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WORK REPORT OF THE HONAN COMMITTEE OF THE CHINESE COMMUNIST PARTY

- COMMUNIST CHINA -

by Yang Wei-p'ing

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FOREWORD

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WORK REPORT OF THE HONAN COMMITTEE OF THE CHINESE COMMUNIST PARTY

Following is a translation of a speech by Yang Wei-p'ing on 24 December, 1958, before the Third Session of the First Honan Provincial Congress of the Chinese Communist Party. It was published in the Chinese-language newspaper Honan Jih-pao, Cheng-chou, 16 January 1959, pages 1-3.7

Comrades, I now present the work report of the Honan Provincial Committee of the Chinese Communist Party to the Third Session of the First Party Congress of the Province.

I

It has already been more than a year since the second session of the Party's First Congress. During the past year the entire party and all the people of Honan Province, under the brilliant leadership of Chairman Mao Tse-tung and the Central Committee of the Communist Party, have not only achieved a decisive victory on the political and ideological fronts, but have also accomplished great results in the battle against nature. Undoubtedly this represents a significant beginning in shaping the outlook of the province.

The appearance of Honan has shown enormous changes in this year. The high tide of water conservation work during last winter and this spring represents a service of some 48,000,000 people of Honan in the battle with nature that carries with it a decisive significance. The Provincial Committee, under the direct guidance of responsible officials of the Central Committee, has gathered together and publicized water conservation experience based on storage, small-scale projects and commune management. During several months of severe draught the irrigated area has been speedily expanded, run-off in the mountain has been largely controlled, and an improved foundation has been laid for the future large-scale transportation of nature. This battle has amply demonstrated that the masses can make "the mountains bow their heads and the river make way," and that the great power of the masses to disregard difficulties and conquer nature is beginning to make them the master of nature. It is precisely because of the tremendous achievements in water conservation, plus the wide practices of deep plowing, collection of large amounts of fertilizers and other means of increasing production, that this year's agricultural production has developed a flying leap that is beyond belief. The unprecedentedly large summer harvest has destroyed the contention that wheat production is low, has further liberated man's thinking, encouraged revolutionary zeal and strengthened the belief in obtaining a large autumn harvest thereby achieving the total production goal of 70,200,000,000 catties of food for the entire year. The absolute figure of food production this year is equal to 2.35 times the production increase of the

first Five-year Plan period. Except for sweet potatoes, the absolute figure of food production in this year is equal to 1.7 times the production increase for the entire first Five-year plan period. The per capita food average for the entire province is about 1,400 catties. Our passive attitude toward food production battle prevailing several years ago has now changed to an active one. Per capita food consumption has risen to 500 catties, proving that the living standard of the people has greatly improved. Cotton, oils, and tobacco have been increased several times. Cotton production was 970,000,000 catties, an increase of 1.7 times over 1957; peanut production was 1,452,000 catties, an increase of 2.1 times over 1957; sesame production was 550,000,000 catties, an increase of 1.6 times over 1957; and cotton production was 550,000,000 catties, an increase of 4.3 times over 1957. The victory on the agricultural battle front and the rapid increase in food production have demolished the rightist pessimistic views that the production enthusiasm of the peasants was not high and that agricultural production could not be rapidly increased and have also defeated the ruthless attacks of the opportunists and those who had planned to settle accounts in the fall.

The great leap forward in agriculture has widened the markets for industrial goods, provided raw materials for industry and created new demands for industrial goods. The urgent demand for mechanization and electrification of agriculture has stimulated a leap forward in industry. Since the spring of 1958, when the Provincial Committee publicized the "six principles" used by Chi-yuan hsien in developing local industry, the entire province has begun to develop a high tide of establishing industrial enterprises for the villages and communes. Large and small scale enterprises have, through the rectification movement, launched campaigns against waste and conservative attitudes. A new high tide of production enthusiasm has been developed, emphasizing competition for getting the job done in greater quantities and faster, and more economical ways. Since rapid growth in agricultural and industrial production requires large amounts of iron and steel, steel production has become the key to industrial and agricultural growth. In the second half of 1958, all the Communist members in Honan Province, following the policy of the party Central Committee, mobilized millions of people into iron and steel production. Previously iron and steel production was insignificant in Honan. In 1957, the pig iron production of this province amounted to only 3,600 metric tons. After the production campaign in 1958, Honan province produced by the end of 1958, 2,000,000 tons of pig iron and 480,000 tons of steel. The leap forward in iron and steel production has stimulated the development of other industries, such as machinery, coal mining and transportation, thus bringing socialist development in Honan to a new high. According to preliminary statistics, there were 280,000 projects covering new construction, expansion or renovation, 3,611 of which being undertaken by mines and factories above the hsien level. The value of provincial industrial and agricultural production is estimated to have been 4,330,000,000 yuan in 1958, 51 percent higher than planned, or 177.6 percent above the value in 1957. The absolute increase in value in 1958 was equal to 1.2 times that for the total increase during the First Five-year

Plan period. The value of industrial production constituted 32.6 percent of the total value of production in 1958 as compared with 28.4 percent in 1957.

Corresponding with the leap forward in industrial and agricultural production, significant accomplishments have also been made in technical and cultural areas. In rural regions technical innovations have centered around the use of ball bearings for solving the problem of shortage of manpower. In industrial plants the emphasis has been on technical improvements and discoveries. In order to pave the way for scientific and technological development, there has been a popular demand for a cultural revolution. Thus, there has been rapid growth in education. Some 66 percent of formerly illiterate youths have become literate. A number of vocational schools, special training classes, primary and high schools and colleges have been created. In the meantime, a campaign has been launched for the eradication of "four pests", the dissemination of hygiene, reform of traditional customs and promotion of a national spirit conducive to the leap forward in agricultural and industrial production.

Because of the great leap forward in production, the rapid expansion of socialist production capacity and the heightening socialist and communist awareness of the masses, the agricultural cooperative can no longer meet the requirements of the new situation as a form of organization and management. Hence, in the spring and summer of 1958, there was a movement for the smaller cooperatives to merge into larger ones. This was followed by the commune movement after Mao Tse-tung had issued a call for such a movement. As a result, the 38,473 agricultural and industrial cooperatives were gradually reorganized into 1,242 communes representing a combination of industrial, agricultural, intellectual and military elements. In addition, there are 494 newly formed city communes in the province. The people's commune, once established, has demonstrated its superiority and vitality as a rising sun. It has freed some 6,000,000 women from domestic routine. Manpower is highly organized for collective work. The means of production are now much more concentrated in thousands of small factories. Forestry, fishing and husbandry are receiving full development. Public dining halls, kindergartens, nurseries, maternity hospitals, homes for the aged, hospitals, sewing classes, grain grinding teams, and vocational schools have been set up, making it possible for the farmers to enjoy collective living and to develop a collective spirit. A wage system is used together with a payment-in-kind system. It is now possible to offer meals without charge. The majority of the farmers have begun to receive regular wages which guarantee them basic necessities. The people's commune has applied military principles to its organization and management. Since life in the commune is collectivized and management of commune affairs democratized, work discipline and self-consciousness have been strengthened among the farmers. All this has produced radical changes in the social outlook of Honan. The feudal family system characterized by the rule of the head of the family has been destroyed. A new family system based on democratic unity has been founded. In short, the people's commune is the most desirable form of organization for socialist construction. It is also the best kind of organization for transforming the present society into pure

communism. In other words, it facilitates the transition from collective ownership to communist ownership and from socialism to communism.

Practice in the past year has proven that the leap forward in work cannot be separated from the leap forward in ideology. When the thinking of men is liberated, the leap forward can be achieved to a greater degree. This, in turn, will further broaden the ideology of men. This is exactly what Comrade Liu Shao-chi said before the Second Session of the Eighth Communist Party Congress: "The expansion of socialist production requires a socialist revolution and the liberation of the ideology of men; the victory of the socialist revolution and the liberation of men's ideology, in turn, hasten the leap forward of socialist production; and the further expansion of socialist production will stimulate the improvement of socialist productive relations and men's ideology. Men continue to improve the society and themselves in the course of their struggle with nature." This correct interpretation of Marxist-Leninism has been verified by our practice.

We all know that an all-out rectification campaign has been launched since the second session of the Provincial First Party Congress. The campaign is a mass educational movement based on Marxist-Leninism. The campaign was intensified in June, 1958, when the ninth meeting (plenary session) of the Provincial Committee thoroughly criticized the rightist opportunism of Pan Fu-sheng, Yang Chueh and Wang Ting-tung. It was followed by an acute ideological purge throughout the province. During the rectification campaign, criticism was launched against rightist conservatism and superstition. Encouragement was given to liberation of thinking and development of Communist personality. Various forms and expressions of rightist conservative attitude were sharply criticized in order to promote a new spirit compatible with the leap forward requirements. In the introduction to his book "The High Tide of Socialism in Chinese Rural Villages" written in December, 1955, Comrade Mao Tse-tung pointed out: "Man's thinking must be compatible with the situation that has been changed. Naturally, no one is allowed to think without factual basis or to plan his action without considering realistically the limitations inherent in the objective environment. However, our present problem is that the rightist conservative attitude has become an obstacle to various areas of development. Our problem is that many people refrain from doing the many things that can now be accomplished with a little more effort. It is therefore necessary to continue to criticize the conservative attitude." This is a most comprehensive analysis of our present problem. In fact, it is due to the purging of the conservative attitude in the past year that there has been a successful leap forward in production. Our targets of criticism include the contentions that progress can be made only gradually rather than in leaps and bounds, that advances cannot continue indefinitely, that the prospects for production are doubtful, and the non-committal attitude. As a result of the purge, many farm acres have had unprecedented high yields per unit. Similar criticism was made during the steel production campaign with targets being skepticism, "conditionalism", unnecessary worries over the possible adverse effects of the steel production campaign on the economy in general, worries over losing money, etc. The result has been the emergence of several "sputniks" in steel production. Great

achievements made in the environmental health campaign have also been attributed to the purging of the conservative attitude. In short, only by a continuous struggle against the conservative attitude, can man's ideology keep up with the new situation and revolutionary enthusiasm and initiative be maintained.

The great leap forward in Honan is a result of our strict adherence to the directives, policies and principles issued by the Central Committee of the Communist Party. In the spring of 1958 in Nan-ning (kwangsi) Conference, Comrade Mao Tse-tung enumerated 60 articles on continuous revolution to guide our thinking and strengthen party leadership. His instruction has had a decisive effect on the great leap forward. This conference was followed by the Ch'eng-tu Conference in which Mao Tse-tung postulated policies to encourage initiative for building socialism faster and more economically. In the second session of the Eighth Party Congress the general policy was reaffirmed and elaborated. It was decided that equal emphasis be given to industry and agriculture, local and central government industries, and to large and small enterprises. A propaganda campaign was launched throughout the province to disseminate the general policy of the party. Debates were organized. In the meantime, struggles were carried out for the determination of a correct approach; One approach favored faster, and more economical development, the other favored slower, and less costly development. As a result, the ideological level of the party members was advanced. At the Pai-tai-ho Conference held in September 1958, the Party issued a policy emphasizing the development of steel production and favoring simultaneous development of modern and native methods. As a result, steel production in Honan has developed rapidly. The great leap forward in Honan in the past year represents a glorious victory of the party's general policy, a victory of Mao Tse-tung's ideology.

One of the principles followed by the Communist Party in its activities is to rely on the masses, to believe them and to follow a "mass line". This principle was followed in Honan's leap forward campaign in 1958. The mass movement approach has been a key factor in the leap forward development in agriculture, industry and science and also in the development of people's communes. The steel production campaign in the most recent period can serve to illustrate this point. The steel industry was previously insignificant in Honan. What has been the result after we have encouraged the development of iron and steel production by the use of mass movement tactics? The achievement in steel production is startling. For, while the amount of pig iron production was only 15,000 metric tons by the end of August, 1958, this will reach as much as 2,000,000 tons by the end of the year. This indicates the immense potential of the masses. The tremendous contribution by the masses in the steel production campaign is, in turn, due to the participation of party members in labor, giving consideration to the living condition of the masses, the development of Communist virtues and cooperation between the city and the village, between the farmer and the worker and among the cooperatives and communes. All this has led inevitably to the leap forward achievements.

Clearly, Honan has seen many significant changes in the past year. As stated in Marx's prophesy: we have entered a stage in which "one day's achievement equals that of twenty years". The present situation has apparent broad avenues for still greater advances. On the other hand, we must realize that, despite the decisive victory on the ideological front, and the isolation of bourgeois classes from the masses, we must still expect some intense class struggle. In this transitional period the basic struggle still exists between socialism and capitalism. Failure to understand this situation will unfavorably affect the progress of socialism. Despite great increases in industrial and agricultural production, Honan is still far from mechanization and electrification and much manpower is still tied up in agriculture. Steel production is still far from meeting needs with respect to both quantity and quality. The 1958 value of industrial production is only 32.6 percent of the total gross national product for Honan. The appearance of poverty has not been basically altered. The level of consumption of the masses is also relatively low. Moreover, a lot of work must be done in the newly created communes. While we recognize our achievements, we must also appraise the difficult tasks that are ahead. As pointed out in the Resolutions on Certain Problems Concerning the People's Commune, issued by the Sixth Session of the Party Congress: "From now on the task before our people will be, through the people's commune as a social organization, to develop social production rapidly and to stimulate industrialization, commune industrialization, rural mechanization and electrification and gradually to change the socialist economy into communism. We should develop our country, step by step, into a socialist country equipped with modern industry, agriculture and science. In this process, Communist elements will gradually become dominant and material and cultural conditions will prevail for the transition from socialism to communism".

1959 is the second year of the Second Five-year Plan. It is a year of great significance. We must carry out the resolutions of the Eighth Session of the Sixth Party Congress for greater victory in 1959. We must continue to develop our achievements made in 1958. We should continue to oppose the rightist conservative attitude. We should march forward heroically and with revolutionary initiative. In the meantime, we must combine our revolutionary enthusiasm with realistic and scientific analysis so as to build socialism faster, better and more economically. We should continue to give emphasis to steel production and to make better arrangements for the fulfillment of 1959 goals. We should appreciate the importance of political ideology in all activities and rely on the masses. At present, we should rally the people and members of the Communist Party for a correct appraisal of the people's communes. We should, in the course of the winter and spring production campaigns, reorganize and strengthen our activities related to the people's communes. Thus, we believe the achievements in 1959 will be even greater than that in 1958.

II

The all-out leap forward accomplishment in 1958 in Honan has proved

the correctness of the party's policy of striving for greater initiative, and the emulation and building of socialism in a better, faster and more economical way. Valuable experience was accumulated in the execution of this policy. A review of these experiences will have a decisive meaning for fulfilling our tasks in 1959.

The following report will deal with our performance, experience and future objectives in industry, agriculture, trade and finance, education, political government and military affairs.

Industry

Under the challenge to leap forward in agriculture and to catch up with Britain in 15 years, the Provincial Committee held conferences, during February-March, 1958, on local industrial planning. The six principal experiences in developing local industry, achieved by Chi-yuan hsien, were reviewed. As the people throughout the province have freed themselves from conservative thinking and participated in the movement for initiating industrial enterprises in every hsien, commune and organization, a great multitude of medium and small size plants and mines have been built. The realization of the communization program in August has created many favorable factors for centralized utilization of material, producer goods and labor. Hence, it has been possible to undertake industrial plants of moderate size. The steel production movement, especially, has produced favorable effects on industry in general.

The all-out drive for the development of local industry, undertaken last year, has produced significant results. The value of products credited to the hsien and communes rose from 400,000,000 yuan in 1957 to 1,700,000,000 yuan in 1958 — a threefold increase. This will prove favorable for the gradual elimination of the differences between the urban and the rural economies, between industry and agriculture and between manual and non-manual work. The practice of last year proves the correctness of the Party's policy of giving priority to heavy industry, but simultaneously developing industry and agriculture, light and heavy industry, local and Central Government industries, enterprises of varying size and of utilizing both modern and native production techniques.

At present, the local industry of this province has developed to a stage of historic significance. According to present needs, we must reorganize and expand the 28 existing mines and plants. On the other hand, we must develop local industry to suit the local circumstances of the communes. Hence, we must make adequate plans giving special consideration to the mobilization of local resources to set up a group of small local industrial enterprises and to the utilization of both modern and native methods of production. We should develop the existing larger enterprises into an industrial base for the support of local industry.

At this point, we must recognize that provincial industry has grown rapidly under the Party's policy of all-out industrialization centering on the development of steel production. We all know that since June, 1958, when the Provincial Committee, acting under instructions from the Central Committee and Comrade Mao Tse-tung, mobilized the masses into the steel production campaign, we have been confident that we can produce 2,000,000 tons of pig iron (700,000 tons of good quality) and 480,000 tons

of steel (20,000 tons of good quality). This will contribute to the fulfillment of the national target of 10,700,000 tons of steel. It will also contribute to the requirements of the mining and metallurgical, machine and transportation industries. Following the development of iron and steel production, the machine, coal mining and transportation industries have grown rapidly. We can now undertake enterprises which were beyond our capacity previously, on account of the lack of iron and steel. The steel industry, which is now expanding, will undoubtedly stimulate the industrialization of the communes, the mechanization of agriculture and rural electrification.

During the steel production campaign one significant achievement is that not only steel, but, also, men are being "refined." The campaign has been a good training process for millions of cadres and masses who, through the production campaign, have learned communist virtues and preliminary production techniques. It is estimated that 540,000 engineers and skilled workers have been trained in the course of the campaign. We have begun to bridge the gap in steel refining techniques. The success in the steel campaign has been a result of a series of ideological struggles. For instance, we, at the beginning of the campaign, criticized three erroneous views on steel production (looking upon steel production as some sort of a myth, skepticism and overemphasis on the ideal conditions for developing steel production), the two erroneous attitudes (non-committal and defeatist), and the "big worry" (fearing that the campaign may have an adverse effect on agricultural production). Persons having these views fail to understand the potential of the people after they have been liberated. Nor do they notice the favorable factors derived from the commune system. They fail to see that the development of steel production will enhance the development of agriculture in the long run. Had we followed these erroneous attitudes, the steel production campaign would have been stagnant and insignificant. These attitudes were obviously the opposite of the Party's policy of developing small native enterprises. Therefore, it was necessary to wage a large-scale debate and self-criticism within the party and among the people. The policy of the party was relied upon to mobilize the masses and to develop the communist virtues. As a result, we have overcome the difficulties and achieved a great victory.

Under the impact of the steel production campaign, industry and transportation have made impressive gains. The number of machine manufacturing and repairing plants has increased from 1,064 to a present 6,263. There are 19,748 lathes and metalworking machines (of which 5,109 are native-style) as compared with 5,224 previously. Work continues day and night for the production of 10,576 units of metallurgical machinery. The number of coal mines has increased from some 300, last year, to 3,640, with an estimated production of 17,000,000 tons for 1958, or twice as much as last year. Eleven duplicate or branch rail lines were repaired or restored and track was laid for 500 kilometers. This newly laid track is equal to half of the total railway mileage the province had last year. The volume of railroad freight has doubled. The mileage of newly constructed highways amounts to 16,000

kilometers, equal to 291.2 percent of the mileage planned during the First Five-year period. Technical innovations in modern mines and plants have brought about many startling results. About 1,500,000 pieces of tools and parts were improved, some of which involved delicate skills. There were 127,000 test products. Remarkable achievements were also made in geological surveys, electric power development, construction material, chemical engineering, light industry and the telecommunications industry. All this indicates that the policy of simultaneous application of native and modern methods of production and of encouraging small local industry is not only compatible with the iron and steel industry, but also with the manufacturing and transportation industries. Facts also prove that the steel industry is the key to the development of all other industries. We must realize that the development of the steel industry requires better coordination of all related industries. Since coke, transport facilities and electricity supply are still far behind actual needs, despite the remarkable achievements that have already been made, we must establish a fairly large coal washing and coke production plant. Production in the large modern coal mines should be increased several fold. Small coal mines should improve drainage and hoist equipment. In transportation we should complete, as soon as possible, the projected duplicate railroads, and improve traffic management and road maintenance. We should improve the efficiency of the existing generating facilities and, on the other hand, mobilize the masses to restrict the use of electricity for non-essential purposes. The projected electric generators should be brought to early completion.

The steel industry has introduced tentatively the "five-quota" system (imposing quotas on workload, product specification, teamwork, size of personnel and administrative standards) and the "two-transformation" system (developing the production unit into a modern factory and the area into a steel base). In a majority of the production areas, the steel production unit has been able to develop into an operating plant with improved operation. Many communes are operating iron and steel furnaces aside from their agricultural enterprises. It is of great interest that there have emerged in certain areas, combines of small iron and steel plants. At present, the province's 250,000 iron furnaces and 130,000 steel mills have been reorganized into 20,000 steel refining units, thus forming 1,567 iron and steel plants in 266 bases or centers. Such a development plan has facilitated semi-mechanization and mechanization of the iron and steel industry. In the meantime, a new type of steel plant has come into existence in many areas. This plant is characterized by its commune ownership and is subject to the national steel production plan. The operation of the plant is inseparable from agriculture from which it derives necessary manpower. The head of the plant is also the manager of the furnace. Few cadres in the plant do not receive work assignments. The plant is managed by the workers who are paid in money wages and also in daily necessities. Despite the collective nature of the plant, it has already incorporated some communistic features and hence points in the right direction to future development. Present tasks of such a plant are technical innovations,

higher efficiency and lower intensity of manual work. We should continue to develop the plant into a modern one. In the meantime, we should continue to build modern blast furnaces, reverberatory furnaces and steel rolling mills.

The 1959 steel production targets are as follows: 1,500,000-2,000,000 tons of pig iron; 800,000-1,000,000 tons of steel; 2,450 units of lathes; and 28,000,000 tons of coal. The fulfillment of these targets will mark a turning point for the industry of this province and thus will have a decisive effect on further improving the economic outlook for the province.

Agriculture

A bumper harvest was achieved in 1958 after an all-out struggle with nature. The result has been an overfulfillment, 10 years in advance, of the grain, cotton and oil seed quotas allocated to this province in the revised national agricultural development program.

In the past year severe criticism was launched against the rightist attitude in agricultural production. This criticism took the form of posters, field meetings and contests. Among the fallacies subject to criticism were included contentions that agriculture could progress only gradually and not by leaps and bounds, that higher production could not be achieved in small-scale production, and that in the event of disaster, farm area production could not increase substantially although the increase in side employment could provide some relief, etc. The people of the province were mobilized for initiating irrigation projects which took some 200 days to get started. Management of wheat acreage was improved resulting in an unprecedented good harvest.

In developing agricultural production, the people were urged to examine factual evidence in order to be convinced, to argue so as to straighten out their differences, to learn when they did not understand, and to set in action what they had learned. Production quotas were issued together with concrete measures for achieving them. Large-scale inspection was organized so as to exchange information and experience. Since the beginning of the rectification movement the work attitude of the cadres has shown remarkable improvement. They participated in manual work or worked in the pilot projects and lived closely with the masses. Since we trust the masses and have developed their enthusiasm, we have cultivated an army of 3,000,000 enthusiastic workers in agriculture, who serve as a guarantee for our victory in agriculture.

Facts emerging from the agricultural production campaign indicate that in order to increase production many-fold and not just by a certain percent, we must take up some basic problems in agriculture. In other words, we must emphasize capital investment in agriculture. In the past year, we regarded the policies proposed by Comrade Mao Tse-tung as the most basic issues. These policies are related to irrigation, fertilizer, soil improvement, seed selection, density planting, conservation, labor supply and management. Irrigation is the life line of agriculture. In past hundreds of years, this province had been threatened with droughts and floods, affecting 30,000,000 mou annually. Last winter and spring we undertook a three-point irrigation program, determined to work harder

to harness the mountain streams and rivers. Thousands of irrigation projects have been built containing altogether 9,800,000,000 square meters of earthwork with a total capacity of up to 26,000,000,000 cubic meters. The area benefited by the irrigation projects amounts to 80 percent of the cultivated area. Tested by this spring's rainfall, these projects are believed able to prevent normal floods and droughts. The Yellow River embankment remained safe during the fall of 1958, when the flood reached 21,000 cubic meters per second, the largest flood since 1938. Fertilizer is to agricultural crops what food is to human beings. In the past year we have overcome the attitude of counting solely on chemical fertilizer. Effort was made to encourage the accumulation of farm yard fertilizer. As a result, the amount of fertilizer applied per mou of land has increased from 2,000 to 3,000 catties in the past to about 20,000-30,000 catties. Fertilizer has been used for the first time on many farms. Deep plowing is one of the measures responsible for production increase. In fact, it contributed to the bumper crop of 1958 when deep plowing was practiced on some 20,000,000 mou of land. Other factors contributing to the 1958 bumper crop include better seed selection, density planting, insect control and better farm management.

The continuous increase in agricultural production requires us to effect a better distribution of farm acreage for various crops. In recent years, the range of production increase was highest for wheat and rice. However, paddy rice, especially late rice, was subject to loss on account of floods and droughts in late autumn. Hence, except in areas south of the Yellow River where paddy rice should prevail, wheat should be the dominant crop elsewhere. In the meantime, we should somewhat restrict the area for late autumn potato and other root crops, but expand other crops that are of an earlier season. When food production is assured, we should plan the production of other cash crops such as cotton, tobacco, flax and oil seeds and vegetables. In 1958, the value of these economic crops was about 30 percent of the food crop. Nevertheless, these economic crops are still far behind actual needs. For instance, vegetable oil production was only 600,000,000 catties in 1958 which was still short of consumer needs.

During the 1958 agricultural leap forward, we developed many areas high yield acreage. Higher yields were recorded in wide areas. As the unit yield increases, we can look forward to the future when extensive cultivation may be introduced. At such time we can envisage that one third of the arable land in the province will be used for farm crops, one third for crop rotation, and one third set aside for retirement, reforestation, parks, ranges, fishing and other uses.

The leap forward in 1958 was achieved by the use of more labor per unit of land. In the past about 25 man-days were used per mou of land as compared with about 100 man-days (including those used in irrigation projects), or a threefold increase. Since there was also a demand for labor in the manufacturing sector of the economy, the supply of labor was rather scarce during 1958. Better cooperation among the workers, job specialization, better personnel administration in agriculture and industry, and improvement of work tools and work procedures (involving some 60,000,000 units of farm tools and equipment) are among the measures taken to ease the labor shortage.

The province's 1959 agricultural production targets are as follows: food 100,000,000,000 catties (including 38,000,000,000 catties of wheat, the unit yield of which will be 500 catties per mou); cotton, 1,560,000,000 catties; tobacco, 800,000,000 catties; flax, 170,000,000 catties; peanut, sesame and other oil seeds, 3,226,000,000 catties; hogs, 50,000,000 heads. These targets should enable distribution on a per capita basis of 2,000 catties of food (including root crops), 31 catties of cotton, and 20 catties of oil (including cottonseed oil).

The key to the 1959 production increase will be the wheat crop. Hence, we must insist on better management of wheat areas. We must expect that the wheat land will be watered three times, fertilized five times (more fertilizer should be applied to land of higher prospective yield) and thus, we should create a patrol unit for enforcing various controls on wheat lands.

In order to achieve a greater harvest for 1959, we must follow the basic policies developed by Mao Tse-tung, mentioned before. We should fully develop the installed capacity of present existing irrigation projects. We should guarantee that the irrigation projects will comprise total earth-stone works amounting to some 5,000,000,000 cubic meters. We should complete the supporting works of the irrigation projects. We should guarantee that, by the end of this winter and next spring, some 50,000,000 mou of land will be irrigated, and by next summer, the irrigated area will increase to 90,000,000 mou. In hilly areas, we should develop reservoirs, ponds and other water storage facilities. Special attention should be given to the prevention of water logging in certain areas. In the meantime, we must develop irrigation projects of medium and large size. This winter or next spring, we should overhaul the reservoirs at Chao-ping-t'ai, Pai-kuei-shan, Ya-ho-k'ou and Kuohsien, complete the dam projects at Ni-ho and Wa-tang-ho and finish the supporting irrigation projects on both banks of the Yellow River at Chin-chuang, Ta-kung, San-cha-chai and Kang-li. We should give all out support to the San-men Gorge, Tan-chiang and other key projects.

Next, we must expand the uses of fertilizer. Specialized fertilizer teams should be established for promoting the use of fertilizers. We should guarantee that there will be from 6,000,000,000,000 catties to 10,000,000,000,000 catties of fertilizer available by next winter and spring, plus 3,000,000,000 catties of chemical fertilizer and 200,000,000 catties of bacterial fertilizer. The goal will be from 30,000 to 50,000 catties of fertilizer per mou of wheat land. We should plan to produce the same amount per mou for next spring and summer.

Third, we must plow one foot deeper on the 30,000,000 mou of land which was in use in the autumn of 1958. We should improve husbandry, reforestation, agricultural side employment and fisheries, so as to achieve another great leap forward in 1959.

Trade and Finance

The great leap forward in industry and agriculture has brought the activities in trade and the financial field to a new height. Such heightened activities, in turn, have stimulated industrial and agricultural growth. Remarkable achievements have been made in trade and

finance during the past year. The total volume of trade in 1958, comprising purchases, sales, transfer, inventories and all other transactions, amounted to 3,890,000,000 yuan, equal to 138.9 percent of the planned volume or 187.9 percent of that for 1957. The value of retail volume amounted to 3,230,000,000 yuan, equal to 115.3 percent of the planned volume or 158.4 percent of that for 1957. The bumper agricultural crop has altered the tight supply situation in food stuffs, prevailing in this province. Unsold stocks and fewer adjustments (for emergency supply of merchandise) were reported in some rural villages. By the end of November, grain collection amounted to 7,530,000,000 catties, or 57 percent in excess of the assigned quota and 53.9 percent greater than that for 1957. The provincial budgetary revenue amounted to 1,500,000,000 yuan, which was 107 percent of the original budget, or 171 percent of that for 1957. The annual budgetary expenditure was 1,216,000,000 yuan, 95.1 percent of the planned expenditure, or 101.2 percent of that for 1957. Of this expenditure, capital investment amounted to 813,000,000 yuan, an increase of 388.9 percent over 1957. Overfulfillment is expected in 1958 through various loans, recall of part of the money in circulation, urban and rural savings plans and other measures. Financial and trade administration has stimulated technical innovations which have led to a lessening of the intensity of labor and an improvement of efficiency. The volume of export trade, planned by this province for 1958, is 200,000,000 yuan, or 184.9 percent of that for 1957. Planned imports amount to 70,000,000 yuan, or 3,500 percent of that for 1957. These imports consist of industrial equipment and transportation devices.

The magnificent achievement in trade and finance is attributed to the strengthening of political ideology stressing the needs of providing service to industry and agriculture and of distributing consumer as well as producer goods. Experiences in the past year indicate that the key to success is to wage a struggle against deviations from the mass line approach. Greater reliance must be placed upon the masses rather than on inflexible law and procedure. In the supply of goods, we must stress the importance of finding supplies (including procuring and processing) locally. In purchasing goods, the transaction, inspection, payment, storage, processing and distributing should be done at the local level as far as possible.

The establishment of people's communes invariably enhances a series of changes in the production, distribution, exchange and consumption patterns. These changes have taken the form of heavier purchases and transfers of goods, the necessity of planning and centralized control of commodity circulation and the necessity of increasing the role of the commune in strengthening the alliance of workers and farmers. Within a certain limit consumption is now closely related to production. To meet the new situation of the commune system, we should establish centralized control and delegate the responsibilities to various levels. Some of the measures that should be taken to improve rural financial and trade administration include: dispersion of personnel and assets; centralized control of financial policy, budgeting and of cash; and

the use of financial quotas as instruments of control. Experiments in the past two months indicate that these measures are favorable to the development of communes and the growth of production.

We must be prepared to solve new problems that have arisen with the establishment of people's communes. Trade organizations must stimulate multiple economic development and enlarge the scope of socialist transactions. The commune must, in addition to supplying its own needs, enlarge the production of commodities for trade. It should have a better plan for utilizing its manpower for the development of a multi-purpose economy. Specifically, the commune should develop the uses of the sweet potato, encourage the development of side work and native industry. From now through May 1959, the communes must plan a production value equal to 3,270,000,000 yuan, including 2,300,000,000 yuan of commodities for circulation, or 70 percent of the total planned value. These communes should earn 1,200,000,000-1,700,000,000 yuan net profit from producing commodities for general circulation. This profit will provide an additional income of four to six yuan per capita per month. Hence, the trade department must give greater support to the communes for commercial production of various goods. The contract system should be used in dealing with the communes.

Culture and Education

Simultaneous with the agricultural and industrial leap forward, the people of Honan launched a cultural revolution and developed a popular educational movement. In the past year some 5,300,000 illiterates have received literacy education; they comprise about 66 percent of the total number of illiterates, 11,840,000. It was on this foundation that some 2,700 spare-time schools and classes were established. The number of primary and secondary schools (including normal and vocational schools) amounted to 35,576 in 1958, as compared to 32,967 in 1957, or an increase of 7.91 percent. The number of school students increased from 5,480,000 to 7,490,000 during the same period, or an increase of 36.7 percent. In order to train more teachers and technicians, 52 colleges were newly established. When the seven colleges already in existence are added to this number, there are now 59 colleges and schools of higher learning. These schools had 21,985 students in 1958, 1.3 times more than 1957. Many achievements were made in school education under the party policy stressing the importance of working for the interest of the proletariat class and of manual labor. Schools at various levels took part in production campaigns. Teachers and students at the secondary and higher levels all participated in the anti-rightist rectification movement, thereby improving the quality of teaching. Teachers and students also took part in the sanitation movement. They launched eight "shock" campaigns during the past year for the eradication of rats, starlings, houseflies and mosquitoes. As environmental sanitation has improved, incidences of epidemics have been lowered. For instance, black fever has been basically kept under control. Other epidemics, such as thyroiditis, venereal diseases, and arthritis, are also kept under control through effective prevention and treatment. Physical exercise has become a mass movement. Scientific

research organizations have been established at the provincial and the hsien levels and at schools and communes. There are 60,000 persons engaged in scientific research and development in the entire province, covering some 50,000 research projects. There are 129 provincial, hsien or local newspapers with circulation amounting to 1,450,000, or a six-fold increase over 1957. There are 11 periodicals, publishing an average of 720,000 copies 2.6 times more than in 1957. 478 new books were published in 1958, equal to 1.87 times that of 1957. There are 467 radio listening stations, having 220,000 loudspeakers, a threefold increase over 1957.

Experiences prove that culture and education must serve the interest of politics and must work for production increases. Only by following this policy can education and culture be fully developed and train cultural workers fully orientated to Communist virtues. The ultimate objective of the educational policy is the gradual elimination of the difference between mental and manual work. We should develop education as a mass movement. To achieve this end, we must continue to criticize the traditional belief that only the few "experts" or professors are the people qualified to teach. Nevertheless, we must improve the quality of our educational programs when we devote full effort to the development of such programs. As Comrade Mao Tse-tung points out, we must improve the quality of education once education is popularized and, once we have improved the quality, we must continue to widen the coverage. We need a mass education and also a quality educational program.

In educational work we must continue to follow the policy of serving the political interest of the proletariat and of contributing to production. Hence, we must criticize the bourgeois attitude that is inconsistent with such a policy. On the other hand, adequate solution must be sought when the manual labor program in the schools appears incompatible with the age, sex, and curriculum of the students. A reorganization plan should be carried in colleges and universities with special emphasis on strengthening the newly established schools. The objective of the reorganization plan is to develop a technical educational system for overcoming our backwardness in science. Various effective means such as romanization of the Chinese language must be employed to expedite adult education. Various vocational schools at the hsien or commune level should be strengthened. Each hsien should establish a school for training nursery and kindergarten teachers. In sanitation, we should follow the party leadership and rally the masses behind the health campaign. Equal emphasis should be given to modern and traditional Chinese medicine. We should continue to work for the elimination of 14 major diseases; venereal disease, thyroiditis, leprosy, arthritis, malaria, filariasis, schistosomiasis, black fever, typhoid fever, encyphalitis, dysentery, purpura, and infant tetanus, and also cancer and liver diseases. At present, we should prevent the incidences of edema, dysentery, diphtheria, scarlet fever, measles and influenza. We should follow the party's directive concerning the taking of leave of western-trained physicians for the study of Chinese traditional medicine and rally the people to study Chinese traditional medicine. We should improve

the distribution of Chinese traditional medicine. We should develop a mass literary movement orientated to socialism and communism. In addition to strengthening the scientific research institutions in colleges, universities and industrial plants, we must create research units in basic administrative organizations so as to popularize scientific knowledge. With respect to sports, the objective is the preparation for the opening of the national games to be held next year in celebration of the national holiday. We should stress sports items that are related to national defense so that the broad masses will have a better knowledge of military arts and science.

To assure the success of the various programs mentioned above, we must cultivate an army of intellectuals from and among the expanding working class. Under the leadership of the Communist Party, we must rely on the workers and peasants for the reform of the intellectuals. A new intellectual class drawn from the broad masses of workers and peasants is the assurance of a great leap forward in industry and agriculture.

Law Enforcement

Similar significant achievements were also made in law enforcement, contributing to the strengthening of the people's democratic dictatorship and guaranteeing socialist construction. But we must be aware that counter-revolution has not been completely eliminated and the struggle against the enemy must not cease. We must especially note that the counterrevolutionaries are more tricky, vicious and ruthless in their subversive activities. Hence, we must eradicate all counterrevolutionaries and undesirable elements that undermine socialist progress. Severe punishments must be given to the few who have committed serious crime. However, in view of the relatively small number of counter-revolutionaries and of the ever strengthening state power, we should adopt a lenient policy, thereby limiting the number of executions and arrests and stressing probation and reform. As long as the law-breaking landlords, rich peasants and persons of counter-revolutionary history do not engage in subversive activities of a grave nature, we should expose them before the masses and put them to work in the communes under supervision. The labor camps operated by the communes, must be reorganized and must not be expanded.

Military

Since the realization of the communization program, the province has organized some 18,900,000 persons into 329 divisions of people's militia. Of this total number, 4,800,000 persons are local militia. The retired army personnel and veterans constitute the backbone of the militia. Thus basically we have completed the militarization of the entire population. The people are good civilians, as well as competent combatants, capable of productive work, as well as of fighting. The popular slogan of the people's militia is: "be a capable production worker in peacetime and a military hero in war." The people's militia system has solved the problem of finding large numbers of soldiers in an emergency. The militia system also contributes to the development of productivity and the cultivation of a collective ideology. We should continue to strengthen such a system and develop the militia, a politically awakened, disciplined army, for production and for national defense.

In the past year, the party committee of the military district has rallied the soldiers to the support of socialist construction. During the production campaigns, armed forces personnel contributed some 1,000,000 man-days and operated some 100 iron and steel furnances. Their participation in production campaigns has led to a closer cooperation with the people.

Comrades, the great leap forward in production, centering on steel production, has created certain "tense" situations in the supply of manpower, raw materials and transportation facilities. This is natural because of the imbalance caused by the leap forward. Such a situation can serve the purpose of stimulating the desire for exploring our potential, thereby, forcing all other sectors of the economy to catch up with the leap forward sectors. We should view this tense situation with confidence rather than misgivings and as a necessary phenomenon in the course of a revolution. There can be no progress without tension. We do not mean, however, that we should take advantage of the tense situation and let the people work intensively without rest. A rhythm, interwoven with work and rest, is essential. At present, the people are working day and night, enthusiastically, to the point of forgetting their meals. This enthusiasm is commendable and must be appreciated. Hence, we must give them sufficient time to get rest. The imbalance in the development of the national economy is nothing to be alarmed about. As we are told by Mao Tse-tung: "Nothing in the world is in absolute balance." He also tells us that imbalance is a universal natural law. The cycle of imbalance, balance and imbalance never ceases and one cycle is always of a higher form than the one preceding it. The imbalance in 1958 was an imbalance on a higher level after the leap forward. The development of steel production has created a certain situation in some sectors but the difficulties are of a temporary nature. If we could control the cycle of balance and imbalance, we would be able to achieve national economic development at a higher level. Thus, we must make economic plans. These plans must be realistic, scientific and contain a priority schedule.

III

Communization was carried out by the end of August, 1958 in this province. There are 1,242 rural communes with an average membership of 8,000 households each. The communes comprise 99.99 percent of the rural households. In comparison, there are 494 city communes with an average membership of 4,950 and covering 97 percent of the urban population. The commune is a product of the 1958 leap forward, a product strictly following from the Party's general policy of building socialism. The completion of communization marks a new page in the history of socialist construction in this province.

Despite the fact that the communes have been established for only 4 months, many important changes have taken place. We should mention, in particular, the thousands of commune members taking part in the steel production campaign shortly after the commune was formed. In the mean-

time, the difficulties of labor shortage were overcome by job specialization, better distribution of commune labor and improvement of tools. An unprecedented autumn harvest came as a result of improved farm management. After the autumn harvest, an army of millions of people was organized for the preparation of soil in some 80 million mou, thereby guaranteeing the wheat crop of 1959.

The commune adopts wages and allowances as a method of distribution. Out of the 1,242 communes, 747 communes provide meals, 204 issue food rations and 291 pay in daily necessities. The system of paying monthly wages and providing free meals appears to be consistent with the principle of "to each according to his work," a socialist principle, and also contains some communistic elements. This system is favorable to the broad masses. It is favorable for the accumulation of common property, the development of communism and the gradual transformation from socialism to communism. Under the system of paying wages and giving food, the commune usually furnishes 50 percent of the food consumed by the members. Under the free meals and food rationing system, food furnished by the commune accounts for about 65 percent of the consumption which gives greater assurance of the daily necessities for the individual members. This system is the most common one in this province. In the next few years, as production develops, wage payment will increase in a greater proportion, in order to provide the necessary incentive for productive enthusiasm. In communes, where the production is more abundant and the ideological level of the members is of a higher level, food rationing is expected to constitute 80 percent of the consumption by the members. By then, basic necessities such as food, shelter, transportation, old-age pensions, hospitalization, death benefits, education, and entertainment will become available to everyone. All this represents our goal to be aimed at in the future. Under the present circumstances, we must not offer too big a promise. In addition to providing free food and shelter and some basic necessities, the present communes also operate nurseries, homes for the aged, and clinics. Some of the services rendered are free of charge, others require a fee. We believe this is a suitable system. We are of the opinion that, except for food and medical services, which are provided by the commune without charge, all services rendered by the commune should be in the form of cash payment to the members, so that there will be a freedom of choice.

The present wage system of the commune (e.g. basic wages plus incentive bonus) takes into consideration the differences among various types of labor and hence, contributes to the incentive of the members. This system also has the advantage of eliminating the necessity of keeping a daily record of work details, increasing the spare time of the members and making it possible for the members to arrange their own daily schedule. Hence, this wage system has been widely adopted in the communes in this province. Wages consist of a basic wage and an incentive wage. The incentive wage generally accounts for 15 percent of the total wage. The wage rate is determined largely by physical fitness, level of skill, and work attitude. There are 5 to 9 classes of wages for farmers and 11 to 15 classes for workers and staff members. Generally the highest

wage is equal to four times the lowest wage. The difference may be greater in some communes. In addition, there are some special allowances for skilled workers and technical personnel.

The result of the above wage system has facilitated the fulfillment of the state's requisition program and has also expanded the accumulation of surplus for the collective organization. The portion of the commune's income that goes into the accumulated surplus account is about 65 percent. The remaining 35 percent is allocated for consumption by the members. The accumulated surplus for 1958 shows an increase of 10 fold while that portion allocated for consumption increases only 20 percent when compared with 1957. Thus, the commune proves a supporter of state construction and a provider to its members. Some members have related that, since they have free meals and clothes and cash to spend, they look upon the commune as their own home.

The people's commune generally operates public mess halls and other welfare facilities. At present, there are 260,000 public mess halls; 230,000 child-care centers or nurseries, 90,000 kindergartens and 25,000 homes for the aged. The socialization of household routines results in the liberation of the manpower represented by some 6,000,000 women thereby contributing to industrial and agricultural production advances. It also results in the improvement of the habit of family life and brings about unity and democracy in the family. It has changed the appearance of urban and rural life. Recently, a reorientation program was carried out on welfare facilities taken under the instruction of the Communist Party Central Committee. First, special organizations were established for assuming the leadership in operating welfare facilities. Many cadres made personal tours of the mess halls and made experiments. Second, a committee was set up for managing the mess hall in each commune. Many mess halls made their accounts public. Some communes increased the varieties of the dishes they served. Third, measures were taken to provide some individual freedom in the life of the commune members. Fourth, some communes cleaned house by eliminating the undesirable elements in welfare organizations.

The people's commune is organized under the principle of democratic centralism. It relies on the masses and develops democracy. On the other hand, it favors centralization and discipline. Since the communes have been established, people have been organized along military line. Their life has been collectivized. Thus, they have become a huge industrial army, well organized and with good discipline. This results in the increase of labor productivity by some 20 percent. They are now used to collective living and to improving their ideology. Moreover, the combination of military organization and productive organization into one common organization, the commune, has greatly facilitated the institution of various "shock" campaigns. It has facilitated military training which fits in with the daily schedule of the commune.

The people's commune is administered by several levels of authority under a centralized leadership. The commune in Honan Province comprises three levels: the commune administrative committee, the production battalion and the production teams. The power of these units varies with

circumstances. In order to develop the initiative of the members, some authority should be delegated to the production battalion and the team. A democratic administrative system and a productive responsibility system are being used in some communes. Many communes hold general meetings attended by all members or their representatives as a means of developing collective leadership and of exercising supervision. Many communes issue quotas to the battalions and teams; these quotas cover output, procedures, investment, labor and rewards. The battalion, in turn, issues quotas to the production team and sub-units on overall output, quality, time requirement, labor, supervision, technical requirement, investment, and other factors. The quota system also applies to the output, investment, and personnel of the plants and mines under the jurisdiction of the commune. It also applies to the sales, working capital, personnel and profit of the trade and financial organizations.

Planning is stressed by the commune in order to improve administration and labor utilization. The commune makes monthly, quarterly and annual plans on the basis of national plans and realities. Particular attention has been given to manpower utilization plans in order to explore labor potential and to fulfill various assignments. Nevertheless, there are still many shortcomings in commune management which must be conquered in order to develop fully the superior quality of the commune.

It has been a tendency for the communes to join together into a federation ever since communization. In this province there are six hsien with one commune at each. Joint communes are founded in 95 hsien, each of which having more than one commune. Only in seven hsien, each having more than one commune, there are no joint communes. The advantages of the joint commune are as follows: (a) To facilitate centralized utilization of manpower and resources within the hsien and in cooperation with neighboring hsien; (b) to bring about a better distribution of available resources among the communes; (c) to hasten socialist construction so as to transform the present collective ownership system to true communism. Hence, leadership in the joint commune should be strengthened. Joint communes should be established in the hsien where such communes have not been established. In the hsien where only one large commune exists for the entire hsien, no changes in the organization are needed. Some power may be delegated to the individual communes in the administration of a joint commune. Some individual characteristics of the component commune should be preserved rather than eliminated purposely. No more than 10 percent of the surplus of the individual commune may be allocated to the joint commune.

The city commune has also many advantages, especially in organization for production, emancipation of manpower, collectivization of the scattered families of the city population, transformation of the city of consumption into a city of production, and modernization of the traditional city. At present, we should develop our experiences in the operation of the city commune. Further research is needed in reorganizing the city commune in view of the complexity of the problem.

The communization movement, being a drastic social revolution, necessarily involves the struggle between two classes and two different approaches. The people's commune is generally supported by the poor and

lower middle peasants and a majority of the upper and middle peasants. In fact, the poor, lower middle peasants were relied upon for carrying out the communization program. They organized the upper and middle peasants and waged criticism against those orientated in capitalist ideology. They also revealed or exposed the subversive activities of the landlords, rich peasants, counterrevolutionaries and undesirable elements and rallied the broad masses into the communization movement. The relative strength of the various social classes changed with the establishment of the commune. The broad masses of the working class became more communistic and displayed greater revolutionary zeal, while the class enemy was isolated and became insignificant. However, the class enemy is unwilling to die and is trying by every means to sabotage the commune. Hence, it is still necessary to wage the class struggle. It is also necessary to further strengthen the people's democratic dictatorship and be alert to the subversive activities of the enemy. In the meantime, we should skillfully analyze new problems arising from the communization movement from the class viewpoint and deal with them effectively.

All that has been said above proves that the people's commune is the basic organizational unit of China's socialism. It incorporates the essential features of an industrial, agricultural, trade, academic and military organization. The establishment of the commune has inspired the revolutionary zeal and productive enthusiasm of the masses, improved their communistic ideology and reinforced the communist element in the present socialist form of society for gradual transformation into true communism. As pointed out in the "Resolutions on People's Communes", issued by the Eighth Session of the Sixth Congress of the Central Committee of the Communist Party, the commune is the road toward rural industrialization, transformation from collective ownership to communistic ownership and from "to each according to his work" to the principle "to each according to his needs", for the elimination of the differences between rural and urban communities, between industry and agriculture and between mental work and manual work, and for the gradually narrowing and eventual disappearance of the internal function of the state.

We must admit that the people's communization program enjoys a healthy growth. Nevertheless, views on commune developments vary within the party and among the masses because such developments are new. For instance, the failure to distinguish the difference between socialism and communism and the erroneous view which identifies commune with communism. This indicates that there are many comrades who do not understand the nature of the people's commune and hence policies and measures dealing with the commune. To correct any misunderstanding of the commune, it is necessary to study the resolutions of the Eighth Session of the 6th Congress of the Communist Party. As Marxist-Leninists, we stand for continuous revolution. In the meantime, we also stand for the theory of revolution by stages. It is from this viewpoint that we can come to a correct understanding of the problems of how to transform socialism into communism. Apparently, we must stop at socialism; we must continue, in the course of socialist construction, to increase the communist element. On the other hand, we cannot skip the stage of socialism and advance

immediately to communism. We must therefore prepare the necessary material and ideological conditions for the transformation. Specifically, we must pursue industrialization of the state enterprises and of the communes and also, rural electrification, so that we can gradually transform the present ownership into a communistic ownership. We cannot righteously conclude that the commune ownership is a form of communism, although it has some elements of communism. The present "allowance" system with its various welfare facilities is not equal to communism although it signifies the very beginning of communism. We must appreciate such a beginning and develop it with enthusiasm toward communism.

In order to achieve a great leap forward in 1959, it is urgent that we reorganize and strengthen the people's communes by Party resolutions, as mentioned before. The reorganization should be carried out in a five-month period from December, 1958 through April, 1959. A propaganda campaign should be launched centering on the party's resolutions as to the commune system. We should review and develop the 1958 leap forward experiences for another leap forward in agriculture in 1959. We should correctly handle the problem of distribution in the commune, show a deep concern on the living condition of the people, and improve the welfare facilities in the commune. We must establish a democratic system in commune administration. We should purge the work habits of the cadres and develop the "mass line" approach. Thus, the responsible cadres must conduct self criticism and listen to suggestions from the masses objectively. We should encourage the development of model examples by giving them commendations. The commune reorganization may be started in one or two communes at the hsien level before it is expanded to cover all communes. Field conferences should be held to review and develop experiences. We should ask the first secretary of the provincial, hsien, or city party committee to organize an inspection group consisting of 10,000 persons to start off the movement, to reappraise the ideological, productive and all other aspects of the commune, so as to prepare for greater victory in 1959.

IV

The provincial rectification movement continued to expand throughout 1958. The leap forward development in industrial and agricultural production, in culture and education and in commune program has signified another new phase of history for the party.

The great victory in 1958 was owed to the rectification movement against rightist opportunists and to strict adherence to the party resolutions and to instructions issued by Mao Tse-tung. The purge of rightist opportunists Pan Fu-sheng, Yang Chueh and Wang Ting-t'ung, after the Ninth General Meeting (enlarged) of the Provincial Committee of the Communist Party in June, 1958, has contributed greatly to execution of the Party's policy. Experiences of the past year indicate clearly that the party's policy, when once translated into action, can produce significant material results and heighten the development of socialism. The opposite is true when the Party's policy is distorted and undermined,

such as in the case of the rightist approach, attributed to Pan Fu-sheng. His opportunist policy had caused great damage in 1957. Thus, a constant struggle against rightist deviations within the party takes on significant meaning.

Strengthening the party leadership and giving priority to political ideology assure victory in various activities. Socialist education has greatly expanded after the rectification movement conducted last year. Workers and peasants have organized into group study of philosophy, strategy of class struggle and other basic principles. Criticism was launched against individualism, capitalist attitude, conservatism, "conditionalism" and other rightist attitudes. Communistic virtues, such as personal initiative, having the courage to think, to speak and to act without fear were disseminated among the masses. As a result of the ideological campaign, the enthusiasm and ingenuity of the masses were developed fully and a great leap forward became a reality. All this proves what comrade Liu Shao-chi said before the second meeting of the Eighth Party Congress is true: "Ideology and politics are always the soul and the supreme commander of all activities." Experience tells us that a leap forward in ideology is the prerequisite of a leap forward in socialist construction. After the socialist construction has advanced one step forward, the party must promptly issue new objectives for achieving another step forward. However, some cadres begin to have a complacent attitude and overlook the importance of ideological leadership. They think that since the commune has been established, everything will be easily done. Some even think that there will be no need for the struggle on both fronts and therefore, no need for political indoctrination. Such a tendency should not be ignored. We must know that any deviation from the Party's political ideology will result in isolation from the masses and loss of direction, thereby causing damage to the revolution.

The great leap forward in socialist construction and completion of communization in 1958 represented a splendid victory of the Party's mass line policy which was characterized by trusting the masses in all activities. A mass movement was initiated by it in conducting the class struggle, in campaigning for production increases or in developing innovations in technology. This policy applied not only to village industry but also to large-scale and modernized industry. The mass movement, orientated for the development of technical innovations, resulted in the elimination of various superstitions regarding industrialization. All this indicated that support from the masses and trust for the masses are the key to victory.

In the past year the party organizations employed various methods of mass indoctrination such as emulation campaigns, study groups, lectures, field conferences, debates, inspection tours, wall bulletins, incentive awards, including the conferring of the "sputnik" title, and others, for the purpose of developing an indifferent attitude towards difficulties and to promote Communist virtues. Hence, the Party and the state are developing all their programs by means of the mass movement. We should now discuss briefly what should be the correct attitude towards the "sputnik" campaign. The "sputnik" campaign is a product of the

enthusiastic socialist construction movement. As a campaign method, "sputnik" can serve the purpose of arousing enthusiasm, promoting progress, eliminating superstitions, liberating ideology and breaking the old equilibrium for the establishment of a new one on a higher order. The campaign gives us an opportunity to review our strength and expose our shortcomings. It can also improve coordination. Thus, the "sputnik" movement is compatible with the mass line policy. However, in conducting this type of movement, consideration must also be given to our over-all plans versus priority plans, scientific attitude versus enthusiasm and normal production requirements versus shock campaigns. The magnificent achievement in socialist construction in 1958 owed much to the correct leadership of the Communist Party which has been improved under the constant and correct direction of Mao Tse-tung. The mass line approach was used more extensively in 1958 than in any period in the past, resulting in the accumulation of valuable experiences. Hence, a review of our activities in terms of relations with the masses has a significant meaning.

The general policy of the Communist Party, advocating socialist construction at the greatest speed, at the least expense and of the highest quality, reflects the popular demand of the masses. In order to carry out this policy, we must conduct a mass propaganda program and wage a mass movement. The masses represent a majority and possess great potential strength capable of speeding up socialist construction. The manifold increases in production in 1958 and the completion of communalization and the victories in combating nature fully indicate the magnificent results of the mass line policy. The reason that many comrades were conservative and skeptical was that they had no faith in the masses and failed to see the implications of the Party's mass line approach. In the period of conducting socialist construction for the transformation of present society into communism, our party must follow what comrade Mao Tse-tung has told us repeatedly: that we should belittle the enemy in our strategy but, that in our tactics, we must, with great care, mobilize the potential of the masses and fully develop the will power of men.

After the rectification campaign and actual experiences in various activities, the attitude and work style of our comrades have been improved. Following the party's instructions, the cadres participated in manual work. They took part in production as common or ordinary workers, ate, worked and lived with the masses. They developed various experiments while working together with the masses. The result is a closer relationship between the party and the people. This is a correct approach and must be continued. Nevertheless, we should not be satisfied with our achievements. We must examine our shortcomings objectively. At present some cadres have become highly aloof after they making some achievements. They have declined to discuss problems with the masses or listen to them. Sometimes they are rude and use orders to get things done. A minority of them even violate rules and discipline. Others overstate their achievements and conceal their shortcomings. There are still others who overemphasize production

to the neglect of the living condition of the masses. Some of them have begun to develop an extravagant attitude. Although these shortcomings are nothing compared with what has been accomplished, we must not overlook them. These cadres are basically faithful to the party. But they do not have a realistic attitude and lack a democratic attitude thus, resulting in their isolating themselves from the masses. Unusually heavy quotas issued them by the party committees at the hsien, city or provincial level are also responsible for the way they have reacted. As to the cases of law violation, they have been attributed to undesirable elements who have worked among the cadres under disguise.

In dealing with the problem of work habits of the cadres, we must follow the resolution dealing with the communes, issued by the Eighth Session of the Sixth Party Congress and take a cautious attitude. As stated in the resolution: "problems related to the attitude and work habits of the cadres must be dealt with by party indoctrination and mass education. The enthusiasm of the cadres must be preserved. On the basis of the principle of 'unity - criticism - unity' and 'punishment for the purpose of warning' and 'rehabilitation as if dealing with a patient', we should launch severe self criticism but impose lenient treatment for those who are willing to reform. We should however mobilize the masses and purge those class enemies who have infiltrated into responsible positions in the communes and other criminals with repeated record." In dealing with problems related to work style, we should teach the cadres to develop enthusiasm as well as a scientific attitude and remind them of the importance of the welfare of the masses. We must detect the nature of the contradiction among the people and that of the contradiction between the people and the enemy. We must forbid using the same method in dealing with the contradiction between the people and the enemy to deal with the contradiction among the people. This is a basic principle and must not be violated under any circumstances.

The newly developing leap forward situation requires us to continue to purge and purify the party and to strengthen party unity. Hence, the rectification campaign in Honan, climaxed by the purge of rightists Pan Fu-sheng and Yang Chueh, has further improved party unity and enhanced the combat strength of the party. There has been developed in this province a political situation where centralization exists side by side with democracy, united will with individual ideological freedom, and discipline with freedom. This has led to the leap forward in Honan, a magnificent victory for the Communist Party in Honan.

The party has made significant achievements in organizational activities. Since rectification, the party organization has been strengthened. About 100,000 cadres have been transferred to the rural or basic units for production work. Personnel in scientific and cultural organizations have been reorganized. A group of progressive members discovered during the leap forward movement and the communization program have been recruited into the party. Meanwhile, the party has developed the supporting role of trade unions, the Young Communist League and women's organizations and has organized the progressive elements among the party for the cause of socialist construction.

Experience in the past year has proved that unity is the life of the party, vital for all types of activity. Thus, we must guard the unity of the party as we guard our eyeballs. At present, this is still a class society. The two-way struggle invariably finds its way into the Party. Since bourgeois ideology still severely influences us, we must constantly teach ourselves to improve our sense of party unity, develop self criticism, preserve democratic centralism and combat various theories and attitudes unfavorable to the unity of the party. Party organizations at all levels must, under all circumstances, follow the reporting system and struggle against any attitude in favor of fractions or one's small organization to the neglect of the whole. The provincial rectification movement has entered its fourth phase, a phase that is of vital importance for consolidating the rectification achievements. We must sincerely study party documents, conduct self criticism and review our activities for a complete victory in the rectification movement.

The socialist leap forward and completion of communization have brought with them a new series of theoretical and practical problems which require us, particularly those responsible for leadership, to arm ourselves with scientific knowledge of Marxist-Leninism and Mao Tse-tung's theory. We should study carefully the resolutions of the Eighth Session of the Sixth Party Congress. We should follow comrade Mao Tse-tung's instruction entitled "Some Suggestions on Book Learning" in pursuing our study, so that we may improve our theoretical level and solve the theoretical and practical problems encountered in socialist construction.

Comrades, our party lives in a great era of a socialist leap forward. We are confronted with most glorious but difficult tasks. Let us be united under the Central Committee of the Party and under the banner of Mao Tse-tung and march forward with the people of this province from victory to victory.

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