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Speeches/Documents

Title: Report to the 2nd plenary session of the 7th CC of the CCP

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Description: set the general tasks and main course for transforming China from an agricultural into an industrial country, from a new-democratic into a socialist society

Remarks: [The Seventh Central Committee of the Communist Party of China held its Second Plenary Session in Hsipaipo Village, Pingshan County, Hopei Province, from March 5 to 13, 1949. Thirty-four members and nineteen alternate members of the Central Committee were present. This session, which was convened on the eve of the country-wide victory of the Chinese people's revolution, was extremely important. In his report at the session, Comrade Mao Tse-tung set forth policies to promote the speedy achievement of the country-wide victory of the revolution and to organize this victory. He explained that with this victory the centre of gravity of the Party's work should be shifted from the village to the city, defined the basic political, economic and foreign policies the Party should adopt after victory and set the general tasks and main course for transforming China from an agricultural into an industrial country, from a new-democratic into a socialist society. In particular, he analysed the current conditions in the different sectors of China's economy and the correct policies the Party had to adopt, pointed out the necessary ways to realize the socialist transformation in China, criticized various "Left" and Right deviations on this question and expressed the firm conviction that China's economy would develop at a comparatively high speed. Comrade Mao Tse-tung appraised the new situation in the class struggle both at home and abroad following the victory of the Chinese people's democratic revolution and gave timely warning that the "sugar-coated bullets" of the bourgeoisie would become the main danger to the proletariat. All this gives the document great significance for a long historical period. This report and his article *On the People's Democratic Dictatorship*, written in June of the same year, formed the basis for the policies embodied in the Common Programme adopted by the First Plenary Session of the Chinese People's Political Consultative Conference, which served as a provisional constitution after the founding of New China. The Second Plenary Session of the Seventh Central Committee of the Party adopted a resolution based on Comrade Mao Tse-tung's report. After the session, the Central Committee of the Communist Party of China moved from Hsipaipo, Pingshan County, Hopei Province to Peiping.]

I

With the conclusion of the Liaohsi-Shenyang, Huai-Hai and Peiping-Tientsin campaigns, the main force of the Kuomintang army has been destroyed. Only a million odd of its combat troops are left, dispersed over vast areas from Sinkiang to Taiwan and over extremely long fronts. From now on there can be only three patterns for disposing of these Kuomintang troops -- the Tientsin pattern, the Peiping pattern or the Suiyuan pattern.^[1] To dispose of the enemy forces by fighting, as we did in Tientsin, must still be the primary object of our attention and preparations. The commanders and fighters of the entire Chinese People's Liberation Army absolutely must not relax in the least their will to fight; any thinking that relaxes the will to fight and belittles the enemy is wrong. The possibility has increased for solutions on the Peiping pattern, that is, to compel enemy troops to reorganize peacefully, quickly and thoroughly into the People's Liberation Army in conformity with the latter's system. For the purpose of rapidly eliminating the vestiges of counter-revolution and liquidating its political influence, this solution is not quite as effective as the solution by fighting. However, it is bound to occur and is unavoidable after the main force of the enemy has been destroyed; furthermore, it is advantageous to our army and the people because casualties and destruction can be avoided. Therefore, the leading comrades of the various field armies should all pay attention to this form of struggle and learn how to use it. This is one form of struggle, a form of struggle without bloodshed; it does not mean that problems can be solved without struggle. The Suiyuan pattern is deliberately to keep part of the Kuomintang troops wholly or nearly intact, that is, to make temporary concessions to

these troops in order to help win them over to our side or neutralize them politically. Thereby, we can concentrate our forces to finish off the main part of the remnant Kuomintang forces first and then, after a certain period (say, a few months, half a year or a year later), proceed to reorganize these troops into the People's Liberation Army in conformity with its system. That is another form of struggle. It will preserve more of the vestiges and political influence of counter-revolution than the Peiping form and for a longer period. But there is not the slightest doubt that they will eventually be eliminated. It must never be assumed that, once they yield to us, the counter-revolutionaries turn into revolutionaries, that their counterrevolutionary ideas and designs cease to exist. Definitely not. Many of the counter-revolutionaries will be remoulded, some will be sifted out, and certain die-hard counter-revolutionaries will be suppressed.

II

The People's Liberation Army is always a fighting force. Even after country-wide victory, our army will remain a fighting force during the historical period in which classes have not been abolished in our country and the imperialist system still exists in the world. On this point there should be no misunderstanding or wavering. The People's Liberation Army is also a working force; this will be the case especially when the Peiping or the Suiyuan pattern of solution is used in the south. With the gradual decrease in hostilities, its function as a working force will increase. There is a possibility that before very long the entire People's Liberation Army will be turned into a working force, and we must take this possibility into account. The 53,000 cadres now ready to leave with the army for the south are very inadequate for the vast new areas we shall soon hold, and we must prepare to turn all the field armies, 2,100,000 strong, into a working force. In that event, there will be enough cadres and the work can develop over large areas. We must look upon the field armies with their 2,100,000 men as a gigantic school for cadres.

III

From 1927 to the present the centre of gravity of our work has been in the villages -- gathering strength in the villages, using the villages in order to surround the cities and then taking the cities. The period for this method of work has now ended. The period of "from the city to the village" and of the city leading the village has now begun. The centre of gravity of the Party's work has shifted from the village to the city. In the south the People's Liberation Army will occupy first the cities and then the villages. Attention must be given to both city and village and it is necessary to link closely urban and rural work, workers and peasants, industry and agriculture. Under no circumstances should the village be ignored and only the city given attention; such thinking is entirely wrong. Nevertheless, the centre of gravity of the work of the Party and the army must be in the cities; we must do our utmost to learn how to administer and build the cities. In the cities we must learn how to wage political, economic and cultural struggles against the imperialists, the Kuomintang and the bourgeoisie and also how to wage diplomatic struggles against the imperialists. We must learn how to carry on overt struggles against them, we must also learn how to carry on covert struggles against them. If we do not pay attention to these problems, if we do not learn how to wage these struggles against them and win victory in the struggles, we shall be unable to maintain our political power, we shall be unable to stand on our feet, we shall fail. After the enemies with guns have been wiped out, there will still be enemies without guns; they are bound to struggle desperately against us; we must never regard these enemies lightly. If we do not now raise and understand the problem in this way, we shall commit very grave mistakes.

IV

On whom shall we rely in our struggles in the cities? Some muddle-headed comrades think we should rely not on the working class but on the masses of the poor. Some comrades who are even more muddle-headed think we should rely on the bourgeoisie. As for the direction of industrial development, some muddle-headed comrades maintain that we should chiefly help the development of private enterprise and not state enterprise, whereas others hold the opposite view that it suffices to pay attention to state enterprise and that private enterprise is of little importance. We must criticize these muddled views. We must whole-heartedly rely on the working class, unite with the rest of the labouring masses, win over the intellectuals and win over to our side as many as possible of the national bourgeois elements and their representatives who can co-operate with us -- or neutralize them -- so that we can wage a determined struggle against the imperialists, the Kuomintang and the bureaucrat-

capitalist class and defeat these enemies step by step. Meanwhile we shall set about our task of construction and learn, step by step, how to administer cities and restore and develop their production. Regarding the problem of restoring and developing production we must be clear about the following: first comes the production of state industry, second the production of private industry and third handicraft production. From the very first day we take over a city, we should direct our attention to restoring and developing its production. We must not go about our work blindly and haphazardly and forget our central task, lest several months after taking over a city its production and construction should still not be on the right track and many industries should be at a standstill, with the result that the workers are unemployed, their livelihood deteriorates and they become dissatisfied with the Communist Party. Such a state of affairs is entirely impermissible. Therefore, our comrades must do their utmost to learn the techniques of production and the methods of managing production as well as other closely related work such as commerce and banking. Only when production in the cities is restored and developed, when consumer-cities are transformed into producer-cities, can the people's political power be consolidated. Other work in the cities, for example, in Party organization, in organs of political power, in trade unions and other people's organizations, in culture and education, in the suppression of counter-revolutionaries, in news agencies, newspapers and broadcasting stations -- all this work revolves around and serves the central task, production and construction. If we know nothing about production and do not master it quickly, if we cannot restore and develop production as speedily as possible and achieve solid successes so that the livelihood of the workers, first of all, and that of the people in general is improved, we shall be unable to maintain our political power, we shall be unable to stand on our feet, we shall fail.

V

Conditions in the south are different from those in the north, and the Party's tasks must also be different. The south is still under Kuomintang rule. There, the tasks of the Party and the People's Liberation Army are to wipe out the Kuomintang's reactionary armed forces in city and countryside, set up Party organizations, set up organs of political power, arouse the masses, establish trade unions, peasant associations and other people's organizations, build the people's armed forces, mop up the remnant Kuomintang forces and restore and develop production. In the countryside, our first tasks are to wage struggles step by step, to clean out the bandits and to oppose the local tyrants (the section of the landlord class in power) in order to complete preparations for the reduction of rent and interest; this reduction can then be accomplished within a year or two after the arrival of the People's Liberation Army, and the precondition for the distribution of land will thus be created. At the same time care must be taken to maintain the present level of agricultural production as far as possible and to prevent it from declining. In the north, except for the few new Liberated Areas, conditions are completely different. Here the Kuomintang rule has been overthrown, the people's rule has been established and the land problem has been fundamentally solved. Here the central task of the Party is to mobilize all forces to restore and develop production; this should be the centre of gravity in all work. It is also necessary to restore and develop cultural and educational work, wipe out the remnants of the reactionary forces, consolidate the entire north and support the People's Liberation Army.

VI

We have already carried out extensive economic construction, and the Party's economic policy has been implemented in practice and has achieved marked success. However, there are still many muddled views within the Party on the question of why we should adopt this kind of economic policy and not another, i.e., on a question of theory and principle. How should this question be answered? In our opinion, the answer should be as follows. Before the War of Resistance Against Japan, the proportions of industry and agriculture in the entire national economy of China were, modern industry about 10 per cent, and agriculture and handicrafts about 90 per cent. This was the result of imperialist and feudal oppression; this was the economic expression of the semi-colonial and semi-feudal character of the society of old China; and this is our basic point of departure for all questions during the period of the Chinese revolution and for a fairly long period after victory. This gives rise to a series of problems regarding our Party's strategy, tactics and policy. An important task for our Party at present is to reach a clearer understanding of these problems and their solution. That is to say:

1. China already has a modern industry constituting about 10 per cent of her economy; this is progressive, this is different from ancient times. As a result, China has new classes and new political

parties -- the proletariat and the bourgeoisie, proletarian and bourgeois parties. The proletariat and its party, because they have been oppressed by manifold enemies, have become steeled and are qualified to lead the Chinese people's revolution. Whoever overlooks or belittles this point will commit Right opportunist mistakes.

2. China still has scattered and individual agriculture and handicrafts, constituting about 90 per cent of her entire economy; this is backward, this is not very different from ancient times -- about 90 per cent of our economic life remains the same as in ancient times. We have abolished, or will soon abolish, the age-old feudal ownership of land. In this respect, we have become, or will soon become, different from what we were in ancient times, and have or will soon have the possibility of modernizing our agriculture and handicrafts step by step. In their basic form, however, our agriculture and handicrafts today are still scattered and individual, somewhat as they were in ancient times, and they will remain so for a fairly long time to come. Whoever overlooks or belittles this point will commit "Left" opportunist mistakes.

3. China's modern industry, though the value of its output amounts to only about 10 per cent of the total value of output of the national economy, is extremely concentrated; the largest and most important part of the capital is concentrated in the hands of the imperialists and their lackeys, the Chinese bureaucrat-capitalists. The confiscation of this capital and its transfer to the people's republic led by the proletariat will enable the people's republic to control the economic lifelines of the country and will enable the state-owned economy to become the leading sector of the entire national economy. This sector of the economy is socialist, not capitalist, in character. Whoever overlooks or belittles this point will commit Right opportunist mistakes.

4. China's private capitalist industry, which occupies second place in her modern industry, is a force which must not be ignored. Because they have been oppressed or hemmed in by imperialism, feudalism and bureaucrat-capitalism, the national bourgeoisie of China and its representatives have often taken part in the people's democratic revolutionary struggles or maintained a neutral stand. For this reason and because China's economy is still backward, there will be need, for a fairly long period after the victory of the revolution, to make use of the positive qualities of urban and rural private capitalism as far as possible, in the interest of developing the national economy. In this period, all capitalist elements in the cities and countryside which are not harmful but beneficial to the national economy should be allowed to exist and expand. This is not only unavoidable but also economically necessary. But the existence and expansion of capitalism in China will not be unrestricted and uncurbed as in the capitalist countries. It will be restricted from several directions -- in the scope of its operation and by tax policy, market prices and labour conditions. We shall adopt well-measured and flexible policies for restricting capitalism from several directions according to the specific conditions in each place, each industry and each period. It is necessary and useful for us to apply Sun Yat-sen's slogan of "regulation of capital".^[2] However, in the interest of the whole national economy and in the present and future interest of the working class and all the labouring people, we must not restrict the private capitalist economy too much or too rigidly, but must leave room for it to exist and develop within the framework of the economic policy and planning of the people's republic. The policy of restricting private capitalism is bound to meet with resistance in varying degrees and forms from the bourgeoisie, especially from the big owners of private enterprises, that is, from the big capitalists. Restriction versus opposition to restriction will be the main form of class struggle in the new-democratic state. It is entirely wrong to think that at present we need not restrict capitalism and can discard the slogan of "regulation of capital"; that is a Right opportunist view. But the opposite view, which advocates too much or too rigid restriction of private capital or holds that we can simply eliminate private capital very quickly, is also entirely wrong; this is a "Left" opportunist or adventurist view.

5. Scattered, individual agriculture and handicrafts, which make up 90 per cent of the total value of output of the national economy, can and must be led prudently, step by step and yet actively to develop towards modernization and collectivization; the view that they may be left to take their own course is wrong. It is necessary to organize producers', consumers' and credit co-operatives and leading organs of the co-operatives at national, provincial, municipal, county and district levels. Such co-operatives are collective economic organizations of the labouring masses, based on private ownership and under the direction of the state power led by the proletariat. The fact that the Chinese people are culturally backward and have no tradition of organizing co-operatives may confront us with difficulties, but cooperatives can and must be organized and must be promoted and developed. If

there were only a state-owned economy and no cooperative economy, it would be impossible for us to lead the individual economy of the labouring people step by step towards collectivization, impossible to develop from the new-democratic society to the future socialist society and impossible to consolidate the leadership of the proletariat in the state power. Whoever overlooks or belittles this point will also commit extremely serious mistakes. The state-owned economy is socialist in character and the co-operative economy is semi-socialist; these plus private capitalism, plus the individual economy, plus the state-capitalist economy in which the state and private capitalists work jointly, will be the chief sectors of the economy of the people's republic and will constitute the new-democratic economic structure.

6. The restoration and development of the national economy of the people's republic would be impossible without a policy of controlling foreign trade. When imperialism, feudalism, bureaucrat-capitalism and the concentrated expression of all three, the Kuomintang regime, have been eliminated in China, the problem of establishing an independent and integrated industrial system will remain unsolved and it will be finally solved only when our country has greatly developed economically and changed from a backward agricultural into an advanced industrial country. It will be impossible to achieve this aim without controlling foreign trade. After the country-wide victory of the Chinese revolution and the solution of the land problem, two basic contradictions will still exist in China. The first is internal, that is, the contradiction between the working class and the bourgeoisie. The second is external, that is, the contradiction between China and the imperialist countries. Consequently, after the victory of the people's democratic revolution, the state power of the people's republic under the leadership of the working class must not be weakened but must be strengthened. The two basic policies of the state in the economic struggle will be regulation of capital at home and control of foreign trade. Whoever overlooks or belittles this point will commit extremely serious mistakes.

7. China has inherited a backward economy. But the Chinese people are brave and industrious. With the victory of the Chinese people's revolution and the founding of the people's republic, and with the leadership of the Communist Party of China, plus the support of the working class of the countries of the world and chiefly the support of the Soviet Union, the speed of China's economic construction will not be very slow, but may be fairly fast. The day is not far off when China will attain prosperity. There is absolutely no ground for pessimism about China's economic resurgence.

VII

Old China was a semi-colonial country under imperialist domination. Thoroughly anti-imperialist in character, the Chinese people's democratic revolution has incurred the bitter hatred of the imperialists who have done their utmost to help the Kuomintang. This has aroused the Chinese people to even deeper indignation against the imperialists and deprived them of their last shred of prestige among the Chinese people. At the same time the whole imperialist system is very much weakened after World War II, while the strength of the world anti-imperialist front headed by the Soviet Union is greater than ever before. In these circumstances, we can and should adopt a policy of systematically and completely destroying imperialist domination in China. This imperialist domination manifests itself in the political, economic and cultural fields. In each city or place where the Kuomintang troops are wiped out and the Kuomintang government is overthrown, imperialist political domination is overthrown with it, and so is imperialist economic and cultural domination. But the economic and cultural establishments run directly by the imperialists are still there, and so are the diplomatic personnel and the journalists recognized by the Kuomintang. We must deal with all these properly in their order of urgency. Refuse to recognize the legal status of any foreign diplomatic establishments and personnel of the Kuomintang period, refuse to recognize all the treasonable treaties of the Kuomintang period, abolish all imperialist propaganda agencies in China, take immediate control of foreign trade and reform the customs system -- these are the first steps we must take upon entering the big cities. When they have acted thus, the Chinese people will have stood up in the face of imperialism. As for the remaining imperialist economic and cultural establishments, they can be allowed to exist for the time being, subject to our supervision and control, to be dealt with by us after country-wide victory. As for ordinary foreign nationals, their legitimate interests will be protected and not encroached upon. As for the question of the recognition of our country by the imperialist countries, we should not be in a hurry to solve it now and need not be in a hurry to solve it even for a fairly long period after countrywide victory. We are willing to establish diplomatic relations with all countries on the principle of equality, but the imperialists, who have always been hostile to the Chinese people, will definitely not be in a hurry to treat us as equals. As long as the imperialist countries do not change their hostile attitude, we shall not

grant them legal status in China. As for doing business with foreigners, there is no question; wherever there is business to do, we shall do it and we have already started; the businessmen of several capitalist countries are competing for such business. So far as possible, we must first of all trade with the socialist and people's democratic countries; at the same time we will also trade with capitalist countries.

VIII

All the conditions are ripe for convening the Political Consultative Conference and forming a democratic coalition government. All the democratic parties, people's organizations and democrats without party affiliation are on our side. The bourgeoisie in Shanghai and in the Yangtse valley are trying to establish contacts with us. Navigation and postal communications between north and south have been resumed. The disintegrating Kuomintang has alienated itself from all the masses. We are preparing to have negotiations with the reactionary Nanking government.^[3] Its moving forces for negotiating with us are the warlords of the Kwangsi clique, those factions of the Kuomintang favouring peace and the Shanghai bourgeoisie. Their aims are to obtain a share in the coalition government, retain as many troops as possible, preserve the interests of the bourgeoisie in Shanghai and the south and do their best to moderate the revolution. These groups recognize our eight terms as the basis for negotiations, but they want to bargain so that their losses will not be too great. Those trying to wreck the negotiations are Chiang Kai-shek and his sworn followers. Chiang Kai-shek still has sixty divisions south of the Yangtse and they are preparing to fight. Our policy is not to refuse negotiations, but to demand that the other side accept the eight terms in their entirety and to allow no bargaining. In return, we would refrain from fighting the Kwangsi clique and the other Kuomintang factions which favour peace, postpone the reorganization of their troops for about a year, allow some individuals in the Nanking government to take part in the Political Consultative Conference and the coalition government and agree to protect certain interests of the bourgeoisie in Shanghai and in the south. The negotiations are to be on an over-all basis and, if successful, they will reduce many obstacles to our advance into the south and to the take-over of the big cities there, which will have great advantages. If they are not successful, then separate negotiations on a local basis will be held after our army advances. The negotiations on an over-all basis are tentatively fixed for late March. We hope to occupy Nanking by April or May, then convene the Political Consultative Conference in Peiping, form a coalition government and make Peiping the capital. Since we have agreed to hold negotiations, we should be prepared for the many troubles which will arise after the success of the negotiations, and we should be ready with clear heads to deal with the tactics the other side will adopt, the tactics of the Monkey who gets into the stomach of the Princess of the Iron Fan to play the devil.^[4] As long as we are fully prepared mentally, we can beat any devilish Monkey. Whether the peace negotiations are overall or local, we should be prepared for such an eventuality. We should not refuse to enter into negotiations because we are afraid of trouble and want to avoid complications, nor should we enter into negotiations with our minds in a haze. We should be firm in principle; we should also have all the flexibility permissible and necessary for carrying out our principles.

IX

The people's democratic dictatorship, led by the proletariat and based on the worker-peasant alliance, requires that our Party conscientiously unite the entire working class, the entire peasantry and the broad masses of revolutionary intellectuals; these are the leading and basic forces of the dictatorship. Without this unity, the dictatorship cannot be consolidated. It is also required that our Party unite with as many as possible of the representatives of the urban petty bourgeoisie and national bourgeoisie who can co-operate with us and with their intellectuals and political groups, so that, during the revolutionary period, we can isolate the counter-revolutionary forces and completely overthrow both the counter-revolutionary and imperialist forces in China and so that, after the victory of the revolution, we can speedily restore and develop production, cope with foreign imperialism, steadily transform China from an agricultural into an industrial country and build China into a great socialist state. Therefore, our Party's policy of long-term co-operation with non-Party democrats should be clearly established in the thinking and work of the whole Party. We must regard the majority of non-Party democrats as we do our own cadres, consult with them sincerely and frankly to solve those problems that call for consultation and solution, give them work, entrust them with the responsibility and authority that should go with their posts and help them do their work well. Proceeding from the desire to unite with them, we should carry out serious and appropriate criticism or struggle against their errors and shortcomings in order to attain the objective of unity. It would be wrong to adopt an

accommodating attitude towards their errors or shortcomings. It would also be wrong to adopt a dosed-door or perfunctory attitude towards them. In each big or medium city, each strategic region and each province, we should develop a group of non-Party democrats who have prestige and can cooperate with us. The incorrect attitude towards non-Party democrats, fostered by the closed-door style in our Party during the War of Agrarian Revolution, was not entirely overcome during the War of Resistance Against Japan, and it reappeared in 1947 during the high tide of the land reform in the base areas. This attitude would serve only to isolate our Party, prevent the consolidation of the people's democratic dictatorship and enable the enemy to obtain allies. Now that China's first Political Consultative Conference under the leadership of our Party will soon be convened, that a democratic coalition government will soon be formed and that the revolution will soon be victorious throughout the country, the whole Party must make a serious and self-critical examination of this problem and understand it correctly; it must oppose the two deviations, the Right deviation of accommodation and the closed-door and perfunctory "Left" deviation, and adopt an entirely correct attitude.

X

Very soon we shall be victorious throughout the country. This victory will breach the eastern front of imperialism and will have great international significance. To win this victory will not require much more time and effort, but to consolidate it will. The bourgeoisie doubts our ability to construct. The imperialists reckon that eventually we will beg alms from them in order to live. With victory, certain moods may grow within the Party -- arrogance, the airs of a self-styled hero, inertia and unwillingness to make progress, love of pleasure and distaste for continued hard living. With victory, the people will be grateful to us and the bourgeoisie will come forward to flatter us. It has been proved that the enemy cannot conquer us by force of arms. However, the flattery of the bourgeoisie may conquer the weak-willed in our ranks. There may be some Communists, who were not conquered by enemies with guns and were worthy of the name of heroes for standing up to these enemies, but who cannot withstand sugar-coated bullets; they will be defeated by sugar-coated bullets. We must guard against such a situation. To win countrywide victory is only the first step in a long march of ten thousand *li*. Even if this step is worthy of pride, it is comparatively tiny; what will be more worthy of pride is yet to come. After several decades, the victory of the Chinese people's democratic revolution, viewed in retrospect, will seem like only a brief prologue to a long drama. A drama begins with a prologue, but the prologue is not the climax. The Chinese revolution is great, but the road after the revolution will be longer, the work greater and more arduous. This must be made clear now in the Party. The comrades must be taught to remain modest, prudent and free from arrogance and rashness in their style of work. The comrades must be taught to preserve the style of plain living and hard struggle. We have the Marxist-Leninist weapon of criticism and self-criticism. We can get rid of a bad style and keep the good. We can learn what we did not know. We are not only good at destroying the old world, we are also good at building the new. Not only can the Chinese people live without begging alms from the imperialists, they will live a better life than that in the imperialist countries.

NOTES

1. On September 19, 1949, Tung Chi-wu, Kuomintang governor of Suiyuan Province, and Sun Lan-feng, Kuomintang army commander, revolted and came over with more than forty thousand men. The regrouping of these units began on February 21, 1950, under the leadership of the Suiyuan Military Command of the People's Liberation Army. They were reorganized into the People's Liberation Army on April 10.

2. "Regulation of capital" was one of Sun Yat-sen's well-known slogans. The Manifesto of the Kuomintang's First National Congress, in which the Kuomintang and the Communist Party cooperated, was published on January 23, 1924 and gave the following interpretation to this slogan: "Private industries, whether of Chinese or of foreign nationals, which are either of a monopolistic nature or are beyond the capacity of private individuals to develop, such as banking, railways, and navigation, shall be undertaken by the state, so that privately owned capital shall not control the economic life of the people."

3. Concerning peace negotiations with the reactionary Nanking Kuomintang government, the Central Committee of the Communist Party of China made the following decisions on March 26, 1949:

- (1) Time for the negotiations to begin, April 1;
- (2) Place for the negotiations, Peiping;
- (3) Chou En-lai, Lin Po-chu, Lin Piao, Yeh Chien-ying and Li Wei-han are appointed as delegates (on April 1, the Central Committee decided to add Nieh Jung-chen to the list of delegates), with Chou En-lai as chief delegate, to negotiate with the Nanking delegation on the basis of Chairman Mao Tse-tung's Statement on the Present Situation made on January 14 and the eight terms set forth therein;
- (4) The reactionary Nanking Kuomintang government is to be immediately notified of the aforesaid by radio broadcast and told to send its delegation to the specified place, at the specified time and, in order to facilitate the negotiations, to bring all necessary material relating to the eight terms.

4. For the story of how Sun Wu-kung, the Monkey, changed himself into a tiny insect, found his way into the stomach of the Princess of the Iron Fan and thus defeated her, see the Chinese novel, *Pilgrimage to the West*, Chapter 59.