

## Instructions from the Central Committee of the Communist Party of China on Handicraft Industry Policy

To all Central Bureaus, Branch Bureaus, and Party Committees at all levels:

The Central Committee is forwarding to you a report from the East China Bureau addressed to the Zhejiang Provincial Committee and various provincial, regional Party Committees, and the central government. In addition to agreeing with the East China Bureau's handling of the situation, the Central Committee believes that the actions of destroying handicraft industry in Xiaoshan County seriously undermine the fundamental policy of our Party to restore and develop production. It is a suicidal policy and is absolutely not permissible. Party members and cadres primarily responsible for causing such mistakes should be subjected to necessary disciplinary actions. In order to prevent the recurrence of such erroneous actions in the future, Party Committees at all levels, especially those in the new areas preparing for land reform, should earnestly educate their Party members and cadres to resolutely implement the policy of protecting handicraft industry. Handicraft industry operated by landlords should also be protected and not infringed upon. The elimination of feudal exploitation by landlords and the protection of handicraft industry operated by landlords must be strictly distinguished.

The struggle against feudal landlords must not be applied to oppose handicraft industry owners. It should be noted that daily necessities and even important export products (such as tea, tung oil, etc.) in the vast rural areas still rely on handicraft industry production for supply, and handicraft industry production still holds a very important position in the entire national economy. Therefore, our policy towards handicraft industry is a protective policy of assistance, improvement, and promotion, rather than a destructive policy of class division, chaotic struggle, and arbitrary taxation. Various handicraft industries in rural areas, market towns, etc., such as papermaking, oil pressing, spinning, weaving, flower rolling, silk reeling, etc., must be strictly protected and not infringed upon; otherwise, it will seriously alienate the masses and greatly hinder the recovery and development of the rural economy.

In terms of tax policies, the tax rates already stipulated by the Ministry of Finance of the Central People's Government should be strictly implemented. Different tax collection should be carried out reasonably based on the scale and operation conditions of various handicraft industries. Those exempted from taxes should indeed be exempted. The viewpoint of blindly collecting and distributing taxes for the sole purpose of completing tasks should not be adopted, as it may suffocate handicraft industries. Please notify Party and government agencies at all levels to earnestly implement the spirit mentioned above. In cases where local authorities are uncertain about resolving such situations on their own, they must seek instructions from higher authorities. Even if they believe they have resolved the situation in accordance with policies, they must report to higher authorities for timely correction in case of errors.

Central Committee

June 12, 1950

Note: May 31 corresponds to 辰世 (Chen Shi) mentioned in the document.

\*This is the Central Committee of the Communist Party of China's directive forwarding the East China Bureau's report on the destruction of handicraft industry in Xiaoshan County, Zhejiang province.