

STATEMENT BY THE DEPUTY CHAIRMAN OF THE FINANCIAL AND ECONOMIC COMMITTEE OF THE STATE ADMINISTRATIVE COUNCIL OF THE PRC, LI FUCHUN, AT THE 26TH SESSION OF THE CENTRAL PEOPLE'S GOVERNMENT COUNCIL OF THE PRC

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ON NEGOTIATIONS WITH THE SOVIET GOVERNMENT REGARDING THE USSR'S ASSISTANCE IN CHINA'S ECONOMIC DEVELOPMENT

Comrade Chairman, members of the Central People's Government Council, comrades!

In August of last year, a delegation of the Chinese government, led by Premier of the State Council Zhou Enlai, held negotiations in Moscow regarding the Soviet Union's assistance in China's economic development. After reaching a principled agreement, Premier Zhou Enlai, Deputy Premier Chen Yun, and others returned to the PRC. I remained in Moscow with several assistants to continue negotiations with the Soviet side, working out the specific details of the assistance for China's economic development.

Over the course of eight months, we conducted a thorough study of all proposed projects and achieved positive results. On behalf of Chairman Mao Zedong, I now report to the Council on the outcomes of the negotiations with the Soviet government on China's economic development and the work that still lies ahead.

ON THE TASKS AND MEANS OF IMPLEMENTING THE FIRST FIVE-YEAR PLAN FOR THE ECONOMIC DEVELOPMENT OF THE PRC

Since the founding of New China, under the clear leadership of Chairman Mao Zedong, the Communist Party, and the Central People's Government, we have successfully achieved the unprecedented unification of the country and the consolidation of all nationalities. We have effectively assisted the DPRK in its struggle against the United States, completed land reform, implemented a series of democratic reforms, and strengthened the people's democratic power.

Thanks to the selfless efforts of the working class and laborers, as well as the sincere and selfless assistance of the Soviet Union, we have managed in just three years to restore the national economy, achieve fundamental changes in the financial and economic sphere, and improve people's living conditions. This has laid the foundation for implementing the First Five-Year Plan for economic development.

According to Chairman Mao Zedong's directives, the main task of China's economic development in the first Five-Year Plan is to focus on the development of heavy industry, creating a foundation for industrialization and strengthening national defense.

To achieve this goal, it is necessary to:

- Develop agriculture and light industry,
- Provide continuous support for agricultural and handicraft cooperatives,
- Encourage private industrial and commercial enterprises,
- Support individual farmers and artisans,
- Gradually improve the material and cultural living standards of the population.

1. Heavy Industry as the Central Focus

The development of heavy industry must be the core of the First Five-Year Plan. Although this requires huge resources, time, and advanced technology, we must not abandon this course.

Only through the creation of a domestic heavy industry, including metallurgy, fuel and energy, electric power, machinery, chemicals, and defense industries, can we:

- Strengthen national security and defense,
- Build a strong economy and achieve economic independence,
- Create a foundation for light industry,
- Provide materials and technology for agricultural modernization,
- Ensure continuous economic growth,
- Improve people's living conditions.

This industrial development is the material foundation for China's gradual transition to socialism.

2. The Role of Light Industry and Local Enterprises

Focusing on heavy industry does not mean neglecting light industry, local state enterprises, and handicraft production. On the contrary, since China has a backward economy and a large population, it is crucial to meet the growing production and everyday needs of both urban and rural residents.

The light industry sector, primarily under direct state control, includes:

- Textile,
- Food,
- Pharmaceutical industries,
- Major paper production enterprises.

State control is necessary to supply the market with industrial goods and accumulate resources for national development.

Additionally, developing local state-owned enterprises is essential to address China's economic imbalances. These enterprises should:

- Utilize local raw materials,
- Leverage local production capacity,
- Meet regional demand,
- Support state industry and national construction.

3. Supporting Handicraft Production

Handicraft production will continue to play a key role in the economy. Since modern industry cannot yet fully meet public demand, small-scale production remains necessary, particularly for rural workers.

Therefore, it is essential to:

- Encourage and support small-scale production,

- Assist workshops in improving quality,
- Facilitate their cooperation and expansion.

4. Balancing Production and Consumption

In industrial construction and production, it is necessary to:

- Ensure that the growth rate of production means exceeds that of consumer goods,
- Align industrial expansion with economic growth,
- Match consumer goods production with the population's increasing purchasing power.

By maintaining this balance, China will lay the groundwork for long-term economic prosperity and transition towards socialism.

SECONDLY, ENSURING THE CONTINUOUS GROWTH OF THE SOCIALIST SECTOR

In the process of developing the national economy, it is essential to ensure the continuous expansion of the socialist sector. This is the fundamental path for China's economic development. Only by steadily increasing the socialist sector's share in the economy can we consolidate and strengthen the people's democratic system, ultimately securing victory in the construction of socialism.

The primary focus must be on developing state-owned industry and commerce, reinforcing the leading position of the state sector throughout the national economy. However, this does not mean that we should disregard the positive aspects of capitalist economic methods. It is necessary to utilize the productive potential of certain private industrial and commercial capital that can contribute to the country's economy and people's well-being. This applies particularly to private manufacturing enterprises.

Where raw materials and distribution channels are available, their productive capacity should be fully utilized for the benefit of the nation. Depending on circumstances, various forms of state capitalism should be applied to gradually integrate them into the planned economy.

THIRDLY, STRENGTHENING THE WORKER-PEASANT ALLIANCE

Further strengthening the alliance between workers and peasants is a fundamental prerequisite for successful economic development and the industrialization process.

At present, the top priority is the development of industry and agriculture, which will expand commodity circulation and strengthen economic ties between urban and rural areas. Thus, within the framework of the First Five-Year Plan, special attention must be given to agricultural development, particularly to increasing grain production.

By developing agriculture and grain production, we can:

- Improve peasant living standards,
- Accumulate resources for industrialization,
- Expand the market for industrial goods, stimulating production,
- Ensure a sufficient supply of raw materials for industry,

- Increase grain reserves for urban consumption and foreign trade.

To ensure the continuous development of agriculture, we must:

1. Encourage mutual assistance and cooperation among peasants.
2. Support individual households, guiding them toward cooperative development.

To further strengthen the worker-peasant alliance, industry must support agriculture by providing:

- Essential production tools and consumer goods for peasants,
- Effective pricing policies through state-owned trade enterprises and supply cooperatives,
- Reduced costs for industrial goods to make them more accessible to rural producers,
- Timely and reliable supply chains for rural needs.

Additionally, financial and credit institutions must:

- Implement sound tax and credit policies,
- Balance agricultural development needs with taxation,
- Consider the financial difficulties of some rural households, ensuring sustainable agricultural expansion.

FOURTHLY, EXPANDING AND OPTIMIZING INDUSTRIAL BASES

China must leverage existing industrial bases while creating new ones, correcting the irrational geographic distribution of industry.

Currently, China's industries and railroads are concentrated in the northeastern region and coastal areas, which is strategically and economically inefficient. To rectify this, it is crucial to develop new industrial bases.

During the First Five-Year Plan, efforts must focus on:

- Establishing industrial bases in North China, Central-South China, and Northwest China,
- Connecting Southwest and Northwest China and the Great Chinese Plain with a national railway network,
- Conducting extensive mineral exploration to lay the groundwork for long-term industrial development.

Before creating new industrial bases, the following prerequisites must be met:

1. Reliable resource exploration,
2. Development of a transportation system,
3. Provision of fuel and electricity,
4. Integration of various industries and preparation of a technological foundation.

Meanwhile, enhancing existing industrial bases is also essential, as it:

- Requires less time and investment,
- Yields high efficiency,
- Enhances current technologies and fosters innovation.

Therefore, special emphasis must be placed on:

- Strengthening the industrial zone around the Anshan Metallurgical Complex in the Northeast,
- Maximizing the industrial potential of Eastern China, particularly in Shanghai, as a critical center of production and economic activity.

By strategically developing industry, we can lay a strong foundation for national defense, economic independence, and long-term socialist construction.

UTILIZING EXISTING INDUSTRIAL CAPACITY

To implement the aforementioned strategy, it is essential to fully utilize the production capacity of existing enterprises. Given the current growth of industrial production in China, over the next two to three years, the primary focus should be on maximizing the efficiency of existing enterprises. It will take three to five years before the productive capacity of newly established enterprises can be fully utilized.

Thus, for China's economic development, it is crucial to:

- Foster cooperation between old and new enterprises,
- Actively restructure and modernize outdated industries,
- Enhance production management,
- Fully utilize existing production capabilities.

Following Chairman Mao Zedong's directives, the economic development process must adhere to the principles of thrift and increased production, while rejecting a conservative approach to industry. This focus on efficiency and innovation must be maintained throughout the entire period of economic construction.

FIFTHLY, IMPROVING THE MATERIAL AND CULTURAL LIVING STANDARDS OF WORKERS

Enhancing the material and cultural well-being of workers through economic development is one of the central goals of China's economic construction.

Thus, while drafting economic plans, realistic and concrete measures should be devised in accordance with available resources. Only by raising living standards can the broad masses be fully mobilized to participate in state-building efforts and unleash their productive and creative potential in the struggle for a better future.

When setting labor productivity targets and planning wage levels, it is necessary to ensure that:

- The growth rate of productivity exceeds the growth rate of wages,
- This approach guarantees state financial accumulation,

- It contributes to further industrial development.
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SIXTHLY, MAINTAINING RESERVES FOR THE SUCCESSFUL IMPLEMENTATION OF THE FIVE-YEAR PLAN

To effectively carry out the Five-Year Plan, it is necessary to maintain financial and material reserves. Without such reserves, it will be difficult to respond to changes in circumstances and unexpected challenges, which are always possible in economic development.

To ensure the success of the plan and prevent potential harm to the state, it is essential to maintain:

- Financial reserves,
- Material reserves,
- Technical and resource reserves for the Second Five-Year Plan.

Furthermore, the intensification of geological exploration and the training of technical personnel are vital not only for the success of the First Five-Year Plan but also for the long-term future of national economic development.

After analyzing these issues, the Soviet government, in the spirit of comradeship, has concluded that the fundamental goals and tasks set in China's First Five-Year Plan are correct. These objectives not only align with the core interests of the Chinese people but also contribute to strengthening the democratic camp as a whole.

RESULTS OF NEGOTIATIONS WITH THE SOVIET GOVERNMENT

Last year, the Central Financial and Economic Committee, in line with the above-mentioned goals and objectives, developed a project for the construction of heavy industry facilities as part of the First Five-Year Plan. After review by Premier Zhou Enlai, this project was presented by our delegation to the Soviet government, which, after a thorough and meticulous examination, agreed to provide economic assistance to China in the following ways:

1. From 1953 to 1959, the USSR agreed to assist the PRC in constructing and modernizing 91 enterprises, including:
 - 1.1 Two metallurgical complexes in Daye and Baotou, including plants for mining, ore enrichment, steel and iron smelting, and rolling mills, with each producing approximately 1.2 million tons of steel per year.
 - 1.2 Eight non-ferrous metallurgy plants, including an aluminum plant, an aluminum alloy plant, a tin ore plant in Gejiu (Yunnan Province), and magnesium, copper, and tungsten production complexes.
 - 1.3 Nine coal mines and three coal processing plants, including the Fushun coal complex, with an annual coal production capacity of around 20 million tons.
 - 1.4 One oil refinery.
 - 1.5 Thirty-two machine-building enterprises, including five heavy machinery plants, a second automobile plant, a tractor factory, a ball bearing factory, and several defense industry enterprises.
 - 1.6 Sixteen power engineering and electrical equipment factories, producing steam turbines, turbo generators, mercury rectifiers, lightning arresters, insulating materials, high-voltage magnetrons, automatic telephone exchanges, capacitors, and complex radio equipment.
 - 1.7 Seven chemical plants, including two nitrogen fertilizer plants, a synthetic rubber factory

(using gas by-products from oil refining), and several defense industry enterprises.

1.8 Ten thermal power plants (TPPs), including those in Daye, Baotou, Lanzhou, Taiyuan, Xi'an, Wuhan, and other cities, with a combined capacity of 400,000 kW.

1.9 Two pharmaceutical factories, producing sulfanilamide, penicillin, and streptomycin, along with one starch production plant.

2. In addition to these 91 enterprises, the USSR had already provided assistance in the construction and modernization of 50 factories between 1950 and April 1953, bringing the total to 141 industrial enterprises. The list of facilities built or upgraded with Soviet assistance before April 1953 includes:

2.1 Nine ferrous and non-ferrous metallurgy enterprises, including the Anshan and Benxi metallurgical complexes (mainly involving the restoration and modernization of two blast furnaces and coke ovens), as well as plants for specialty steel, aluminum, aluminum alloys, copper mesh, ferroalloys, electrodes, and magnesium.

2.2 Nine vertical coal mines and one open-pit mine in Fuxin.

2.3 Thirteen machine-building plants, including factories producing boilers, cutting tools, measuring instruments, pneumatic tools, electrical cables, and electrical measuring devices.

2.4 One automobile plant (the currently under-construction Changchun Automobile Plant).

2.5 Four chemical plants, including one nitrogen fertilizer plant, two dye factories, and a calcium carbide plant.

2.6 Eleven power plants, including Fengman Hydropower Plant, Fushun TPP, Fuxin TPP, and Jilin TPP, with a combined capacity of over 1 million kWh.

2.7 Two paper mills, in Jiamusi and Yakexi (with the latter's feasibility dependent on a forestry resource assessment).

IMPACT ON CHINA'S INDUSTRIAL GROWTH

Over a seven-year period (1953–1959), the construction of these 141 enterprises will greatly expand China's industrial potential, more than doubling production in ferrous and non-ferrous metallurgy, coal, energy, chemicals, oil refining, machine building, and electrical engineering.

As a result:

- China will establish its own automobile and tractor industries.
- The range of products from the machine-building and defense industries will be significantly expanded.
- By 1959, the production levels of key heavy industries such as steel, coal, electricity, and oil will reach or exceed the levels achieved by the Soviet Union during its First Five-Year Plan.
- China's industrial output will match or surpass the levels it had before Japan's invasion in 1937:
 - Over 5 million tons of steel,
 - Up to 100 million tons of coal,
 - More than 20 billion kWh of electricity,
 - Around 2.5 million tons of oil.

These key indicators will define the country's industrial progress, and the completion of these projects will establish a strong foundation for China's industrialization. With this, China will emerge as a nation with an independent industrial sector, marking a significant step toward economic self-sufficiency.

SOVIET ASSISTANCE IN THE CONSTRUCTION AND MODERNIZATION OF 141 ENTERPRISES

The Soviet government's assistance in the construction and modernization of 141 enterprises will cover the entire construction cycle, including:

- Site selection, data collection, approval of technical specifications, and project design (with 70–80% of design work carried out by the USSR and 20–30% by China).
- Equipment supply, with the USSR providing 50–70% of the required equipment and China supplying the remainder.
- Supervision of construction work and production launch, including the free transfer of technical documentation necessary for manufacturing new types of products.

To ensure the operation of these new and modernized enterprises, the Soviet Union will provide extensive support in training Chinese technical specialists. Every year, the USSR will accept 1,000 Chinese trainees (workers and engineers from various specializations) for practical training at Soviet industrial enterprises.

Additionally, the USSR will send five expert groups to China:

1. The Huanghe-Hanshui Comprehensive Planning Group – responsible for planning the integrated use of water resources from the Huanghe and Hanshui Rivers, evaluating existing research, and assisting the Chinese government in formulating a survey plan.
2. The Electrification Group – assisting in the development of a long-term electrification plan for China.
3. The Ferrous and Non-Ferrous Metallurgy Group – contributing to the long-term development plan for the metallurgical industry.
4. The Machine-Building Group – assisting in drafting a sectoral development plan for machine-building.
5. The Shipbuilding Group – focusing on shipbuilding industry development.

Furthermore, the USSR will send an aerial photogrammetry group to conduct aerial surveys of forested areas in Inner Mongolia, northeastern, and southwestern China, covering 20 million hectares, to support forest resource development planning.

The Soviet Union will also:

- Send 200 engineers (consultants) to China.
- Establish design units at industrial enterprises.
- Train Chinese engineering specialists and share advanced engineering and technical expertise.
- Carry out project design work for new industrial enterprises.

Additionally, the USSR will dispatch 50 geologists (consultants) to assist in organizing geological surveys, conducting mineral exploration, and training Chinese specialists in this field.

THE SIGNIFICANCE OF SOVIET ASSISTANCE

The aid provided by the USSR demonstrates the great spirit of socialist internationalism. As one Soviet representative remarked during negotiations, there is no historical precedent where a single round of talks resulted in an agreement to construct 91 enterprises requiring long-term (seven-year) planning.

To design these enterprises, the USSR must mobilize a large number of additional engineers in its design bureaus. Likewise, to ensure timely equipment deliveries, the production schedules of key Soviet factories must be planned until 1960.

When our delegation arrived in the Soviet Union last year, the Fifth Five-Year Plan of the USSR had already been developed and approved. However, to assist China in building its own independent industry, the Soviet government had to make significant adjustments to its plans.

Such a commitment would be unimaginable without the profound spirit of internationalism, which continues to guide Soviet assistance to China's industrialization efforts.

It is important to clarify that, initially, we requested the Soviet Union's assistance in designing more than 91 enterprises. However, some projects were later canceled. These canceled projects can be categorized into three types:

1. Enterprises that we are capable of constructing independently, such as textile and calico-printing factories and small power plants.
2. Projects that cannot be designed at this stage due to a lack of precise geological data, primarily coal mines.
3. Enterprises that are either unnecessary or infeasible within the First Five-Year Plan, such as a heavy machinery plant with an annual production capacity of 100,000 tons.

In short, in every case where there is both a need and the necessary conditions, but we lack the capability to proceed on our own, the Soviet government fully meets our requirements. Moreover, the USSR has added several important enterprises to the list of projects—ones we had not even considered. For example, at the initiative of the Soviet Union and with our agreement, plans will be developed for an electrical insulation materials plant and a high-voltage magnetron production facility.

Many of the enterprises designed for us by the Soviet Union are large and technically complex, such as a metallurgical plant. The process for this includes:

- Three years for initial and technical design.
- More than two years for detailed working drawings.
- Over three years for construction and equipment installation.

Design teams for the 91 approved projects, as well as five comprehensive expert groups, will arrive in China during this year and the first half of next year.

These facts fully confirm Chairman Mao Zedong's statement:

"The assistance provided to us by the Soviet Union is long-term, comprehensive, and selfless."

They also align with Comrade Stalin's words:

"Since the post-war period, these countries (referring to China and the European People's Democracies within the socialist camp led by the USSR) have established economic cooperation and mutual assistance. The experience of this cooperation shows that no capitalist country could provide the kind of effective and technically qualified assistance that the Soviet Union provides to them. It is not just that this aid is highly affordable and of top technical quality. The key point is that it is founded on a sincere desire to support one another and achieve common economic growth. As a result, we are witnessing high industrial development rates in these countries."

This is also consistent with what Chairman Mao Zedong and Premier Zhou Enlai stated in their congratulatory telegram on September 2 to Comrades Malenkov and Molotov:

"The fraternal assistance provided by the Soviet Union to the Chinese people is an important factor in the rapid restoration of China's economy and its development along the path of planned construction."

It is evident that without the Soviet Union's support, the First Five-Year Plan for economic development could not have been implemented on such a scale and at such a rapid pace as it is today.

3. Our Current Tasks

The comprehensive assistance of the Soviet government in our country's economic construction is enormous, but ultimately, construction in China is China's own affair, and to achieve this goal, we must do our utmost. What are our current tasks? Here are some opinions.

Firstly, based on the 141 enterprises in whose construction or modernization the Soviet Union is assisting us, it is necessary to develop a general program for the first five-year construction plan, taking into account all sectors of the national economy and in accordance with the principle of its proportional development.

The national economic plan is the state's course, the embodiment of its policy, and at the same time, the concentrated expression of all sectors of the national economy. It should, to the greatest extent possible, correspond to the principle of proportional development of the national economy under current conditions. The Soviet government has not only provided enormous international support to our country in economic construction but has also shared valuable experience. Based on the actual situation in the country, I believe that in the process of drafting the five-year construction plan, it is necessary to pay attention to the following aspects:

1. The first five-year construction plan in China, whose main component is the development of heavy industry, must be implemented in accordance with the directives of Chairman Mao Zedong. In the construction process, tasks should be divided into main and secondary, focusing on the most essential. The most essential in our country's construction is industry, and in industrial construction, the focus must be on heavy industry, which in turn also has priority tasks. Of course, this does not mean that other sectors of the economy can be neglected, as has already been mentioned here. Each sector should have its main construction tasks. If we try to encompass all sectors and disperse our forces, we may miss the main point. Therefore, it is necessary to concentrate from start to finish on those sectors of the economy that are key to state construction. State construction is like war: if you

disperse your forces, scatter soldiers across all positions, or attack in all directions at once, grabbing at one thing and then another, the army will end up tied hand and foot and suffer defeat. That is why, at the capital construction stage, we have already criticized the approach in which activities are carried out in all directions, forces are scattered, and no distinction is made between the secondary and the primary, the urgent and the non-urgent.

2. Chairman Mao Zedong urges us to always base ourselves on real facts and move forward gradually. This is how we should act in economic construction as well. Our human, material, and financial resources are limited, and we also lack construction knowledge and experience, so the movement must be smooth; instant success is impossible. The pace of development should not be too high, and it is already not low. Chairman Mao Zedong has often said in the past that "one should avoid fighting without preparation, without confidence in its successful outcome." It is for this reason that we once criticized blind, adventurous subjectivism. Soviet comrades, while helping us develop construction projects, must also consider all initial data and make accurate calculations. It is especially important to accurately assess geological resources, equipment productivity, construction and installation costs, and determine the source of personnel. The purpose of these studies is to lay a solid foundation for the construction plan. In short, it is necessary to implement the principle of gradual development; otherwise, we will inevitably make mistakes in the construction process, which can lead to unnecessary losses or affect the implementation of the state plan.
3. The national economy is a complex, organic complex in which the development of all sectors is interconnected and interdependent. At the same time, leading and supporting sectors can be distinguished. Therefore, in proportionally developing the national economy, gaps cannot be allowed. To determine proportions, it is first necessary to study the needs in all sectors and establish production possibilities. Without knowing the needs and possibilities, it is impossible to connect them, and therefore, it is impossible to determine proportions and establish proportional relationships. The Soviet experience shows that statistics are the basis of planning, rationing is the basis on which planned indicators are calculated, and the balance method is the main way of planning work. Based on this, it is necessary to strengthen research and statistical data collection activities, study the norms of technical economics, and also study and master the main method of planning work – the balance method.

The issue of balance is extremely complex, and the following should be noted.

During the five-year industrial construction period, it is necessary to pay attention to the interrelationship between new and old enterprises, large and small ones, in other words, the relationship between existing and under-construction factories. It would be a mistake to focus solely on new, large-scale productions and neglect the old and small ones. This is because, firstly, modern industry is highly based on cooperation and the division of labor, and it is impossible to organize the production of all parts and components in one factory. Therefore, to increase the efficiency of new production, it is necessary to ensure its interaction with a number of other factories. Secondly, all old productions have a certain foundation, and rebuilding an old factory is always easier than building a new one. Enterprise reconstruction is easier to control, and, moreover, a rebuilt factory yields results faster with lower costs. Thirdly, it is important to build large factories, but large enterprises must be supported by small ones. In addition, until recently, the support of modern industry by handicraft production in China remained significant, especially in the production of agricultural tools and implements.

During the drafting of the five-year plan, many questions arose, both of a fundamental and specific working nature, but I will not discuss them in detail here. It is necessary to strengthen capital construction work. Here, I would like to focus on four aspects: geological exploration, design work, construction, and capital construction management.

1. It is important to continue actively conducting geological exploration. To construct metallurgical, coal, oil, and construction materials enterprises, it is necessary to ensure the availability of sufficient resources and minerals. Determining the amount of resources hidden underground is only possible through complex geological exploration. Since the establishment of the Ministry of Geology last year, work in this direction has significantly intensified. However, to meet the needs of state construction, and especially the needs of the first five-year plan and to continue working for the long term, it is necessary to further develop geological exploration. The Soviet side has recognized our shortcomings in this area and has additionally sent fifty geological specialists to China. It must be acknowledged that in the past, the base for geological exploration in China was extremely weak, and progress in this area is only possible now by diligently adopting the ideas, methods, and technologies of Soviet geology. At the same time, it is necessary to pay attention to engineering-geological work during the construction of mines and factories.
2. Design is a complex task involving political, economic, and technical spheres. Correct planning must be rational from a political, economic, and technical point of view. A single mistake or miscalculation in any area can lead to the construction of a mine or factory being irrational or even causing irreparable damage to industrial construction. Correct design must rely on accurate initial data. However, collecting initial data is also a very complex and voluminous task that requires significant human, material, and financial resources. For example, the Anshan Iron and Steel Works, for the collection of initial data necessary for design, from June 1950 to the end of 1952, spent a total of more than 60,000 workdays of its employees, of which more than 15,000 workdays were by technical specialists. More than 147 Soviet specialists arrived at the enterprise for the same purpose during this period. Over two and a half years, the Anshan Iron and Steel Works mapped 24 factories, produced 10,500 drawings, and collected 300 volumes of materials. 61 km² were mapped at a scale of 1:500, 223 km² at a scale of 1:1000, and 99 km² at a scale of 1:5000. During engineering-geological work, a total of 970 wells with a total depth of 7,600 meters were drilled. 750 km² were surveyed for ore deposits, and 110 wells with a total depth of 16,600 meters were drilled. In 1952, an average of 500 people worked daily on collecting initial data for technical design. It is evident that a large number of qualified technical specialists are needed for the successful completion of initial data collection. Last year, design organizations were established in the Ministry of Transport and the Ministry of Industry. However, it will take a lot of effort and time to truly unite the design work of different ministries and teach specialists to create accurate projects.
3. During construction, it is necessary to rely on the capabilities of construction and installation work, which must be compatible with the volume of capital construction work. Since the Ministry of Construction was established last year, and several structures responsible for construction work were created within the Ministries of Transport and Industry, construction capabilities have significantly increased. The main shortcoming of construction and installation work in China at the current stage

is that the capabilities for building factory workshops for heavy industry enterprises are still limited, and the technical level remains low. In view of this, it is important to summarize the experience of construction work at the Anshan Iron and Steel Works and the Fengman Hydropower Station and rely on the human resources involved in the construction of these facilities.

4. It is necessary to improve the efficiency of capital construction management. First of all, it is necessary to more actively carry out capital construction planning, geological exploration, and also strengthen control over the management of construction and installation work and at construction sites. Sufficiently experienced and skilled managers are required to complete the above tasks. Therefore, it is necessary to continue to send capable managers to work at capital construction enterprises in the future.

1. The Soviet Union has spent a huge amount of effort helping us design 141 facilities, and has sent a large group of specialists to China to help with their construction. Therefore, we must complete all preparations for construction work. This is an extremely complex task. The following points should be noted. It is necessary to determine the project assignment and the location of the factory. This is far from simple: it is impossible to arbitrarily decide what products will be produced and where the factory will be located. This can only be determined through general analysis, coordination of enterprises and institutions (different departments, new and old, large and small enterprises), assessment of prospects, and economic, geographical, and technical conditions. To complete this work, it is necessary to establish production scales, determine development prospects, types of products produced and their quantity, sources of raw materials and initial materials, etc. Past experience shows that often after the Chinese side made a final decision, this information was significantly corrected, which delayed the preliminary design and technical design process, resulting in the Soviet Union's design assistance being wasted and the factory construction deadlines being delayed. From now on, we must strengthen research work and make informed decisions that would not have to be changed later.

2. It is important to provide accurate design information (including geological materials). If the information is incorrect, the project will have to be redone (shortcomings can lead to losses). The most complex data is information on engineering geology, hydrogeology, and meteorology. During the reconstruction of large existing enterprises, a lot of work needs to be done on mapping the area and conducting numerous tests. To ensure the accuracy of the provided data, it is necessary, with the assistance of Soviet specialists, to create authoritative expert control bodies in each institution responsible for capital construction. In the case of building several new enterprises in one place, it is necessary to entrust the collection of general design data to a single body.

3. Project verification and approval. The initial project, drawn up in the Soviet design institute, is submitted to us for approval after careful verification. Upon receiving the initial project from the Soviet side, it is impossible to spend too much time on verification and approval, otherwise, it will affect the construction deadlines. Experience shows that we often delay the verification and approval process. In view of this, we must verify the initial project quickly, which will

positively affect the success of the entire enterprise. Approximately 20-30% of the design work on new facilities developed by the Soviet Union will have to be done by us, and all relevant departments must prepare for this in advance.

4. The Chinese side will have to produce 30-50% of the equipment for enterprises designed by the Soviet Union. The scope of this work, which is very important for increasing the potential of China's machine-building industry, is extremely large. To create a base for industrialization in China, the departments responsible for machine building (this includes not only the Ministry of Machine Building, but also the ministries of railways, transport, textile industry, and agriculture, which also have machine-building enterprises under their jurisdiction) must constantly remember how responsible the task assigned to them is, and put all their efforts into its implementation. It is necessary to know exactly what we can produce at the moment (for this, it is necessary to compile a product catalog), what we cannot (it is necessary to find out what the difficulties are), and, if we can produce certain products, whether the production growth rates will meet the construction demands. To successfully complete this difficult task, we will have to overcome many obstacles.

5. It is necessary, based on the nature and scale of the 141 new and reconstructed facilities, to urgently appoint capable managers to the positions of factory directors, chief engineers, and other posts, and to organize the relevant work of organizational departments and training departments. The successful completion of the above four tasks largely depends on this.

6. On the issues of designing industrial areas and cities (Daye, Baotou, Lanzhou, Xi'an, etc.), it is necessary to conduct comprehensive research and analysis in conjunction with new enterprises. The location for the construction of some new factories of great importance must be determined based on a unified plan for the entire industrial area.

- Fourthly. Learning from the Soviet Union to train personnel. Economic construction is a long-term and continuous process. We will need numerous high-level technical specialists not only at the present time. In the future, even more talented workers will be needed who, possessing the latest technologies, could loyally serve the people. To educate talents, we must learn from the Soviet Union; technical specialists should also learn from the Soviet Union, because today there is only one country in the world that can combine technology, politics, and economics so well – the USSR. This does not mean that we should not learn from other countries and peoples. On the contrary, Chairman Mao Zedong urged us to learn from all specialists, and we will do so, but Chairman Mao Zedong urged us, mainly, to learn from the Soviet Union. I would like to highlight several points that are important in the process of learning and training personnel.

1. It is important to study the history of the party, political economy, and the experience of building a socialist society in the Soviet Union. To avoid fundamental mistakes in work, high-ranking personnel must diligently engage in theoretical training.

2. Learn from Soviet specialists. In all organizations that receive specialists from the USSR, management should create advanced groups of personnel who, in accordance

with the established plan, could systematically adopt the experience of Soviet specialists, in order to eventually reach their level and master the relevant skills.

3. Design documentation, construction and installation work, as well as the launch of production, carried out at 141 enterprises, which the Soviet Union helped us build and modernize, represent an invaluable encyclopedia of industrial construction, visual teaching aids for industrial universities and research institutes. Therefore, all relevant institutions need to start training according to the plan and industry division, which will play an important role in training Chinese industrial construction specialists.

4. It is necessary to train interns. In order to ensure the timely start of work and production at the built and reconstructed facilities, interns should be properly trained. A new enterprise will not be able to function without a sufficient number of specialists. The Soviet government has promised to provide China with the opportunity to send more than a thousand interns to the Soviet Union annually, who should ensure the successful operation of 141 enterprises in the future. Thus, each industrial institution needs to use all its strength and begin to solve this urgent task in an organized manner.

5. It is important to systematically and purposefully train management personnel for industrial construction. It is necessary not only to strengthen work in universities, higher education institutions, and technical schools, but also to systematically disseminate the experience of advanced enterprises and new technologies. In vocational schools at enterprises, students should be introduced to the latest industrial achievements, strengthen management, and, in accordance with the needs of state construction, open new working specialties and increase the number of graduates. Young men and women who have not had the opportunity to continue their education in high school are the main source for replenishing the student body of vocational schools. Soviet experience shows that the main thing in the work of vocational schools is technology training, while theoretical training plays an auxiliary function. It is important to clearly delineate specialties: one student should master one specialty, there should not be many subjects and disciplines. The senior master should not change from the moment the student enters the school until graduation. In the process of technology training, it is initially necessary to achieve quality and only then increase production speed. It seems to me that we should adopt the above-described experience. In addition, it is also important that each relevant ministry and the Ministry of Labor systematically conduct short-term introductory courses on new technologies.

Dear members of the Council, dear comrades, this year will be the first year of the first five-year construction plan in China. The people and every leader face an extremely difficult and at the same time honorable task. We must mobilize representatives of all classes, all nationalities, employees in all positions, everyone must participate in this great cause, everyone in their workplace must show their best side and help the state complete economic construction, fulfill and overfulfill the plan, and industrialize the country as soon as possible.

The industrialization of the country is by no means an easy task. Chairman Mao Zedong, foreseeing all future difficulties, once told us that the victory of the revolution is "only the first step in a great march of ten thousand li. We still have to destroy the remnants of enemy forces. We face a serious task of economic

construction. Soon we will have to put aside some of what we are familiar with and deal with what we are unfamiliar with. This is where the difficulties lie." The upcoming crucial work should be carried out in accordance with the general program of the five-year construction plan, which was drawn up following our negotiations with the Soviet government. There will be many difficulties along this path. However, our difficulties are difficulties that are inevitably encountered in the development process, difficulties that can be overcome. We are led by the great Chairman Mao Zedong and the Communist Party of China, our people are brave and hardworking, the great Soviet Union provides us with sincere assistance, and all progressive humanity supports us. If we accurately follow the leadership and policies of the Communist Party of China and Chairman Mao Zedong, rely on the masses and take into account the wisdom of the masses, if we are persistent in studying the experience of the Soviet Union, and systematically and seriously analyze the successes and shortcomings in our work, if we apply scientific methods, work honestly, diligently, and persistently, then the success of China's economic construction will be ensured.