

Dates of Meeting:

08-09-1953 – 11-09-1953

Type of Meeting:

Enlarged 49th meeting Standing committee of the CPPCC

Place of Meeting:

Beijing

Attendance:

Standing Committee and delegates from Shanghai and Tianjin commercial and industrial circles
There were about a thousand people at the meeting, all high-ranking officials and important members of different parties. Mao Tse-tung, Liu Shaoqi, Zou Enlai, Li Wei-han and a few leaders of the democratic parties and groups.

Major Agenda Items:

"The General Line for the Transition Period,"

Speeches and Reports:

Liang Shuming: September 11, 1953 claimed that the peasantry, had been forgotten as soon as the CCP entered the cities. Moreover, while workers had unions and the ACFIC and NCA represented business, the Peasant Associations were now useless.
awareness of the importance of the General Line, and then he said that he knew that the peasant's life in the country was very hard. Comparing the remuneration of factory workers with what the peasants received, it was as if one were in the "ninth level of heaven" while the other were in the "ninth level of hell." * A Buddhist reference. [Part of speech](#)

Zhou Enlai made a report on general line during the transitional period, elaborating mainly on three topics: general line during the transitional period; first Five-year Plan; socialist reform and national capitalism Sept, 8 1953

Remarks:

1. Mao, without naming Liang, invoked the closed argument that those who criticized the *General Line* were supporting American imperialism. On September 17, Zhou Enlai accused Liang of being a reactionary. See meeting [15-18 september 1953](#)
Although Mao denounced him vehemently, he nevertheless instructed that Liang remain in the CPPCC, as "living teaching material." Mao instructed that Liang and the CCP's Bo Yibo become the center of a national remoulding campaign of criticism and self-criticism.

Managing Transitions: The Chinese Communist Party, United Front Work, Corporatism, and Hegemony. Contributors: Gerry Groot - author. Publisher: Routledge. Place of Publication: New York. Publication Year: 2004. Page Number: 83.

2. The 1953 anti-Liang campaign failed to destroy Liang's reputation or his ideas. These ideas, particularly his idealism and views against industrialization, were again attacked in 1955. All reactionary ideologies were said to spring from such idealism. The Party ideologist Wang Ruoshui subsequently made it clear that the attacks on Liang, and later on Hu Shi, were intended to destroy the faith of intellectuals in the objectiveness and absoluteness of truth. (Groot 83)
He frankly and honestly talked about his own opinions, out of a sense of responsibility toward the country. But it resulted in an unexpected calamity - he became known as "the representative of capitalist ideas" and was widely criticised.

Zhou Enlai: The General Line in the Transition Period 08-09-1953

[This is a report at the 49th Enlarged Meeting of the Standing Committee of the First National Committee of the Chinese People's Political Consultative Conference.]

Today I will talk about the transition from New Democracy to socialism. The topic is the general line in the transition period.

one

This problem is not a new one at all. Since the founding of the People's Republic of China, we have determined that New Democracy will transition to socialism. Although the "Common Program" did not mention the future of socialism, this was because it was considered immature at the time. The so-called immaturity does not mean that the leading elements do not yet understand it, but that it still needs to go through propaganda and education among the broad masses. This question is raised now in order to clarify it and make it concrete.

Regarding the general line for the transitional period, Chairman Mao has recently spoken at a meeting of the Central Committee of the Communist Party of China and later at the National Finance and Economics Conference. He pointed out: "From the founding of the People's Republic of China to the basic completion of socialist transformation, this is a transitional period. The party's general line and

general task in this transitional period is to basically realize the country's industrialization and industrialization in a fairly long period of time. Socialist transformation of agriculture, handicrafts, and capitalist industry and commerce. This general line should be the beacon that illuminates all our work. Without it, every work will make right or 'left' mistakes."

During the transitional period, the industrialization of the country and the socialist transformation of agriculture, handicrafts and capitalist industry and commerce have only been basically realized, but not fully realized; as long as they are basically realized, the transitional period will be over.

It is impossible to say exactly how many years the so-called relatively long period of time is. Chairman Mao said that it will take several five-year plans. The length of the transitional period depends on whether the country's industrialization and the socialist transformation of agriculture, handicrafts, and capitalist industry and commerce have been basically completed. It depends on our efforts.

If we deviate from the general line, we will make big mistakes. It is inevitable for us to make some small mistakes and some deviations in our work. But if you make a big mistake and leave this general line, it will be very dangerous, and you will take another road, that is, the road of capitalism. Not only should such mistakes be made, but they are not allowed.

Now let's talk about a few questions:

First, what is socialism? The most basic aspect of socialism is the completion of socialist transformation, that is, the abolition of private capitalist ownership of the means of production and their ownership by the state, that is, the collectivization of agriculture and handicrafts. It will take a rather long transition period to accomplish this task.

In our people's democratic state system and social system, it is not necessary to wait until the day when the state declares that all the means of production are owned by the state, and before that day, everything remains unchanged. it's out of the question. After the October Revolution, the Soviet Union announced the nationalization of enterprises with more than a few employees, and the people's democracies in Eastern Europe also announced the nationalization of factories with more than a few dozen workers in the post-war years. In light of international conditions, especially the domestic alliance of various classes and economic development, our country does not adopt the method of drastic sudden change, but adopts the method of gentle gradual transition. Although the transition from New Democracy to socialism is a revolution, it can be done gradually and peacefully, instead of suddenly announcing the implementation of socialism one morning. During the transitional period, the proportion of socialist elements should be increased day by day. In the past, I once said to Mr. Sheng Pihua that in the future, "classes will be eliminated and individuals will be happy." That is to say, adopt a gradual transition method to achieve "success will follow when conditions are ripe."

Of course, the transition is not without difficulties, but favorable conditions should be seen. First of all, it affirms that the socialist state-run economy is a leading economy, and all other economies must be under the leadership of the state-run economy. This is stipulated in the Common Programme. The state capitalist economy is an economy in which the state-run economy cooperates with private capital, and the private sector is in a leading position.

During the transition period, all kinds of economies should be integrated into the general plan of the state. This has long been stipulated in Article 33 of the Common Programme. Of course, it is not easy to do this. It is not easy to incorporate the state-owned economy into the plan. my country's first five-year plan has not yet been formulated, and we can only plan, implement, and revise it at the same time. It is even more difficult to incorporate the private capitalist economy and the individual economy into the plan. Therefore, it will take quite a long time for various economies to be gradually brought into the track of the state plan under the leadership of the state-run economy.

Second, why ask this question now? Some people say that because North Korea ceased the war. There is some truth to this statement. If the Korean War is still going on, there is no guarantee that our military expenditure will not change. Although the North Korean issue has not been completely resolved, the war has stopped. Chairman Mao has a principle in directing work. When a task is completed, a new task must be put forward quickly so as not to slack off. We should propose new tasks now. From this perspective, it is partly justified to emphasize the reason for the Korean armistice. But it's not quite. Now to raise this question, there are various international and domestic conditions.

From an international perspective, the current world situation is characterized by the following: 36 years after the birth of the new world, the camp of peace and democracy in the world has become more consolidated and expanded; the old world is full of difficulties despite clamoring for military expansion and war preparations. Formally, it is the confrontation between the two camps, but the focus of the contradiction is inside the old world. Such contradictions include the contradiction between peace and war, and the contradiction between democracy and anti-democracy.

The contradictions in the old world, whether in the East or the West, are growing day by day. The victory of the Chinese and North Korean people in the Korean War delayed the time when the United States attempted to provoke a world war. This will not only help promote the growth of internal contradictions in the capitalist camp, but also benefit the consolidation and expansion of the peaceful and democratic camp, and benefit the capitalist world. The growth of national democratic movements in various countries is conducive to the development of the peaceful democratic movements of the people of the world, and it is also conducive to the construction of our country.

Domestically, it has been nearly four years since the founding of the country, the people's democratic dictatorship has become more consolidated, the national defense force has been strengthened, and various social reforms have basically been completed. Especially in the past four years, the financial and economic situation has basically improved, the proportion of socialist elements has increased day by day, the leading position of the state-owned economy has been strengthened day by day, and the enthusiasm of the people has also been brought into play.

In terms of industrial production, if the total output value in 1949 was 100, in 1952 it would be 245. If this year's production can be completed or exceed the plan, it can reach more than 304. In terms of agricultural production, if the total output value in 1949 was 100, in 1952 it would be 148. This year's agricultural production, due to the freezing last winter, frost and insect disasters this year, coupled with the southern drought and northern floods, it is impossible to increase production by 6% according to the original plan. It is estimated that it can be stabilized at last year's level or slightly less than Last year, maybe slightly more than last year.

About the proportion of my country's industry and agriculture in the national economy. In 1949, the machinery industry accounted for 17.4 percent, the manufactory handicraft industry 7 percent, the individual handicraft industry 6.8 percent, and agriculture and sideline industries 68.8 percent. In 1952, the machinery industry accounted for 27.8 percent, the manufactory handicraft industry 6 percent, the individual handicraft industry 6 percent, and agriculture and sideline industries about 60 percent.

These figures show that the proportion of industry has greatly increased and will increase this year.

On the proportion of public and private in industry and commerce. In terms of industry (including modern industry and handicraft industry, excluding individual handicraft industry): In 1949, state-owned enterprises accounted for 33.9%, private enterprises accounted for 62.7%, and public-private joint ventures accounted for 2%. Point 4. Cooperatives accounted for 1 percent; in 1952, state-owned enterprises accounted for about 50 percent, private enterprises accounted for about 42 percent, public-private joint ventures accounted for about 5 percent, and cooperatives accounted for 2 percent. six. In terms of relative figures, the proportion of state-owned enterprises has increased and that of private enterprises has decreased, but in terms of absolute figures, both state-owned enterprises and private enterprises have increased. In terms of commerce: in terms of total merchandise circulation, state-owned enterprises accounted for 50 percent in 1952, and will increase this year; in terms of retail sales, state-owned enterprises and cooperatives accounted for 32 percent in 1952.

The above situation shows that the international and domestic situation is favorable when starting the five-year economic construction now; it is also timely to raise the question of the transition period.

But it must be admitted that there are still difficulties. Our economic heritage is backward and unbalanced, and we are still an agricultural country with most of the industries along the coast. Our culture is also backward, with low levels of science and technology. For example, there are very few geological experts, they cannot design large factories themselves, and there are quite a lot of illiterates. These backward conditions will make economic construction difficult. We still have five kinds of economies [64] coexisting, and the relationship is very complicated to enable them to develop in a balanced manner and carry out socialist transformation under the new circumstances. If these difficulties are not estimated, there will be a blindly aggressive mood; on the other hand, if the favorable conditions are not estimated, there will be a conservative tendency.

The co-operative transformation of agriculture and handicrafts and the transformation of private industry and commerce are enormous tasks. Chairman Mao said that the transformation of private industry and commerce is relatively easy as long as the problems are explained clearly, and the more onerous ones are the problems of agriculture and handicrafts. Different forms and speeds are required for the transformation of agriculture, handicrafts and private industry and commerce. Agriculture and handicrafts are taking the road of co-operatives, and private industry and commerce are taking the form of state capitalism. Since we are determined to take the road of socialism, we must believe that our own strength can accomplish this important task.

two

Under the guidance of the general line, we should determine the basic tasks of the first five-year construction plan.

The basic tasks of the first five-year construction plan are: first of all, concentrate on the development of heavy industry and establish the foundation for national industrialization and national defense modernization; correspondingly train technical personnel, develop transportation, light industry, agriculture and expand commerce; The cooperative transformation of agriculture and handicrafts and the transformation of private industry and commerce; the correct role of individual agriculture, handicrafts, and private industry and commerce. All of these are aimed at ensuring a steady increase in the proportion of the socialist component in the national economy and ensuring that the people's material and cultural living standards are gradually raised on the basis of increased production. Heavy industry is the basis of the country's industrialization. Although we still have a bit of foundation in heavy industry, it is far from enough as a basis for industrialization. Therefore, we must first concentrate the main force on the development of heavy industry. At the beginning of the first five-year construction plan of the Soviet Union, the foundation of heavy industry was larger than ours, but they still focused on the development of heavy industry. We need to concentrate more on the development of heavy industry, because our foundation is weak. The defense industry should be developed on the basis of heavy industry. We cannot yet manufacture tanks, airplanes, automobiles, tractors and advanced guns. The Soviet Union began to plan construction in 1928. At that time, many capitalist countries were still selling machines to the Soviet Union. The international situation was not as tense as it was later, and Hitler had not yet come to power, so it could still be done step by step. Our current situation is different from that of the Soviet Union at that time, and we must accelerate the development of heavy industry to strengthen national defense. Of course, when we say "concentrate the main forces", we do not mean rash advances.

Cultivating technical talents is the key to our nation-building. Our technical talents are not enough, and cultivating talents is a major task. It is necessary to cultivate talents from all aspects. In addition to various specialized schools, it is necessary to train skilled workers in factories, and to enable cadres to learn business and technology.

Transportation is a leading sector in construction. Without the development of the transportation industry, the industry will not be able to develop greatly. At present, it is especially necessary to link the railway lines between the southwest, northwest and north China.

The corresponding development of light industry is to ensure the needs. Now the people's purchasing power is gradually increasing, and the population is growing rapidly, with an increase of 10 million people a year. We must try to meet the needs of the people step by step. The development of light industry is also conducive to the country's accumulation of funds. Of course, it should be done in a planned, step-by-step, and focused manner. First of all, we must pay attention to urgently needed products, such as cotton yarn and cloth. It would be a mistake if we only saw heavy industry and not light industry.

Agriculture must be developed accordingly, otherwise food production cannot be increased. We will still feel food shortage for quite a long time. The so-called deficiency is not a comparison with the past level, but a requirement from the gradual improvement of the people's living standards. Our agriculture has already recovered to the highest level before the war, but in order to gradually improve people's lives, we must always pay attention to the food problem and not neglect it. The state's management of food should continue to be strengthened. The development of agriculture requires steady progress and should not be too hasty, because there is a certain limit to the area of arable land, and it takes a long time to reclaim wasteland. The speed of agricultural development must be compatible with industrial development. First, the output per unit area must be increased on the original basis. Our country's agricultural production is highly skilled in handicrafts, which is a valuable condition. During the period of the first five-year plan, we could not make our own tractors. The use of tractors in the future should also take into account the different conditions in different regions, such as mountainous areas, which are inconvenient to use. Now there is no need to worry about the problem of surplus labor after the use of tractors. Food needs are multifaceted. The agricultural population needs food, and the development of industrial and mining areas and economic crop areas will also increase the demand for food. In addition, it is necessary to prepare for shortages and export part of the grain to balance foreign trade.

Business must be expanded accordingly, or mistakes will be made.

The cooperative transformation of agriculture and handicrafts and the transformation of private industry and commerce must be carried out step by step.

In short, we must ensure that all aspects can develop comprehensively and cooperatively, in order to ensure the success of our planned construction.

Questions about socialist transformation and state capitalism. During the transitional period, socialist transformation must be carried out in agriculture, handicrafts, and capitalist industry and commerce. This kind of transformation is not the final transformation at present, but a transformation in the process of gradual transition. The final transformation is to abolish the private ownership of the means of production and turn it into state ownership or collective ownership; while the transformation in the gradual transition is to restrict the private ownership of the means of production and become incomplete private ownership. This limitation is laid down in the Common Programme. Mr. Sun Yat-sen proposed "restraining capital", that is, restricting private capitalism so that it cannot develop freely without restrictions. A capitalist economy is mercenary. In China, private capitalism also has a dark side, such as engaging in the "five poisons". For this aspect, we must object. Private capitalist ownership of the means of production must be restricted, but restricting private ownership does not mean abolishing private ownership or abolishing profits. Profit distribution is "four horses divide the fat", and the capitalists still have a share. The same is true of agriculture. Agricultural production cooperatives are land-owned shares, which can distribute dividends, but provide provident funds, which is also an incomplete private ownership system. The same is true of handicraft cooperatives. These are not final transformations, but are gradually incorporated into the track of the general line and gradually lead to socialism. This kind of gradual transformation must be carried out in a planned way by leaders, so as to achieve the point where "it will come naturally."

Chairman Mao said: "Through state capitalism, the transformation from capitalism to socialism will be completed." [85] Regarding state capitalism, it is stipulated in Article 31 of the "Common Program". Over the past three years, we have done some work in this area, but because we are busy with the three major campaigns, the "three evils", "five evils" and ideological remolding, we have not put much effort in this area. It is also necessary to be busy with other aspects of work, otherwise we will not be able to lay the foundation for socialist transformation. Past experience has confirmed that it is a relatively sound policy and method to complete the socialist transformation of private industry and commerce through state capitalism. Now entering the period of planning and construction, this policy and method should be further clarified and concrete. First of all, it must be clear in the minds of the central and local governments at all levels, as well as the leaders of various parties and organizations, that the recognition of state capitalism is the only way to transform capitalist industry and commerce and gradually complete the transition to socialism. This has not yet been made clear neither among Communists nor democrats. This financial and economic meeting has studied this issue again, and now it will be discussed in the CPPCC and government committees. First of all, it must be clarified among leading figures; within the Communist Party, it must first be clarified in leading organizations at all levels. Don't be busy making widespread publicity in society. Because if the words "socialist transformation" and "gradual transition to socialism" are not clearly stated, they can easily be misunderstood as the imminent implementation of socialism. We are to proceed steadily and not hastily in our work. Chairman Mao said that it is not permissible to stop progress because socialist transformation is regarded as far away, nor is it permissible to advance blindly.

On Forms of State Capitalism. In terms of industry, the advanced form is public-private partnership, that is, there are public shares in the enterprise, public and private joint management, the public party is in a leading position, and private ownership is recognized, but has been restricted. The intermediate form is processing and ordering, that is, the raw materials are supplied by the state, the products are purchased by the state, and the production is carried out by private individuals. Private ownership is also restricted, and it is impossible to buy raw materials and sell products in the free market. In the low-level form, the raw materials are generally purchased by private individuals and produced by private individuals. The state purchases most of its products, and private individuals can retain a small part for self-sale. These three forms exist now, and there may be others in the future.

Is there state capitalism in business? Chairman Mao said that private business cannot simply be "replaced" or "excluded". Of course, the speculative part of private business that is harmful to the national economy and people's livelihood should be excluded. But we believe that state capitalism is also possible on the business side. For example, large private commercial companies that really play a role in the national economy and people's livelihood can implement public-private partnerships, use their reasonable management, and reform their unreasonable parts so that they can serve the country. In addition, private businesses can wholesale for the state at the price stipulated by the state, or purchase and sell on behalf of the state. The number of private businesses is huge, from large companies to small street vendors, there are millions of households, and we must take them forward. As for the specific form to be adopted, there is little experience in this area and further research is needed.

We want to bring private industry and commerce across the country onto the track of state capitalism. Chairman Mao said: "It will take at least three to five years to bring the country's private industry and commerce basically onto the track of state capitalism." This is not the final makeover. In doing so, there should be no shock and restlessness among the leaders.

At present, the proportion of private industry and commerce is not small, accounting for 42 percent in industry and 68 percent in retail commerce. In private industry and commerce (excluding handicrafts and mom-and-pop shops) there are about 3.8 million (4.2 million workers and shop assistants in state factories and businesses). This is a great wealth of the country, and it has a great effect on the national economy and people's livelihood. Chairman Mao said: "Private industry and commerce not only supply products to the country, but also accumulate funds for the country and train cadres for the country." Therefore, we should pay attention to it, give it leadership, and take it into account in the country's construction work.

We should also see two phenomena. First, some industrialists and businessmen still maintain a great distance from the country, and have not changed their mercenary thinking. The new-democratic economy does not allow profit-seeking, and this must be restricted. Second, among the working masses, there are some people who have not seen this problem clearly, and are advancing too fast, and they do not allow the capitalists to gain profits. This is not good. Chairman Mao said: "We should educate people in these two aspects so that they can gradually (as quickly as possible) adapt to the country's principles and policies." We need to make them realize that if China's private industry and commerce can operate in accordance with the state's principles and policies, it will basically serve the national economy and the people's livelihood, and partly benefit the capitalists, and thus embark on the track of state capitalism. Regarding the issue of profit distribution, Chairman Mao recently conducted research with comrades who work in trade unions and big cities. If the profit is taken as 100%, the more reasonable distribution is: income tax accounts for 34%. Fifth, workers' benefits account for 15 percent, provident funds account for 30 percent, and capitalists' income accounts for 20.5 percent. As for the income of the capitalists, it can be more, if it can reach about 25%, it will be more appropriate. The so-called "four horses divide the fertilizer" is actually "three horses", because the provident fund has three aspects. If we can do this, regardless of whether state capitalism has been implemented, it basically serves the national economy and the people's livelihood, and partly benefits the capitalists. Of course, this distribution can be better realized if the form of state capitalism is adopted. Our state capitalism is not only different from ordinary private capitalism, but also different from the state capitalism of imperialist countries. It is the Chinese type of state capitalism.

Both workers and capitalists must be educated. In terms of trade unions, the Seventh Congress was held in May this year. Comrade Liu Shaoqi gave a speech. The meeting discussed the problem of state capitalism and the problem of workers' work in capitalist industry and commerce. We have invited industrialists and businessmen from all over the world to participate in this meeting, the purpose is to let industrialists and businessmen understand this issue. We must cultivate core elements among the various democratic classes, democratic parties and people's organizations, unite and strive for the realization of socialist transformation through state capitalism. Chairman Mao said: "It is necessary to continue patriotic education among capitalists. To this end, it is necessary to systematically cultivate some farsighted capitalists who are willing to get close to the Communist Party and the people's government, so that most capitalists can be persuaded through them."

Most capitalists will accept socialist transformation, and some will resist. This must be estimated. Chairman Mao said: "The implementation of state capitalism should not only be based on needs and possibilities (common program), but also be voluntary by capitalists." A distinction must be made between coercion and voluntariness. Reactionary classes must be coerced, and matters within the democratic class must be voluntary. This is a cooperative enterprise, and since cooperation cannot be compelled. Of course, we must also create a favorable situation and "make the best use of the situation." The current labor productivity is highest in state-owned enterprises, followed by public-private joint ventures, followed by processing and ordering. This shows the advantages and superiority of state-owned industries; Totally discretionary. Chairman Mao said: "All nationalities, democratic classes, democratic parties, and people's organizations in the country have made great progress in the past few years. I believe that in another three to five years, this progress will be even greater. Therefore, in three years It is possible to basically complete the introduction of private industry and commerce onto the track of state capitalism within five years."

Someone asked, the financial and economic conference has been held for two months, and I don't know what articles have been made. Will there be "small five antis"? Chairman Mao said that there is no such thing as the "five small evils". Now there is no need to engage in the "five minor evils". There are 160,000 cases of tax evasion in Shanghai, most of which are small and medium-sized ones. The

nature of tax evasion and tax evasion is also different, and there are also problems in the tax system. These must be rectified and dealt with, but there is no need to engage in the "five minor crimes". Now we need to discuss a solution, the government will do it, and everyone supports it. The article is just one—the general line for the transitional period.

To sum it up, it will take at least three to five years before it can basically be brought into the orbit of state capitalism. This is not to complete the socialist transformation, and several five-year plans are needed to complete the socialist transformation, and the two should not be confused. On the one hand, we are opposed to seeing socialist transformation as being far away and stagnant. If you don't move now, it will hurt in the future, but if you move forward now, you will be happy in the future. On the other hand, it is also wrong to rush forward and try to reach the sky in one step.

It must be determined that the state-run economy is leading and the private capitalist economy is being led. The state-run economy does not seek private interests, but only public interests, the cooperative economy is semi-socialist in nature, and private capitalism also seeks some private interests. Therefore, we should not treat all issues the same, but should be different. On the other hand, private industry and commerce basically serve the national economy and the people's livelihood, so they must be treated equally. This means persuading workers, just like state-owned enterprises, to increase production and save money, labor competition, increase labor productivity, reduce costs, improve the quantity and quality of products, and so on. This will make workers feel that work is an honor, whether in state or private enterprises. The capitalists act in accordance with the country's principles and policies, and do not speculate or engage in "five poisons". Their mission is also honorable. In this way, the two sides can cooperate, and the public and private considerations under the leadership of the state-owned economy can be implemented, and the benefits of labor and capital under the leadership of the working class can be implemented.

Doing this now is not understood by most people. We have to do a lot of educational work to explain these principles clearly. Of course, the Communist Party must shoulder this responsibility first, and at the same time mobilize unions, democratic parties, democrats, and businessmen to do this work. The government department is also preparing to set up a special agency to manage the affairs of private industry and commerce, so that the work in this area can be carried out in a more orderly and planned manner.