of "protecting" him were "evil elements," "reactionary evil elements"; that they were an "unlawful" "reactionary clique," "arrogant" "reactionaries" who had "seriously estranged relations between the Central People's Government and the local government" and who "opposed the revolution." And the Dalai Lama said that because he was abducted by these reactionary elements, he felt "endless worry and sorrow"; he felt an "indescribable shame" about it and was "greatly upset and worried and at a loss what to do."

Does not this fully prove that the Dalai Lama was actually abducted? Although the Dalai Lama tried, as he stated, to take "measures to calm . . . down" the unlawful activities, "ordered the immediate dissolution of the illegal people's conference and the immediate withdrawal of the reactionaries who arrogantly moved into the Norbu Lingka under the pretext of protecting (him)," and gave instructions "to more than seventy representatives of the government officials," yet it is quite clear that his government officials, who had already turned traitor, did not obey his orders at all. According to the proof offered by *kongchung** Thubten Tenba who took part in a meeting

called by the Dalai Lama on March 14, the Dalai Lama clearly stated at this meeting, which was called to give instructions to government officials, "some people may think that I had better go to India; this could only be for personal comfort. I have been in Yatung before. I went to India the year before last. I could not possibly live there. All I wish is to live in my own land and enjoy the effect of the cause." As indicated in his third letter to General Tan Kuan-san, dated March 16, the Dalai Lama at that time was still planning to "make my way in secret to the Military Area Command" in a few days, and he was asking the Military Area Command to "adopt reliable measures." And according to Prime Minister Nehru, up to four o'clock in the afternoon of March 17, the Dalai Lama had still not considered leaving Lhasa or going into exile in India.

All of a sudden, Prime Minister Nehru continued, "according to the statement, (the Press Trust of India affixed a note saying this means the statement of the Dalai Lama issued in Tezpur,) 'those shells or something fell over his palace' — whatever the reason was — that somehow had a powerful effect on their minds. Now everything had broken down, 'and let us go' and then they left within six hours." Please note, according to the Tezpur statement of April 18, "two or three mortar shells were fired" and "fortunately the shells fell in a nearby pond." But six days later, "or something" was added after "shells," the "pond" became a "palace" and the words "whatever the reason" were added! Two, or two or three, unknown somethings for some unknown reason fell over the palace or into a nearby pond, and this suddenly brought the abducted Dalai Lama freedom and power to leave Lhasa "of his own free will" together with the reactionaries, who were an abomination to him, to go to some place he had not prepared to go to.

Abduction of the Dalai Lama

Can all this convince anyone who has an objective attitude and a cool mind? Does not this clearly prove that the rebels, who had abducted the Dalai Lama, wilfully concocted a rumour to intimidate him, and thus abruptly abducted him from Lhasa to India? (This is presented in the Tezpur statement as "the advisers became alive to the danger to the person of the Dalai Lama, and . . . it became imperative . . . to leave Lhasa.") As was well said by the Indian paper, the Bengali language daily *Jugantar*, in a commentary on April 20, "if there is even some truth" in the Dalai Lama's three letters to General Tan Kuan-san, "then what will be the value of the present statement of the Dalai Lama [meaning the Tezpur statement]?" We earnestly hope that all our Indian friends, including our respected Prime Minister Nehru, can eventually arrive at the same conclusion we have arrived at: that is, since the Dalai Lama has personally confirmed

* Name for an ecclesiastical official of the fourth rank. — Ed.

the three messages he wrote to General Tan Kuan-san, then he was certainly abducted, and the Tezpur statement was still a product of his abduction; it in no way represents the will of the Dalai Lama, or tells the truth about the rebellion in Tibet.

Prime Minister Nehru on April 24 told Congress Party members that the Tibet incident had created difficult problems for India, and that the Indian Government was facing a difficult situation which had already caused confusion. This feeling of Prime Minister Nehru is understandable. The Indian Prime Minister said that it was not a very responsible thing for people to give an opinion on complicated matters when the full facts were not known. We believe that the Indian Government's headache on this score, to a considerable extent, has been caused or aggravated by people doing things in this way.

The Indian Government has repeatedly stated that Tibet is part of China's territory and that India has absolutely no territorial or political designs on Tibet. But the enthusiasm of certain Indian political figures for poking their noses into China's internal affairs in Tibet goes far beyond the tolerance of a patient, friendly neighbour.

China Means What She Says

The Chinese People's Republic is a serious-minded country. She means what she says. China was determined to liberate Tibet, and sure enough, the Chinese People's Liberation Army entered Tibet. The seventeen-article agreement on measures for the peaceful liberation of Tibet, signed between the Central People's Government and the local government of Tibet, stipulated that national regional autonomy would be carried out in Tibet. And sure enough, the Central People's Government strictly implemented this agreement and made active preparations for local autonomy in Tibet. This autonomy would have been realized long ago—just as in Inner Mongolia, Sinkiang, Kwangsi and Ninghsia—but for the all-out obstruction by the former local government of Tibet. China and India signed the Agreement on Trade and Intercourse Between India and the Tibet Region of China, which first laid down the five principles of peaceful coexistence. The Chinese Government has, sure enough, scrupulously observed this agreement and strictly carried out the five principles; it does not interfere in India's internal affairs, and rejects interference in China's internal affairs by any foreign country. Our Indian friends are well aware of this attitude on the part of China and have no reason to complain about it. This being the case, why have certain Indian political figures insisted on suspecting the formal proclamations of the Chinese Government on the Tibet question, and persisted in their propaganda of distrust towards China and their meddling in China's internal affairs, thus bringing vexations upon themselves?

Prime Minister Nehru said: We cannot shut our eyes to what is said about us. This probably refers to the Chinese people's recent rebuff to the Indian expansionist elements' interference in China's internal affairs. Friendly relations between China and India, which have a long history, were damaged in the past few weeks. This is regrettable. But this is not China's fault.

Everyone knows that China has not interfered in India's internal affairs and that Tibet is not India's territory. Ever since February this year, before the rebellion in Tibet, some newspapers in India were running stories predicting a rebellion in Tibet. And immediately after the outbreak of rebellion in Tibet, many Indian newspapers, as if celebrating some festive occasion, printed a heavy flow of reports and articles unfriendly to China. A survey of 29 Indian newspapers and periodicals from February 24 to April 7 (excluding the last 20 days when a higher pitch was reached) reveals that some 310,000 words of news and commentaries were issued on the rebellion in Tibet. Everyone knows that the reaction in China for a long time was extraordinarily restrained. Even after certain people slandered the Chinese Government in the Indian parliament and anti-Chinese demonstrations were staged in front of the Chinese Embassy and consulates in India, Premier Chou En-lai in his report to the National People's Congress still expressed the hope that the friendly relations between China and India would continue to develop and did not condemn these extremely unfriendly utterances and deeds. Nevertheless the Indian expansionist elements did not behave themselves. Taking advantage of the so-called statement of the Dalai Lama, they launched wanton attacks on China, openly demanding "Tibetan independence" and a round-table conference between New Delhi, Peking and Lhasa. They published cartoons in the newspapers and even organized demonstrations insulting the head of the Chinese state. If this can be tolerated, then what can't be?! Only then did the Chinese people express their irrepressible indignation. Nevertheless, the Chinese people, who treasure Sino-Indian friendship, have never acted like some Indians who are bent on sabotaging friendship between the two countries. On the contrary, our struggle is limited to opposing the Indian interventionists and expansionists; a rebuff to these elements is necessary. Since the Indian expansionists have poisoned friendly relations between China and India, we cannot but carry out the necessary work of disinfection. Otherwise, Sino-Indian friendship cannot be consolidated.

Solution of the Problem

Prime Minister Nehru has expressed concern over the future of the Dalai Lama. We, of course, are even more concerned over the future of the Dalai Lama. In our opinion, this problem should be easy to solve now that the authenticity of the Dalai Lama's letters to General Tan Kuan-san has been confirmed. The Dalai Lama was unwilling to go to India in the first place. Even if one believes what his advisers said, it was only because two unknown "somethings," for some unknown reason, fell over his palace or in a nearby pond, that he was compelled to leave Lhasa without knowing exactly why. If one really sympathizes with the Dalai Lama and does not sympathize with the iniquitous rebel bandits who abducted him, then one has the moral responsibility to help him realize the wishes he expressed in his letters to General Tan Kuan-san. We believe that the Dalai Lama will eventually return to the beloved motherland, unless those who have abducted him are determined to make the Dalai Lama withdraw once and for all from the political life of Tibet and the Indian side also approves of their decision.

Report on the Draft National Economic Plan for 1959

LI FU-CHUN

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

The following report was submitted by Vice-Premier Li Fu-chun on April 21, 1959, to the First Session of the Second National People's Congress.—Ed.

Fellow Deputies:

On behalf of the State Council I now submit a report on the draft national economic plan for 1959 to the Congress for consideration.

In 1958, as a result of a year of effort made on the basis of the successful fulfilment of the First Five-Year Plan, the people of all the nationalities in our country, under the leadership of the Chinese Communist Party and Chairman Mao Tse-tung and under the guidance of the general line for socialist construction, achieved an unprecedentedly great victory on all fronts of the national economy. As you have seen from the communique on the development of the national economy in 1958,* industrial and agricultural production, capital construction, transport, commerce, culture and education, scientific research and public health work all advanced by leaps and bounds in that year. With the big leap forward in agriculture and the rapid advance in the socialist consciousness of the peasant masses, people's communes were set up in the rural areas throughout the country. Thus, a nationwide, all-round big leap forward took place in our country.

The significance and reasons for the big leap forward in 1958 have been fully dealt with in Premier Chou En-lai's report** and I shall not repeat them here.

In the light of developments in 1958, the Central Committee of the Chinese Communist Party, at its Sixth Plenary Session convened in November of that year, summed up the experience gained in the big leap forward of the national economy, discussed our major tasks and policies for developing the national economy in 1959 and put forward four targets: 18 million tons of steel, 380 million tons of coal, 1,050,000 million *jin* of grain and 100 million *dan* of cotton. This was our main basis in drawing up the draft plan for 1959. This draft plan was discussed and approved by the Seventh Plenary Session of the Eighth Central Committee of the Chinese Communist Party and by the plenary session of the State

Council, in the early and middle parts of this month. Its main points are as follows:

The total value of industrial and agricultural output is planned at 287,000 million yuan, an increase of 82,000 million yuan, or 40 per cent, over the 205,000 million yuan of 1958.

Industry and handicrafts will make up 165,000 million yuan of the total value of industrial and agricultural output, an increase of 41 per cent over the 117,000 million yuan of 1958; agriculture will amount to 122,000 million yuan, an increase of 39 per cent over the 88,000 million yuan of 1958. The rate of growth of industry and agriculture fixed in the plan spells out the policy of the simultaneous development of industry and agriculture laid down by the Communist Party.

Industrial Production: In the plan of industrial production for 1959, top consideration is given to the development of industries providing raw and other materials, fuels and power. The reason for this is that more machines can be made only when there are more raw and other materials, particularly iron and steel, and all industrial departments and all branches of the national economy can develop at a faster pace only when there are more raw and other materials, fuels, power and machines. In line with the targets of 18 million tons of steel and 380 million tons of coal, the plan stipulates that pig iron will increase from 13,690,000 tons in 1958 to 23 million tons, electricity from 27,500 million kilowatt-hours to 40,000 million kilowatt-hours, cement from 9,300,000 tons to 12,500,000 tons. There will also be a considerable growth in the output of other important raw and other materials and fuels, such as crude oil, timber, sulphuric acid, caustic soda and soda ash. The increase in the output of all the above products in 1959 will be higher than the increase in 1958. For instance, compared with 1957, pig iron in 1958 increased by 7,750,000 tons, electricity by 8,200 million kilowatt-hours and cement by 2,440,000 tons; while compared with 1958, pig iron in 1959 will increase by 9,310,000 tons, electricity by 12,500 million kilowatt-hours and cement by 3,200,000 tons. It should be mentioned that the planned output of pig iron and steel this year includes a small portion of iron and steel produced by indigenous methods.

The production plan of the engineering industry for 1959 was worked out in accordance with the policy of meeting, first of all, the demand for rapid development

* See *Peking Review*, No. 16, April 21, 1959.—Ed.

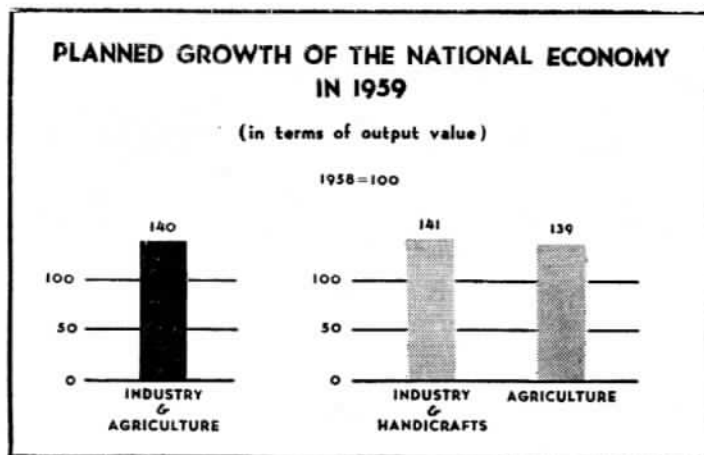
** Full text in *Peking Review*, No. 16, April 21, 1959.—Ed.

of the industries providing raw and other materials, fuels and power, meeting demands for the development of transport and agriculture and giving adequate consideration to the demands of light industrial expansion. The output of mining, coal-washing, coke-making, steel-rolling and power-generating equipment will be doubled or more than doubled in 1959. For instance, the output of power-generating equipment will be increased from 800,000 kilowatts in 1958 to a capacity of 2,800,000 to 3,000,000 kilowatts, an increase of 250 to 275 per cent; the output of equipment to produce cement and chemical products and oil-refining equipment will also increase considerably. To meet the demands of expanding transport, the plan stipulates that the output of locomotives will increase from 350 in 1958 to 555, freight wagons from 11,000 to a figure between 27,000 and 28,500, while the output of motor vehicles and merchant vessels will also show fairly large increases. To support agricultural development, the plan provides that in addition to raising the output of chemical fertilizers from 811,000 tons in 1958 to the amount of 1,300,000 to 1,500,000 tons, the engineering industry will turn out irrigation and drainage machines with a total of 2 million horsepower, 3,000 tractors, 1,100 grain combine-harvesters and 3,000 power-operated shellers. To meet the demands of the growth of light industry, it is planned to produce cotton-spinning machines with 2,500,000 spindles, and the necessary paper-making and sugar-refining equipment in 1959. It is planned to produce 70,000 to 75,000 metal-cutting machine tools (excluding simple machine tools) which are required by the engineering industry itself, 40 to 50 per cent more than the 50,000 produced in 1958.

Because of the big leap forward in agriculture and heavy industry, it is possible and necessary to develop light industry at a faster pace in 1959. The plan stipulates that cotton yarn will increase from 6,100,000 bales in 1958 to 8,500,000 bales, cotton cloth from 5,700 million metres to 7,200 million metres, paper from 1,630,000 tons to 2,200,000 tons, edible vegetable oils from 1,250,000 tons to 1,800,000 tons, sugar from 900,000 tons to 1,500,000 tons, and salt from 10,400,000 tons to 13 million tons. The output of all these products will be from 25 to 67 per cent more than that in 1958.

In accordance with the above-mentioned arrangements, the output value of industry producing means of production in 1959 will amount to 98,000 million yuan, 46 per cent more than the 67,000 million yuan in 1958; the output value of industry producing consumer goods will amount to 67,000 million yuan, 34 per cent more than the 50,000 million yuan in 1958. It can be seen that the 1959 plan for industrial production implements the policy of the simultaneous development of heavy and light industries, the policy of giving priority to heavy industry, primarily industry producing raw and other materials, and the policy of making an all-round leap forward with steel as the key link.

Agricultural Production: The task for agricultural development in 1959 is to strive by every possible means to raise grain output to 1,050,000 million *jin* and cotton output to 100 million *dan* in order to fulfil ahead of schedule the requirements for increased grain and cotton output laid down in the National Programme for Agricultural Development, and to bring about a general development



of all kinds of industrial crops and forestry, animal husbandry, rural side lines and fishery.

In accordance with the possibilities of increasing production and the needs of light industrial development, the 1959 plan provides that the output of jute and ambary hemp should rise from 6.5 million *dan* in 1958 to 10 million *dan*, an increase of 54 per cent; sugar cane, from 270.5 million *dan* in 1958 to 400 million *dan*, an increase of 48 per cent; sugar beet, from 58 million *dan* in 1958 to 110 million *dan*, an increase of 90 per cent; soya bean, from 25,000 million *jin* in 1958 to 30,000 million *jin*, an increase of 20 per cent; ground-nuts, from 80 million *dan* in 1958 to 120 million *dan*, an increase of 50 per cent; and rapeseed, from 22 million *dan* in 1958 to 32 million *dan*, an increase of 45 per cent.

The key to increasing the output of grain, cotton and other farm crops is to raise the per *mu* yield, while at the same time maintaining a definite amount of the sown area and extending the cultivated area of state farms and state livestock farms in a planned way. In 1959, the planned sown area throughout the country totals 2,100 million *mu*, of which the sown area of grain comes to 1,600 million *mu* and of cotton to 100 million *mu*. The plan also provides for an additional 100 million *mu* of land to be brought under irrigation.

To increase the animal traction power in agriculture, the plan stipulates that the total number of big livestock should increase to 90 million head, or 6 per cent more than in 1958 when it was 85.06 million head. To increase the supply of non-staple foods and to raise the amount of manure, the plan provides that the number of pigs should increase from 180 million head in 1958 to 280 million head, an increase of 56 per cent, while the number of sheep should rise from 108.86 million head in 1958 to 120 million head, an increase of 10 per cent. In addition, efforts should be made to extend the area sown to vegetables, to develop fishery energetically and to set up and extend bases for the production of non-staple foods near cities and industrial and mining districts.

Diversified rural economy should be practised and the commodity production of the people's communes should be developed on the basis of energetically increasing the output of grain and cotton.

Capital Construction: In 1959, the total state investment in capital construction is set at 27,000 million yuan, an increase of 26 per cent over the 1958 figure of 21,400

million yuan. Of this total investment, 17,740 million yuan will go to the industrial departments; 1,920 million yuan to agricultural, forestry and water conservancy departments; 5,550 million yuan to transport and postal and telecommunications departments; 300 million yuan to commercial and grain and material stockpiling departments; 650 million yuan to cultural, educational and health departments; 480 million yuan to municipal construction; and 360 million yuan for other purposes. The greater portion of capital construction investment in 1959 will go to the industrial and transport departments. This is because, on the one hand, we must meet the demands of the key construction projects; on the other, the people's communes will make relatively larger investments in agricultural capital construction while the state will allocate 1,000 million yuan from its budget expenditure to help them develop their production, and the best part of this will also go to capital construction in agriculture. Allocations for the metallurgical, power, coal, petroleum, chemical, timber and building materials industries will account for 12,490 million yuan, or 70 per cent of the total investments in industry. This is aimed at raising, to a relatively larger extent, the capacity of industries providing raw and other materials, fuels and power in the near future.

In 1959, 15,470 million yuan of all capital construction investments will be allocated to enterprises and units directly under the departments of the Central Government and 11,530 million yuan to enterprises and units under the local governments. The funds allocated to the local governments this year for capital construction account for 42.7 per cent of the total capital investments, representing a remarkable increase over preceding years.

A total of 1,092 above-norm* projects will be under construction in 1959. They include 693 heavy industrial projects, 161 light industrial projects, 28 water conservancy projects, 186 transport and postal and telecommunications projects, 9 projects for the commercial organizations and 15 cultural and educational projects. According to plan, 670 of the above-mentioned industrial construction projects will be fully or partially completed and put into operation this year.

In 1959, it is planned to build 5,500 kilometres of railways, including new trunk and branch lines, special lines for various enterprises and double-tracking. As the increases in freight tonnage in 1959 will be handled mainly by existing railways, the first task in this year's railway construction is to improve the existing lines.

Transport: To ensure the continued leap forward in industrial and agricultural production and capital construction, railway freight tonnage in 1959 is set at 520 million tons, an increase of 36 per cent over the 1958 figure of 380 million tons. The freight tonnage handled by enterprises directly under the Ministry of Communications is set at 35 million tons, an increase of 25 per cent over the 1958 figure of 28 million tons. In addition, various localities have worked out their respective targets for the development of highway and water transport.

* The norm of investment in capital construction for heavy industry ranges from 5 to 10 million yuan and that for light industry, from 3 to 5 million yuan. — Ed.

Commerce: The total retail sales of commodities in 1959 are set at 65,000 million yuan, an increase of 19 per cent over last year's 54,800 million yuan. Grain, meat, edible vegetable oils, aquatic products, salt, cotton piece goods, knit-wear, woollen fabrics, cigarettes and other consumer goods to be supplied to the people through trading channels will all show increases over 1958.

Culture and Education: For 1959 the plan stipulates that 250,000 new students will be enrolled in higher educational institutions, bringing the total enrolment to 830,000, an increase of 25.8 per cent over last year; 700,000 new students will be enrolled in secondary specialized schools, bringing the total enrolment to 1.82 million, an increase of 23.8 per cent over last year and 650,000 new students will be enrolled in senior middle schools, bringing the total enrolment to 1.52 million, an increase of 28.8 per cent over last year. The different localities will, in accordance with local conditions, work out appropriate targets for the year for junior middle school education, primary school education, spare-time education and for the work to wipe out illiteracy. In 1959, along with the growth of production, there will be further development of our culture, scientific research, public health, physical culture and sports.

The 1959 national economic plan, as can be seen from the above, is a plan for a continued big leap forward.

It is necessary to fulfil this plan for a continued big leap forward. In 1958 we achieved a great leap forward in industry and agriculture, with the output of steel, coal, grain and cotton more than doubling the amounts in 1957. But for a big country like ours with a population of more than 600 million, our present level of economic development is still quite low. Calculating the 1958 output on a per capita basis, there is for each person only upwards of 30 *jin* of steel, nearly 900 *jin* of coal, more than 1,200 *jin* of grain and 11 *jin* of cotton. Obviously, there is still a long way to go to satisfy the needs of national construction and of the people's livelihood. That is the basic reason why there is still a tightness in the supply of these products and a large number of others, even though their output has risen substantially. Precisely because of this, as stated in the Resolution on Some Questions Concerning the People's Communes* adopted by the Central Committee of the Chinese Communist Party, we must battle hard for three years and work energetically for another number of years to bring about a great change in the economic face of our country.

It is also possible to fulfil this plan for a continued big leap forward, through the energetic efforts of the people throughout the country.

In the first place, the great leap forward of industrial production in 1958 provided favourable material and technical conditions for the continued leap in 1959. The output of capital goods industries in 1958 increased by 103 per cent over 1957; the output of such important capital goods as steel, pig iron, coal, power-generating equipment, locomotives, motor vehicles, engines and grain combine-harvesters more than doubled as compared with 1957. In 1958, about 700 above-norm industrial and mining projects

* Full text published in *Peking Review*, No. 43, December 23, 1958. — Ed.

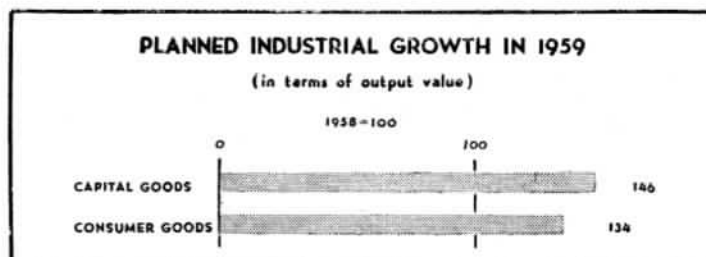
were fully or partially built and put into operation. In addition, a large number of below-norm industrial and mining projects were built and put into operation. In 1958 we succeeded in trial-producing a big blast furnace of 1,513 cubic metres in volume, a medium plate-rolling mill producing plates as wide as 2,300 millimetres, 25,000 kilowatt thermal power-generating equipment and a 2,500-ton hydraulic forge press, none of which we could produce before. In 1958 agricultural capital construction, the irrigated area increased by 480 million *mu*. In railway transport, 3,564 kilometres of railway were built; railway freight tonnage rose from more than 270 million tons in 1957 to 380 million tons in 1958. All these big achievements of 1958 will play a tremendous role in the continued leap forward of the national economy in 1959.

Secondly, with the establishment of people's communes in the rural areas, the forces of agricultural production have been further emancipated. The broad mass of rural women, relieved of household chores, have gladly taken part in farm production. At the same time, millions of peasants have transferred from the agricultural to the industrial front. The productive forces on both the industrial and the agricultural fronts have thus been greatly strengthened. Through a period of training, these reinforcements in production will quickly increase their skills.

Thirdly, in the great leap forward of 1958 a wealth of technical and organizational experience was accumulated on the industrial, agricultural, transport and commercial fronts. The broad mass of labouring people have mastered effective measures for bringing about greater, quicker, better and more economical results in production and construction. They have launched mass movements to improve their work steadily and engage boldly in inventing and creating. Many measures which were immature or not yet tested out in 1958 can be relatively perfected and put to wider use in 1959, through the summing-up of experience, the overcoming of shortcomings and the carrying forward of strong points.

The most important and favourable condition for the realization of the 1959 plan is that the broad masses of cadres and the people have raised their political consciousness, strengthened their political unity, and grasped the Party's general line of going all out, aiming high and getting greater, quicker, better and more economical results in building socialism, as well as the set of policies for "walking on two legs." We are all fully confident that, so long as we advance along this correct path our country will certainly be able to fulfil ahead of schedule the task of catching up with and surpassing Britain in the output of major industrial products, to change the economic face of our country and raise the living standards of our people fairly rapidly.

In 1959, we will continue to receive assistance from the Soviet Union and other fraternal socialist countries. In accordance with the agreement between the Chinese and Soviet Governments, the Soviet Government was to help our country build 211 major industrial projects during the First Five-Year Plan. In the course of implementing the agreement, the number was reduced to 166, as a result of the merging of some of these projects during their construction. Of this number, 113 projects were fully or partially completed and went into operation by the end of last year. Beginning this year, in addition



to continued assistance in building the remaining projects prescribed by the earlier agreement signed, the Soviet Union will also help our country build another 125 enterprises in accordance with the two agreements signed between the two countries on August 8, 1958 and February 7, 1959 respectively.

In short, there are many favourable conditions for the continued great leap forward of our national economy this year. But we must also foresee that it will be a very arduous task to fulfil the 1959 plan. The planned production targets for steel, coal, grain and cotton are around three times as high as those actually achieved in 1957. The total output of steel during the entire First Five-Year Plan was no more than 16.67 million tons, while the output in 1959 alone will be 18 million tons. This, of course, is by no means an easy task. With regard to grain and cotton, since there is still a shortage of the necessary farm machines and chemical fertilizer and since there is still inadequate protection against natural calamities, it is very clear that it will be a difficult task to raise the output of grain by another 300,000 million *jin* and of cotton by another 33.62 million *dan* on the basis of the 100 per cent increase of production achieved in 1958. Our minds should be fully prepared for the difficulties that may confront our agriculture in the event of severe natural calamities. There is no doubt that from the strategic point of view, we must first of all slight the difficulties. But once the plan for a continued leap forward is laid down, the main task then is to appreciate fully the difficulties from the tactical point of view, to overcome any tendencies towards carelessness and complacency, and to lose no time in turning to account all the positive factors and adopting all practical, effective measures seriously to overcome the difficulties.

In order to fulfil, and strive to overfulfil, the 1959 plan, the most important link among the various organizational measures which have to be taken at present is, we believe, to launch a nationwide movement right now to raise production and practise economy on all fronts of the national economy, centring on technical innovation and the technical revolution.

Tremendous progress was made by all branches of the national economy in the movement against conservatism and waste launched last year. But, there is no limit to the possibilities of technical progress. We should by no means think that the work we did in 1958 left nothing to be desired. Take iron and steel, for example. In the first quarter of this year, the iron output of the blast furnaces at the No. 1 Iron-Smelting Plant in Penki reached 2.15 tons per cubic metre of volume per 24 hours and that of both the No. 9 and No. 3 blast furnaces of the Anshan Iron and Steel Company also exceeded two tons in early April, while the average output of the big

blast furnaces in the country is only 1.4 tons. The output of steel from the open-hearth furnaces of the No. 3 Steel Plant in Shanghai amounted to 13 tons per square metre of floor area per 24 hours while the average figure of open-hearth furnaces in the country is 7.3 tons. So, there are great possibilities for raising the efficiency of blast furnace and open-hearth furnace utilization. On the basis of the existing equipment, if the efficiency of utilization of the blast and open-hearth furnaces in big and medium-sized iron and steel works throughout the country is raised to produce 0.1 ton more of pig iron and one ton more of steel, the total increases for a year will amount to more than 600,000 tons of both pig iron and steel. Or take another example—railway transport. In the first quarter of this year, thanks to the close co-operation between the Fuhsin Railway Station and the Fuhsin Colliery which led to unified direction of transport by the railway and coal mine, the loading time for the wagons of each train was reduced from the former 14 hours and more to less than six hours, thus greatly reducing the turn-round period for the wagons. In view of the conditions this year, each hour cut from the turn-round time of freight wagons on all the railways in the country will bring about an annual increase in transport of around 10 million tons of goods. These two examples show that the movement to raise production and practise economy still offers great possibilities.

We therefore ask all localities, departments, enterprises, undertakings and people's communes to mobilize the masses, quickly and fully, and set in motion a vigorous campaign for the fulfilment and overfulfilment of the 1959 national economic plan, by means of technical innovations and other effective measures to raise labour productivity, increase output, improve quality, combat waste and reduce costs.

On the industrial front, the task of the movement to raise production and practise economy is to develop the creative spirit of the workers and staff members in improving production equipment and tools, production technique and the methods of operation and the designing of products. In this way, the efficiency of equipment can be raised, raw and other materials can be economized, labour power can be saved and the difficulties that arise during the big leap forward from the shortage of certain raw and other materials, of equipment and of labour power, can be overcome.

The broad mass of workers and staff members are those most familiar with the equipment and tools they use, and are those most eager to introduce innovations. Since last year, the workers and staff members of many enterprises have created many things in this field. Some workers and staff members install two tool-slides on one lathe; some put several bits on one drilling machine and thus greatly raise the capacity of the machine equipment.

CHINESE WEIGHTS and MEASURES at a GLANCE

1 *mu* = 0.06 hectare or 0.1647 acre

1 *dan* (picul) = 0.05 ton or 0.984 hundredweight

1 *jin* = 0.5 kilogramme or 1.1023 pounds

Some make modifications on small machine tools and put them together to work at big jobs—a method known as “ants gnawing at a bone.” In this way, they make small machine tools do the work of big ones. At the Shanghai Yunghsin Seamless Steel Tubing Mill, rather moderate in size and with old equipment, the workers and staff members, during forty-odd days of hard and ingenious work at the beginning of this year, succeeded in remodelling equipment and tools with used materials and linked the factory's three principal production processes in a continuous chain, basically mechanizing or semi-mechanizing the six major links in production, and raising labour productivity 3.4 times, at the same time greatly reducing the intensity of the workers' labour. We hope that all industrial and mining enterprises throughout the country will carry forward the experience in this respect and actively tap the potentialities of the existing production equipment by “rejuvenating” the old equipment and “adding wings” to the new, according to requirements and relying on their own resources.

In the technical innovations of the industrial enterprises, after experimenting in each case, we should extensively introduce improvements in production technique and operating methods, rational simplification of working processes, shortening of the processing time and the replacement of old processing methods by new ones. In the course of technical innovations, the leading personnel of the enterprises must strive to raise the workers' technical level, especially the new workers' skill, and strive to improve the organization of labour and strengthen the management of production.

The improvements in the design of products, rational simplification of their structure, and reduction of unnecessary parts and sections can not only save raw and other materials and save work hours, but can also improve the quality and usefulness of the products. All enterprises should, under proper guidance, carry out improvements in the design of products.

Technical reform should be stepped up not only in modern, large and medium-sized enterprises but particularly in small enterprises using indigenous methods of production. At present, some of these small enterprises use comparatively more labour power and consume comparatively more raw and other materials and their products are not good enough. This state of affairs can be completely altered, step by step, by means of technical innovations. For example, the Paiyu Iron and Steel Works in Kaihsien County, Szechuan Province, was previously a group of indigenous-style smelting furnaces and not so well off for natural resources. Since it developed into a small, integrated iron and steel enterprise last December, it has paid close attention to the key link of technical innovations and launched a mass movement for high output and good quality, and thus changed its past state of comparative backwardness in production. In the middle of February this year, although labour power was cut nearly in half, its average daily output of pig iron increased by 20 per cent, the sulphur content of the pig iron was lowered to less than 0.05 per cent and the costs were reduced by 11 per cent.

Excellent quality must be ensured for products of both heavy and light industries. This is an important

task in raising production and practising economy. All enterprises should pay regular attention to improving technical management, observance of the regulations of production technique and operating methods, eliminating rejects and reducing seconds and strive to have every product going out of the factory conform to the quality norms prescribed by the state, by strictly enforcing the system of tests for raw and other materials, semi-finished products and finished products.

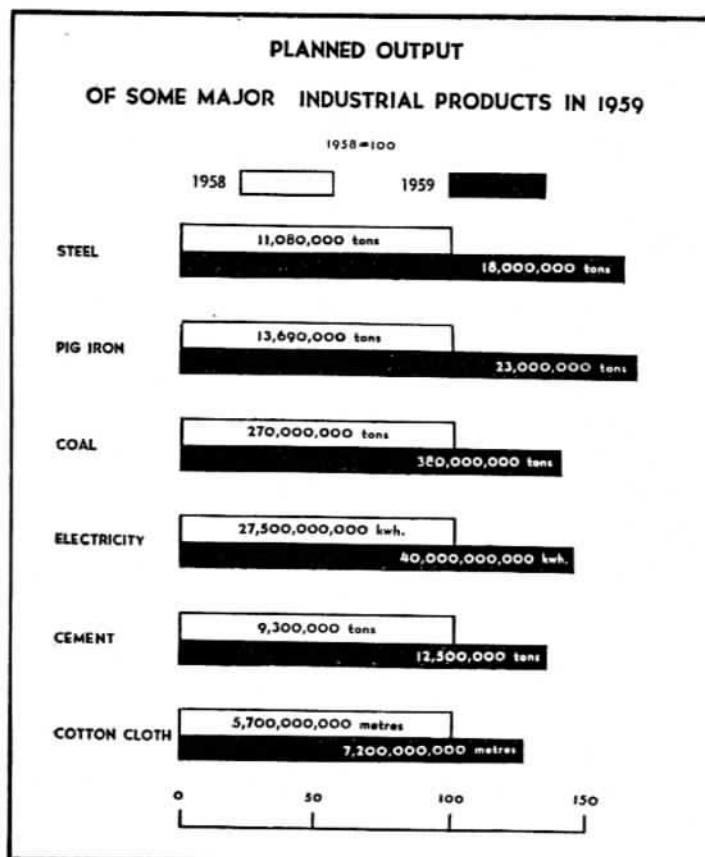
There are many ways to increase production and practise economy in industrial enterprises. In addition to the above-mentioned, attention should be paid to improving the control over raw and other materials, speeding up the turnover of funds, curtailing non-productive personnel and cutting managerial expenses. Achievements bigger than those of last year should be made in these fields.

On the agricultural front, a mass movement must be launched for high yields on vast expanses of land, the eight-point "Charter of Agriculture" must be thoroughly implemented, and the carrying out of the "ten big proposals" made in January by the National Conference of Outstanding Units in the Socialist Construction of Agriculture* should be energetically worked for. At present, emphasis should be laid on doing a good job in spring ploughing and sowing, improving the quality of the sowing, and putting into effect rational deep ploughing and rational close planting, according to different soil conditions. The planned output of our summer food crops makes up about 30 per cent of this year's food crops. Striving for a big bumper harvest of summer crops is of great importance for the continued leap in agriculture this year. Therefore, it is necessary to energetically strengthen the field management of winter wheat, early rice, rape-seed and other crops, take preventive measures against lodging, bring insect pests and plant diseases under control, and prepare the farm tools early for the harvesting.

Deep ploughing and close planting call for large quantities of fertilizer. All people's communes must make earnest effort to accumulate manure and make compost. Highly effective fertilizers must be increased, and attention paid to rational use of fertilizer.

Throughout 1958 and in the spring of this year, a large number of water conservancy projects were built all over the country. This is a favourable condition for increased agricultural production this year. In order to turn these projects to good account, efforts should be made to build or improve canals, level the fields, improve the work of storing and conserving water, and raise the efficiency of water-lifting devices now in use so that every project built will be well managed and well utilized. Attention should also be paid to improvements in irrigation techniques. The method of frequent irrigation with small amounts of water, and methods of irrigation with the use of ditches or small plots should be popularized on a wide scale, so that irrigation will be done rationally and water saved.

Deep ploughing, close planting, accumulation and transport of fertilizer, fuller utilization of water conservancy projects and the strengthening of field man-



agement, all require a huge amount of labour power. But there is now a shortage of labour power in the countryside. To resolve this contradiction, not only must rational arrangements be made for labour power in rural areas, but the organization of labour must also be improved, the number of non-productive personnel in the communes should be curtailed, and efforts should be made to raise labour productivity. To achieve these ends, the movement to reform tools must continue, with special attention to those tool reforms that can save comparatively more labour power, like the reform of tools used for building water conservancy projects, cultivation, transport and similar work. Thanks to the extensive tools reform in connection with spring cultivation in Tungjen County of Kweichow Province—from ploughing and transport of fertilizer to sowing—working efficiency has more than doubled. People everywhere should do a good job of reforming tools in accordance with specific local conditions and the requirements of their farm work. All communes should, as far as possible, establish workshops to repair, assemble and manufacture farm tools. All special administrative regions as well as counties should, as far as possible, set up special bodies in charge of studying, trial producing and popularizing improved types of tools. While reforming farm tools, technical guidance and training must be promoted.

In the campaign to raise production and practise economy in agriculture, the system of responsibility in production must be fully strengthened. The method of "three quotas," namely, quotas for output, costs and work should be introduced in production brigades and teams and specialized teams, and targets and measures for production must be specified for each plot of land, with assignments fixed for each commune member after full discussion among the masses. In this way, the initiative and

* See *Peking Review*, No. 1, January 6, 1959. — Ed.

creativity of all production brigades and teams and specialized teams and all commune members can be brought into full play.

While striving for increased agricultural production, we must pay attention to practising economy. Running the communes with industry and thrift and combating any waste of the commune's manpower, material or financial resources is an important condition for consolidating the people's communes. No matter what bumper harvests are reaped, all people's communes should plan their use of grain and combat waste of grain.

In capital construction, the broad mass of workers and staff members in 1958 created a method of building at high speed, by which greater, quicker, better and more economical results can be achieved. This method is: working out a priority list of construction jobs and concentrating the use of manpower and materials; improving the organization of labour, reorganizing single-purpose work-teams into multi-purpose ones and putting into practice the construction method known as the "cubic, inter-laced, parallel, chain construction method"; reforming great numbers of tools, manufacturing machines either by indigenous or partly modern and partly indigenous methods, carrying out mechanization and semi-mechanization in construction and using prefabricated parts. As a result, the time and manpower needed for the construction jobs are greatly reduced and the workers become versatile. This method also helps, to a certain extent, to ensure the quality of the projects and cut down building costs. It must continue to be popularized and improved in 1959.

In capital construction, proper attention must be paid to quality. Where the quality is inferior, certain parts of a project may have to be started all over again, with a waste of manpower, materials and money and delays in the construction schedule, or it may even cause accidents and bring about irrationalities in production for a long time. The best way to economize on a construction project is to achieve fine quality with the amount of manpower, materials and time envisaged in the plan. To raise the quality of the projects is a constant and fundamental task for all workers and staff members of the capital construction departments. The quality of the building structure must be given full attention in designing. In the process of construction, all requirements of the design must be strictly met, technical management improved, the inspection system strengthened, and the masses mobilized to supervise the work.

In the campaign to raise production and practise economy in capital construction, attention must be paid to speeding up the tempo of building, raising the quality of projects and ensuring the safety of the workers, while paying attention to saving building materials, raising labour productivity and reducing building costs.

On the transport front, the broad mass of workers and staff members have devised many good ways of speeding up the turn-round of cars and ships, raising transport efficiency, etc. Extensive popularization of their experience will have a most important bearing on the fulfilment of this year's heavy transport task. In railway transport, such advanced methods as using high platforms and placing the freight lower down, and loading and

unloading on a sliding platform are being popularized in various parts of the country. By adopting the above methods, a pit at the Hokang Coal Mine in Heilungkiang Province reduced the time needed for one loading from 3 hours to 20 minutes. If this experience is universally applied throughout the country, the turn-round of wagons will be greatly speeded up, with a resultant increase in rail freight tonnage. Some railway departments have adopted the method of "picking up" incidental freight along the way. Take the Sian Railway Administration, for example. From the beginning of November last year to March 20 this year, the workers and staff members of the administration, working in close co-ordination with consignors, made full use of every returning empty wagon and every freight wagon that was not fully loaded. An additional 96,000 tons of goods were carried, thus saving over 4,600 freight wagons, while safety and punctuality were assured. Energetic efforts must be made to popularize this experience.

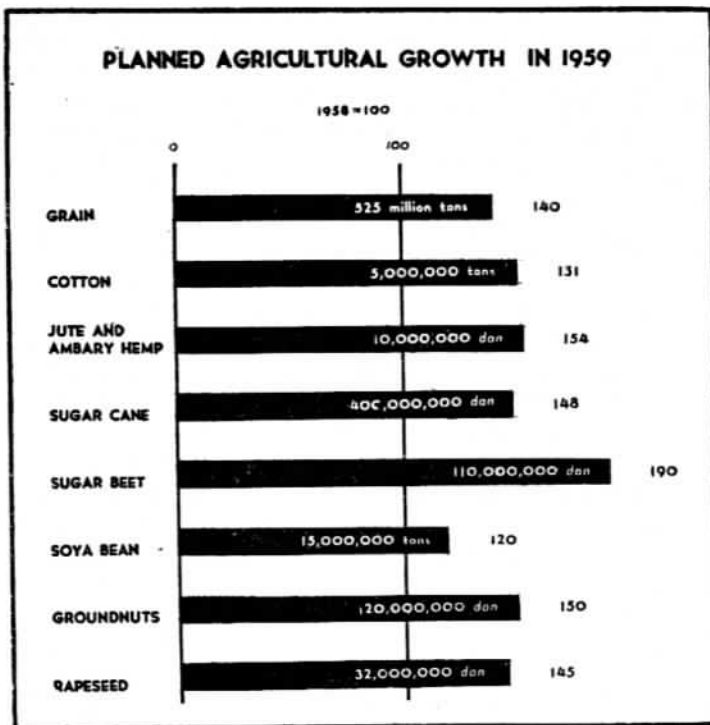
In motor transport, rational use of lorry-drawn trailer-trains should be introduced where possible, and great efforts made to cut down fuel consumption, use substitute fuels and do better at repairing and maintaining motor vehicles.

In water transport, the loading and unloading capacities at the ports must be increased, and the time in port shortened. We should continue to popularize the method of pushing barges with a tug in inland water transport and the method of towing barges and rafts along the coastline.

At present, short-distance transport is a weak link on the transport front. To reinforce short-distance transport, we must make a big effort to press ahead with large-scale technical innovations and technical revolution in means of transport operated by the people. Depending on conditions, efforts should be made gradually to popularize the use of 4-wheeled, horse-drawn carts and of motor sail-boats, to build slide-ways and rope-ways in mountainous areas, and build indigenous light railways and wooden railways in those places where transport is heavy and conditions permit.

In commerce, the main task for increasing production and practising economy is to do well in purchasing agricultural and side-line products, industrial products and "waste materials," and in supplying capital and consumer goods, thus rendering better service to the big leap forward in industrial and agricultural production. At the same time, business accounting must be strengthened, administration and management improved, and circulating costs of commodities reduced to increase the accumulation of funds for the state, by cutting down losses and wastage and by economizing in transport, storage, packing and other miscellaneous expenses.

In every field of endeavour, the aim of the campaign to raise production and practise economy is to achieve a unity of greater, quicker, better and more economical results, and a unity of quantity, quality and safety. There should be no one-sided emphasis on one thing to the neglect of another. In pushing forward the campaign, we must pay constant and serious attention to raising the quality of products and projects and ensuring safety in production, building and transport.



Emulation drives are now spreading throughout the country, such as the red banner socialist emulation drive for high output and good quality on the industrial front; the emulation drive for high yields over big stretches of land on the agricultural front; the emulation drive centred on rationally hauling and carrying more, quick loading and unloading, safety and punctuality on the transport front; and the red banner drive for the "six merits" in promoting production, implementing policy, fulfilling plans, improving management, bettering service and striving to be both "red and expert" on the commercial front. Such varied forms of movements for increasing production and practising economy are a continuation of the full-scale mass movement on all economic fronts in 1958 and a major guarantee for the fulfilment and overfulfilment of the 1959 plan. The development of the movement is now still uneven, for in many places it has not been given enough attention by the leadership. Our present task is to further this movement both in its scale and depth by strengthening the weak links.

For a vigorous development in the nationwide movement to raise production and practise economy, we must mobilize the masses more fully and make clear to them the concrete contents of various tasks, the reasons for putting forward these tasks, the difficulties that may arise and the basic way to overcome them and fulfil the tasks. We should also encourage the masses to air their views and debate openly and freely, and heed their opinions. Cadres of the basic units, activists and ordinary workers should be invited to participate in meetings, so that views may be fully exchanged between the higher and lower levels, problems may be brought to light and concrete solutions found, through lively and practical discussion. The wisdom of the masses is inexhaustible and many difficulties are often rapidly and smoothly solved when placed before them for discussion. Take the Pao-cheng Instrument and Meter Factory in Paochi, Shensi

Province, for example. Some of the cadres there originally lacked confidence in the fulfilment of the big leap plan for this year, but after the plan was discussed by the whole factory, and the cadres went down to the workshops and work-teams to participate in production and work on "experimental plots," the confidence of the cadres as well as the workers was greatly strengthened and their enthusiasm increased. They put forward more and more concrete measures. The leading personnel, technicians and workers were welded into one entity to study the assignment of work down to the basic team and check and appraise every single component part of the product. Wherever necessary, designs were corrected, technological processes changed and tools reformed. As a result, the plan for output value in January was fulfilled by 136 per cent and in February by 118 per cent. This mass-line working method by which the task is made clear to the masses, cadres participate in production, workers participate in management, and cadres, workers and technicians are welded into a single entity should be popularized in all enterprises throughout our country.

All leading personnel on the economic front should pay close attention not only to production but also to the ideology and political outlook of the masses. The measures to enable cadres to work at the grass-roots level, to participate in manual labour at regular intervals and to eat, live and work with the masses should continue, so as to strengthen the close ties existing between the cadres and the masses. We must pay constant attention to the livelihood of the masses and see to it that it is improved as production rises, so that the principle of to each according to his work and more pay for more work is carried out and hard work is suitably accompanied by rest. In doing so, we will unite the overwhelming majority of the masses and give full scope to their initiative and creativeness, and our cause will certainly advance victoriously.

Combining the mass movement with centralized leadership is the consistent policy of our Party and state. The development of full-scale mass movements requires that we strengthen centralized leadership, so as to integrate the resources of the central and local authorities and those of the enterprises to fulfil the tasks set by the state plan in perfect unison and with concerted effort. At the same time, a priority list should be worked out, taking into consideration importance and urgency, to ensure fulfilment of the major tasks first. We should pay close attention to organizational work and concrete measures on every economic front so that close co-ordination and uniform development may ensue in every field of work. The production, construction, transport, co-operation, allocation and purchasing tasks assigned by the state to different localities, departments, enterprises, people's communes and undertakings must be fulfilled on time and according to set quantitative and qualitative requirements. In state enterprises, unified leadership by the Communist Party committee should be strengthened, the system whereby the director assumes full charge under the leadership of the enterprise's Party committee should be consistently carried out and necessary, rational rules and regulations should be established, perfected and strictly adhered to, so that production and construction work will be conducted in an orderly way under unified direction. In the people's communes, the policy of combining unified leadership for

the commune as a whole with management and business accounting to be done by the production units at different levels should be enforced, and the management systems should be established and perfected speedily.

Fellow Deputies! The 1959 plan for development of the national economy is a magnificent and arduous plan, but it is a plan that can be fulfilled. Let us take action,

go all out, aim high and strive for the realization of a continued leap forward in 1959 under the leadership of the Chinese Communist Party and Chairman Mao Tse-tung, by adhering to the Party's general line for building socialism and applying and developing the successful experience of the 1958 big leap forward. We must and will certainly be able to fulfil this plan!

Report on the Final State Accounts for 1958 and the Draft State Budget for 1959

LI HSIEN-NIEN

*Vice-Premier of the State Council
and Minister of Finance*

The following report was presented on April 21, 1959 by Vice-Premier and Finance Minister Li Hsien-nien to the First Session of the Second National People's Congress.—Ed.

Fellow Deputies:

On behalf of the State Council, I submit for your examination a report on the final state accounts for 1958 and the draft state budget for 1959.

I

The Final State Accounts for 1958

The result of the implementation of the state budget for 1958 was that both revenue and expenditure greatly exceeded the original estimates and both their scale and rate of increase far surpassed any year in the past. This was a victory gained in a year of hard battle by the people of our country. This victory is based on the fact that the Chinese people, under the leadership of the Chinese Communist Party and the Central People's Government, carried out the general line for socialist construction and achieved an unprecedentedly great leap forward in the national economy in 1958. It provided further eloquent proof of the superiority and great vitality of the socialist system.

I shall now deal in detail with the final accounts of the state's financial revenue and expenditure for 1958.

Revenue in 1958 amounted to 41,860 million yuan, or 126.1 per cent of the budgeted figure of 33,200 million yuan. This represented an increase of 10,850 million yuan over 1957, while the increase of 1957 over 1952, that is, during the First Five-Year Plan, was only 13,400 million yuan. This was an increase of 35 per cent over the 1957 revenue of 31,010 million yuan, while the average annual increase during the First Five-Year Plan was only 12 per cent, and even in 1953 and 1956 when the rate of growth was highest, the increases were only 23 and 16 per cent respectively. In the final revenue accounts for

1958, taxation accounted for 18,740 million yuan, or 113.3 per cent of the planned figure; revenue from enterprises and undertakings for 22,020 million yuan, or 139.3 per cent of the planned figure; revenue from state bonds for 790 million yuan, or 126.4 per cent of the planned figure; and revenue from other sources for 310 million yuan, or 140.7 per cent of the planned figure.

The 1958 expenditure stood at 40,960 million yuan, or 123.4 per cent of the budgeted figure of 33,200 million yuan. Compared with the 1957 expenditure of 30,420 million yuan, the 1958 expenditure showed an increase of 10,540 million yuan, or 35 per cent. According to the final accounts of 1958 expenditure, economic construction accounted for 26,270 million yuan, or 149.7 per cent of the planned figure; social services, culture and education for 4,350 million yuan, or 88.9 per cent of the planned figure; national defence for 5,000 million yuan, or 100 per cent of the planned figure and administration for 2,270 million yuan, or 113.7 per cent of the planned figure. In addition, expenditures for the repayment of domestic and foreign loans and for aid to foreign countries came to 1,180 million yuan; other expenditures to 240 million yuan; and additional allotments of credit funds to the banks amounted to 1,650 million yuan. The greater part of the 1958 expenditure in excess of the amount budgeted for, was used to expand the scale of capital construction. Of the above-mentioned 1958 expenditures on economic construction, social services, culture and education and other items, expenditure on capital construction amounted to 21,400 million yuan, an increase of 70 per cent over the 1957 figure of 12,600 million yuan. This figure does not include the investment funds for capital construction raised by the various local governments and departments themselves outside the budget. Because of the careful and meticulous calculations made in 1958 and the reductions in construction costs, and by getting more things done with the same amount of funds, the actual amount of capital construction work was greater than that done in the past with the same amount of investments. Big

progress was also registered in cultural, educational, scientific and public health work in 1958; the fact that the funds allocated for these fields were not all used up was mainly due to the implementation of the policies of combining education with productive labour and of running schools with thrift and part-time work by the students and of running undertakings industriously and economically. The main reason why administrative expenditures in 1958 exceeded the budgeted amount was that the scale of the country's construction work greatly surpassed the original plan.

Revenue exceeded expenditure by 900 million yuan in 1958. This surplus comes from the favourable balances of the local budgets and will be carried over to 1959 for further use by the local authorities.

Because of the excess of revenue over expenditure and increases in the deposits of enterprises and undertakings and the savings of the people, industrial, agricultural and business loans issued by the People's Bank in 1958 were much larger than in the previous year. These loans greatly helped the growth of industrial and agricultural production and commodity circulation. Reflecting the demands of expanding industrial and agricultural production and commodity circulation in both cities and countryside, there was a corresponding increase in the amount of currency in circulation. At the same time, there was a considerable increase in the amount of commodities and materials stockpiled by the state. In short, the country's economic and financial situation in 1958 was extremely good.

The Party's leadership, the placing of politics in command, was the fundamental guarantee for the leap forward in production and the economic upsurge in 1958. Such a victory as that achieved on the economic and financial fronts in 1958 would have been unthinkable without the nationwide rectification campaign and anti-rightist struggle, without the Party's general line for socialist construction and without extensive and thoroughgoing ideological education in socialism and communism. At the same time, our leap forward was inseparably connected with the great aid from the Soviet Union and other fraternal countries.

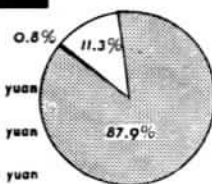
1958 was a year of great developments in the Party's mass line. A vigorous mass movement was launched on the fronts of industry, agriculture, trade, transport, posts and telecommunications, as well as culture and education; the initiative of all elements was brought into full play. This was also true on the front of financial work. In the spirit of Chairman Mao's instructions on the handling of the "Ten Sets of Relationships"* and mobilizing all positive factors, we put forward at the Fifth Session of the First National People's Congress held in February 1958 measures for improving the financial control system, the financial administrative system in enterprises and the control of agricultural loans. Later, measures to improve the control system over taxation and the financial control system over capital construction, etc. were instituted. These measures helped to improve the integration of unified planning with the principle of adaptation to local conditions, of centralized leadership with the mass movement and thus created the conditions for making great efforts

*See *Peking Review*, No. 14, June 3, 1958, p. 13.—Ed.

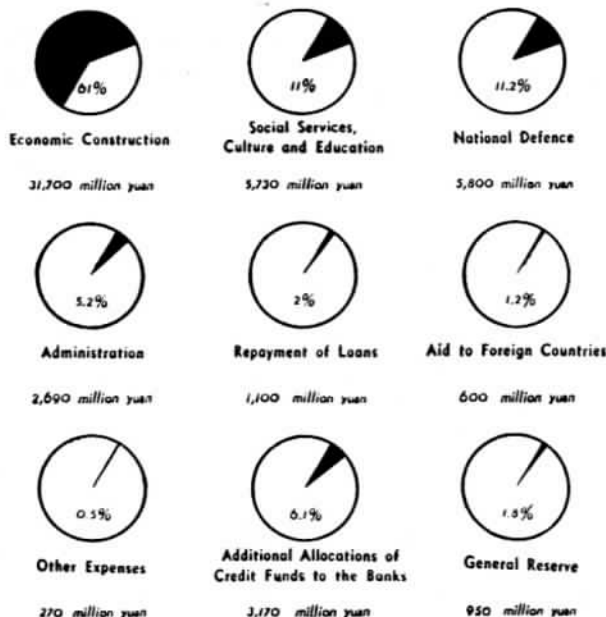
THE 1959 STATE BUDGET

TOTAL BUDGET REVENUE 52,010 million yuan

87.9% From State-owned Enterprises: 45,730 million yuan
11.3% From the Rural People's Communes: 5,870 million yuan
0.8% From Other Sources: 410 million yuan



TOTAL BUDGET EXPENDITURES 52,010 million yuan



to increase revenue and economize on expenditure. For instance, with the enforcement of the "system of sole responsibility for management" of investments in capital construction, the workers and staff members of many enterprises succeeded in expanding the scale of capital construction without asking for more investment funds. In running financial affairs, instead of relying on a limited number of people, we have relied on the units concerned and the broad masses; instead of burying our heads in tables and reports and confining ourselves to mere figures, we have gone to the enterprises and undertakings to practise financial accounting and control together with the masses. This has created a new situation in which our financial work has advanced by leaps and bounds.

The fundamental reason for our tremendous achievements in state finance in 1958 is the high-speed development of industrial and agricultural production. In 1958 about 700 above-norm factories and mines were put into operation, either fully or partially completed, an increase of more than 160 over the number during the entire First Five-Year Plan. Small and medium-sized below-norm factories and mines and small enterprises built by the people's communes sprang up like mushrooms all over the country. In 1958 the total output value of industry was 66 per cent more than in 1957; and the total value of agricultural output increased by 64 per cent. In 1958, labour productivity in state-owned enterprises greatly increased and costs of production in the industrial enter-

prises directly under the industrial ministries of the Central Government were reduced by 12.5 per cent. All the above-mentioned factors accordingly served to increase the state's financial revenue. In the course of implementing the budget in 1958, the financial departments again and again made additional outlays for production and construction in the light of the new situation in which revenue increased constantly. The growth of production brought in new financial revenue, while the increase in financial revenue, in its turn, gave impetus to the development of the national economy. Revenue and expenditures promote each other. There can be rich sources of revenue only when the economy prospers. It is thus clear that the principle of "ensuring supplies by expanding the economy" is an eternal, incontrovertible truth.

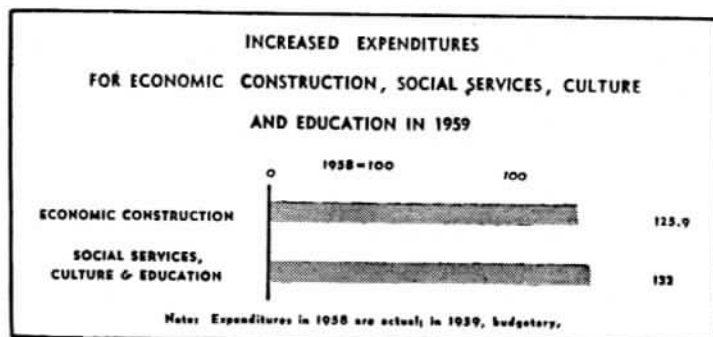
Our people are well aware of, and rejoice at, the great leap in our national economy and the tremendous growth in our revenue and expenditure. Our friends are also happy about these achievements of ours. No matter how the imperialists and their parrots slander and try to discredit us, they cannot deny the fact of our great leap forward. There are some well-meaning people who wonder whether such a rapid increase in our revenue was not due to placing heavier burdens on the people. Such doubts are understandable, for the great leap in 1958 was unknown in history, and, confronted with such a new phenomenon, understanding often lags behind the actual situation. The rapid increase in revenue in 1958 was by no means due to a heavier burden on the people. As you know, whether the people's burden has increased or not is to be judged mainly on whether the rate of increase of taxation exceeds that of production and the people's income, and whether market prices are stable.

Of the state revenue in 1958 which amounted to 41,860 million yuan, 83.9 per cent came from taxes and profits paid in by state enterprises and undertakings, while only 13.7 per cent came from the rural people's communes and 2.4 per cent from other sources. Agricultural tax collected by the state in 1958 amounted to only 3,260 million yuan, an increase of 290 million yuan over the 1957 figure of 2,970 million yuan. The growth of rural industry and commerce, agricultural production and side-occupations and of the peasants' purchasing power, led to a corresponding increase in the industrial and commercial taxes collected by the state from the rural areas in 1958. These amounted to 2,150 million yuan, 350 million yuan more than the 1,800 million yuan collected in 1957. The revenue from the issue of state bonds in the rural areas and other revenues derived from the rural areas in 1958 amounted to 320 million yuan, an increase of 30 million yuan over the 1957 figure of 290 million yuan. The above-mentioned

three items total 5,730 million yuan. This, together with the additional agricultural tax of 440 million yuan collected by the local authorities which were not included in the budget, comes to a total of 6,170 million yuan. This means that, as against the figure of 10 per cent in 1957, the peasants' tax burden in 1958 dropped to 7 per cent of the total value of agricultural output. That is to say, although agricultural and side-occupation production rose tremendously in 1958, the state continued to adhere to the policy of stabilizing the burden of the peasants, with the result that their burden was not increased, but relatively lessened.

Market prices were stable in 1958. So far as supplies on the market are concerned, since the autumn of 1958 there has been a little tension due to short supplies of some non-staple foods and manufactured daily necessities in the cities. This is chiefly due to the increased employment in the cities; the number of workers and staff members has risen and, consequently, demand has risen. Together with the numerous new enterprises and undertakings set up all over the country in 1958, the average number of workers and staff members employed during the year increased by about 8 million, a one-third increase compared to 1957, and there was also a big jump in the demand for capital and consumer goods. At the same time the coming into being of the people's communes has led to the establishment of community dining-rooms and other public welfare services. The livelihood of the peasants has improved and there was an increase in the consumption of non-staple foods in the countryside. As a result, the supply of non-staple foods for the cities has decreased relatively. With the rise in peasants' income, the demand for manufactured daily necessities in the countryside also went up. So although industrial and agricultural production leapt ahead in 1958 and the volume of commodity supply increased, this was still insufficient to meet the growing demands from various quarters. There were, of course, also some shortcomings in the allocation and transport of goods and in other work, but we have been taking the necessary measures to improve the situation gradually.

In a country like ours with its large population and huge demands, it was difficult to avoid completely certain temporary difficulties in economic life while the national economy was advancing with such great strides and such a great social change as the people's commune movement was taking place. In spite of short supplies of certain commodities, we still have stable market prices. Our people are fully aware that they must be industrious and thrifty and put up with certain temporary difficulties in order to bring about a rapid change in the economic and cultural backwardness of their country. These difficulties can be resolved as our economy develops and our cause is pushed ahead. In a socialist country like ours, the main source of revenue is the state-owned sector of the economy. An increase in revenue does not depend on increasing the burden on the people, but on the growth of the state and collective economy; it does not depend on the issuance of banknotes, but on the expansion of production. To get a balance of revenue and expenditure on the basis of expanding production is an important policy which is always adhered to in our financial and economic work. And that is why our country has been able all along to maintain a stable currency and stable market



prices. In a socialist country like ours, the basic aim in developing production is to achieve maximum satisfaction of the growing needs of the people in their material and cultural life. And the constant increase in these needs, in turn, gives an impetus to the steady growth of production. The broad masses of the workers and staff members and the people as a whole are working to build socialism and improve their own well-being. That is why they can put such enormous energy into their work. That is also why our country can expand production and increase its revenue at high speed.

II

Provisions of the 1959 State Budget

1959 is the second year of China's Second Five-Year Plan. In accordance with the Communist Party's general line for socialist construction and on the basis of the great victory and rich experience gained in 1958, the people of our country will bring about a continued big leap forward of the national economy in 1959.

In line with this situation, the present draft of the state budget for 1959 is a budget designed to exploit existing potentialities and support an all-round leap forward; it is drawn up in the spirit of "co-ordinating all the activities of the whole nation as in a chess game" to mobilize under centralized leadership all positive factors in the various fields; it is a budget that is at once bold and well founded.

In 1959, the revenue and expenditures of the state budget are balanced at 52,010 million yuan. Compared with the final accounts for 1958, revenue will increase by 10,150 million yuan, or 24.2 per cent; and expenditures will increase by 11,050 million yuan, or 27 per cent.

In planning the increase in budget revenue for 1959, full account has been taken of objective possibilities. According to the draft economic plan for 1959, the total value of industrial output will increase by 41 per cent compared with the previous year, while that of agricultural output will go up by 39 per cent. The planned increase in financial revenue thus, in the main, accords with the above-mentioned rising targets of the national economy. We have taken into account some favourable conditions for the increase of financial revenue in 1959. For instance, first, as light industry gets its raw materials mainly from the agricultural products harvested in the previous year, the unprecedented bumper harvest of 1958 has provided light industry in 1959 with far better conditions than in the previous year; and light industry will accumulate more funds for the state. Secondly, the large number of factories and mines which went into operation in 1958 will play a still bigger part in 1959, while another group of newly built factories and mines will go into production in 1959, thus expanding equipment and the scale of production. Thirdly, in the course of 1958 we began to acquire experience in making a great leap forward and in conducting mass movements in a big way in production and construction; our people's communes, after check-up and consolidation last winter and this spring, will further display their advantages. Therefore, although the planned increase of budget revenue is fairly large, it is well founded and can be achieved or even surpassed if we make the effort.

On the revenue side of the 1959 state budget, the figures are as follows:

1. Taxes of various kinds provide 19,900 million yuan, 38.3 per cent of all budget revenue and 106.2 per cent of the figure for the previous year. Of this sum, industrial and commercial taxes account for 15,200 million yuan, or 7.2 per cent more than last year; and the agricultural tax for 3,300 million yuan, or 1.3 per cent more than last year.

2. Revenue from enterprises and undertakings amounts to 31,800 million yuan, or 61.1 per cent of all budget revenue, and 44.4 per cent more than last year.

3. Revenue from other sources accounts for 0.6 per cent of all budget revenue, amounting to 310 million yuan, the same as last year.

In June 1958, the Standing Committee of the First National People's Congress approved the decision that beginning from 1959 no national economic construction bonds will be issued. At the same time, the state promulgated the "Regulations of the People's Republic of China Governing Local Economic Construction Bonds" which provide that the provinces, autonomous regions, and municipalities directly under the central authorities may, in the light of local conditions, issue shorter term local government bonds. However, all but a few provinces have decided not to issue government bonds this year.

The state budget revenue for 1959, classified according to the various economic sectors, comprises: payments from state-owned enterprises, which are owned by the whole people, amounting to 45,730 million yuan, or 10,600 million yuan more than last year, and constituting 87.9 per cent of all budget revenue; payments from the rural people's communes, which amount to 5,870 million yuan, or 140 million yuan more than last year, and constituting 11.3 per cent of all revenue; payments from other sources which amount to 410 million yuan, or 590 million yuan less than last year, and constituting 0.8 per cent of all revenue. It can be seen that the largest part of the increased budget revenue in 1959 will depend on the growth of the state sector and the increase in payments made to the treasury by state-owned enterprises; the amount borne by the rural people's communes will, in the main, remain at last year's level. In 1959 the state will levy an agricultural tax to the amount of 3,300 million yuan, roughly the same as last year; industrial and commercial taxes in the rural districts amount to 2,450 million yuan, or 300 million yuan more than last year; these are calculated on the basis of the 1958 levy and in the light of the planned output value for 1959; other revenues from the rural areas amount to 120 million yuan, which is 200 million less than the amount last year, because no government bonds will be issued this year in most parts of the country. Then, there is an additional agricultural tax amounting to 440 million yuan, the same as last year. In 1958, the various burdens borne by the rural people's communes amounted to 7 per cent of the total value of agricultural production; in 1959 this figure will drop to 5.2 per cent.

On the expenditure side of the 1959 state budget, the figures are as follows:

1. Economic construction: 31,700 million yuan, 61 per cent of all budget expenditures, or 25.9 per cent more than last year.

2. Social services, culture and education: 5,730 million yuan, 11 per cent of all budget expenditures, or 32 per cent more than last year.

3. National defence: 5,800 million yuan, 11.2 per cent of all budget expenditures, or 16 per cent more than last year.

4. Administration: 2,690 million yuan, 5.2 per cent of all budget expenditures, or 18.3 per cent more than last year.

5. Repayment of loans: 1,100 million yuan, amounting to 2 per cent of all budget expenditures, or 21.7 per cent more than last year.

6. Aid to foreign countries: 600 million yuan, amounting to 1.2 per cent of all budget expenditures, or 218 per cent of the allocations made last year.

7. Other expenses: 270 million yuan, amounting to 0.5 per cent of all budget expenditures, or 13.3 per cent more than last year.

8. Additional allocations of credit funds to the banks: 3,170 million yuan, amounting to 6.1 per cent of all budget expenditures.

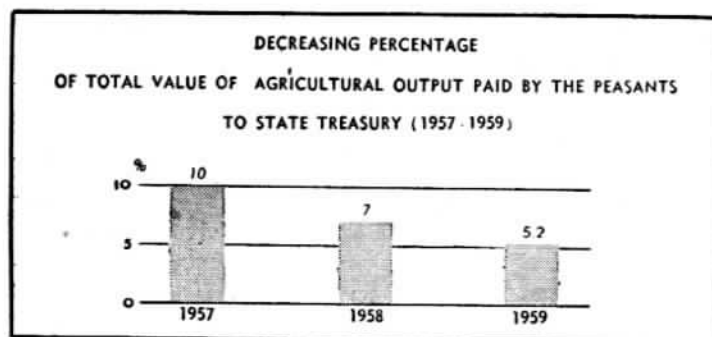
9. General reserve: 950 million yuan, amounting to 1.8 per cent of all budget expenditures.

Central Government allocations make up 53.7 per cent of all state budget expenditure for 1959, or 27,910 million yuan. Allocations of the local authorities make up the remaining 46.3 per cent or 24,100 million yuan.

A few points should be made clear about these provisions of the 1959 state budget expenditures.

(1) Allocations for economic construction, social services, culture and education account for 72 per cent of the 1959 state budget expenditures, the same as in 1958. The proportion of national defence and administrative allocations is further reduced from 17.8 per cent in 1958 to 16.4 per cent in 1959. There is a further reduction in the proportion of the expenses of state organs.

(2) The 1959 state budget allocations for investments in capital construction total 27,000 million yuan, 5,600 million yuan more than the 1958 figure of 21,400 million yuan or an increase of 26 per cent. Investments in capital construction have rapidly increased over the past two years. During the First Five-Year Plan, investments in capital construction generally took up 30 to 40 per cent of all budget expenditures each year (reaching 45.7 per cent in 1956 alone), but this rose to 52 per cent in 1958 and remains at 52 per cent for 1959. In addition to the capital construction investment fund listed in the 1959 state budget, various localities and departments will raise other capital construction funds on their own. To bring the initiative and enthusiasm of all construction units into full play, and encourage them to make careful and meticulous calculations within the range of their allotted investment so as to get more done with less expense, the "system of sole responsibility for management" will continue to be operated in 1959. This means, provided the quality of construction is guaranteed, productive capacity is not lowered, the date of completion of the project is not postponed, the total investment allocation is not exceeded and the proportion of non-productive construction is not increased, the funds allocated for capital construc-



tion projects by the annual economic plan and the state budget will be put under the unified control and disposal of the construction units concerned, so that the initiative of the broad masses of workers and staff members of the construction units may be brought into effective play. The system will, of course, be further supplemented in certain respects this year in the light of the experience gained in the course of its implementation.

(3) In 1959, upon the instructions of the Central Committee of the Communist Party and Chairman Mao Tse-tung, 1,000 million yuan is added to the economic construction allocations as investment in the people's communes; this is a financial subsidy given to the people's communes by the state. This fund will be allocated mainly to those people's communes and those production brigades of people's communes which have relatively poorer economic conditions, to help them expand production, and thus enable them to catch up with the better off communes within a short period. Of course, the funds allocated by the state are limited, so the people's communes must rely mainly on their own accumulations to expand their economy. As Chairman Mao Tse-tung has said, all of those people's communes and production brigades which are more backward economically should rely on their own efforts and resources and work hard to get out of their backward economic state following the example of the agricultural producers' co-operative led by Wang Kuo-fan in Tsunhua County, Hopei Province, which other people once called the "Pauper's Co-op."

(4) In the expenditures of the 1959 state budget, 3,170 million yuan more will be allocated to the banks for credit funds. In the past few years, state-owned enterprises have derived their circulating funds partly from the state budget allocations and partly from bank credits. To meet the needs of state enterprises for circulating funds in a timely way and to avoid the waiting, duplication and complicated formalities liable to arise in the past from this two-channelled supply of circulating funds, it has been decided that, starting with 1959, all circulating funds needed by state enterprises will be drawn on credit from the banks and that the circulating funds which state enterprises already have will also be put under the unified management of the banks. It has been further decided that the fixed amount of circulating funds regularly needed by state enterprises will still be provided for properly by the government authorities at suitable levels in their yearly financial budgets under the heading of additional bank credit allocations and that these will be issued by the banks in a unified way. This additional credit fund allocated to the banks by the state is absolutely necessary, in view of the fact that there will be a great increase both

in industrial production and in the circulation of commodities in 1959.

III

Strive for the Realization of the 1959 State Budget!

Fellow Deputies! Through practical experience in the big leap forward in 1958, our people have gained even more confidence in getting greater, quicker, better and more economical results in building socialism. The 1959 state budget, as we said above, is well founded, its targets can be reached and even surpassed. However, to implement such a budget and accomplish the plans laid down requires a great deal of thoroughgoing and meticulous work; the whole Party and the people as a whole must continue to go all out in a joint effort to do it.

To implement the 1959 state budget successfully, we must firmly hold to the principle of "co-ordinating all the activities of the nation as in a chess game" and bring about an even better integration of centralized leadership and the assumption of administrative responsibility at different levels and of the efforts of the central and local authorities, of the state and the enterprises, and of the enterprises and the masses. Our national economy develops in a planned and balanced way. This is one of the basic characteristics of the socialist system. In socialist construction, the whole and the parts, the key points and the individual links, centralized leadership and the assumption of administrative responsibility at different levels form a unity of opposites. It will be impossible to get greater, quicker, better and more economical results in developing construction projects without paying attention to the parts, without looking after the individual links and without mobilizing the positive factors in all quarters. But the assumption of administrative responsibility at different levels must be placed under centralized leadership; local initiative must be guided by the state plan, individual links must be subordinated to the key points, and the parts to the whole. This is true of financial arrangements as well as of economic planning. Whether using budget appropriations or funds raised by themselves for building projects, the various localities and departments should proceed from the interests of the whole, do their best to ensure the successful fulfilment of the state plan and the state budget, and see that their own efforts make the greatest possible contribution to the success of the whole.

To implement the 1959 state budget successfully, we must also improve business accounting, raise labour productivity and reduce production costs. Revenues of state enterprises and investments in capital construction make up a big proportion of the state budget. Whether the state budget can be successfully realized or not depends to a great extent on how the state enterprises and construction units are administered and managed. Because of the needs of high-speed development of production and construction in 1959, there will not, on the whole, be an abundant supply of the various kinds of raw and other materials. At the same time, an appropriate ratio of manpower must be maintained in industry, agriculture and other branches of the economy. That is why the tapping of the latent forces within enterprises, economizing on materials and the raising of labour productivity become a principal means of fulfilling this year's big leap forward plan. Many of our small and medium-sized

enterprises were built during last year's big leap forward. Their technical foundations are relatively weak and there is not enough experience in management, so it is inevitable that there should be much irrational use of materials and organization of manpower. With the experience which was gained in production last year, it is imperative that we should endeavour to improve production techniques and standards of management on the existing basis. Enormous latent forces can be tapped, too, in many of the existing large, medium and small enterprises if they continue to push forward the mass movements for technical innovations and improve labour organization and the management of production; the same is true of commercial departments at the various levels if they continue to mobilize the masses and improve management and administration, economize on the use of funds and cut down expenses in the turn-over of commodities. Mobilizing the broad masses to strengthen business accounting, raise labour productivity and reduce costs is an important source of increasing the revenues of enterprises and increasing accumulation for the state.

In the administration and management of the people's communes in the rural areas, various systems and measures of management must be instituted in accordance with the principle of co-ordinating unified leadership and administration with separate managements and business accounting at each level, and efforts must be made to strengthen control over the execution of plans and in financial affairs.

It is our long-term policy in socialist construction to build our country and run our enterprises, people's communes and all other undertakings in a spirit of industry and thrift. In 1959, we must continue to develop the campaign to increase production and practise economy on a still larger scale. All economic branches, all enterprises and undertakings and all people's communes must make the fullest possible use of their existing equipment and save manpower, materials and financial resources to the utmost; all administrative and managerial departments must do their best to save on expenses. In a word, we must be industrious and thrifty, make careful calculations and combat extravagance and waste, so that every penny can play its maximum role in construction. The campaign to increase production and practise economy must be carried out on the premise of ensuring quality and safety for the workers, so as to get greater, quicker, better and more economical results.

Fellow Deputies! The present situation is extremely favourable for the fulfilment of the 1959 state budget. Since the beginning of this year, reports of successes on the various fronts of the national economy have kept pouring in. Thanks to the check-up and consolidation of the rural people's communes last winter and this spring, their management and financial work have both taken a step forward. The peasants' enthusiasm in production is rising to a new high. All the busy activity and prosperity around us point to the fact that the people of all nationalities in our country, under the leadership of the great Chinese Communist Party and Chairman Mao Tse-tung, are struggling heroically for another big leap forward this year. We are confident that in 1959 our state budget will be satisfactorily implemented and that our socialist construction will win still greater victories.

The May Fourth Movement

NEXT week China will commemorate the fortieth anniversary of the May Fourth Movement. Characterized by its uncompromising opposition to imperialism and feudalism, this movement of 1919 was a key turning point in modern Chinese history. From that time on the Chinese democratic revolution became a revolution led by the working class and constituting part of the world proletarian socialist revolution.

The 1911 Revolution led by the Chinese bourgeoisie succeeded in overthrowing the Ching (Manchu) dynasty and ending the feudal monarchy which had existed for more than 2,000 years, but it failed to free the Chinese people from imperialist and feudal oppression. The government headed by the warlord Yuan Shih-kai, which came to power, accepted in 1915 the notorious "Twenty-one Demands" put forward by the Japanese imperialists. Implementation of these would have meant turning all China into a colony of Japan. Yuan died the next year. The various groups of warlords who then took over were each backed by their respective imperialist master. Nominally independent, China became in fact a semi-colony controlled by several imperialist powers. Endless civil wars among the warlords fighting for their own and their imperialist masters' interests subjected the Chinese people to intolerable sufferings.

From 1914 to 1918 the Western imperialist powers were too much preoccupied with the First World War to embark on fresh adventures in China. This brief respite witnessed a rapid advance of industry run by the Chinese capitalists. The number of industrial workers rose from some 650,000 in 1913 to approximately 3 million in 1919. This growing strength of the working class and its entrance into the revolutionary struggle was the major factor assuring the victory of the coming May Fourth Movement.

Political Awakening

In 1916, progressive intellectuals initiated the New Culture Movement; this, inspired by liberal bourgeois ideas, opposed feudal culture and aimed to promote democracy, science and the reform of literature. Its influence gradually spread to ever wider circles of the population, particularly among petty-bourgeois intellectuals. It contributed to the political awakening of the people and thus helped to prepare conditions for the May Fourth Movement.

In 1917 came the Russian October Revolution. It lit up the path of advance for the Chinese people. As Comrade Mao Tse-tung wrote:

Before the October Revolution, the Chinese were not only ignorant of Lenin and Stalin but did not even know

of Marx and Engels. The salvos of the October Revolution awoke us to Marxism-Leninism. The October Revolution helped the progressives in China and throughout the world to adopt the proletarian world outlook as an instrument for studying a nation's destiny and reconsidering their own problems. The conclusion was: "Follow the path of the Russians." (*On the People's Democratic Dictatorship*)

The introduction of Marxism-Leninism to China showed the road for the Chinese revolution.

Social conditions in China on the eve of the May Fourth Movement were explosive. The fuse was lit by the Versailles peace conference.

The Versailles Double-cross

The peace conference called by the imperialist powers at Versailles in January 1919 was essentially a conference to divide the spoils of the First World War, to redistribute the colonies and redemarcate spheres of influence. As China had also declared war against Germany and was therefore one of the victor nations, the warlord government in Peking, under pressure of public opinion, sent a delegation to the conference with several demands; these included the withdrawal of foreign troops stationed in China, the return of leased territories and concessions and cancellation of the "Twenty-one Demands."

At that time, many Chinese still entertained illusions about the imperialist powers and the Versailles peace conference. They believed that the U.S., British and French Governments would really put into practice the high-sounding principles for which they said they had fought the war and that President Wilson of the United States was "the best of the best." They vainly hoped that the conference would help China to free herself from the yoke imposed on her by the foreign powers. Cruelly dashing all these naive expectations, the Versailles conference turned down all China's reasonable demands. It even further aggravated the situation by approving Japan's seizure of Tsingtao and all the other positions and privileges which Germany had formerly held in the province of Shantung.

The Versailles conference thoroughly exposed the true face of imperialism. The advanced revolutionary elements among Chinese intellectuals began to realize that only by relying on its own efforts can a nation work out its own destiny.

When news of this gigantic diplomatic double-cross was made public in the newspapers on May 3, the whole nation seethed with anger. Feeling ran high.

On the evening of May 3, a thousand student representatives from various universities and colleges in the capital held a meeting in Peking University. Denouncing the betrayal at Versailles and the subservience of the reactionary warlord government, the meeting called a mass demonstration in the city for the following day.

Students Go into Action

On May 4, more than 5,000 Peking students gathered in front of Tien An Men. They carried banners, shouted slogans: "Tsingtao must be returned to China!" "Abolish the 21 Demands!" "Punish the traitors!" and "China belongs to the Chinese people!" They first marched to the Japanese Legation. At the entrance to the Legation Quarter, their way was blocked by the legation's special police. Infuriated, the students turned to march to the house of Tsao Ju-lin, a creature of the Japanese imperialists and the one chiefly responsible for the signing of the "Twenty-one Demands." They routed the armed guards at his gate and broke into the house. Tsao, clambering over a back wall, escaped. The students, searching for him, finally cornered Chang Tsung-hsiang, another traitor who was China's minister to Japan and was at that very moment meeting with Tsao and some Japanese officials. They beat him up, and in their anger, set fire to Tsao's house. By this time the police arrived in force and arrested 32 students.

A wave of solidarity with the students swept over the nation. On May 7, big student rallies and popular demonstrations in support of the Peking students took place in the leading cities of China, in Tientsin, Shanghai, Nanking, Wuhan, Changsha, Canton and Chungking.

The warlord government resorted to high-handed repression. The Peking students called a protest strike on May 19. Students in many other cities followed suit. The students in Peking sent delegates to contact organizations throughout the country and call for supporting action. In Peking they took their message into the streets and public places, denouncing particularly Japanese imperialism and its lackeys. The struggle intensified. On June 3, thousands of students poured into the streets to step up their propaganda. The police arrested more than 300 of them. With jails already full, the Law School of Peking University was turned into a temporary prison. Arrests continued and the College of Science of the same university was turned into another temporary jail. This latest wave of arrests added fresh fuel to the flames. As the news spread, from Heilungkiang Province in the north to Kwangtung in the south, patriotic activities—demonstrations and strikes—were organized in more than 150 cities in twenty provinces.

The workers now entered the struggle, joining the students by calling their first political strike. With this access of strength the movement entered a new stage. Its



The May Fourth student demonstration at Tien An Men

Oil Painting by Chou Ling-chao

centre shifted from Peking to Shanghai—China's biggest industrial and commercial city. In addition to the young intellectuals, the great strength of the working class began to come into action as a major element in the movement.

Shanghai workers were the first to go on strike. On June 5, more than 20,000 workers including those of a number of Japanese-owned cotton mills left their machines. Within days, streetcar workers, scavengers, dockers and sailors had followed suit. The number of strikers rose to 70,000. The strike wave rapidly spread to other centres in the country.

Influenced by the workers and students, the Chinese capitalists in Shanghai also joined in the movement. From the start, however, they showed they had little stomach for a stand-up fight against the imperialist and feudal forces. They advocated a "civilized boycott" of Japanese goods and put up posters advising against popular uprisings. They assured the imperialists that "good order will be maintained."

Workers' Strength Tips the Scale

The reactionary government was now thoroughly alarmed. The movement was developing on a nationwide scale. Strikes practically paralysed the economic life of several big cities. More extensive strikes were being planned. In Peking, handbills distributed in the streets warned: "Should the government fail to comply with our demands, the inhabitants of Peking will resort to direct action in the struggle for radical reform." The patriotic tide was surging rapidly forward. To preserve the tottering regime, on June 10 the warlord government was compelled to announce the resignation of the three most hated traitors: Tsao Ju-lin, Chang Tsung-hsiang and Lu Tsung-yu.

On June 28, the day the Versailles Peace Treaty was signed, Chinese students and workers in France blockaded

the residence of the Chinese delegates. Under such pressure, the Chinese delegation was forced to refuse to sign the treaty. It was a shock to the imperialist powers. The news was greeted with elation in China.

The May Fourth Movement won a series of great victories. At the start it was a revolutionary movement carried out only by the united front of intellectuals with rudimentary communist ideas, petty-bourgeois and the bourgeois intellectuals. After June 3, it spread beyond intellectual circles, to swell into a nationwide revolutionary movement embracing the workers and national bourgeoisie as well. In this movement, the working class with its dauntless fighting spirit and its organized strength emerged clearly as the vanguard and leading force in the anti-imperialist and anti-feudal struggle of the Chinese people.

Chinese Revolution Enters New Stage

The May Fourth Movement greatly heightened the political consciousness of the Chinese people. More and more people began to understand the significance of the path opened up by the October Revolution. The movement ushered in a new stage in the Chinese revolution. Many progressive intellectuals began to publish magazines and books and set up progressive organizations to spread Marxist-Leninist ideas. In the period between the May Fourth Movement and the founding of the Communist Party in 1921, Li Ta-chao, forerunner of the communist movement in China, wrote many important articles in the progressive magazines *New Youth* and *Weekly Review*, the most famous of which was an essay entitled "My Marxist World Outlook," the first comprehensive introduction to Marxism written in China. He was also an active propagandist for Marxist ideas in his lectures and public speeches at Peking University. Many progressive periodicals were published at this time and many progressive organizations were set up. Chinese translations of the *Communist Manifesto* and *Socialism, Utopian and Scientific* were published for the first time in China.

Revolutionary intellectuals who came to accept Marxism-Leninism began to join the working-class movement. And through their work, Marxism-Leninism began to be integrated with the Chinese working-class movement. In 1920, International Labour Day was celebrated for the first time on May 1 on a mass scale in Shanghai, Peking and other places, with communists as the organizers. On this day, handbills were found in Peking demanding the return of ownership of land and factories to the labourers.

First Communist Groups Formed

The first communist group in China was formed in Shanghai in May 1920. In November the same year, the Socialist Youth League was founded there. That same year, Mao Tse-tung and others formed a communist group in Hunan. And about the same time, other communist groups were set up one after the other in Peking, Hupeh Province, Canton, Tientsin, Hangchow, Tsinan as well as among the Chinese students who were studying in Moscow and Japan. Chou En-lai, Li Fu-chun and others then studying in France formed a Chinese Socialist Youth League there in February 1921.

These communist groups further promoted the synthesis of Marxism with the Chinese working-class movement. An outstanding example was Mao Tse-tung who established extensive connections with the railroad workers, printers, cotton mill hands, carpenters, masons, transport and other workers in Changsha. He helped them in many ways, ran a school for them and carried out Marxist propaganda among them. In the same period, Liu Shao-chi and other members of the communist group in Shanghai set up a spare-time school for workers and helped to organize a machinists' association and printers' association there. Similar activities were carried on in Peking and other places. In the meantime, in many places, such periodicals as *The Workers' Circle* in Shanghai, *Voice of Labour* in Peking, and *The Worker* in Canton, were published mainly for workers, to popularize Marxist ideas and to give guidance to the workingmen's struggles. The working-class movement developed rapidly. Incomplete figures show 50,000 to 60,000 workers taking part in strikes in 1920; by 1921, the figure rose to more than 300,000.

The May Fourth Movement thus prepared the way for the founding of the Communist Party of China. On July 1, 1921, the First Congress of the Communist Party was convened in Shanghai; the Party of the working class, with communism as its aim and with Marxism-Leninism as its guide to action, was born in China. It was an event of key significance in the history of China. Since then, led by the working class and its vanguard the Communist Party, the Chinese people have battled their way forward through mighty difficulties to final victory.



Front cover of *New Youth*, Vol. 1, No. 1

CHINESE PRESS OPINION

International Labour Movement

Commemorating the 70th anniversary of "May 1," Liu Chang-sheng, Vice-President of the All-China Federation of Trade Unions, in an article published in No. 8, *Shijie Zhishi* (World Culture), reviews the enormous advances made by the world's working class in the struggle for liberation. In 1876, he recalls, the organized workers throughout the world numbered only some two million; today, they are well over 160 million strong. The growth in strength of communism in the various countries is a sign that the working class is reaching political maturity.

The Great October Socialist Revolution was a turning point in the international working-class movement. The Soviet Union today is the core of its solidarity. The emergence and steady growth of the strength of the socialist camp headed by the Soviet Union has provided still more favourable conditions for the working class all over the world in its struggle.

Trade unions in the socialist countries, guided by their Communist and Workers' Parties, have played a tremendous part in developing their national economies, in spreading communist education among the workers and in steadily improving the workers' material well-being on the basis of expanding production. The working-class movement in the socialist countries is like a lighthouse lighting every corner of the world, showing the way to the working class of the capitalist world and inspiring them in their march to the future.

One of the principal features of the workers' movement in Asia, Africa and Latin America is its close bond with the national-liberation movements. Today, the struggle against colonialism becomes a great ally of the socialist revolutionary forces.

From north and west Africa the national-liberation movement is rapidly spreading to central, east and south Africa. Since the All-African Peoples' Conference of last December, the struggle of the African people has risen to new heights. The founding of the General Workers' Union of Black Africa last January signifies the anti-imperialist solidarity of the African working class, and eloquently testifies to the fact that the African working class has now come to the forefront of the national-liberation movement.

In Latin America, the flames of the anti-U.S. struggle are leaping every-

where. In Cuba, the working class played an important part in winning the recent revolutionary victory. The solidarity of the working class in Latin America is being strengthened. On February 16, trade union representatives from Chile, Venezuela, Uruguay and Mexico met in Chile and agreed in principle that the Central Union of Chilean Workers should propose to all general trade unions in Latin America that they should exchange views on, and possibly take united action on, such questions as the proposed regional market and the fight against tyranny; and, within the next few months, hold a trade union conference of representatives from all parts of Latin America. This is a trend that deserves attention.

In Asia, Japanese workers have launched a great spring campaign to abrogate the Japan-U.S. "Security Treaty," to defeat the Kishi government, to fight for better living standards and preserve democratic rights. In Iraq, the people and its working class have frustrated the recent plot to subvert the Republic; there is an unprecedented upsurge of the working-class movement in Iraq. In many Southeast Asian countries, the working-class movements have made considerable progress, linking themselves closely with the national-liberation and anti-colonialist struggle.

The ties between the workers' movement and the struggle to defend world peace grow ever closer. This is another cardinal feature of the current international working-class movement.

Since last year, the struggle of the working class in the capitalist countries to defend peace has made further progress; at demonstrations, mass rallies and

trade union conferences in Britain, West Germany, France, Italy and Austria, the workers have protested against imperialist war adventures.

The U.S. Government's policy of arms expansion and war preparations also meets with opposition and censure from the mass of workers there. Quite a few U.S. trade unions have passed resolutions demanding the withdrawal of U.S. troops from the Taiwan Straits and a change in present U.S. policy towards China.

The struggle of the workers in the capitalist countries against unemployment, for better living conditions and in defence of democratic rights makes continued progress. Belgian coal-miners in February struck for thirteen days and more than a hundred thousand workers downed tools. In the U.S., 5,300 unemployed workers and trade union representatives from all parts of the country went to Washington to attend a national meeting of the unemployed. This is the biggest demonstration of U.S. unemployed ever held in the last few years.

The proletarians of the world are cementing their solidarity, supporting each other and marching confidently towards their great and brilliant goal, the article concludes.

Iraqi Peace Congress

Renmin Ribao's Commentator (April 21) greets the recent Second Congress of Iraqi Peace Partisans as "an important gathering of the Iraqi people to defend peace and safeguard their Republic." Commentator adds that the Congress is "of great significance for the further growth of the peace movement in Iraq and for stepping up the struggle against the imperialist and foreign reactionary forces."

"The newly born Iraqi Republic," Commentator points out, "has become an im-

THE PASSING SHOW

Beware of the Yanks Bearing Gifts!

Eugene Black, president of the U.S.-controlled International Bank for Reconstruction and Development, told members of the Detroit Economic Club that "the two words 'foreign aid' have become so elastic that they now embrace a host of special objectives—military, political and commercial as well as economic—so that it is often not at all clear just what is being attempted in a given instance. . . . The result, as we have seen in more than one country recently, is a deterioration of the other nation's economy. . . ."



portant bulwark for peace in the Middle East." However, the imperialists are not reconciled to their defeats. After the failure of its plots of armed aggression, the U.S. concluded separate bilateral military agreements with Turkey, Iran and Pakistan and is working with other imperialist countries on new military deployments to encircle and threaten the Iraqi Republic. Their most vicious plot at present is to sow discord among the Arab countries in an attempt to undermine the Arab national liberation movements. These imperialist activities seriously menace the independence and

security of the Iraqi Republic and peace in the Middle East. Therefore, "the recent Congress of Peace Partisans to step up the mobilization of the entire Iraqi people in the struggle to defend peace and the Republic is an effective answer to the imperialists' new aggressive designs," Commentator continues.

The Iraqi people, rallying closely around the government headed by Premier Kassim, have formed a mighty force. The forces of peace, democracy and national independence in Iraq are now stronger than ever, Commentator states.

Their just struggle has won the respect and support of the people in the Middle East and other parts of the world. Although China and Iraq are separated by high mountains and seas, the peoples of the two countries have established close friendship in the struggle to defend peace. "Together with the peace-loving people the world over, we joyously congratulate the Second Congress of Peace Partisans in Iraq on their success. We believe that no matter how frenzied and vicious the imperialists are, they can never block the road of the Iraqi people to progress," Commentator concludes.

WHAT'S ON IN PEKING

— Highlights of Current Entertainment, Exhibitions, etc. —

Programmes are subject to change. Where times are not listed consult theatre or daily press.

PEKING OPERA

▲ **CHIN HSIANG-LIEN** A dramatization of the well-known Sung dynasty story of an ambitious scholar, who after gaining wealth and position, tries to murder his wife and two children, obstacles to a new advantageous marriage, and how he is brought to justice by Pao Cheng, a just magistrate. Produced by the Peking Opera Company of Peking.

Apr. 30, 7:15 p.m. Chang An Theatre

MODERN OPERA

▲ **SONG OF THE GRASSLANDS** Two young Tibetans are very much in love but they belong to two hostile clans. Liberation puts an end to the evil feud that thwarts their love and the two live happily ever after. Produced by the Central Experimental Opera Theatre.

May 1 & 2, 7:30 p.m. Tianqiao Theatre

BALLET

▲ **THE CORSAIR** China's first production of the classical ballet by the French composer Adam. Performed by teachers and students of the Peking School of Dancing. Re-staged and directed by P. A. Gusev, Merited Artist of the R.S.F.S.R.

May 1 & 2, 7:30 p.m. Tianqiao Theatre

SONG AND DANCE

▲ **FOLK SONGS AND DANCES** of China's many national minorities performed by the Central Nationalities Song and Dance Troupe.

April 28 & 29, 7:30 p.m. Tianqiao Theatre

CONCERT

A programme of vocal, piano, violin and viola solos. Sponsored by the Central Philharmonic Symphony Orchestra.

May 3, 10 a.m. Shoudu Theatre

THEATRE

▲ **A STORY OF TWO HUMPBACKS** Adapted from a Russian tale about two humpbacks one of whom is a young scavenger while the other is a viceroy of the foreign invaders. Both want to marry a girl named Fenica. The scavenger, together with the people, defeats the invaders, rescues Fenica and frees the enemy-occupied city. Produced by the China Children's Theatre.

April 28-30, 7:30 p.m. Peking Theatre

▲ **SAKUNTALA** Adapted from the classical Indian play by Kalidasa. The romance between King Dushyanta and Sakuntala, the daughter of a nymph. Produced by the China Youth Art Theatre.

April 28 & 29, 7:30 p.m. China Youth Art Theatre

▲ **THE RED STORM** A play about the great "February 7" railway workers' strike in 1923. Produced by the China Youth Art Theatre.

April 30-May 2, 7:30 p.m. China Youth Art Theatre

▲ **A SERVANT OF TWO MASTERS** Goldoni's famous comedy produced in Chinese by the Experimental Theatre of the Central Drama School.

May 2-10, 7:30 p.m. Peking Workers' Club

▲ **A DOLL'S HOUSE** Ibsen's famous play, produced in Chinese (under the title *Nora*) by the China Youth Art Theatre.

May 3 & 4, 7:30 p.m. China Youth Art Theatre

▲ **THE SALESWOMEN** A new comedy by Lao Sheh, the well-known playwright, describing how three young girls and a housewife free themselves from household drudgery by becoming saleswomen. At first they have to overcome the petty-bourgeois contempt which members of their families have for their new jobs, but finally all learn what socialist service means to the people. Produced by the Peking People's Art Theatre.

Apr. 28-May 5, 7:15 p.m. Shoudu Theatre

▲ **SONG OF YOUTH** Adapted from Yang Mo's popular novel of the same title. A stirring description of the revolutionary youth movement in Peking and its struggle against the Kuomintang terror in 1931-1935. Produced by the Central Drama School.

May 1-5, 7:15 p.m. Shiyun Theatre

FILMS

Showing from May 1 to 5 at Peking's major cinemas. For dates see press.

▲ **CHRYSANTHEMUMS ON THE MOUNTAIN** During the campaign for intellectuals to work among the people, a young student is sent to the revolutionary base where he was brought up. He recalls how the people fought against the Japanese invaders there. Produced by the Haiyan Film Studio.

▲ **OLD EVERGREEN** A story of the drive for steel as seen through the life and work of a veteran steel worker and his family. Produced by the Haiyan Film Studio.

▲ **PEOPLE OF THE SEA** A full-length documentary produced by the Changchun Film Studio about the new fishermen of Tallen (Dairen).

▲ **STUBBORN VORONINA** Fourteen-year-old Voronina leaves her family to become a sailor. This is the story of how she triumphs over difficulties and makes good. A Soviet colour film dubbed in Chinese.

▲ **BORN OF THE STORM** Adapted from N. A. Ostrovsky's famous novel of the same title. A story of the heroic struggle of the Ukrainian youth against the foreign invaders during the Civil War. A Soviet colour film dubbed in Chinese.

▲ **LA P... RESPECTUEUSE** (The Respectful Courtesan) A French feature film about a girl of the streets who stands up with the Negroes against the wealthy forces of "law and order" in the fight against racial discrimination in a southern state of the U.S.A.

EXHIBITIONS

▲ **ART EXHIBITION** by Peking's workers, peasants and soldiers. Open daily (except Mon.) 9:00 a.m.-6:00 p.m.

At Beihai Park

▲ **GRAPHIC ART EXHIBITION** by the Chanching Artists of Kwangtung. Open daily 9:00 a.m.-6:00 p.m.

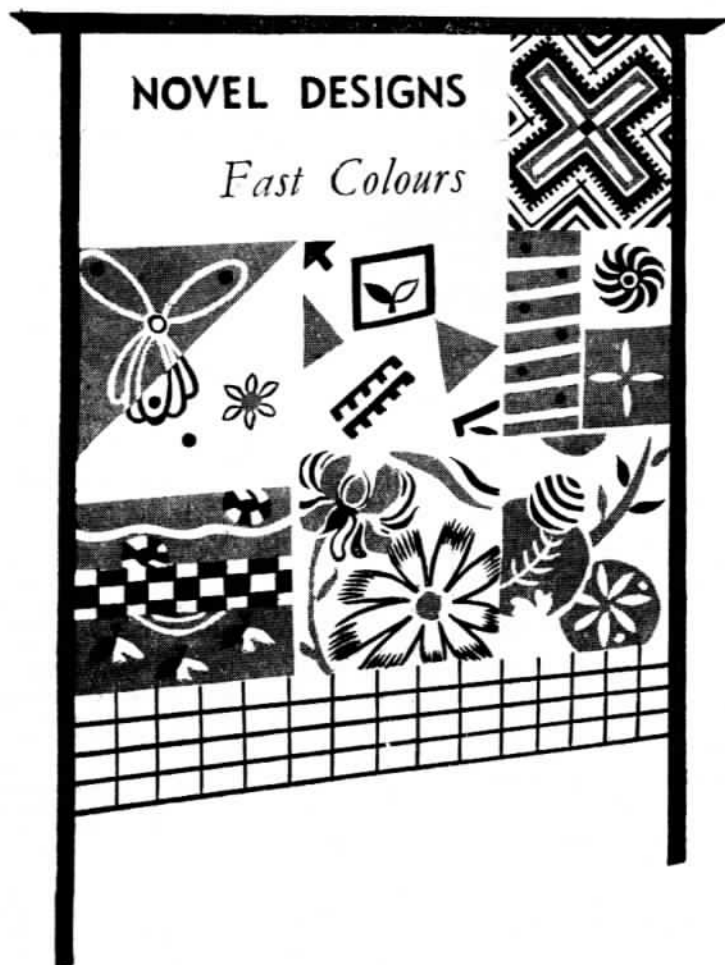
At Summer Palace

SPORTS

▲ **WRESTLING** A wrestling team from the Byelorussian S.S.R. is visiting Peking. It will have exhibition bouts in classical and free-style wrestling on April 28, 2:00 p.m., at Shi Cha Hai Gymnasium.

▲ **FORTHCOMING VOLLEYBALL MATCHES** The Volleyball Team of the Ukrainian S.S.R. will shortly visit Peking to compete with Chinese teams. Watch for it!

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