

## ON THE POLICY CONCERNING INDUSTRY AND COMMERCE

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[This inner-Party directive was drafted by Comrade Mao Tse-tung for the Central Committee of the Communist Party of China.]

1. Party organizations in certain places have violated the policy of the Central Committee of the Party concerning industry and commerce and seriously damaged both. These mistakes must be speedily corrected. In correcting them the Party committees in these places must make a careful check-up from the two aspects of guiding policies and methods of leadership.

2. Guiding policies. Precautions should be taken against the mistake of applying in the cities the measures used in rural areas for struggling against landlords and rich peasants and for destroying the feudal forces. A sharp distinction should be made between the feudal exploitation practiced by landlords and rich peasants, which must be abolished, and the industrial and commercial enterprises run by landlords and rich peasants, which must be protected. A sharp distinction should also be made between the correct policy of developing production, promoting economic prosperity, giving consideration to both public and private interests and benefiting both labour and capital, and the one-sided and narrow-minded policy of "relief", which purports to uphold the workers' welfare but in fact damages industry and commerce and impairs the cause of the people's revolution. Education should be conducted among comrades in the trade unions and among the masses of workers to enable them to understand that they should not see merely the immediate and partial interests of the working class while forgetting its broad, long-range interests. Under the local government's leadership, workers and capitalists should be led to organize joint committees for the management of production and to do everything possible to reduce costs, increase output and stimulate sales so as to attain the objectives of giving consideration to both public and private interests, benefiting both labour and capital and supporting the war. The mistakes committed in many places are due to the failure to grasp all, most or some of the above policies. The bureaus and sub-bureaus of the Central Committee should raise this question clearly, analyse, check up, formulate correct policies and issue inner-Party directives and government decrees.

3. Methods of leadership. After policies have been fixed and directives issued, a bureau or sub-bureau of the Central Committee should keep in close contact with its area and prefectural Party committees<sup>[1]</sup> or with its own working teams by telegraph or telephone, by couriers on vehicles or on horseback, or by personal interviews; it should use the newspaper as an important instrument of organization and leadership. It should constantly have a grip on the progress of the work, exchange experience and correct mistakes; it should not wait several months, half a year or a year before holding summing-up meetings for a general check-up and a general correction of mistakes. Waiting leads to great loss, while correcting mistakes as soon as they occur reduces loss. In ordinary circumstances a bureau of the Central Committee should strive to keep in close contact with its subordinate organizations, always take care to draw a sharp line between what should and what should not be done, and constantly remind its subordinate organizations of this so that they may make as few mistakes as possible. All these are questions of methods of leadership.

4. All comrades in the Party should understand that the enemy is now completely isolated. But his isolation is not tantamount to our victory. If we make mistakes in policy, we shall still be unable to win victory. To put it concretely, we shall fail if we make, and do not correct, mistakes of principle with regard to any of the five policies -- on the war, Party consolidation, land reform, industry and commerce, and the suppression of counter-revolution. Policy is the starting-point of all the practical actions of a revolutionary party and manifests itself in the process and the end-result of that party's actions. A revolutionary party is carrying out a policy whenever it takes any action. If it is not carrying out a correct policy, it is carrying out a wrong policy; if it is not carrying out a given policy consciously, it is doing so blindly. What we call experience is the process and the end-result of carrying out a policy. Only through the practice of the people, that is, through experience, can we verify whether a policy is correct or wrong and determine to what extent it is correct or wrong. But people's practice, especially the practice of a revolutionary party and the revolutionary masses, cannot but be related to one policy or another. Therefore, before any action is taken, we must explain the policy, which we have formulated in the light of the given circumstances, to Party members and to the masses. Otherwise, Party members and the masses will depart from the guidance of our policy, act blindly and carry out a wrong policy.

#### NOTES

1. The prefectural Party committee was a leading body lower than the provincial Party committee or Border Region Party committee but higher than the county Party committee.