

## Industrialization of the country and improvement of the people's living standard

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In comparison with that of the many advanced countries of the world, the living standard of the labouring people in China remains very low. The people are still very poor and urgently need to raise their living standard and lead a prosperous, cultivated life. This is the greatest demand and aspiration of the overwhelming majority of the Chinese people, and it is the fundamental task of the Chinese Communist Party and the People's Government to fulfill this demand.

Why are the labouring people of China so poor and why is their living standard so low?

From the historical point of view, there are two basic causes.

First. China still has very little modern mechanized industry, transport and agriculture. The handicraft industry and individual farming still compose about 90 per cent of the national economy, and most transportation is by means of human and animal power and wooden bullocks. Compared to that of mechanized industry, productivity is very low, labour-intensive, and insufficient to provide substantial material wealth for the people.

Second. China has been subjected to prolonged rule by foreign imperialists and Chinese feudal landlords, bureaucrats and the comprador class. They plundered the wealth of the Chinese people freely, bullied and oppressed them and brought about prolonged wars and extensive banditry, hindering the growth of China's industry and suppressing and damaging China's already inadequate productive forces. As a result, the labouring people of China were thrown into the abyss of poverty, hunger and cold.

These are the two basic causes for the very low living standard of China's labouring people and for their poverty, suffering and humiliation.

How can we help them extricate themselves from such a plight and continually raise their living standard so that they can lead a prosperous and cultivated life?"

We must accomplish two fundamental tasks.

The first is to overthrow the rule of foreign imperialists and Chinese feudal landlords, bureaucrats and the comprador class, to establish a people's democratic dictatorship, to realize the independence and unification of China, to mop up the bandits in order to ensure internal peace, to confiscate bureaucrat-capital to carry out agrarian reform and other democratic reforms, and to eliminate the landlord class and other remaining feudal forces — all for the purpose of emancipating the existing productive forces in both Urban and rural areas. The Chinese people, under the leadership of the Chinese Communist Party, have already accomplished this in the main, and the work left unfinished can be completed in the near future. Our work in the days to come will be to strengthen and consolidate the people's democratic dictatorship, foil reactionary plots for staging a comeback, reinforce national defence in order to maintain world peace and guard against imperialist aggression and attack.

Although this is a colossal task, requiring quantities of manpower and materials, the Chinese people, under the leadership of the Communist Party, can complete it. However, completion of this task will only liberate the Chinese people from the oppression of imperialism, feudalism and bureaucrat-

capitalism; only free them from poverty, suffering, enslavement and humiliation; and only emancipate China's existing productive forces and remove the obstacles to development of production, creating favourable conditions for its continued development and preventing it from being hampered by internal or external forces of barbarism. This will not lead directly to the raising of the productive forces or to the development of production itself; therefore, it cannot greatly raise the living standard of the people.

The People's Government has confiscated the property of the bureaucrat-capitalists and the landlords and handed the landlords' property over to the poverty-stricken peasants gratis. At the same time it has prohibited plundering by speculators and allocated considerable funds for the relief of victims of natural disasters, unemployed workers and others who have no means of support. This served to help the poorest of the labouring people to some extent, but the amount was small and the help temporary.

In other words, by overthrowing the rule of imperialism and the Kuomintang, establishing a people's democratic dictatorship, unifying China and confiscating bureaucrat-capitalist and landlord property we have only cleared away obstacles to the advancement of production and created favourable conditions for developing production; we have not brought about expanded production itself. Therefore, the people's living standard cannot rise immediately or directly. However, completion of the first task will provide favourable conditions for the Chinese people to accomplish the second task. If the first task is not achieved, the second cannot be. It is precisely because they did not understand this truth that many who advocated saving the country by means of fostering industry made mistakes and failed.

The second task is to develop productive and other economic undertakings beneficial to the people by taking advantage of, among other things, the already established and consolidated people's democratic dictatorship as the principal instrument, and efforts from various sectors. First of all, every means should be utilized to raise the productivity of every labourer, based on existing foundations and present levels; to expand the quantity and raise the quality of products; to economize on the use of raw and semi-finished materials, eliminate waste, and reduce the cost of products, thus step by step raising the level of production techniques; to establish new productive undertakings and, through collectivization, to turn the handicraft industry and individual farming into large-scale producers with modern mechanical equipment. This will systematically move China towards industrialization and electrification. Only then can China establish strong economic and national defence forces. Only by constantly raising labour productivity and developing modern productive and other economic undertakings can the Chinese people raise their living standard little by little and lead a prosperous, cultivated life. Otherwise, the goal is impossible, because the development of productive undertakings and the raising of labour productivity remain the foundation of the entire population's material and spiritual welfare.

Only by accomplishing the first task can we accomplish the second. As we work towards fulfillment of the first, our goal is to accomplish the second. The first task is nearly completed! and implementation of the second task has already begun in some areas, soon it will be undertaken on a larger scale through comprehensive planning and will be continued permanently, for production is a fundamental and permanent necessity. If, after fulfilling the first task, we fail to go on and accomplish the second, our revolution will have little meaning and we shall not be able to claim victors'. Instead, we shall have suffered a shameful defeat.

If we, in co-ordination with the peace-loving forces of the world, want to maintain world peace over quite a long period of time, thus establishing a peaceful environment in which to carry on our economic development, what steps in general should we take?

First, we must rehabilitate all economic undertakings beneficial to the people and enable factories that cannot now carry on production on their own to do so as far as possible. Second, we must focus our efforts on developing agriculture and light industry, at the same time establishing a necessary national defence industry. Third, we must make an even greater effort to build a foundation for heavy industry and to develop it. Fourth, we must greatly increase light industry and mechanize agricultural production. This is the course China should follow in its industrialization.

Why should we take these steps for China's industrialization?

After rehabilitating China's economy and exploiting existing productive forces as much as possible, we should focus on the development of agriculture and light industry, because only with the development of agriculture can sufficient raw materials and grain be provided to industry and the industrial market be expanded. Only with the development of light industry can the great quantities of industrial commodities the peasants require be supplied in exchange for the raw materials and grain they produce and the capital for further advancement of industry be accumulated. At the same time, the development of agriculture and light industry will enable us to meet the urgent need of raising the very low standard of living of the labouring people. This is also imperative for improving people's health and uniting all the people politically. The establishment of a national defence industry is indispensable to guaranteeing a peaceful environment for our construction. Only after the successful completion of this first step can we amass enough capital and strength to establish and develop heavy industry. The great development of light industry, the mechanization of agriculture and a significant raising of the people's living standard will be possible only after the establishment of heavy industry.

The living standard of the Chinese people can be raised only through economic development, and each new development of the economy makes it possible to improve the people's living standard further. There is no other way to achieve this end. Any attempt to raise the living standard of the people beyond the growth rate of the economy, beyond the capacity of the economy to withstand the strain would result in holding back and damaging economic development and eventually the living standard would be lowered rather than raised. Such a pattern reflects anarchism, economism and lopsided welfare, and all politically conscious workers must combat these tendencies.

Gigantic sums are needed for the development of China's economy and its industrialization. Without tens of billions of silver dollars invested in industry, especially in heavy industry, speeding up our industrialization is out of the question. But where and how can these funds be raised?

According to Comrade Stalin, besides the relentless exploitation of workers and peasants at home and the forcing of countless small producers and medium-size entrepreneurs into bankruptcy, the capitalist countries had three ways to raise capital during their industrialization: plundering colonies, utilizing war indemnities, and relying on loans and leased concessions on enslaving terms." Of course, we shall not adopt any of these methods, because it is fundamentally contradictory to the principles for building our country to exploit the people at home relentlessly or to plunder any colony. Neither shall we ask for loans from the capitalist countries or lease territories to them on enslaving terms. In principle it is acceptable to obtain loans from socialist Soviet Union and the other people's democracies and to enter into leases with them on equal terms. This we have already done to some

extent, and we shall perhaps do more in the days ahead, but it is not possible to obtain large funds in this way. For the Soviet Union and the other people's democracies also need enormous funds to develop industries of their own. Therefore, our method of raising funds for industrialization will have to be similar to that adopted in the past by the Soviet Union, that is, the practising of economy by the Chinese people themselves. Otherwise we shall not be able to raise the huge funds needed for the industrialization of China.

Under the correct leadership of the People's Government the Chinese people will be able to gradually accumulate by their own effort the massive funds needed for industrialization, because the Chinese people have abolished the privileges imperialists used to enjoy in China and are consequently free from their plunder, because land reform has been carried out and the peasants need no longer pay land rent to the landlords, because the bureaucrat-capitalist enterprises have been confiscated and turned into state-owned enterprises, and also because the enthusiasm of the labouring people for production has been enhanced, labour productivity has increased, various systems for practising economy have been established and production costs have been reduced. Of course, the funds should be raised through the collection of taxes and profits from state-owned industry, commerce and banking and the issuance of construction bonds from each family directly.

To defend China and raise the people's living standard we should carry out economic development on a large scale and industrialize the country. Large-scale economic development and rapid industrialization, however, require the people to practise economy and accumulate large amounts of funds, which will naturally stem the raising of the living standard. That is to say, in the next decade or two we have to slacken speed in this respect, in order to create a better life for the labouring people and improve the living standard more rapidly in the future. The money the people save will primarily be used to satisfy the needs of our country's industrial construction, not for the extravagant life of exploiters and certainly not for a dissolute life of government personnel. This will provide a reliable foundation upon which to raise the living standard of the Chinese people, which must be brought home to all workers. In other words, in order to raise funds to speed up industrialization and create a better life in the future, we should save more and spend less, on condition that we do not suffer from hunger and cold but maintain our normal health.

Comrade Stalin said, "A peasant accumulated a small sum of money. Instead of spending it on repairing his ploughshare and renovating his undertaking, he bought a big gramophone ... all spent!" It is impossible for peasants of this kind to create a happy life for themselves. The same applies to our country. If when people accumulate savings, these are not used as funds to develop industry but are all spent on consumer goods, we shall not be able to help people create a happy life. This means that in the period of construction, a contradiction exists between raising the living standard of the people and amassing funds by the people to speed up industrialization. We should help them thoroughly understand this contradiction so that it can be properly resolved. Not all countries have brought about a rise in the living standard of the labouring people through industrialization. In some capitalist countries the living standard of the labouring people did not rise in the course of industrialization. Moreover, these countries eventually turned into imperialist countries, invading other nations and countries to obtain raw materials and markets to support the industry they had developed and consequently engaging in a world war. This is the road capitalist countries followed in bringing about their industrialization, a road we cannot and must not take.

There is, however, another road to industrialization. This is the road followed by socialist states or people's democracies. Following this road we can progressively raise the living standard of the labouring people, preventing unemployment, starvation, impoverishment, and the necessity to invade other nations and countries, much less bunch wars. This is the road we should, must and can take.

In world history there have been only these two roads to industrialization. There cannot be a third one. Those who claim to take the third road are only deceiving the people. If anyone "honestly" cherishes illusions of a third road, he will be "honestly" deceiving both himself and others, for the result will be the same.