

Den traditionelle jernindustri i Kina og dens moderne skæbne

Background to the Great Leap Forward in Iron and Steel:

The traditional Chinese iron industry and its modern fate

钢铁生产大跃进的背景 • 中国传统制铁业及其现代命运

Donald B. Wagner (华道安)

\$10-
1174.50

COMMUNIST CHINA 1955-1959
x
Policy Documents with Analysis

Prepared at Harvard University under the Joint Auspices of
the Center for International Affairs and the East Asian Research Center

With a Foreword by
ROBERT R. BOWIE AND JOHN K. FAIRBANK

HARVARD UNIVERSITY PRESS
Cambridge, Massachusetts
1962

VI

The general line, the great leap forward and the people's communes—these embody the great determination and wisdom of the 650 million industrious and brave people of our country; they are the products of the creative integration of the universal truths of Marxism-Leninism with the practical situation in China achieved by Comrade Mao Tse-tung, great leader of our Party and of the people of all nationalities in our country. We achieved great victories last year and in the first half of this year precisely because, in socialist construction, we strengthened the leading role of the Party, firmly put politics in command, resolutely adhered to the working method of the mass line and staunchly upheld the glorious banners of the general line, the great leap forward and the people's communes. In the future we will continue to advance valiantly along this glorious and victorious road and strive for great new victories.

The experience of 1958 very clearly proved that the wisdom and strength of the masses is unlimited. Enlightened and led by our Party and Comrade Mao Tse-tung, and inspired by and organized under our Party's general line, this wisdom and strength has become as irresistible as a mighty force under whose impact high mountains bow their heads and broad rivers make way. To our people, the great leap forward and the people's communes are new things which have no precedent in history. In the course of their advance it is naturally inevitable that certain difficulties are met with and that there are some shortcomings. But the masses of the people, under the close guidance of our Party and Comrade Mao Tse-tung, have quickly solved, or are quickly solving, these problems of a transient and local nature. Enemy elements hostile to the socialist cause of our country, both within our country and without, have seized the opportunity to slander us in an attempt to influence certain unstable elements within our ranks. But no reactionaries can in the least shake the great resolve of our Party and our 650 million people. On the contrary, the great mass of cadres and people are full of confidence that our achievements are exceptionally great and our future is extremely bright. The Eighth Plenary Session of the Eighth Central Committee of the Chinese Communist Party calls upon the whole Party and the people of all nationalities of the country, under the leadership of the Central Committee of the Party and Comrade Mao Tse-tung, to unite more closely, resolutely surmount all difficulties and correct all shortcomings in our work, overcome the Right opportunist sentiments among some unstable elements, deal telling blows to the disruptive activities of anti-socialist elements, fight for this year's great victories and strive to fulfil ahead of schedule within these two years (1958-1959) the major targets of the Second Five-Year Plan. In order to fulfil and overfulfil this year's plan, the third quarter is a crucial period. Each second is worth an ounce of gold. Let us act together at once to fulfil and overfulfil the plan for the third quarter and greet the tenth anniversary of the founding of our great People's Republic of China with a great, new upsurge in production!

DOCUMENT 41

Report on Adjusting the Major Targets of China's 1959 National Plan and Further Developing the Campaign for Increasing Production and Practicing Economy, delivered by Premier Chou En-lai to a plenary meeting of the Standing Committee of the Second National People's Congress, August 26, 1959.

The text is from the NCNA English-language release of August 28, 1959, as transcribed in CB 590 under the title "Premier Chou En-lai's Report on China's Economy."

Comment. For the parallels between the situations in 1956 and 1959, and between Chou En-lai's speech to the Eighth Party Congress in September 1956 (Document 11) and this speech of three years later, see our General Introduction, part IX. A fuller version of the criticisms leveled by rightists against the small iron and steel plants, and particularly of the allegations that "what you have lost [by building small-scale iron works] is more than what you have gained," is given in CB 590 (editorial from *People's Daily*, Sept. 1, 1959).

On Chinese exports of grain, see also CB 353 and 468, containing speeches by Yeh Chi-chuang, Minister of Foreign Trade, to the National People's Congress in 1955 and 1957.

TEXT OF DOCUMENT 41

The 8th plenary session of the 8th Central Committee of the Chinese Communist Party, held from the 2nd to the 16th of August, 1959, in the light of the implementation of the 1959 national economic plan and the analysis of the present economic situation, recommended to adjust the economic targets for this year and put forth the militant task of further developing the campaign for increasing production and practicing economy to fulfill ahead of schedule within this year the major targets of the Second Five-Year Plan. A plenary meeting called by the State Council on August 25 unanimously agreed to the appraisal of the present economic situation made by the 8th plenary session of the 8th Central Committee of the Chinese Communist Party and to its recommendation to adjust the major targets of the 1959 national economic plan and to further develop the campaign to increase production and practice economy. On behalf of the State Council, I shall now deliver a report to the Standing Committee of the 2nd National People's Congress on adjusting the major targets of the 1959 national economic plan and further developing the campaign to increase production and practice economy.

I. THE ECONOMIC SITUATION IN 1959

On the basis of the great leap forward in 1958, we won the victory of a continued leap forward in the national economy in the first half of 1959.

Industry: The total output value of industry in the first half of this year reached 72,900 million yuan, 65 per cent more than the 44,300 million yuan of the corresponding period last year. The outputs of some of the most important industrial products in the first half of this year and their increases over the same period of last year are as follows: iron produced by modern equipment, 9.5 million tons, 160 per cent; steel produced by modern equipment, 5.3 million tons, 66 per cent; coal, 174 million tons, more than 100 per cent; electricity, 18,400 million kilowatt-hours, 55 per cent; metal-cutting machine tools, 45,000 units, more than 100 per cent; cotton yarn, 4,147,000 bales, 46 per cent; and sugar, 780,000 tons, 43 per cent. The outputs of other products all surpassed those of the corresponding period last year to a greater or lesser extent, and among them only a few achieved an increase less than 20 per cent.

Agriculture: Although the sown acreage to summer crops was somewhat reduced and there were serious natural calamities in spring this year, thanks to the check-up and consolidation of the people's communes and the further display of the initiative of the broad mass of peasantry, the total output of wheat, coarse grains and early rice reached 139,000 million catties (69.5 million tons), even exceeding the 136,500 million catties (68.25 million tons) of last year's exceptional bumper summer harvest by 2,500 million catties (1.25 million tons).

Transportation: The volume of railway freight in the first half of this year was 247 million tons, increasing by 49 per cent compared with the same period last year; the freight volume of ships and barges 55 million tons, a 75 per cent increase; the freight volume of trucks 140 million tons, 94 per cent.

Capital construction: The total investment realized in the first half of this year reached 10,700 million yuan, a 54 per cent rise compared with the corresponding period last year. As a result of large-scale capital construction, many projects went into production as a whole or partially, and the production capacity of industry rose greatly.

Commerce: Retail sales in the first half of this year totalled 29,600 million yuan, increasing by 23 per cent compared with the corresponding period last year. The supply of most commodities in the same period surpassed that of the corresponding period last year in varying degrees.

It can be seen from the above that in the first half of this year industry, agriculture, transportation, capital construction and commerce have all continued to develop at a high speed. On the whole, the economic situation of our country is good, the achievement great and the whole picture one of continued leap forward. The broad masses of the people are satisfied with this situation and have full confidence in our right future.

But contrary to the overwhelming majority of the people, who are full of confidence and energy, there are a very small number of people who remain cold to our country's great achievements in socialist construction, they are pessimistic about the current economic situation and even try hard to spread their extremely erroneous ideas. This would, undoubtedly, dampen the enthusiasm of the masses and blunt their activeness. In the interests of the socialist cause, we must thoroughly repudiate these er-

roneous and harmful views. Here I would only refute their arguments on three questions about which they have talked about.

First, the massive campaign to make iron and steel.

Inspired by the general line—go all-out, aim high and get faster, greater, better and more economical results to build socialism—and the series of policies of “walking on two legs”, our 600 million and more people, in high spirits, have ardently plunged themselves into the movement of building socialism. This has given rise to a large-scale mass campaign for economic construction unparalleled in China’s history. One of the important aspects of this mass campaign was that tens of millions of people went in for mining ores and coal and making iron and steel. The mass of people understand that large-scale vigorous mass campaigns on the economic front will insure a high-speed development of the national economy so as the quicker to transform China’s face of “poverty and blankness”. They therefore display in work a boundless enthusiasm and even neglect sleep and meals. The reactionaries at home and abroad allege that this is “forced labor” and “depriving people of freedom”. That is a shameless slander. It is the imperialist bosses who are accustomed to depriving people of freedom. Yet when in the western world has the magnificent feat happened to tens of millions of people going in for mining ores and coal and making iron and steel? Doubtless, such voluntary labor enthusiasm by the working people has been impossible and will remain impossible under the capitalist system. Our general line for building socialism is a true expression of the will of the working people throughout China. Therefore, once grasped by the masses, it has given forth such an unparalleled great force. The reactionaries at home and abroad can by no means understand this, nor do they wish to understand.

Some people hold that last year’s massive campaign to make iron and steel was “more loss less gain” or at most “half loss half gain” because much manpower was used, much money was spent and among the products was some iron and steel made by local, simple methods. We regard this view as entirely wrong.

In 1958, we produced 13.69 million tons of pig iron (excluding the 4 to 5 million tons of pig iron suitable not for making steel, but for the manufacture of simple farm implements and tools), 2.3 times that of 1957; and 11.08 million tons of steel, more than doubling that of 1957. In iron and steel production the mass campaign to build small enterprises, use light equipment and employ local, simple methods gave impetus to a mass campaign for big enterprises, heavy equipment and modern methods and to mass campaigns on the entire industrial front. With steel as the key lever, there was brought about the big leap forward in industry, as a result the output of many important industrial products were doubled or went up several-fold and the 1958 gross industrial output value was 66 per cent higher than in 1957. Moreover, the mass campaign of making iron and steel has paved the way for the future development of the iron and steel industry and industry as a whole. In many places where there are suitable resources and local iron smelting furnaces and small blast furnaces were erected last year, groups of small blast furnaces have been developed and the output and quality of pig iron greatly raised after rational re-grouping, adding of equipment and improvement of technique during last winter and spring. The aggregate volume of small blast furnaces (between 6.5 and 100 cubic meters each) now in operation reached 43,000 cubic meters, nearly twice as much as the total volume of the large blast furnaces in the country—24,000 cubic meters. They are able to turn out about 10 million tons of pig iron this year. In the Second Five-Year Plan period, these small blast furnaces would produce a total of about 55 million tons of pig iron. Starting from 1963, they will turn out more than 15 million tons a year. It is completely worthwhile, and very important for us to allocate appropriate subsidies for the operation of the small blast furnaces in these five years. If we only build big blast furnaces, we would by no means be able, with the same or even a greater amount of investment, to produce so much pig iron in five years owing to the limitation of various conditions. The history of industrial development in all countries shows that given iron and steel, machinery can be made, and given iron and steel and machinery, it will be possible to develop rapidly industry as a whole and the entire national economy. It is therefore impermissible to slight in any degree last year’s mass campaign to make iron and steel or the great significance of the large groups of small blast furnaces for iron and steel production in the future.

Considerable progress has been made in the past few months in raising the quality of products of the small blast furnaces and lowering coal consumption. By July, the proportion of pig iron produced

by small blast furnaces which was up to standard had risen to about 75 per cent, the rate of coal consumption dropped to about 4 tons for a ton of pig iron and the utilization co-efficient approached 0.7 ton of pig iron per cubic meter of furnace volume every 24 hours. This proves that the mass campaign in the iron and steel industry has a tremendous vitality and has been raised to a new stage. It can be anticipated that even greater progress will be made in the near future in raising the output and improving the quality of the products of the small blast furnaces and lowering their coal consumption rate. The massive campaign of making iron and steel has also served to "temper people": enable the masses to acquire technical skill and knowledge and large numbers of cadres to gain experience.

Facts prove that the simultaneous development of large industrial enterprises and small and medium-sized enterprises and using integrated local and modern methods have the advantages of extensive distribution, quick completion, less strict demands as regards quality of raw and other material and convenience in supply. This is greatly conducive to our prospecting the resources extensively, deploying the productive forces rationally, making full use of the resources and economizing on the use of means of transportation. Of course, in our industrial construction, we must energetically build large and medium-sized enterprises using modern methods. This is the principal aspect. We must not, however, overlook the construction of small enterprises using local, simple methods or integrated modern and local methods. We must "walk on two legs", not on one alone.

In view of the above-mentioned facts, we must affirm that the mass campaign of making iron and steel has gained much; it has not resulted in "half loss half gain", even less in "more loss less gain". The iron and steel campaign constitutes an important aspect of the implementation of the general line for socialist construction and the series of policies of "walking on two legs". The attacks on the mass campaign of making iron and steel which distort the facts are in fact attacks on the general line for socialist construction and the policy of "walking on two legs". We must resolutely rebuff such attacks.

Second, people's communes and community dining rooms.

Alongside the great leap forward in the national economy, people's communes were set up throughout our countryside in 1958. The establishment of the people's communes represents the desire of hundreds of millions of peasants. In order to emerge from the state of poverty and backwardness more quickly and effectively, the broad mass of peasants were not content with the organizational form of the higher stage cooperative they already had and desired to organize communes much larger in scale and having a much wider scope of activities. As early as at the juncture of spring and summer of 1958, the organizational form of the people's commune actually appeared in many places in Honan Province and some other provinces. As soon as it came into existence, it had a host of followers and barely a few months had passed before our whole countryside was switched over to people's communes. Precisely because the people's communes represent the will of the great majority of the peasantry and play a great part in further emancipating and developing the social productive forces, they displayed a great vitality even in their initial stage. Everyone knows that the exceptionally big leap forward in the national economy last autumn and winter was inseparably connected with the setting up of the people's communes throughout the countryside.

Since the people's commune movement was a full-scale mass movement, and since the commune was a new thing, it is unthinkable that they were perfect and flawless from the very start and that there were no defects or difficulties at all. Some such phenomena as the over-centralization of some administrative powers, equalitarianism in distribution and extravagance did appear during the initial period of the people's commune movement because both the cadres and the masses lacked experience. But these defects were rapidly discovered and rectified by the Central Committee of the Party. The question of checking up the people's communes was already discussed at the meeting called by Comrade Mao Tse-tung at Chengchow in November last year which was attended by part of the leading comrades of the Central Committee and the local committees. Later, at the 6th plenary session of the 8th Central Committee of the Chinese Communist Party held at Wuchang and at the enlarged meeting of the Political Bureau of the Central Committee held at Chengchow in February and March this year, a series of important decisions on checking up the people's communes were made. In accordance with these decisions, local leading Party and government organs of various levels from last winter have conducted large-scale check-up in the people's communes, carried through the principles of management and business accounting at different levels, of "to each according to his work" and more income for those who

work more; and laid it down that at the present stage a three-level ownership of the means of production should be applied in the people's communes, and that ownership at the production brigade level constitutes the basic one, part of the ownership is vested in the commune level and there should also be a small part of the ownership vested in the production team level. After the check-up and consolidation, the advantages of the people's communes have come into play more and more clearly and will do so even more clearly in the future in the comprehensive development of agriculture, forestry, animal husbandry, side occupations and fishery and also of industry, agriculture, trade, education and defense, the gradual mechanization of agriculture, increasing the peasants' incomes and ameliorating rural life, and developing collective undertakings such as community dining rooms and nurseries. The people's communes are now still of a collective ownership character, but, in the ownership at the commune level, there are already some rudiments of ownership by the whole people. It can be anticipated that the people's commune will provide a good organizational form and valuable experience for the future switch of the rural areas from collective ownership to ownership by the whole people and from socialism to Communism.

The emergence of the people's communes, the development of the commune movement, is an excellent thing and by no means a bad thing. The people's communes are the inevitable results of developing circumstances and their rise was not at all too early. Those who assert that the people's communes are very bad are none other than the imperialists who are extremely hostile to our country's cause of socialism, as well as some rightists and other reactionaries who are against the people and against socialism. Apart from these, there are some people who voice approval of socialism but find fault with this and that in the people's commune movement which has the active support of hundreds of millions of people and maintain that the people's communes have been set up too early and have gone wrong. We would ask: are you not afraid of being thrown over the border-line of the bourgeois rightists?

Here, I would like to say something about the community dining rooms. The community dining rooms established in the wide rural areas and run by some street communities in the cities are both undertakings of the masses. Many rural dining rooms are several years old and developed especially rapidly in the summer of last year; they suit the requirements of the masses and are thus welcomed by them. They are especially ardently welcomed by working women, because they relieve them to a great extent of heavy household chores and facilitate their taking part in production like the men. For the old folk and children they have at the same time the function of collective welfare and social insurance. In the initial period of their establishment, owing to lack of experience in management and to the influence of the bumper harvest and the mass campaigns for making iron and steel and for developing industry, some dining rooms failed to manage well their grain and other foods, so that a little too much was consumed. This is understandable. This defect has now been corrected. After the summer harvesting, such measures as distributing grain to each family, voluntary participation in dining rooms, rationing food according to each individual's capacity and returning unconsumed grain to the person who saves it have been applied in various localities, with the result that most of the dining rooms have been consolidated. We maintain that so long as the principles of active improvement and voluntary participation are adhered to, the community dining rooms will attain their aim of furnishing facilities to production and to the masses and thus will be warmly supported by the broad mass of working people. Therefore, it is obviously very wrong to exaggerate certain shortcomings of the community dining rooms in their initial stage, and find fault with and oppose them, or even close them down forcibly in contravention of the desire of the masses.

Third, the question of the market.

The market supply of most of the important commodities in the first half of this year increased by a wide margin over that of the same period of last year. According to statistics, the supply of grain, coal, silk, wine and matches increased by 10 to 30 per cent; cotton piece goods, table salt, soap, bicycles and cigarettes by 30 to 50 per cent; knit-wear, worsted, woollen cloth, rubber shoes and fountain pens by 50 per cent to more than 100 per cent; edible oils, paper, kerosene and tea by less than 10 per cent. Only the supply of about a dozen kinds of commodities dropped in the first half of this year, including pork, beef, mutton, egg products, aquatic products, sugar, cotton for domestic use, leather shoes, electric bulbs and watches. Reduction in the supply of these goods are not all due to decreased production. The cut in the supply of such commodities as meat, egg products, aquatic products and cotton for domestic use was because the consumption of these goods in the rural areas which

produced them had greatly increased. There is little justification for the urban inhabitants to blame our peasants, whose consumption level has always been rather low, for eating and using up a little more than usual for a period of time after the great expansion of production.

On the whole, there was no tension in the supply of the goods for wearing, most goods for daily use, grain and part of the subsidiary foodstuffs. Comparative tension was felt only in the supply of a small part of the subsidiary foodstuffs and a few consumer goods. Moreover, the supply of a number of consumer goods and subsidiary foodstuffs which was tense in the first half of this year has begun to improve in June and July. Some people claimed that there was an all-round tension in the market. This was a deliberate distortion of the fact. A handful of people even said that before liberation one could get anything in the market but now nothing was available. Everyone knows that this is not at all true, but a vicious distortion. To the working people who constitute 80 to 90 per cent of the population of the country, the fact is contrary to what these people asserted. The working people could not get anything they wanted before liberation, and now everything that is necessary is available. Those who make such assertions only show that they fail to see or are discontented with the rise of the working people's living standards. They still hanker after the luxurious and rotten life in the old society, led by only a very small number of people such as the aristocrats, officials, landlords, compradors and capitalists. Is it not quite clear what these people are after?

We should also see that the relative tension in the supply of certain commodities for a time was due to the particularly rapid increase in the purchasing power in the cities arising from the fast expansion of employment and the increase of large number of workers and staff, as a result of the fast development of production, capital construction and other work last year. According to estimates, the addition of new workers and staff last year, apart from those transferred from other jobs, have caused this year an increase in the purchasing power of more than 400 million yuan every month. Thus the purchasing power in the cities, including collective purchasing power, reached 14,300 million yuan in the first half of this year, 30 per cent higher than the 11,000 million yuan of the same period of last year. This is the main cause for the tension which occurred for a time in the supply of certain commodities in the cities, particularly subsidiary foodstuffs.

Some people suspect that the tension in the supply of certain commodities was due to excessive export. This conforms still less to the fact. The total volume of export this year is only 17.8 per cent higher than that of last year. Furthermore, there is no increase or very little increase in the quantity of export of grain and various subsidiary foodstuffs needed at home compared with last year. Up to August 15 this year, for instance, our total export of rice was only 792,000 tons and that of pork equivalent to only 1,400,000 pigs, each constituting less than one per cent of last year's output of rice and the total number of live pigs at the end of last year. To speed up socialist construction, it is absolutely necessary to exchange agricultural produce for materials needed by our country. This is in the interests of the development not only of industry but also of agriculture.

For a very short period in spring this year, grain was in short supply in areas amounting to less than 5 per cent of the expanse of the country. This was because last year there were natural calamities, but the household affairs of the peasants was not well managed, the grain crops were harvested in a somewhat crude way, there was lack of planning for consumption so that a little too much grain was used up, and because, on top of these there were new natural calamities in the spring of this year. But this was merely a local and temporary situation. With the energetic support and help of the Communist Party and the government, the grain shortage in those areas was soon solved. Difficulties were successfully overcome even in a place like Kwangtung Province which was seriously hit by flood and drought.

From the above analysis, we can definitely arrive at this conclusion: the big leap forward and the people's commune have registered great achievements, the present economic situation is favorable to us and our future is bright. This proves that the Party's general line for socialist construction and the series of policies of "walking on two legs" are entirely correct. We absolutely cannot allow reactionaries and the right opportunists among the ranks of the people to take advantage of the isolated and transient shortcomings in our practical work which have already been corrected to attack the big leap forward and the people's commune and to undermine and oppose the general line for socialist construction.

It must be pointed out that both the big leap forward and the setting up of the people's communes

are revolutionary movements undertaken by the broad masses. How should one behave toward the revolutionary movements of the masses? Should one encourage the masses in their advance by actively supporting and leading them and enthusiastically identifying oneself with the masses; or should one stand outside the mass movements, arrogantly criticizing the masses, or even stand against the mass movements and oppose the masses? Here lies the fundamental difference between the proletarian revolutionary and the bourgeois and petty bourgeois revolutionary. The right opportunities are utterly wrong precisely because they have taken the attitude of a bourgeois master toward the mass movements.

II. ADJUSTMENT OF THE 1959 PLANNED TARGETS

The planned targets of 1959 require adjustment in the light of the problems discovered in the course of carrying out the plan for the first half of this year, in the light of the verified figures regarding the output of grain, cotton and other agricultural products of last year, and in the light of this year's serious natural calamities.

First of all, as already stated, industrial production in the first half of this year continued to leap forward on the basis of last year's great leap forward. The total industrial output value reached 72,900 million yuan. But, this comes to 44 per cent of the year's planned target as adopted by the first session of the 2nd National People's Congress and is below the percentage reached in the first half of any year in the First Five-Year Plan period when generally between 47 and 48 per cent of the year's plan of industrial output was fulfilled by the end of June. At the same time, in the second half of last year there was unusually rapid development in industrial production with the output value showing an increase of 64 per cent compared with the first half. This was mainly because of the running of large numbers of industrial enterprises by the *hsien* and the communes. As labor power now requires unified arrangement to reinforce the agricultural front, and the *hsien*-run and commune-run industries need to be adjusted and consolidated, and moreover, as there are certain limits of growth in the supply of raw and other materials and equipment, industrial output cannot grow in the second half of this year at as fast a rate in the second half of last year.

Taking the 33 main categories of industrial products, in the first half of this year 19 showed upward of 40 per cent fulfillment of the annual plan, namely, iron produced by modern equipment, electricity, coal, crude oil, timber, soda ash, caustic soda, antibiotics, metal-cutting machine tools, ships, combine harvesters, power-driven threshing machines, engines, cotton yarn, cotton cloth, paper, sugar, salt and cigarettes; and the other 14 showed below 40 per cent fulfillment, namely steel produced by modern equipment, rolled steel, cement, sulphuric acid, chemical fertilizer, power generating equipment, locomotives, freight wagons, automobiles, tractors, paper making equipment, sugar making equipment, cotton spinning frames and edible oils. Limited supplies of raw material and other material in these 14 categories, as matter stands, will make it impossible for them to show a very big increase in the second half of this year.

Second, due to our lack of experience in assessing harvests under the condition of a bumper harvest over large tracts of land and sudden great increase in the per hectare output, the relatively crude reaping, threshing, gathering in and storage in consequence of imperfect arrangement of labor power during the autumn harvest, and the under-estimation of the drop in output on the 400 million *mow* (26.6 million hectares) of farm land affected by natural calamities last year, the calculations made of last year's agricultural output were a bit high. The recent check-ups made by the State Statistical Bureau place last year's output of grain at 500,000 million catties (250 million tons), an increase of 35 per cent compared with the 370,000 million catties (185 million tons) of 1957, and cotton at 42 million *tan* (2.1 million tons), an increase of 28 per cent compared with the 32,800,000 *tan* of 1957. There were some over-estimates as regards certain other agricultural products and the products of side occupations. Check-ups have also been made on them this time. According to the verified figures of output, the total value of agricultural production last year was 67,100 million yuan, a 25 per cent increase compared with the 53,700 million yuan of 1957.

Taking the verified increase in agricultural production and output value last year, though the former estimate was rather high, this cannot shake the fact that a great leap forward took place in agriculture last year. Last year's agricultural production, in terms of the increase in the total output value, was still an unprecedented big leap forward.

The figures given earlier of last year's industrial output have been verified as correct. The figures of the total industrial output value remain at 117,000 million yuan, an increase of 66 per cent compared with the 70,400 million yuan of 1957. What should be noted here is that, of the 11,080,000 tons of steel produced last year, 8 million tons were produced with modern equipment, and the remaining 3,080,000 tons by simple, local methods. The 8 million tons of steel produced with modern equipment represent an increase of 49.5 per cent over the 5,350,000 tons produced in 1957. Of the 13,690,000 tons of pig iron included in the statistics last year, 9,530,000 tons were produced in modern installations and the other 4,160,000 tons by simple, local methods. The 9,530,000 tons produced with modern equipment represent an increase of 60 per cent over the 5,940,000 tons produced in 1957. This undoubtedly still represents the speed of a great leap forward.

Third, according to recent figures, this year a total of 510 million *mow* (34 million hectares) of farm land have been affected by flood, drought and insect pests, which form close to one-third of the total cultivated area. Of the 320 million *mow* (21.3 million hectares) stricken by drought, 200 million *mow* (13.3 million hectares) have been irrigated to varying degrees through the resolute efforts of tens of millions of people in the battle against the drought. This is one of the evidences of the superiority and strength of the people's communes. The water conservancy works built by the peasant masses in the last few years have played a great role this year in both beating off the drought and preventing waterlogging. The water conservancy works throughout the country can now irrigate some 1,000 million *mow* (66.6 million hectares) of farm land. Of this, 500 million *mow* (33.3 million hectares) are able to benefit fully from irrigation, and more than 300 million *mow* (20 million hectares) derive partial benefit. The remaining 200 million *mow* (13.3 million hectares) can also benefit from the irrigation works after the land is levelled and irrigation ditches are built. If it were not for the large-scale mass campaign to build water conservancy projects in the past few years, particularly the last two years, the damage done by this year's drought must have been many times more serious.

The 8th plenary session of the 8th Central Committee of the Chinese Communist Party took the above three aspects into consideration and recommended to the State Council an adjustment in the targets for this year. On the 25th of August, 1959, the 91st plenary session of the State Council unanimously agreed to the recommendation of the Central Committee of the Chinese Communist Party, regarding it as both realistic and showing responsibility to the people.

I now want to submit the adjusted figures of the major targets for the 1959 national economic plan as adopted by the 91st plenary session of the State Council to the Standing Committee of the National People's Congress for examination and approval.

The major targets are adjusted as follows:

Industry: Steel output from the original 18 million tons—including steel produced by local, simple methods) to 12 million tons (not including steel produced by local, simple methods, which is at the disposal of the local authorities); coal—from the original 380 million tons to 335 million tons; and targets for other industrial products are adjusted accordingly.

Industrial production in terms of value is adjusted from the original 165,000 million yuan to 147,000 million yuan.

Agriculture: Grain output—from the original 1,050,000 million catties (525 million tons) to 550,000 million catties (275 million tons); cotton output—from the original 100 million *tan* (5 million tons) to 46.2 million *tan* (2.3 million tons); and targets for outputs of other agricultural and animal husbandry products are adjusted accordingly.

Agricultural production in terms of value is adjusted from the original 122,000 million yuan to 73,800 million yuan.

Capital construction: Total investment—from the original 27,000 million yuan to 24,800 million yuan; the number of above norm projects to be constructed from the original 1,092 to 788. This will insure the supply of materials necessary for the existing enterprises' production and, at the same time, by appropriately shortening the front of capital construction, important projects will be able to start production earlier.

With the targets readjusted, it should be pointed out, this year's plan remains one of a continued leap forward. The total value of industrial and agricultural production will be 20 per cent above 1958 when the exceptionally great leap forward was made. The value of industrial output will increase by 25.6 per cent. Steel produced with modern equipment will increase by 50 per cent and coal by 24 per

cent. The total value of agricultural production will increase by 10 per cent, with grain and cotton each also by 10 per cent. Taking the rate of economic development in the socialist countries and our own experience in construction during the First Five-Year Plan, it should be said that a more than 20 per cent annual increase in industry is a leap forward, a more than 25 per cent increase is a big leap forward and a more than 30 per cent increase an exceptionally great leap forward. In agriculture, an annual increase of more than 10 per cent is a leap forward, more than 15 per cent is a big leap forward and more than 20 per cent is an exceptionally great leap forward. In my report on the work of the government, made to the first session of the 2nd National People's Congress on April 18 this year, I said: "For the production of grain, when there are still very few farm machines and very little chemical fertilizer, even an annual increase of between 10 and 20 per cent is a leap forward." Therefore, the adjusted targets for industry and agriculture in 1959 still maintain the speed of a leap forward.

It should also be pointed out that the 25.6 per cent increase in industry and the 10 per cent increase in agriculture this year are being achieved on the basis of last year's great leap forward in industry and agriculture. This is different from an ordinary year. The bigger the basic figure, as everyone knows, the bigger increase is required for every per cent rise, and the great efforts are needed to achieve this.

Given the all-out effort and aiming high by the masses, it is possible to overfulfill the adjusted targets for industry. As for agriculture, if there are no further serious natural calamities, the adjusted targets there, too, can be overfulfilled.

In fulfilling the adjusted targets, we will, in the output of major industrial and agricultural products, realize three years ahead of schedule the Second Five-Year Plan as proposed by the 1st plenary session of the 8th National Congress of the Chinese Communist Party and accepted by the State Council. Taking the four major targets as an example, the proposal of the Chinese Communist Party's 8th Congress envisaged a 1962 target for steel of between 10,500,000 and 12 million tons; for coal, between 190 million and 210 million tons; for grain, 500,000 million catties (250 million tons); and for cotton, 48 million *tan* (2.4 million tons). This year, output of steel made with modern equipment is to reach 12 million tons; coal, 335 million tons; grain, 550,000 million catties (275 million tons); and cotton, 46,200,000 *tan* (2.31 million tons). This means they will all reach, exceed or approach the targets proposed by the 8th Congress of the Chinese Communist Party. In addition, the output of 7 other major industrial products, namely, timber, metallurgical equipment, power generating equipment, metal-cutting machine tools, cotton yarn, machine-made paper and salt, is also due this year to reach or surpass the targets proposed by the 8th Congress of the Chinese Communist Party.

Since we shall in the main fulfill the five-year plan in two years, in the subsequent three years we shall be able to make further achievements in industry and agriculture and devote more effort to strengthening certain weaker links.

It can well be anticipated that in the Second Five-Year Plan period, our country's industry and agriculture will grow much faster than in the First Five-Year Plan period. The Second Five-Year Plan is surely a five-year plan of great leap forward. The realization of the great leap forward Second Five-Year Plan will make it possible for us to aim at fulfilling, in the main within about ten years, the slogan of "Catch up with Britain in the output of major industrial products within 15 years", and to overfulfill the 12-year program for agricultural development, originally planned for completion in 1957, at a much earlier date.

III. FIGHT AGAINST RIGHTWARD TENDENCIES, GO ALL-OUT, AND FURTHER DEVELOP THE INCREASE-PRODUCTION AND PRACTICE-ECONOMY CAMPAIGN

All rightward tending sentiments, thinking and activities must be opposed in order to uphold the general line and the great achievements gained through the great leap forward and the people's communes, to strive for a continued leap forward in the national economy.

Certain shortcomings and errors were made in the course of drawing up and implementing the 1959 national economic plan, in the upsurge of the great leap forward; mainly, the production targets were set rather too high, the scale of capital construction rather too large and the increase of workers and staff rather too fast; hence some problems in the deployment of labor power, the distribution of materials, the use of funds, and the improvement in the quality of products, giving rise to certain disproportions in some links of the national economy. This indicates that our organs in charge of planning and economic affairs are not yet adept at the work of coordination and equilibration under the condi-

tions of a big leap forward in the national economy. We must sum up our experience in this regard, remember it and turn unfavorable factors into favorable ones. However, it is necessary to point out that the shortcomings occurred in the course of great development, mainly arising from our lack of experience of great leaps forward. They are shortcomings in practical work made while applying the general line for socialist construction, and not shortcomings in the general line. The general line itself demands that we exert to the utmost our subjective initiative on the basis of objective conditions and observe the objective economic laws and pay attention to the proportion among various branches. Our experience, whether of success or failure gained in the practice of the past year and more proves that the general line for socialist construction and the series of policies of "walking on two legs" are entirely correct. With our shortcomings in work overcome, their brilliancy will further shine forth. Moreover, these shortcomings and errors were local and temporary—"one finger among the ten"—and have been corrected immediately on being discovered. The broad mass of cadres and people have received a deep education and much valuable experience in this great practice. This is an important gain. We consider it an abiding principle in guiding mass movements that shortcomings must be corrected in a serious manner, and the initiative of the broad masses and cadres must be eagerly protected. At no time may there be any damping down of the spirit or discouragement of the masses.

In the correction of the shortcomings in practical work and in adjusting the economic targets in the light of realities, some people, taking the bourgeois stand, under-estimate and even deny the great achievements of last year's great leap forward and of the people's communes. They exaggerate certain shortcomings and errors in the work, taking the part for the whole, the tributary for the mainstream, and maintain that the lower the economic targets the better. This kind of sentiment and thinking has grown in the past two months. In fact, those who think this way at root are sceptical of the vigorous mass movements launched by our more than 600 million people to do away with "poverty and blankness". They are sceptical of the great leap forward, the people's communes, the general line for socialist construction, the series of policies of "walking on two legs", and even the socialist system. Obviously, if we allow such thinking to continue and grow, without firmly correcting it, we will do serious damage to the initiative of the broad masses, we will not be able to continue the leap forward and win victory in our socialist cause. This of course would only benefit the enemy at home and abroad and harm the workers, the peasants and the revolutionary intellectuals; it would serve the interests of capitalism but not those of socialism. Since this question concerns the future of more than 600 million people, we must set the task of opposing rightward tendencies and wage a serious struggle against all existing rightward sentiments, thinking and activities.

On the basis of overcoming rightward tendencies, of continuing to mobilize the masses fully and encouraging them to go all-out in their revolutionary enthusiasm, we deem it necessary to press on to further develop the campaign for increasing production and practicing economy decided on at the first session of the 2nd People's Congress.

The further development of the campaign to increase production and practice economy is the chief guarantee of all-round overfulfillment of this year's national economic plan. In the very short time since we put forward this slogan, a new situation has emerged on all fronts of the national economy. On the industrial front, the daily output of steel in the first half month of August rose to 34,100 tons (on August 13 it reached 38,800 tons), showing an increase of 17 per cent over the average daily output of 29,000 odd tons in the first six months of this year. On the agricultural front, the fight against drought, flood, waterlogging and insects has been waged in full measure. As regards the arrangement of manpower, by the end of July, more than 4 million workers and staff had gone back to the rural areas to help in agricultural production. On the trade front, stocks of commodities in July showed an increase of 500 million yuan above that of June. In finance, revenue exceeded expenditure by 2,000 million yuan in the state budget from January to the end of the first 10 days of August. We can also see that a labor emulation campaign to compete in the quantity and quality of work done, in labor productivity, low production costs and safety has been launched in quite a few enterprises, with the workers there full of vigor and enthusiasm. Many leading cadres in factories and the rural areas have gone to the production sites to give concrete guidance to production and fight alongside the masses. A new production upsurge has begun to appear. All this proves that the economic situation is continuing to develop along healthy lines, the more than 600 million people are full of confidence and our prospects are extremely bright.

To further develop the increase-production and practice-economy campaign, we ask all economic

departments of industry, agriculture, transport and commerce, and all other departments without any exception to extend socialist emulation and exert great efforts to increase production and practice economy. All enterprises and undertakings should fulfill and overfulfill their tasks under the state plan, in quality, quantity and specifications, every month and every ten days. All the people's communes should strive to conquer natural calamities, use manpower and material resources rationally, strengthen field management and make adequate preparations to win a bumper harvest in the autumn. Alongside with efforts to increase production, all enterprises, undertakings and people's communes must give attention to economizing manpower, material resources and money and encourage savings, so that the slogans of building the country and running enterprises and undertakings, people's communes and homes with industry and thrift and budgeting well one's income and expenses become translated into action by every one. The leading organs at all levels must keep a tight rein on September's work and greet the great 10th anniversary of our National Day with outstanding achievements.

It is our firm belief that our more than 600 million people, under the leadership of our great Chinese Communist Party and our great leader Comrade Mao Tse-tung, will achieve new and still more brilliant successes along the road of socialist construction.

DOCUMENT 42

Long Live the People's Communes! editorial in the *People's Daily*, August 29, 1959.

The text is an official translation published in *Peking Review*, September 8, 1959.

Comment. This article is the principal source for the official version of how communes were born—that is, in accordance with the initiative of the masses. (See our general comment in Chapter VIII and our General Introduction, part VIII.) It looks from the text (p. 553 below) as if there has been a Marxist version of the criticism that communes were artificially imposed, in other words that the “material conditions” for these new “higher relations of production” had not existed in 1958. On the doctrinal point involved, see our General Introduction, part IV. The opposite criticism, that the reversion to the “production brigade” as the basic level involved a virtual return to the system of agricultural producers’ cooperatives, is of considerable interest. On this doctrinal issue see General Introduction, part IX.

TEXT OF DOCUMENT 42

Today is the first anniversary of the adoption of the historic “Resolution on the Establishment of People's Communes in the Rural Areas” by the Political Bureau of the Central Committee of the Chinese Communist Party at its enlarged session held at Peitaiho. A year ago, the people's communes had only just begun to grow in a few areas in China. Now they have been established in all rural areas throughout the country (with the exception of a few national minority areas): they have taken firm root and are advancing along a road of sound development. The people's commune, this “morning sun rising above the broad horizon of east Asia,” is radiating its great energy and light ever more strongly.

THE PEITAIHO RESOLUTION

The Peitaiho resolution made three outstanding contributions to history. First, it analysed the historical background against which the people's communes came into existence; it foresaw the inevitable trend of their development and laid down the correct policy that the Chinese Communist Party must warmly support and actively lead the people's commune movement. “The people's communes,” the resolution pointed out, “are the logical outcome of the march of events. Large, comprehensive people's communes have made their appearance, and in several places they are already widespread. They have developed very rapidly in some areas. It is highly probable that there will soon be an upsurge in setting up people's communes throughout the country and their development is irresistible.” History has proved that this estimate, and the positive policy adopted in accordance with this estimate, are absolutely correct.

Secondly, the resolution scientifically defined the economic character of the people's communes and their future development. Although it held that the people's communes were the best form of or-