



MAIN DOCUMENTS OF
THE SECOND SESSION OF
THE FIFTH NATIONAL
PEOPLE'S CONGRESS OF
THE PEOPLE'S REPUBLIC
OF CHINA

MAIN DOCUMENTS OF
THE SECOND SESSION OF
THE FIFTH NATIONAL
PEOPLE'S CONGRESS OF
THE PEOPLE'S REPUBLIC
OF CHINA

FOREIGN LANGUAGES PRESS
BEIJING

CONTENTS

OPENING SPEECH	
Ye Jianying	1
REPORT ON THE WORK OF THE GOVERNMENT	
Hua Guofeng	5
REPORT ON THE DRAFT OF THE 1979 NATIONAL ECONOMIC PLAN	
Yu Qiuli	101
REPORT ON THE FINAL STATE ACCOUNTS FOR 1978 AND THE DRAFT STATE BUDGET FOR 1979	
Zhang Jingfu	147
EXPLANATION ON THE SEVEN DRAFT LAWS	
Peng Zhen	190
CLOSING ADDRESS	
Ye Jianying	221
APPENDIX:	
COMMUNIQUE ON THE FULFILMENT OF CHINA'S 1978 NATIONAL ECONOMIC PLAN	232

OPENING SPEECH

(At the Second Session of the Fifth National
People's Congress on June 18, 1979)

YE JIANYING

Fellow Deputies,

This is the first year the focus of the work of the whole nation has shifted to socialist modernization. The convening of the Second Session of the Fifth National People's Congress at this time is of special significance.

At this session we will hear and deliberate on the Report on the Work of the Government by Premier Hua Guofeng, and examine and approve the Report on the 1979 National Economic Plan and the Report on the Final State Accounts for 1978 and the State Budget for 1979 as proposed by the State Council.

The following laws will be formulated at the session: the Organic Law of the Local People's Congresses and the Local People's Governments of the People's Republic of China, the Electoral Law for the National People's Congress and Local People's Congresses of the People's Republic of China, the Organic Law of the People's Courts of the People's Republic of China, the Organic Law of the People's Procuratorates of the People's Republic of China, the Criminal Law of the People's Republic of China, the Law of Criminal Procedure of the People's Republic of China, and the Law of the People's Republic of China on Joint Ventures with Chinese and Foreign Investment.

The present session will also examine and discuss the Report on the Work of the Standing Committee of the National People's Congress, the Report on the Work of the Supreme People's Court and the Supreme People's Procuratorate, and it will decide on changes of personnel concerned.

Fellow Deputies,

The fundamental guarantee for doing the work of the government and state well and effectively promoting China's socialist modernization lies in giving full scope to democracy, pooling correct ideas from the masses and arousing the enthusiasm

of wide sections of the people. I am convinced that the deputies will fully reflect the opinions of the workers, peasants, intellectuals and all other patriots of the country and give criticisms and suggestions on the work of the government and the state in the spirit of "saying all you know and saying it without reserve."

The people demand the strengthening and improving of China's socialist legal system. With the legal system improved, the people are guaranteed their democratic rights as provided by the Constitution, and a lively political situation of stability and unity can be developed without interruption in the interest of socialist construction. As economic construction develops, it is necessary to establish various laws governing economic matters. The National People's Congress must see to it that, through serious investigation and study and careful discussions, necessary laws are formulated so that these laws truly represent the will of the people, reflect the highest interests of socialism and the dictatorship of the proletariat and suit the needs of socialist economic growth. The laws must be resolutely enforced after their promulgation. The National People's Congress and local people's congresses at the various levels should all function

effectively in upholding the prestige of the socialist legal system.

The task of our session is very heavy. The people of the whole country are greatly concerned for this session. We will surely see to it that the session achieves results to their satisfaction.

REPORT ON THE WORK OF THE GOVERNMENT

(Delivered at the Second Session of the Fifth
National People's Congress on June 18, 1979)

HUA GUOFENG

Fellow Deputies,

I have been entrusted by the State Council to report to you on the work of the government and will now do so.

I. A HISTORIC TURNING POINT

Fifteen months have elapsed between the conclusion of the First Session of the Fifth National People's Congress in March last year and the convening of our present session. They have been 15 months of united struggle, dynamic endeavour and outstanding achievement. Owing to the sustained efforts made during this period, the nationwide

mass movement to expose and criticize Lin Biao and the gang of four has in the main been completed, and marked success has been attained in putting the country in order with this movement as the key link. In accordance with the policy decision of the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party held in December 1978, the State Council has, since the beginning of 1979, shifted the focus of the work of the whole nation to socialist modernization. This is a historic turning point.

At the last session we assessed our achievements after the smashing of the gang. Since then, under the impetus provided by the Third Plenary Session of the 11th Central Committee of the Party at which the principles of emancipating the mind or "starting up the machinery," seeking truth from facts, and uniting and looking forward were laid down and a series of important political, economic and organizational measures adopted, we have multiplied achievements on all fronts in the course of implementing the tasks defined at our last session.

In the sphere of politics and ideology, the Chinese people, led by the Chinese Communist Party, have conducted conscientious investigations into

the factional setup of Lin Biao and the gang of four and have by and large crushed this counter-revolutionary political force which for ten years wrought havoc and brought the nation untold misery. Thanks to organizational readjustments in the Party, government and army, leadership is now largely in the hands of cadres whom the people trust. The counter-revolutionary line of Lin Biao and the gang of four has been subjected to deep-going criticism in every field. The nationwide discussion on the criterion of truth has helped to emancipate the minds of cadres and masses alike, breaking the mental chains fastened on them by Lin Biao and the gang and reviving and carrying forward the style of study long advocated by Comrade Mao Zedong, that is, the style of seeking truth from facts, proceeding from reality and integrating theory with practice. Numerous cases of people being unjustly, falsely and wrongly charged or sentenced when Lin Biao and the gang were in power have been redressed. Large numbers of cadres from the very top down to the grass roots and model workers, experts and people in all spheres of endeavour who had been persecuted have been or are now being rehabilitated. A series of major political issues of right and wrong which

arose during the Cultural Revolution have in the main been clarified. The government has taken measures to carry out one after another policies which were either seriously distorted or thrown out by Lin Biao and the gang, policies concerning the cadres, the intellectuals, the nationalities, religion, overseas Chinese affairs, former industrialists and businessmen, and former Kuomintang personnel who came over to our side. The work of removing the Rightist label from those designated as such has been completed, and most of those who were wrongly labelled have been rehabilitated. The work of changing the status of those landlords and rich peasants who have long engaged in labour and abided by the law is in progress. Unity among the people has been enhanced and broadened. Socialist democracy is being practised and the socialist legal system is being improved. Democratic centralism and the style of work known as the mass line are being revived and carried forward in state organs at all levels and in grass-roots organizations. Thus we have eliminated the root cause of the prolonged political turmoil and splitting, and instead a lively political situation of stability and unity long yearned for by the people is becoming a reality. The present

political situation is totally different from what it was when Lin Biao and the gang of four were on the rampage. Moreover, in many respects, a spirit which is unprecedented has emerged as regards the democratic life of the nation and the emancipation of people's minds. And this new spirit is spreading.

In the sphere of economics, things have been rapidly improving since we repudiated the ultra-Left line of Lin Biao and the gang of four, put into effect various correct policies laid down by the Party and the government and formulated a series of new policies suited to present conditions. In 1978, our agricultural production suffered a succession of natural calamities, yet we still brought in a good harvest. Per capita grain output is the highest since the founding of the People's Republic, and total grain output reached 304,750,000 tons, an increase of 22 million tons or 7.8 per cent over 1977. Such a rate of increase has been rare in 30 years. The output of edible oil, sugar, cotton and other cash crops increased markedly, compared with the previous year. The peasants and rural cadres responded warmly to the Decisions of the Central Committee of the Communist Party of China on Some Questions Concerning the Acceleration

tion of Agricultural Deveioption (Draft) and Regulations Concerning the Work in the Rural People's Communes (Preliminary Draft) adopted by the Third Plenary Session of the 11th Central Committee of the Party when these were relayed to the rural population. A jubilant mood, absent for years, prevails throughout the countryside. In 1977, the gross value of industrial output registered an increase of 14.3 per cent over 1976, and in 1978 an increase of 13.5 per cent over 1977. In those two years,

the output of steel went up from 20,460,000 tons to 31,780,000 tons, an increase of 55.3 per cent;

coal, from 483 million tons to 618 million tons, an increase of 28 per cent;

crude oil, from 87 million tons to 104 million tons, an increase of 19.5 per cent;

electricity, from 203,000 million kwh. to 256,000 million kwh., an increase of 26 per cent;

chemical fertilizer (estimated according to effectiveness), from 5,240,000 tons to 8,690,000 tons, an increase of 66 per cent;

chemical fibres, from 146,000 tons to 285,000 tons, an increase of 95 per cent;

and the volume of rail freight, from 820 million tons to 1,070 million tons, an increase of 30.5 per cent.

With the restoration and expansion of production, our domestic and foreign trade and state revenues also rapidly expanded, and living standards in both town and country improved. In the last two years, the total volume of retail sales rose by 16 per cent, that of imports and exports by 53.7 per cent, and state revenues by 44.4 per cent; the average income of the peasants across the nation, derived from the collectives, rose by 17.7 per cent; and 60 per cent of the country's workers and staff had their wages raised in varying degrees. In capital construction, a number of major projects are already completed and in operation and others are under construction. In 1978, housing newly built for workers and staff and already occupied totalled over 37 million square metres in floor space, an increase of 33 per cent over the previous year. In the past two years we have made a good start at importing advanced technology and using funds from abroad and the results have been positive. Never in the past decade have we witnessed such a flourishing and gratifying situation on the economic front as a whole. We still face quite a few difficulties and

many problems in our work remain to be solved, but compared with the grave situation in which we found ourselves immediately following the smashing of the gang of four, we have certainly achieved a lot in rehabilitating and expanding our economy. This is obvious to all; it is not easy to come about.

In the sphere of science, education and culture, the convening of the National Science Conference and the adoption of the Draft Outline Programme for the National Development of Science and Technology (1978-85) have sparked fresh enthusiasm for the study of science and technology among scientists and technicians and among the youth and other people all over the country, and this has yielded initial results. The reform of our enrolment system for institutions of higher education and the criticism of the "two appraisals" concerning our work in education during the 17 years prior to the Cultural Revolution have promoted an overall consolidation of educational work, swiftly remedying the chaotic situation created by Lin Biao and the gang, basically restoring order and bringing into play the initiative of the vast numbers of students and teachers. With the repudiation of the fallacy of the "dictatorship

of a sinister line in literature and art," a host of good films, operas and other works, Chinese and foreign, long banned by Lin Biao and the gang, have again been made available to the masses; there has been increasing activity in the various branches of literature and art, and a number of good works welcomed by the masses have appeared. The prospect of a flourishing garden of literature and art where a hundred flowers blossom is already before us. Research in the social sciences, centring on the summing up of historical experience and the question of socialist modernization, is making steady headway, guided by the policy of letting a hundred schools of thought contend, and the interest shown by the masses in theoretical questions is at its keenest since the founding of the People's Republic. Our press, broadcasting, television and publications are developing in a lively manner. Major achievements have been attained in health work, physical culture and other areas of culture.

In short, the efforts made in the two years and more since the smashing of the gang of four have brought signal victories on all fronts, including the military and diplomatic, and fundamental changes have taken place in our country as a whole. At the

11th National Congress of the Chinese Communist Party and the First Session of the Fifth National People's Congress, a general task for the new period was set, thus heralding a shift of emphasis in the work of the whole Party and the whole nation to socialist modernization. Now, thanks to the unity and concerted efforts of the entire people, the time for this historic change has come.

Once the proletariat and the other working people have seized state power and established their political rule, economic construction must be given top priority. In the early years of the People's Republic, and especially after the basic completion of the socialist transformation of the ownership of the means of production, Comrade Mao Zedong pointed out time and again that economic work and technical revolution should become our central task. Under the brilliant leadership of Comrades Mao Zedong and Zhou Enlai we achieved major successes in socialist construction, while triumphantly carrying out the socialist transformation of the ownership of the means of production, socialist revolution on the ideological and political front and socialist education in the rural areas, and we rapidly transformed China into an industrial-agricultural country of