FOREWARD

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Delegates:
The second session of the Third People's Congress of Shanghai opens today. I represent the Shanghai municipal people's committee in submitting the work report to the congress for the consideration of the representatives.

During 1958 the socialist construction of our country made an unprecedented development. Within this year the people of Shanghai, under the correct leadership of the party and like all of the people of the country, decisively implemented the general line of stimulating enthusiasm, striving upward and building socialism more, faster, better, and more economically. Therefore, tremendous results were obtained on the political, economic, and cultural fronts. The entire city evidenced a greater flourishing and joyous reviving. Shanghai, the important industrial base of the great motherland, displayed its even greater role.

Shanghai's total industrial output value in 1958, not including that of the eleven hsien on the outskirts, reached 17,130,000,000 yuan, a 50.2% increase over 1957, a 185.8% increase over 1952, and a 453.5% increase over 1949. This is to say that in the ten years of effort from the liberation until 1958, in industrial output value, Shanghai has become like 5½ Shanghai's of 1949. Not only was this year's increase in industrial production fast, but also the absolute amount of increase was very great, 5,730,000,000 yuan more than 1957. This figure, calculated at 1957 values, is 320,000,000 yuan greater than the total output increase during the First Five-Year Plan period, or 2,640,000,000 yuan greater than the total output value of 1949. The increase in production of many important products greatly exceeded that of any previous year. In national steel production not only was the national mission completed, but also the leap forward target proposed by the people of the city was achieved with 1,220,000 tons, a 139.5% increase over 1957. The fourth quarter daily average production reached over 7400 tons, which was 500 tons greater than Shanghai's 1948 yearly production of 6900 tons, the highest pre-liberation yearly production. The production of metal cutting lathes reached 12,700 plus, a 189.2% increase over 1957, 17.4 times 1949. Cotton yarn production of 1,982,000
chin and cotton cloth of 4,090,000,000 meters were increases over 1957 40.2% and 33.3%, respectively, more than double 1949, and 55.5% and 34% over the highest pre-liberation annual production. Heavy machine production of 112,000 tons was an increase of 558.6% over 1957. Power machinery of 460,000 hp. was an increase of 115.9% over 1957; steam turbine production of 520,000 kw. was an increase of 316% over 1957; electric motors of 1,630,000 kw. was an increase of 365.8% over 1957; transformers of 3,031,000 kva. was an increase of 291% over 1957. These are products for which there was very little or almost no production before the liberation.

In 1958 all the working class of the city carried out the mass movement and played up the technical revolution; the level of industrial technology was raised a step higher; the demands of the market place were satisfied; more advantageous conditions were brought about for development of the high class, the refined, the large-scale, and the advanced. Throughout the year workers suggested more the 470,000 technical innovations of which over 200,000 were realized. A total of 12,300 new products and new variations of products were test-manufactured with success. This is more than 75% of the number of new products and new variations of products test-manufactured successfully during the First Five-Year Plan period. Many heretofore difficult feats were performed last year. Many great technical problems, unsolved for a long time, were solved last year. Many products which couldn't be manufactured in the past such as high strength constructional steel, 2300mm. medium plate rolling mills, 4.5 meter upright lathes, 2500kw. thermo-electric equipment, 5000 ton steamships, and delicate electric scales were begun to be manufactured last year. On the foundation of higher technology, the productivity of general workers was raised 38% over that of 1957, or 164% over that of 1949. The labor productivity of production workers increased 26.1% over that of 1957, 149.8% over that of 1949.

The industrial production great leap forward changed the appearance of Shanghai's industry; the relative importance of heavy, light, and textile industry was changed greatly. Before the liberation there was practically no independently established heavy industry. Imperialist countries had to be relied on for the greater part of machines and raw materials needed by industry. In 1957 the value of output of heavy industry was 13.6% of the total industrial output value; that of light industry was 24%; that of textile industry was 62.4%. Up to the completion of the First Five-Year Plan in 1957, heavy industry had risen to 36.5%, light industry was 26.9%, and textile industry was 36.6%. During the big leap forward of 1958, heavy industry rose to 45.6%, and light industry and textile industry fell to 21.9% and 32.5% respectively.

The role of Shanghai in serving national construction and in satisfying the demands of the market place made an advance in 1958. During the year, the majority of the capital goods manufactured in Shanghai were sent out to various parts of the nation. Among them
there were 42 sets of iron refining, steel refining, and steel rolling equipment sent out. Besides this, the value of industrial products sent out through commercial channels totaled over 6,140,000,000 yuan. A total of 160,000 technicians and ordinary laborers were sent out to assist construction in various places, making a total of over 1,500,000 persons who have been mobilized and sent outside to participate in industrial and agricultural construction.

The amount of basic construction investment actually completed during 1958, including that of enterprises directly subordinate to central authorities, was 970,000,000 yuan, an increase of 162.3% over 1957. This is equal to 71% of the basic construction investment during the period of the First Five-Year Plan. Of the total basic construction investment, industrial construction investment occupied 72%, increased the fixed assets and production capacity of each industrial organ, and developed the new industrial areas of Min-hsing, Wu-ching, P'ang-p'u, Wen-tsao-pang, and Ts'ao-ho-ching. In the year's basic construction work, the amount of work finished by planning units was 5.8 times that of 1957. This basically reversed the long standing phenomenon of planning failing to keep up with work. On the premise of guaranteeing quality, the working units shortened work periods, sped up work, and performed many remarkable feats. For example, in one month the bessemer converter of the Shanghai No. 5 steel plant set a new record for speed of work while maintaining a quality which met the planned requirements.

The communications and transportation organs energetically motivated the masses to improve techniques, raised the work efficiency increased the needed transport tools and equipment, mobilized the strength of all aspects of society to aid transportation, and victoriously completed all items of the transportation mission. Comparing the year's freight volume of shipments in and out with that of 1957, the railroad volume increased 48.4%, the harbor turnover increased 48%, and the volume of transport within the city increased 48.8%. The volume of post and telecommunications business increased 23.8%.

At the same time as the industrial production big leap forward, agricultural production also increased greatly. In the outlying four hsien of Shanghai, Chiating, Paoshan, and P'utung, in 1958 the production per area of both grain and cotton units doubled that of 1957, and the revised target for national agricultural development was overfulfilled. The year's grain production reached 530,000,000 chin; the cotton production reached 557,000 tan. Vegetables and oils production as well as grazing and fishery endeavors also expanded in varying degrees.

Following the leap forward of agricultural production, the broad masses of peasants felt that the agricultural producer's cooperatives could not satisfy the demand of the big expansion of production, so they urged the establishment of people's communes. In August, after the announcement of the decision of the central committee of the Chinese Communist Party concerning the establishment of people's communes in agricultural villages, the peasants on the outskirts warmly embraced
it immediately, and Shanghai outskirts quickly achieved communalization with over 99% of the peasant households participating. Within a few short months after the appearance of this new form of social organization, it had clearly evidenced its limitless efficacy, conquered torrential rains, typhoons and other natural calamities, ensured bountiful harvests, and completed an autumn plowing and sowing mission much greater than those of bygone years. The income of ordinary commune members increased approximately 20% over that of 1957; especially noteworthy was the implementation of "eating without paying" after which the broad masses could cast off the burden of thousands of years of having to seek food and drink. Because the people's communes solved the production which could not be solved by the agricultural producers' cooperatives and solved many problems of livelihood, the broad masses of peasants universally sang: "As the Yangtze River flows unceasingly, one cannot finish talking about the good points of people's communes."

Under the conditions of an all-round leap forward by all phases of the national economy in 1958, the national capital accumulated by the city including income of central authorities within the city, reached over 7,500,000,000 yuan, 54% more than in 1957, thus greatly surpassing the speed of increase of any previous year. The receipts and disbursements of the municipal treasury also exceeded expectations. The actual yearly income not including last year's surplus was 1,409,000,000 yuan, surpassing estimates by 29%, and coming only 80,000,000 yuan short of the total income of the period of the First Five-Year Plan. The relative weight of the income of enterprises and undertakings within the total income rose from 68.2% in 1957 to 87.6%. The year's total disbursements were 1,255,000,000 yuan, surpassing estimates by 5.3%; the surplus left over was 130,000,000 yuan.

Commercial organs emphasized the viewpoint of service to production and to distribution, and reformed purchasing and supply work. All year there was great activity in the market place, with the number of purchases and sales by state-operated commerce greater than planned. Purchases were up 21.5% over 1957; sales were up 31.2%. Retail sales were up 81.8%; sales of everyday supplies up 5.6%. Foreign trade imports and exports were 39.6% higher in value than during 1957. Of the exports, the value of industrial products increased 21.3% over 1957.

During 1958's great leap forward the material and cultural life of the people advanced a step. Employment was unprecedentedly vast, and all those unemployed persons left over from the old society and capable of labor, found jobs. A total of 360,000 persons including women were organized and put to work. This makes a total of approximately one million persons for whom jobs were found during the past ten years. (The number who found work themselves has not yet been determined). The total yearly wage figure and the average workers wage both had increases over 1957. At the year's end, leap forward bonuses were paid, the incomes of many households were increased, and the purchasing power of society was raised generally.
Municipal construction and public utility efforts continued to pursue the policy of service to production and to the laboring people. Roads were extended 111 kms, road surfaces were increased 705,000 sq meters, thus ensuring the smooth flow of commodity transport during the big leap forward. Newly laid water pipes of 72.9 km will increase the water supply by 14% over 1957, and at the same time raise the water pressure to improve the problem of insufficient water pressure in more than 580 streets. Fifty kilometers of gas pipe were laid. In one year the increased number of households using gas approached the total number of households using gas in the 80-some years of development under foreign commercial management. Public transportation vehicles increased by 330, and fifteen new routes were opened. At the same time vehicle dispatch and service were improved; the rush hour congested situation definitely was relieved. To improve the municipal sanitation, during the year 228 km of drainage ditches were dredged, and 217 km of sewers were installed. Over 8000 trees were planted, more public parks and over 2750 mou of green areas were opened up. About 380,000 square meters of tenements were newly constructed for workers, including commercial construction and private construction with public assistance. About 200,000 workers and dependents moved into the new residences.

Cultural and educational affairs also had a great development. Over the year one scientific and technical college was set up, three middle special schools become upper scientific schools and over seventy upper schools have become special schools; there were 23 newly constructed middle schools, and 36 newly constructed elementary schools. Concurrently, a high tide of the masses running education was raised. Over 3000 middle and elementary schools were operated by the people. The number of all levels and all types of students increased greatly. Upper school students increased 17% over 1957, middle school students 16.6% (including worker-students), and elementary school students increased 27.1%. Playgrounds and nurseries had a great development. As for industrial and agricultural spare-time schools were begun with over one million persons participating. Since the thorough implementation of the policy of making education a political service for the working class and combining education with productive labor, a vast number of students and teachers went out to the factories and villages to engage in productive labor, and thus not only supported the big leap forward of industrial and agricultural production, but more importantly, universally raised their ideological and political awareness, established a workers viewpoint, and increased the affection between themselves and the working people, and altered their attitude of scorning physical labor and scorn for the working people. Because of the impetus of practical productive labor, the upper schools' scientific and technical work and the scientific and technical work of a portion of the middle schools developed greatly. The physical condition of the teachers and students also was strengthened through the productive labor.
In summary, because of the thorough implementation of the party’s educational policy, causing an all-round development for the students in ethical, intellectual, and physical training, there was a marked change in the whole appearance of educational undertakings. During the implementation of the policy of mutually combining education with productive labor, a certain few schools, lacking experience, were unable to make the all-round arrangements for school work, but this was rectified before the winter vacation so the situation has been improved. In 1958, the patriotic sanitation movement with elimination of the seven harms as its main theme achieved a great success; concurrently, medical organizations increased, the quality of medical practiced was raised, and the people’s health showed an improvement. The mass physical training activity expanded vastly and the level of physical training techniques was raised. Because the party strengthened its leadership over scientific and technical work, enlarged the ranks of scientific and technical research, expanded mass type scientific and technical activities, and promoted the close union of scientific research with the building of production, on all sides successful results were obtained in research. All cultural undertakings flourished, the cultural and artistic creations of the vast laboring people were as the spring bamboo after the rains, reflecting the vigor of the age of the big leap forward in socialist construction and the beginning of the formation of a high tide in the culture of socialism.

During the all-people rectification and big leap forward, the relations among people in labor and other social activities improved; the inner contradictions were correctly straightened out, and the unity of the people was solidified. All of the democratic parties improved their own organizations. Many of their members went through discipline of study, work, and labor with varying degrees of progress. Along another line, people’s democratic administration continued to be strengthened. Anti-revolutionary elements were attacked; bad elements and all kinds of criminal elements were dispatched summarily, ensuring more certain public order.

The most fundamental reason for our being able to achieve the 1958 big leap forward successes was the correct leadership of the party. Last year, the party central committee and Chairman Mao summarized our country’s experience in constructing socialism, proposed the general line of socialist construction and the policy of "walking on two legs," and proposed the slogans "catch up with and surpass Great Britain in the output of major industrial products within 15 years," "increase steel output again and again," "all-round leap forward with steel as the main theme," pointed out targets for all the peoples to strive for, and stimulated the enthusiasm of the broad masses. After the Shanghai municipal committee of the Chinese Communist Party, in the spirit of the directive of the central committee, put forth the admonition to make one leap forward after another in ideology, style, knowledge, enthusiasm, and industry-agriculture-commerce-education-military, the
enthusiasm of the industrial and agricultural masses of the city grew and grew, the surging mass movement pushed forward wave after wave, and on all fronts there was the appearance of one leap forward after another. It is clearly evident that without the party’s correct leadership and the guidance of the general line, achievement of the successes of last year’s big leap forward would be inconceivable.

The big leap forward in 1958 was the result of the victory of socialist revolution and of the quota overfulfillment of the First Five-Year Plan. After Shanghai was liberated it passed through three years of exertion under the correct leadership of the party and quickly restored its economy; starting in 1953 there was planned development of the national economy; in 1956 the socialist reform of capitalist industry, commerce, agriculture, and handicraft industry was achieved and the great victory of socialist revolution on the economic front was gained. From scratch, several thousand years of oppression were eliminated, and the limitless future for expansion of productive power was opened. In 1957 the First Five Year Plan was overfulfilled, and the first material technical base for socialist industrialization was secured. During the all-people rectification campaign and the anti-rightist struggle, decisive victories were obtained on the political front and ideological front for Socialist revolution, and the socialist system solidified day by day. All the victories listed above created advantageous conditions for the big leap forward of 1958.

The 1958 big leap forward was a victory of the party’s mass line. Through the rectification campaign, the broad mass of cadre cast off the "three styles" and "five airs," penetrated into the masses, entered pragmatism, and by adopting the bearing of the ordinary laborers, especially by going out to the factories and fields to participate in labor, they improved the relationship between the cadre and the masses, and stimulated the enthusiasm of the industrial and agricultural masses. The socialist and communist awareness of the industrial working class and other laborers made an unprecedented rise. Their revolutionary zeal and resolution was displayed magnificently. They destroyed superstition, liberated thought, dared to think and speak and act, bravely improved and created, overcame difficulties by any means, worked miracles unceasingly in production, and expedited the leap forward in all construction endeavors.

During the big leap forward in 1958, the units of the Chinese People’s Liberation Army stationed in Shanghai not only maintained the defense of the motherland day and night and ensured Shanghai’s socialist construction, but also directly participated in Shanghai’s industrial and agricultural production, basic construction, and transportation, thereby strongly supporting the development of all kinds of constructive endeavors in this city.

The year 1958 was a tremendous one. During the big leap forward all kinds of work attained huge successes and its significance is extremely far-reaching in pointing the direction for a continued leap forward henceforth, in creating experience, and bringing about favorable
conditions. But since we lacked leap forward experience, at the same time that we obtained great results a few temporary shortcomings also appeared, so it is necessary to give some consideration to these few shortcomings. We believe: If we only continue to study diligently, make timely summaries of experience, and unceasingly improve work, we certainly can leap forward in an even better manner.

All representatives, the convening of this congress is during the 10th anniversary year of the liberation of Shanghai. During the past ten years under the leadership of the party we have made a great journey. On the road ahead to accelerate the construction of socialism we still must complete even more heroic and brilliant missions. The party's sixth plenary session of the eighth central committee proposed to the people of the nation that we must, during the next 15 or 20 years or even longer, transform our country into a socialist country with highly developed, modern industry, modern agriculture, and modern science and culture. We must press forward toward this immense goal.

Shanghai is the motherland's important industrial base. It has a responsibility as service to the national construction, and at the same time to bring about profitable conditions. We must, on the basis of last year's victory, increase our efforts manifold and make even greater accomplishments in 1959, guarantee the fulfillment of the 1959 national economic plan, and struggle to obtain the early realization of the party's mission of accelerating the building of socialism.

The 1959 national plan underwent discussion by the sixth and seventh Plenary Sessions of the Eighth Central Committee and was ratified by the first session of the Second National People's Congress. In order to accomplish the mission assigned to Shanghai by the party central committee and the nation, the second people's congress of Shanghai debated the 1959 Shanghai national economic plan back and forth and study was undertaken many times by the municipal people's committee and organs concerned. According to the national plan, this city's 1959 industrial output is set at 34,800,000,000 yuan, and increase of 45% over 1958, with an effort to be made to increase it 50% or even more. Within this industrial output, each industrial organ has stipulated a relatively high rate of development. Compared with 1958, the machinery and electric motor industries are to increase about 80%; metallurgy, electric power, chemical, and light industry are to increase about 50% individually; textile industry is to increase over 10%.

In 1959 the output of major products, no matter whether they are raw materials, machine equipment, or products of light textile industry, are to increase tremendously. In raw material production, the steel output will rise to 1,800,000 tons, and more high grade steel must be produced and more kinds of steel stock products. The raw material needed for production and construction, such as cement, sulphates,
caustic soda, carbides, and copper will have quite a large expansion. In the aspect of machine industry, heavy machinery output calls for 130,000 tons, power machinery is 732,000 horsepower; textile machinery and paper making equipment also will expand. In the chemical industry field, aside from developing the production of basic chemical industry raw materials, it is also necessary to increase production on insulation materials, such as organic silicon and epoxy resins, to ensure the needs of metallurgical and electric machinery industries. In the field of light industry and textile industry, there must be a suitable speed of increase according to the raw material supply situation and the demands of domestic and export markets; cotton yarn output is set at 2,200,000 chien; paper and cardboard at 221,000 tons. While developing toward high class, refined products, it is also necessary to give consideration to the production of articles needed for the everyday use of the people.

Shanghai is one of the main industrial bases of our country. Completion of the national plan is the highest privilege of the people of Shanghai and also is their duty. Besides striving to satisfy the needs of national construction and the market place, according to the demands of the national unified plans and under the policy of "The whole nation is one chess board," Shanghai's industrial production should develop toward high class, refined, large scale and advanced production and advance the necessary economic reorganization and improvement of equipment. Therefore, the 1959 industrial production plan, besides calling for an increase in output of products, also includes a magnificent increase in the relative importance of high class, refined, large scale, and advanced products. For example, this year the number of steel alloys will increase from 70 types in 1958 to over 100 types. We must test-manufacture comparatively large ocean steamers and electric generators, produce more rare metals, test-manufacture high class, delicate instruments, and electric communications equipment, in order to satisfy the needs of industrial expansion and scientific research; collect and utilize waste gases of coal and petroleum and utilize natural gas; produce high class plastics, synthetic fibers, synthetic rubber and other basic chemical industry raw materials. Any old backward equipment should be replaced gradually; manual operations should be gradually reduced; the degree of mechanization and automation should rise in a planned fashion.

Is the 1959 plan a leap forward plan? We must state emphatically this is a plan to carry the big leap forward a step farther. This year's industrial output value will be eight times that of 1949, 4.1 times that of 1952. This is to say that in 1949, eight days were required, and in 1952 over four days, to produce the output which can be done in one day of 1959. Compared to 1958, this year's output will increase 7,670,000,000 yuan. This figure is 1.4 times the total increase in output during the period of the First Five Year Plan. At the same time it must be pointed out that this plan must be completed
without an increase of personnel; therefore, a labor productivity increase of about 40% over 1958 must be strived for. So this is not slow speed or medium speed, but is a high speed development, a continued big leap forward plan which stirs men's hearts.

In accomplishing the 1959 plan, Shanghai's industry will undergo somewhat of a change. The portion of total output occupied by heavy industrial output will increase from 1958's 45.6% to about 50%; the portion of total machine industry output occupied by large scale heavy machine production will rise from 20% to about 30%. The equipment of the heavy, light, and textile industries will become newer by orderly replacement, electric power supply, casting, and other weak points will have quite a large improvement; production capacity for steel materials heavy machinery, and generators will continue to expand; high class, refined, and large scale products will be produced in greater volume, and certain advanced products also will gradually be developed. In this way the level of Shanghai's industrial production will advance to a new technical base, thus making it possible to make an even greater, even larger contribution in service to building the country, and in satisfying the people's daily needs.

Can the 1959 leap forward plan be accomplished? We must state emphatically that it can be accomplished, and through enough struggle can be overfulfilled. First, this plan is under the leadership of the Central Committee of the Chinese Communist Party. All targets were decided on an equitable basis over the whole country, and this plan suits the conditions of our city. When the plan was decided upon, we considered the comparative relationships between the various organs of the city's national economy, for instance between industrial production and capital construction, between capital investment and the treasury's income and disbursements, between industry, communications, transportation, and the electric power supply. A balanced and over-all arrangement was made so the targets of the plan are established on dependable bases. Secondly, the objective conditions and subjective conditions for accomplishing the plan are more advantageous this year than last year. Last year the production forces of many newly built and expanded enterprises did not get put into service during the year, but will get started this year. Last year many factories added new equipment and more than a few factories renovated equipment in the course of playing up the technical revolution, so this equipment will just begin to show its usefulness during this year. Last year various industrial organs of the city took on new workers, the majority of whom entered the factories during the last half of the year without being familiar with production. After a few months of discipline and practice, they have acquired definite productive skills, and will be able to demonstrate their greater usefulness this year. Especially important is the fact that having had the experience of the 1958 big leap forward, the ideological awareness of the vast masses of cadre and workers was raised greatly. They have a more deeply engraved realization of the general line and the policy of "walking on two legs," so their zeal is greater day by day, and enthusiasm is higher day by day. All these things supply extremely profitable conditions for fulfilling and overfulfilling this year's plan.
To effectively ensure fulfillment and try for overfulfillment of this year's leap forward plan, it is necessary to develop within the sphere of the city, a grand campaign of increasing production and practicing economy with technical reform as the main theme, and unceasingly raise the labor productivity. The several campaigns of increasing production and practicing economy which were held in Shanghai in the past all obtained very large results. While playing up the technical revolution last year, the labor productivity also had a great rise. But, increasing production and practicing economy are without stopping points; rising labor productivity never reaches an ultimate destination. Speaking from the point of view of Shanghai's present conditions, the latent power of industrial production is great, so it must be unearthed. Our labor productivity is backward compared with that of countries having advanced industry, and within the country there are many progressive enterprises with labor productivity higher than ours. Within the city there are big discrepancies between the labor productivity of progressive and backward enterprises. The equipment of many enterprises is quite backward, and the level of mechanization cannot be raised. In order to completely draw out the latent forces of industries and enterprises the fundamental approach is to develop a campaign of increasing production and practicing economy and unceasingly raise the labor productivity. In developing the campaign to increase production and practice economy and raise the labor productivity, the main thought is; reform production equipment and production tools, improve production techniques and operations, advance product designing; substitute raw materials and make new raw materials; restore equipment in planned fashion, unceasingly elevate the degree of mechanization; improve on production organization and labor organization, raise the level of industrial management; develop intensively the cultural revolution as a service to the technical revolution. In the course of developing this campaign, it is necessary to make as all-round thorough implementation of more, faster, better, and more economically, especially giving consideration to raising product quality, and to prevent the tendency to emphasize quantity and neglect quality. If we just completely motivate the masses, and develop the increase-production, practice-economy campaign extensively and intensively in each industrial organ and business unit, we certainly can draw out the latent forces, and without any increase in personnel, can victoriously fulfill each industrial production leap forward target this year.

In order to guarantee the expansion of industrial production, it is also necessary to expand and build anew a portion of the enterprises. In 1959 the local system capital construction investment is 560,000,000 yuan, a reduction of 290,000,000 yuan from 1958's completion of 850,000,000 yuan. This is for the purpose of making the nation's industrial disbursement more suitable, to gradually change the unbalanced appearance of our coastal and inland economic expansion. So the main thing in the year's industrial expansion in Shanghai is not to depend on new construction or expansion, but to unceasingly reform the equipment and unceasingly elevate the labor productivity. Of the local
system capital construction investment, industrial investment is 380,000,000 yuan, 67.5% of the total. The main use of this investment is to overcome the weak areas of industrial production, increase the production of raw materials, guarantee the completion of the year's production mission, and make preparation for next year's construction leap forward. In order to increase production of steel castings, the measures to increase casting capacities include the new foundry shops of shipyards and the enlarged P'eng-p'u machinery factory; the main item for increasing raw material production are the new Wu-ching chemical plant and Wu-ching coke plant, and the enlarged Shanghai Cement Plant; the main item for ensuring the mission of heavy machinery and generators equipment are the enlarged heavy machinery plant and the boiler works; the main item of preparation for next year's leap forward is the Shanghai-Hangchow electric power line, etc.

To meet the demands of the development of industry and the entire economy, this year the railroad transport volume, the port turnover and the municipal freight transport volume will increase from 30% to 40% over last year's and the electric power will increase 45%. Although this will basically meet the demands of production and construction development, still there will be quite a strain. Therefore, the communication and transportation organs must, on the foundation of drawing out latent forces, adopt the method of combining western and local practices, play up technical revolution, and accomplish mechanization of loading and unloading at the depots, wharves, and within the city; properly arrange operations of transport and transport equipment, accelerate vehicle and ship turnaround, and unceasingly raise the level of transportation management work. The electric power supply organs must by every means bring out the latent strength of equipment, increase power output, accelerate capital construction, strive to install new equipment, and at the same time endeavor to economize on power used for non-productive purposes.

City construction must positively match up the development of industrial production with the development of communications and transportation, continue to emphasize the new building and rebuilding of roads, bridges, and sewers, and improve public transportation; build one million square meters of new work shops, strengthen the management of real estate, and raise the quality of the water supply and gas supply; continue to motivate the masses, raise plants, plant trees, conserve wooded areas, and suitably develop parks and green areas.

In accomplishing the 1959 continued leap forward plan, will we not have difficulty: Of course it will not be without difficulty. At present there are before us some problems of raw materials, equipment that can not produce properly, and problems of construction needs, and later there may appear some unforeseeable difficulties. But the vast working masses have not submitted to difficulties; they have used the method of combining modern and indigenous practices and positively increased the production of raw materials; while still maintaining
quality they have pushed the use of substitute raw materials, utilized scrap material, old material and marginal material; overcome technical difficulties, utilized local steel and local iron; strengthened the work of scrap collection, expanded the combined utilization of raw materials, let one thing serve many purposes, and changed useless into useful. At the same time, under the unified arrangement by the municipal raw material commands, they have strengthened allocation work; carried out the clean warehouse work, assembled and distributed the material accumulated in warehouses, and put it into production and construction. Since we have taken a firm grasp on all the work involving raw materials and are overcoming difficulties by all possible means, we have ensured the leap forward in production and construction for the year up to now. Form now on we still must continue the good work in distributing raw materials, producing raw materials, economizing and substituting raw materials, in motivating the masses, overcoming difficulties, and in striving for greater leaps forward.

III.

Shanghai's agricultural production in 1959 must continue to have a bigger leap forward, on the foundation of the big leap forward of 1958. According to the decisions concerning certain questions about the people's communes, made at the Sixth Plenary Session of the Eighth Central Committee, the policy for developing production in agricultural people's communes should be: In accordance with the national unified plan and because local manufacture is good, and in accordance with the principle of diligent and frugal management, industry and agriculture will be undertaken simultaneously, and production for one's own needs and production of commercial products will be undertaken simultaneously. This year, at the same time that we energetically solve the grain problem, increase vegetable production, and expand certain industrial raw material production, we must positively give consideration to accelerating the development of animal raising, fisheries, and secondary businesses. This year the grain output of the eleven hsien on the outskirts must reach 4,000,000,000 chin; cotton output must reach 1,320,000 tan; all kinds of non-staple food also must have a large increase in production. The attainment of this year's agricultural bigger leap forward is possible. After the people's communes have undergone check-ups, they doubtless will show how much greater their usefulness is than last year. Last year's big leap forward gave us plenty of production experience; the production measures of agriculture's "eight-measure constitution for the development of agriculture" penetrated men's minds. Especially, this year's summer crops doubled in production, trippled in production, and a few fields made even higher production. This kind of harvest stimulated the faith of the broad masses that this year's greater leap forward can be attained. Their slogan in the campaign to raise production this year is: "Guarantee that output doubles, strive to make it tripple," and they have been developing a mass type campaign to exceed the planned increase of production.

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Grain production as always is the main mission on the entire agricultural front. To guarantee the fulfillment and overfulfillment of this year's grain production mission it is necessary on the one hand to enlarge the area planted and on the other hand to raise higher the unit yield per area. Each hsien, each commune, and each team should strive to decrease the idle fields and enlarge the area planted with late paddy, and at the same time should utilize the latent energy of the land, plant all kinds of miscellaneous grains on all fragmentary and uncultivated land that can be used, strive to have no waste land, and no land unsown. At the same time, it is necessary to continue the all-round conscientious and thorough administration of the "eight-measure constitution for the development of agricultural production" and always carry out the battle against natural calamities, in order to raise the output per unit of area. Simultaneously we must pursue the large field campaign to expedite the all-round bigger leap forward in agricultural production.

Each hsien and commune, aside from carrying out grain, cotton, and oil crop production, also should develop many kinds of operation, produce non-staples, and do supply work. These, too, are greatly related to completely fulfilling the role of people's communes in the building of socialism, to solidifying and enlarging the economic strength of people's communes and to raising unceasingly the living standard of the entire body of commune members. So far this year, each hsien and commune has had an expansion of non-staple food production. But the development of animal, poultry, and water products still cannot satisfy the demands for a daily rise of the living standard of the people. In order to hasten the expansion of pig, sheep, duck, chicken, and goose raising, it is necessary to adopt the policy of joint operation of collective raising and private raising in houses, in order that subsidiary type production will achieve success. Each hsien, commune, and team must take as its own glorious mission the supplying of the city with non-staple foods.

Doing a sincere, good job with the present summer harvesting and summer planting has a decisive significance for accomplishing this year's agricultural production mission. Right now, the vast cadre and masses are enthusiastically and faithfully welcoming the first summer reaping and planting season since the establishment of people's communes. To ensure a bountiful harvest, each hsien, commune and team must strengthen its leadership, make an all-round mobilization, strive to cut well, bundle well, collect well, transport well, store well, do the drying well, and victoriously complete the summer harvest mission. At the same time, it is necessary to get a firm grasp on the summer planting work, and allow not a trace of idleness.

The solidarity of people's communes is the premise on which the smooth development of the production of agriculture and subsidiary industries is based. During the past few months Shanghai's agricultural villages have carried on the work of checking-up on the communes in accordance with the decision of the Sixth Plenary Session on the Eighth
Central Committee and with excellent results. Some commune members say: "Chairman hao truly is great. In 1957 there was the rectification, a re-order of society, and in 1958 along came the big leap forward. Now we adjust the social order again so in 1959 there certainly will be a bigger leap forward." The productive activism of the members quickly gushes forth, the labor zeal rises to unprecedented heights, and the labor effectiveness also manifests an upsurge. Now the work of adjusting Shanghai's communes is not yet completed. We must do the work well from beginning to end. We believe that after the people's communes have experienced this readjustment, they definitely will display their superiority in this year's big leap forward, and the 1959 agricultural production harvest will have greater assurance.

IV

During the present continued leap forward in industrial and agricultural production, and with a situation of increasing purchasing power in the city and villages, the commercial organs of the city must on the one hand carry out well the distribution work, satisfying the needs of the national construction and the needs of the people in accordance with the national plan, and on the other hand must actively arrange the municipal markets, and conscientiously carry out the supply work. Therefore, this year the commercial organs should advance the work of purchasing, selling, distributing, and storing, and support by any means the high-speed development of industrial and agricultural production, in order to serve the completion of the main production targets of the national economic plan, and improve the market supply to satisfy the daily increasing needs of the masses. They must positively strengthen market management, continue to stabilize prices, raise the quality of services, improve business management, and accumulate more construction capital for the nation. At the same time, they must strengthen the foreign trade management work, and guarantee the completion of the import-export plan on time, with proper quality and in the proper quantity. This year the industrial products purchasing mission arrangement is 7,400,000,000 yuan, a 21.3% increase over 1958; of this 5,300,000,000 yuan worth is for distribution outside the city and this is 19.2% more than in 1958. Retail sales over the year are to be 3,300,000,000 yuan, 17.4% over 1958.

At present the Shanghai market is very active. In this active market certain products, chiefly non-staple foods, are not satisfying the demand. Is this situation caused by the fact the supply of products in the market has decreased? The real cause is not this. The supply of products in the Shanghai market is greater each year. So far this year the degree of increase is especially great. In 1957, retail sales of social goods were 5% greater than in 1956, 1958's were 7% greater than 1957's, and this year the sales up to April have been 23.5% higher than the same period of last year. According to actual statistics for sales this year up to April. In the field
of industrial products, the production of shirts increases 41% over
the same period of last year, woolen yarn increased 120%, rubber shoes
increases 137%, clocks and watches 124%, radios 31%; only a few small
commodities such as household utensils had less production than last
year. In the area of supply of non-staple foods, there was an overall
increase with decreases for some kinds and increases for others. The
quantity of vegetables increased 34.1%, fish 17%, preserved fruits 83%,
bread 115%, cakes 71%, pastries 155%; the consumption of food industry
products was 30% greater than during the same period last year. Only
the supply of pork, poultry, eggs, and of certain non-staple foods and
small commodities decreased. From this, it can be seen that the supply
of goods in the market is gradually increasing each year, and that the
increase of some commodities is quite large. Then why is it that the
market still cannot satisfy the demand for certain commodities? The
fundamental reason lies in the unprecedented rise in the purchasing
power of society. The increases in production cannot keep up with the
increase in the daily demands of the people. Last year there was a big
increase in the number of persons in the city who found employment,
many neighborhoods organized for production and the income of many of
the inhabitants increased greatly. Added to this was the purchasing
power from outside which increased quite a bit, so all this created a
greater and greater demand for all kinds of commodities in the market.
After the mass of peasants were communalized, the peasants' livelihood
had a universal upsurge; the consumption of non-staple foods increased
greatly, especially that of pigs, chickens, ducks, and eggs. In the
past the larger part of the animals and poultry raised by peasants went
to supply the city. Now that the peasants livelihood have been improved
they are eating more of what they produce themselves, and this is as it
should be. Naturally, this temporarily reduces the supply to the city
a little. From this we can see that the situation of non-staple food
consumption has changed as regards the city and villages. In the past
the city consumption was great, the village consumption small. Now the
demands in both the city and villages has increased, and the demand of
the villages has increased somewhat faster. In the past the consumption
of the minority was large and that of the majority small. Now the
great majority all have demands and all consume. This type of change
in the consumption situation fully reflects the unceasing upsurge in
the city and village purchasing power, and the elevation of the living
standard of the vast masses of laboring people. Before the production
power of society had an extensive expansion, before the social commodities
became abundant, it was almost inevitable that this or that kind of
commodity could not fully satisfy the demands of the people's livelihood.
Therefore, our mission is to find ways to produce more and better products
faster to satisfy the daily increasing demands in all areas.

How can the work of supplying the market be improved? We feel
the key is high-speed development of production. At present all parts
of the nation are taking increased production of non-staple foods as
one of the main items of work, and are motivating the masses and
proceeding positively. Shanghai's party political leadership organization formerly emphasized work in the field by organizing cargoes of non-staple foods, and increasing the number of fishing expeditions. Especially this year they have concentrated forces, and attacked non-staple food production. It is clear that if we just conscientiously attack them, and strive for a period of time, these few problems will be able to be solved, or at least gradually solved. During the last half of the year, the vegetable supply of the city was insufficient, but under the strengthened leadership of various levels of party organization, and after taking vegetable production in hand for a short period of time, the municipal supply increased greatly and the situation was speedily remedied. Now the vegetable problem has been solved basically, and it is evident the meat products are inadequate, so it is necessary to concentrate on production of pigs, fish, chickens, ducks, etc. We consider it is only necessary to thoroughly implement the policy of collective with individual production to positively develop production of non-staple foods, and at the same time, to organize all satisfactory organization, groups, schools, and commune public dining halls to raise animals and poultry to add to that raised directly by the state-operated enterprises, and to continue to obtain outside assistance. By these several steps, the problems will naturally be solved gradually after a certain period of time. Of course, solution of any problem takes time. For instance, four or five months are required for a sow to have a litter, eight or nine months for the pigs to grow. Chickens and ducks require a certain period of growth and there are problems of feed and hatching in domestic animal and poultry raising. All these are restricted by definite objective conditions which cannot be removed by wishful thinking. Therefore it cannot be expected that the problems will be completely solved at an early date. We must carry out propaganda from all angles, and clearly explain this principle to the masses.

In the work of supplying non-staple foods, the commercial organ should actively match up with the expanding production of agricultural organs and units concerned, and carry out timely purchasing work; and in accordance with the national plan, they should strengthen the coordination with organs outside the city, organize transportation on time, rationally distribute cargoes, organize supply in a planned fashion, overcome inadequate calculations which may have been made previously, and overcome the shortcomings of impromptu handling of non-staple food production. When the supply is not abundant they should do their utmost to make a good arrangement in the market, and when the production of non-staple foods increases, they should organize more transportation to improve the market supply. Simultaneously, they must actively cooperate with industrial organs in the area of daily needed goods, greatly increase production and product selection in accordance with existing raw material conditions, and organize supply better in order to adequately meet the demands of society's daily increasing purchasing power. We believe that with the joint efforts on all sides, the shortage of certain commodities in the Shanghai market can be alleviated gradually.
On the cultural and educational front, all positive approaches should be emphasized, and the banner of the cultural revolution should be raised higher. On the basis of last year's great expansion of socialist cultural endeavors, as we should regulate, solidify, uplift, and make the cultural and educational work more suitable to the needs of economic construction and the people's cultural lives.

At present the main point of educational work should be the raising of the quality of teaching in all levels and all kinds of schools; the city and each district and hsien should concentrate their forces to improve the group of central schools in order to motivate a rise in the educational level of the ordinary schools; upper schools must strive to train higher quality specialists for the country; while improving quality of education they must also expand in accordance with necessity and capabilities. All levels and kinds of schools must uphold the policy of making education a political service for the working class and combining education with productive labor. They must motivate the activism of teachers and make an all-round arrangement of education and productive labor according to the special characteristics of the schools. Playgrounds and nurseries must raise the level of supervision and care. In order to make culture universal it is necessary to wipe out illiteracy; the industrial and agricultural sparetime schools must while continuing the policy of service to production, follow the principles of uniting politics, and technology with culture, and carry out rectification and solidification.

Sanitation and physical education work must achieve bigger results in the areas of maintaining the people's health and improving their physical condition. The masses should be motivated and the patriotic health campaign to destroy the seven harms, publicize health measures, and eliminate major diseases should be continued; the quality of medicine practiced by various medical organizations must be raised, the coordination of Chinese and modern medical practices must be strengthened; and efforts must be made to develop medical science and battle diseases. At the same time, the mass physical education movement will be developed, the technical level will be uplifted, and outstanding accomplishments will be attained.

Scientific and technical work must vigorously implement the policy of service to the building of production. Specialized scientific and technical personnel must be organized to work with industrial and agricultural organs to summarize and elevate the experiences of production technical innovations, to study and solve the key problems of production technology, to hasten the development toward a high grade, refined, large scale and advanced industry. Production leadership organs, factories, enterprises, and upper schools all should actively support the work of scientific research organizations, and assist them in achieving the needed working conditions. In developing advanced scientific technology, it is necessary to adopt an active
policy, construct research bases, nurture specialized cadre, and complete specific missions in the fields of peaceful use of atomic energy, of electronics, and of semi-conductors. Simultaneously, scientific theoretical research activities are to be encouraged. Although they aren't closely related to the immediate missions, still they have great value so the existing theoretical research work should be given adequate attention and support.

Literature and art should propagate socialist and communist ideology as a service to politics, production, industry, agriculture, and the military. In the literary and artistic work the mass line must be followed, and mass type literary and artistic activities should be developed. Special artistic groups should foster new forces, actively raise artistic standards, and strive to satisfy the cultural needs of the people.

To encourage scientific and artistic affairs, it is necessary to carry out the policy of "let a hundred flowers bloom, let a hundred thoughts contend" on the basis of service to socialism. Under the impetus of the big leap forward in industrial and agricultural production and of the mass type cultural revolution, the city's academic discussions are full of vitality, artistic creations flourish day after day, disclosing a new atmosphere that is very agreeable. In the future different academic factions in science ought to be fostered, and free debate of different opinions; art should continue to take different forms, to stimulate activity in the scientific and artistic world. In the course of debating issues, all scientists and artists should have the courage to uphold the truth and the humility to correct errors. In upholding the truth, they should not fear to take the opposing stand. In order to raise the academic level, it is necessary to give attention to investigation, research, and practice. We believe that under the guidance of Marxism and Leninism, detailed and penetrating free discussions will lead to a greater development of science and art and to even more glorious achievements.

In order to guarantee victory of all fronts it is necessary to establish a strong corps of working class intellectuals. Aside from training, all sorts of talent that come from among the laboring people and industrial cadre, and systematically training youthful intellectuals, it still is necessary to give a great emphasis to unifying, educating, and reforming the old intellectuals. Shanghai has been a concentrated center for intellectuals. Among the old intellectuals are many talented and practiced specialists and this is a precious resource. After successive political campaigns and labor discipline, their political awareness has been raised in varying degrees, and their political ideology has evidenced a magnificent change. Some, after undergoing long periods of conscientious self-reform, have begun to change into working class intellectuals. Among these, certain progressive elements have joined the Communist Party after repeated encouragement. They are the results of implementing the party policy of initiating, educating, and reforming
intellectuals. In the future it is necessary to continue to implement this policy. It is necessary to develop the activism of all intellectuals willing to walk the road of socialism, and exhort them to make greater achievements in all fields of endeavor. Intellectuals must do self-reform, strive to conscientiously enter the practical battle, suitably participate in labor discipline, thoroughly break off with the world of the bourgeois class, and truly establish a working class view. This is a process which requires rebirth; a hurried and lax reform will not do. We are elated to see that a large group of intellectuals are now following the red and expert road. We hope they will be faithful, more courageous, take bigger strides, catch up with the modern trend, and contribute all their knowledge and skills to the great endeavor of building socialism in the motherland.

VI

This year Shanghai's national economic plan is a continued leap forward plan. The accomplishment of this plan will hasten the continued growth of the city's industrial and agricultural production, and will play a part in ensuring the fulfillment of the nation's plan. We must mobilize all the people of the city, unite them into a mass with mass strength, and strive to fulfill and overfulfill the national economic plan.

Viewing the situation of the first five months, the atmosphere is excellent. Since early in the year, especially after the industrial conference called by the party's Shanghai Municipal Committee, the broad mass of the working class discussed the nation's plan, clarified methods and leap forward targets, moved forward, studied their ability, worked miracles, and created an enthusiasm for greater production achievements. The value of industrial output for the first quarter was 73.2% greater than that of the same period last year. In basic construction, communications and transportation, finance and trade, and in agricultural production of the outlying districts, there was a greater leap forward than during the same period of last year. Not long ago the First Session of the Second National People's Congress passed a resolution summoning all the people to begin a campaign to increase production and practice economy, to welcome the tenth anniversary of the founding of the country with brilliant achievements, and to struggle to fulfill the 1959 national economic plan. This summons stimulated the labor zeal of all the working people of the city, built up the aspirations of all the people for hastening the building of socialism, and become a great motivating force in the current red banner emulation movement. We must victoriously complete each mission this year, make each socialist labor emulation campaign a vigorous campaign of all the people to increase production and practice economy, undertake technical revolutions and other effective measured, raise labor productivity, increase production, raise quality, constantly economize and avoid waste.
Each organ of the city and each enterprise and business unit must propose its own targets for increasing production and practicing economy according to its own situation, motivate the masses, adopt all kinds of practical measures, expedite an intensive development and ensure the completion of this year's mission. The working class of the city must carry out its leadership role, make discoveries and inventions, propose rational suggestions, give all thought to high production and excellent quality, and raise labor productivity in all areas. The peasants of the outskirts must actively enter the campaign to exceed quotas, and make an all-round implementation of "the eight-measure constitution to increase agricultural production". Intellectuals must continue to carry out research in science and art, develop academic discussion, create, strengthen ideological reform, advance along the red and expert road, enrich the people's cultural lives and make greater contributions in order to raise industrial and agricultural production techniques. The youth of the city must enthusiastically answer the call of the party, enter the campaign of increased production and economy on all fronts, and fulfill the active role of the new generation in all kinds of work. The women of the city must raise their awareness incessantly, study to be more capable, become progressive, strive upward, and try to become activist elements in the building of socialism. Men of the industrial and commercial world, in participating in the work of building socialism, must study the laboring people, and must strive alongside the laborers for greater achievements in the campaign to increase production and practice economy. We believe that if only the organizations, groups, factories, enterprises, communes, schools, and neighborhoods of the entire city will develop the increase-production practice-economy campaign in the mass manner, and support it to the finish, our leap forward plan certainly can be fulfilled or overfulfilled.

We must victoriously fulfill this year's mission, and also must stimulate enthusiasm unceasingly, and fully display the motivating role of subjectivity, and fight decisively will all difficulties. While accomplishing this year's leap forward plan, it is natural that certain number of difficulties will be encountered. If we only exert ourselves conscientiously these few difficulties certainly can be overcome. The Sixth Plenary Session of the Eighth Central Committee of the Party indicated to us that in order to accomplish the 1959 national economic plan, we definitely must continue to oppose conservatism, eliminate superstition, advocate daring to think and to speak and to do, stimulate enthusiasm, and move upward; at the same time it is necessary to advocate toil and pragmatism and ingenuity; advocate complete standards and adequate means, effective calculation, arrangements, and inspections, to oppose pomposity and to oppose concealment of weak points. Chairman Mao instructed us at as early date that difficulties must be treated contempt strategically and with emphasis tactically; while we must have the heroic air of revolution we also must have a practical spirit. The
reason why we have been able, over a long period of time, to dispose of all difficulties, and obtain victory upon victory in the course of revolution and construction, is precisely because we have thoroughly implemented this brilliant instruction of Chairman Mao. If we just maintain the revolutionary will from beginning to end, stimulate enthusiasm unceasingly, pursue the general line and the course indicated by last year's big leap forward, and progress undaunted, all of our endeavors will be able to achieve victory.

To victoriously complete this year's mission, we must continue to maintain the mass line work policy, completely motivate the masses, and play up the mass campaigns. All levels of leadership cadre must continue to let politics take command, display the rectification spirit, maintain the appearance of ordinary laborers, constantly place themselves under the scrutiny of the broad masses, unceasingly improve the mutual relationship of men in socialist labor and in other joint activities, forever maintain a democratic air when dealing with the masses, and unite with them as one. All kinds of methods which were effective in playing up the mass movement last year, such as leadership cadre sowing the "experiment field," organizing for observation and criticism, holding red banner contests, cadre participating in labor, workers participating in management, leaders and technicians and masses joining together etc, must be carried forth and developed further. Factories, enterprises, people's communes, organizations, and schools, must adopt a polity to be carried to the finish when dealing with a big problem. They must present the situation, mission, plans, and difficulties to the masses clearly so they can undertake discussions, poster work, and such democratic methods to combine knowledge and arrive at concrete measures to solve the problems. Important conferences should attract the participation of activist elements from among the cadre and masses of subordinate units, and invite their views on important issues so they can be studied again by the leaders in order to arrive at decisions. The summons of the party to "give attention to the people" must be followed up faithfully. Chairman Mao taught us: "It is necessary each day and each hour to give regard to the welfare of the masses, to constantly see that one's policies and measures suit the current level of consciousness of the masses and the current needs of the masses." We must firmly remember this instruction, and carry it out in our daily work.

All representatives, 1 October of this year is the tenth anniversary of our great People's Republic of China. Shanghai already has been liberated for ten years. Within these ten years Shanghai, like the whole country, has made a great journey. Our socialist affairs are in a high-speed, flying development. Before us are splendid and vast prospects. The conference held here today is a conference to celebrate the brilliant accomplishment of the past ten years and to celebrate the great victory of last year's big leap forward. All of our accomplishments are the results of the clever direction of the great leader of the Chinese Communist Party and of all the races of our nation.
Mao Tze-tung. Let us unite even more closely under the victory banner of the Chinese Communist Party and Chairman Mao, and under the leadership of the party's Shanghai Municipal Committee, to stimulate enthusiasm more, strive upward, make greater achievements in the vast and penetrating all-people campaign to increase production and practice economy, in order to ensure fulfillment or even overfulfillment of the 1959 big leap forward plan, as an offering to the nation's tenth anniversary.