

THE POLITICAL REPORT
OF THE CENTRAL COMMITTEE
OF THE COMMUNIST PARTY OF CHINA
TO THE EIGHTH NATIONAL CONGRESS
OF THE PARTY

LIU SHAO-CHI



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Comrades!

Eleven years have passed since the Seventh National Congress of our Party. In these eleven years our motherland has experienced two great historical changes of worldwide significance. In 1949, our Party led the people in overthrowing the reactionary rule of imperialism, feudalism, and bureaucrat-capitalism, and establishing the People's Republic of China. In the second half of last year and the first half of this, our Party led the people on to win a total and decisive victory in the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. These two victories have brought about a series of fundamental changes in our country's internal and external relations.

Except in Taiwan, which is still occupied by the U.S. aggressors, all the forces of foreign imperialism, which sat on the backs of the Chinese people for the last hundred years, have been driven out. China has become a great independent and sovereign country.

That tool of foreign imperialism — the bureaucrat-comprador bourgeoisie — has been eliminated as a class on the mainland of China.

Except in a few localities, the feudal landlords have also been eliminated as a class. The rich peasants are also being eliminated as a class. Landlords and rich peasants who used to exploit the peasants are being reformed into people making a fresh start and living on their own toil.

The national bourgeois elements are in the process of change-over from exploiters into working people.

The broad masses of the peasantry and other individual working people have become socialist working people engaged in collective labour.

The working class has become the leading class of the state. Its ranks have increased; it has a very much deeper class consciousness and its cultural and technical levels have been greatly raised.

The intellectuals, who have changed their aspect, are now organized as a force in the service of socialism.

All the nationalities in our country have come together to form one great family of united fraternal nationalities.

The people's democratic united front, led by the Communist Party, has been further broadened and consolidated.

Our country has taken her place in the socialist camp, headed by the Soviet Union, which is striving for a lasting peace and for the progress of mankind, and has forged unbreakable ties of friendship and co-operation with the great Soviet Union and the People's Democracies. In the victorious war to resist U.S. aggression and aid Korea, our people checked the rage and ferocity of the imperialist aggressors. In international relations our country stands resolutely for the five principles of peaceful co-existence. The international position of our country has been elevated.

All these changes have not only aroused unprecedented revolutionary enthusiasm among the six hundred million people of our country, they could not but give rise to a great power of attraction in international life, among all the oppressed nations and exploited peoples.

The task confronting the Party now is to build China into a great socialist country as quickly as possible by relying on the several hundred million working people who have been liberated and are now organized, by uniting with all the forces at home and abroad that can be united, and by turning to full account all conditions that are favourable to us.

In order to fulfil this gigantic task, we should correctly sum up the experience of past struggles, complete the socialist transformation of our country, further strengthen

our socialist construction, further improve and perfect the political life of our country, correctly handle the international affairs, and further consolidate our Party. Discussion of all these questions and the decisions reached thereon at our Congress will give impetus to our Party and people of our country to achieve new and still greater victories on the basis of victories already won.

I. THE PARTY'S GENERAL LINE IN THE PERIOD OF TRANSITION

Eleven years ago, the Party's Seventh Congress placed before the Party the task of "boldly rousing the masses to action, expanding the people's forces, and uniting all forces in the country that can be united, in order to defeat the aggressors and build a new China." That task was fulfilled in 1949.

The reactionaries often themselves choose the road to ruin. The policy of the Seventh Congress of our Party was to call on the Kuomintang to form a coalition government with the democratic forces of the country. As early as the first years of the War of Resistance to Japanese Aggression, our Party had reached agreement with the Kuomintang on united action against Japan. After that, and especially following the conclusion of the War of Resistance, our Party time and again conducted peace negotiations with the Kuomintang, in an effort to avert civil war and to bring about social and political reforms in China by peaceful means. In 1946, together with several other democratic parties, we reached an agreement with the Kuomintang concerning peace and the reconstruction of the country. But, subsequently, the Kuomintang reactionaries, supported by U.S. imperialism, launched a major civil war throughout the country, in an attempt to wipe

out the forces that represented the Chinese people, that is, the Chinese Communist Party and all other progressive democratic forces. They miscalculated. While our Party was working for peaceful reform, it did not allow itself to be put off its guard or to give up the people's arms. Our policy was as follows: if the Kuomintang wanted peace and was willing to carry out reforms in conditions of peace, then that was beneficial to the people and we would strive for it with all our might. At the same time, however, we knew that whether or not the desire for peace would be fulfilled depended not on us but on the ruling class at the time. If therefore the Kuomintang reactionaries should insist on forcing war on the people, we had made sufficient preparations and would mobilize the people's forces to defeat them and make the instigators of war lie on the bed they had made. And that was precisely the verdict of history: those who had wanted to wipe out the people's forces were themselves wiped out by the people's forces.

Unlike the reactionaries, the people are by no means warlike. Even during the war, wherever it was possible to achieve liberation peacefully, as in the case of Peking, Suiyuan, Changsha, Kunming, western Szechuan, Sinkiang, and Tibet, we strove, made approaches and conducted negotiations to this end, and we did achieve peaceful liberation. But when the people were compelled to take up arms, they were completely justified in doing so. To oppose the people taking up arms and demand that they submit to the attacking enemy would be following an opportunist line. Here, the question of following a revolutionary line or an opportunist line became a major issue involving the question whether our six hundred million people should or should not capture political power when conditions were ripe. Our Party followed the revolutionary line and today we have the People's Republic of China.

After the establishment of the People's Republic of China, the working class has won ruling power throughout the country in conditions of a firm alliance with several hundred millions of peasants; the party of the working class — the Chinese Communist Party — has become the party that leads the state power of the whole country; therefore, the people's democratic dictatorship has in essence become one form of dictatorship of the proletariat. Thus, it has become possible for the bourgeois-democratic revolution in our country to be directly transformed, by peaceful means, into a proletarian-socialist revolution. The establishment of the People's Republic of China signifies the virtual completion of the stage of bourgeois-democratic revolution in our country and the beginning of the stage of proletarian-socialist revolution: the beginning of the period of transition from capitalism to socialism.

What are the basic characteristics of the period of transition in our country?

First, our country is industrially backward. In order to build a socialist society, we must develop socialist industry, above all, heavy industry, so as to transform China from a backward agricultural country into an advanced industrial country. This, however, takes considerable time.

Second, in our country the allies of the working class consist not only of the peasantry and the urban petty-bourgeoisie, but also the national bourgeoisie. For this reason, in order to transform our old economy, we must use peaceful means of transformation not only in the case of agriculture and handicrafts, but also in the case of capitalist industry and commerce. This needs to be done step by step; this too needs time.

On the basis of the actual conditions of our country, the Central Committee has thus defined the Party's general line in the period of transition: to bring about, step by step, socialist industrialization and to accomplish, step by step, the socialist transformation of agriculture, handicrafts

and capitalist industry and commerce within a relatively long period. This general line of the Party was first put forward in 1952, when the period of the rehabilitation of the national economy had come to an end. It was accepted by the National People's Congress in 1954, and written into the Constitution of the People's Republic of China as the fundamental task of the state in the transition period.

The Party's general line in the transition period is a beacon that guides our work in every field. Any work, if it deviates from the general line, immediately lands itself in mistakes, either Rightist or "Leftist." In the last few years the tendency of deviating from the Party's general line to the Right has manifested itself mainly in being satisfied merely with what has been achieved in the bourgeois-democratic revolution, in wanting to call a halt to the revolution, in not admitting the need for our revolution to pass on into socialism, in being unwilling to adopt a suitable policy to restrict capitalism in both town and countryside, in not believing that the Party could lead the peasantry along the road to socialism, and in not believing that the Party could lead the people of the whole country to build socialism in China. The tendency of deviating from the Party's general line to the "Left" has manifested itself mainly in demanding that socialism be achieved overnight, in demanding that some method of expropriation be used in our country to eliminate the national bourgeoisie as a class, or some method be used to squeeze out capitalist industry and commerce and force them to go bankrupt, in not admitting that we should adopt measures for advancing, step by step, to socialism, and in not believing that we could attain the goal of socialist revolution by peaceful means. Our Party resolutely repudiated as well as criticized these two deviations. It is quite obvious that had our Party accepted any of these views, we would not be able to build socialism, or to be successfully building socialism as we are doing today.

In 1953, in accordance with the general line of the transition period, our country began to carry out its First Five-Year Plan for development of the national economy. The original estimate made by the Party's Central Committee was that fulfilment of the fundamental task of the transition period would require the time needed to carry out three five-year plans. Our experience in implementing the First Five-Year Plan has confirmed that the industrialization of the country will require the time needed to carry out three five-year plans or even a little longer. However, the task of socialist transformation will be basically fulfilled in the First Five-Year Plan period and, except in a few localities, it will be completely fulfilled in the Second Five-Year Plan period.

II. SOCIALIST TRANSFORMATION

We have now achieved a decisive victory in the socialist transformation of agriculture, handicrafts and capitalist industry and commerce in our country.

According to statistics ending June this year, of China's 120 million peasant households, 110 million, or 91.7 per cent of the total number of peasant households, have joined agricultural producers' co-operatives. Of these again, 35 million households are in elementary co-operatives while 75 million, or the great majority of them, are in co-operatives of the advanced type. Mutual aid and co-operation in animal husbandry has also made progress.

Individual handicraftsmen throughout the country have joined producers' co-operatives of various forms. Those who are in industrial producers' co-operatives, producers' groups or supply and marketing co-operatives now constitute 90 per cent of the total number of all who follow the calling of individual handicrafts. Individual fishermen,

individual salt producers and labourers working on their own in the transport trades have, in the main, been drawn into the co-operative organizations.

Capitalist industry and commerce in the country has, by and large, come under joint state-private operation by whole trades. Individual tradesmen have also generally formed themselves into co-operative organizations, which make purchases for the state or co-operative trading networks or act as their commission agents.

All these achievements have mainly been made in the high tide in the socialist transformation of agriculture, handicrafts and capitalist industry and commerce in our country which began in the latter part of 1955.

This upsurge in the socialist transformation is not a fortuitous phenomenon; it is the logical outcome of the development and maturing of various social conditions in our country since 1949.

After the establishment of the People's Republic of China, the People's Government confiscated all the enterprises operated by bureaucrat-capital which had had the economic arteries of our country in its grip. These enterprises, including the Japanese, German and Italian concerns in China taken over by the Kuomintang government following the victory of the War of Resistance to Japanese Aggression, were turned into socialist, state-owned enterprises; the state came into possession of the largest banks, practically all the railway lines, most of the iron and steel industries and other key sections of heavy industry and certain essential departments of light industry. This laid the foundation for the socialist sector to hold the heights in our economy.

Subsequently the People's Government made a major effort to develop state-owned industries, state-owned transport trades and other state-owned enterprises. The output value of the state-owned industries in 1949 only stood at 26.3 per cent of the total industrial output value, in 1952

it had climbed to 41.5 per cent, and by 1955 it had made up 51.3 per cent.

The People's Government transformed all private banks and money shops into unified, joint state-private banks which are under the leadership of state banks. All bank credit and insurance businesses and all transactions in bullion and foreign currency are now concentrated in the hands of the state. The People's Government has introduced a system of control over foreign trade and foreign exchange. It has also established a nation-wide, uniform and powerful network of state trade and trade through the supply and marketing co-operatives, gained control of the principal industrial raw materials and the supply of principal commodities, gradually brought about the nationalization of wholesale trades, and consolidated the leading position of socialist trade in the country's market.

The development of a strong socialist economy in our country has laid the material basis for the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. But, in order to accomplish the tasks of socialist transformation, we must also adopt policies and measures suited to the conditions of China so that the broad masses of our peasants and handicraftsmen will gladly take to collective economy, and the national bourgeoisie accept socialist transformation without much reluctance.

What are the policies and measures we have adopted? Let us now speak briefly on the movement for the transformation of agriculture, handicrafts and capitalist industry and commerce.

First of all, let us take up the socialist transformation of agriculture.

It was on the basis of a land reform thoroughly completed that we launched the movement for agricultural co-operation. In carrying out the land reform, our Party did not take the simple and easy way of merely relying on

administrative decrees and of "bestowing" land on the peasants. For three solid years after the establishment of the People's Republic of China, we applied ourselves to awakening the class consciousness of the peasants, and particularly of the poor peasants, to the fullest possible extent by following the mass line in fully arousing the peasant masses; we accomplished the task of land reform through the struggle of the peasants themselves. Was it necessary for us to spend so much time on it? We consider that the time involved was completely necessary. Because we had used such a method, the peasant masses stood up on their own feet, got themselves organized, closely followed the lead of the Communist Party and the People's Government, and took the reins of government and armed forces of the villages firmly into their hands. Thus, the land reform succeeded not only in eliminating the landlords as a class and weakening to a great extent the rich peasants in the economic realm but also, politically, in overthrowing the landlord class and isolating the rich peasants. The broad masses of the awakened peasants held that exploitation whether by landlords or by rich peasants was a shameful thing. Conditions were thus created which were favourable to the subsequent socialist transformation of agriculture and helped shorten to a great extent the time needed for agricultural co-operation.

In the old China, 60 to 70 per cent of the rural population were poor peasants and farm labourers. They were, respectively, the semi-proletarians and proletarians of the countryside, who found it very easy to accept the leadership of the working-class party. They have shown great enthusiasm not only in the bourgeois-democratic revolution but also in the socialist revolution. Improvement in the economic position of the peasant masses was recorded after the land reform, and not a few of the poor peasants and farm labourers have since moved up to become middle peasants. However, 60 to 70 per cent of the rural popula-

tion remained poor peasants or lower middle peasants, owing to the fact that in China's rural districts the population is large while land is little, the average arable land per head in the country being only three *mou* (approximately one-fifth of a hectare), and in many areas in the southern part of the country the average arable land per head being only one *mou*, or even less. For them there was no guarantee to attain to a life of prosperity by continuing with individual farming. Such being the case, the poor peasants and the not well-off peasants, who constituted the great majority of the rural population, actively responded to the Party's call and showed themselves willing to take the path of agricultural co-operation.

Following the land reform we immediately set about establishing on a wide scale among the peasants mutual-aid organizations for agricultural production which contain rudiments of socialism — organizations in which peasants are engaged in collective labour. Inasmuch as the mutual-aid teams are superior to peasants "working on their own," 40 per cent of the country's total peasant households came into the mutual-aid organizations in 1952, and the number rose to nearly 58 per cent in 1954. In 1952, on the basis of the mutual-aid organizations, the Central Committee of the Party began to promote in a systematic way the semi-socialist agricultural producers' co-operatives — an elementary type of co-operatives characterized by the pooling of land as shares and a single management but with land and other principal means of production still privately owned by the members. There were only some three hundred of this type of co-operatives at the end of 1951, but having been shown to advantage against the mutual-aid organizations, their numbers increased by the first half of 1955 to 670,000, with approximately 17 million peasant households. In the latter part of 1955 the agricultural producers' co-operatives began to go forward by leaps and bounds following, as we all know, the correction by the

Party's Central Committee and Comrade Mao Tse-tung of the Rightist conservative ideas within the Party which had tended to stifle the enthusiasm for agricultural co-operation on the part of the peasant masses. The elementary type of co-operatives were subsequently reorganized, group after immense group, into the advanced type, which are socialist in character and capable of organizing production in a more effective way. In these advanced co-operatives, the land and other principal means of production are changed from private into collective ownership.

Facts have proved that such a step-by-step measure taken by our Party was appropriate. For it enabled the peasants to benefit continuously from the movement for agricultural co-operation, to gradually accustom themselves to the mode of collective production, to forsake more naturally and smoothly the system of private ownership of land and other principal means of production and accept in its stead the system of collective ownership. Thereby all possible losses which might have resulted from sudden changes could be averted, or greatly reduced.

In the movement for agricultural co-operation the class policy of the Party has been to establish the poor peasants and those lower middle peasants who have moved up since the land reform from the status of poor peasants in the favourable position of exercising leadership in the co-operatives, and firmly unite with the middle peasants. The well-to-do, or comparatively well-to-do, middle peasants constitute a minority in the rural districts, but the fact remains that they can still exert a considerable influence on the lower middle peasants, and even the poor peasants. Generally speaking, these well-to-do middle peasants in our country give their support to the Communist Party and the People's Government, and a great number of them had "stood up" in the land reform. But when it comes to taking the path of agricultural co-operation they inevitably waver. In order to consolidate the alliance