

Central Committee Transmits Report on Investigation and Handling of the Corruption Case of Liu Qingshan and Zhang Zishan by the North China Bureau

(November 30, 1951)

To all Central Bureaus, with further transmission to Branch Bureaus, Provincial, Municipal, and District Party Committees:

Former Tianjin Municipal Committee Secretary Liu Qingshan and current Secretary Zhang Zishan of the North China Bureau are both major embezzlers, as discovered by the North China Bureau, which has initiated handling procedures. We believe that the North China Bureau's approach is correct. This incident serves as a warning to the Central Committee, Central Bureaus, Branch Bureaus, and Provincial, Municipal, and District Party Committees. It is imperative to pay serious attention to the fact that cadres are being corrupted by the bourgeoisie, leading to severe acts of embezzlement. This must be treated as a significant struggle, focusing on detection, exposure, and punishment. The report dated November 29, 1951, from the North China Bureau to the Central Committee, is hereby forwarded for your study. Please pay attention to identifying similar incidents within your jurisdiction and take prompt corrective action.

Central Committee

Report from the North China Bureau of the Communist Party of China

(November 29, 1951)

To Chairman Mao and the Central Committee:

Recently, we have uncovered serious instances of embezzlement, waste, and violations of state policies and laws by the Tianjin Municipal Committee and Special Office in Hebei Province. Preliminary examination of the materials confirms that the current Secretary and Commissioner of the Municipal Committee, Zhang Zishan, and the former Secretary Liu Qingshan, successively misappropriated a total of approximately 20 billion yuan in local grain discounts for the entire Special Zone, 4 billion yuan in relief grain for Baodi County, and 1.4 billion yuan for subsidies to the families of cadres. They profited by 22 billion yuan from the supply station for Chao Baihe migrant workers. Additionally, they embezzled 45 billion yuan in surplus funds for airport construction and compensation for land prices provided to the masses. By falsely claiming construction projects, they deceived banks into granting loans totalling 40 billion yuan. The total embezzlement and misappropriation of public funds amounted to approximately 200 billion yuan, which was invested in illegal activities such as speculation and profiteering within the Municipal Committee offices.

In pursuit of huge profits, they once used corrupt cadres to illegally transport 4,000 cubic meters of timber from the Northeast. They colluded with private businessman Zhang Wenyi and, using a colossal sum of 49 billion yuan, engaged in large-scale smuggling of manganese ore from Hankou, resulting in extensive corruption and undermining of national policies. Zhang Zishan and Liu Qingshan led extravagant and wasteful lifestyles, spending recklessly. The verifiable amounts spent privately by the two totalled around 4.5 billion yuan. They also gave gifts to superiors, subordinates, and their relatives and friends, with some gifts reaching as much as 10-20 million yuan. According to verifiable records, the total value of these gifts amounted to 130 million yuan. In an attempt to destroy evidence, Zhang Zishan personally burned about 1.5-billion-yuan worth of documents and 178 other records.

As we recently dispatched personnel to Tianjin for inspection and apprehended private businessmen colluding with Zhang and Liu to undermine policies, Zhang Zishan is currently in a state of extreme anxiety. Based on the errors and crimes committed by him, after discussions at the North China Bureau and approval from the Premier, it has been decided to arrest and prosecute Zhang Zishan (currently attending the Hebei Provincial Party Congress in Baoding). After Liu Qingshan returns to the country, he will also be arrested. It is a shortcoming in our work that we failed to discover his corrupt and degenerate behaviour before he went abroad, leading to the current passive situation. This should serve as a lesson.

Bo Yibo

Liu Lantao

November 29