

Unite the national bourgeoisie and develop the national economy

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Currently, the domestic political situation is generally good. There are two important tasks in national construction: one is the political task, to make all sectors of the country more closely united; the other is the organizational task, to train a large number of cadres for national construction.

Following the "Three-Anti" [339] and "Five-Anti" [336] movements, the preparatory committee of the All-China Federation of Industry and Commerce was established in June, creating a nationwide organization for the industrial and commercial sectors. In the future, we must further promote unity politically; the Common Program [280] is the foundation of our unity. I have heard that in conveying the various reports from the All-China Federation of Industry and Commerce meetings, some places have made discrepancies, emphasizing one aspect while neglecting another. This kind of situation can occur at any time in our work. For example, when the Federation of Industry and Commerce holds meetings and discusses the difficulties faced by the industrial and commercial sectors, it will emphasize the difficulties. Since difficulties objectively exist, they should certainly be mentioned when reporting the situation. This is permissible; it cannot be said that the interests of the country have not been considered. However, when discussing difficulties, we must also see the other side, namely, the development of private industry and commerce. This means that we must pay attention to both local and overall interests, current and long-term interests; only in this way can we achieve a comprehensive and complete picture. Our current program is the Common Program, which aims to unite the national bourgeoisie to promote the development of the national economy. In terms of unity, we oppose the "five poisons" [337], and opposing the "five poisons" is also for the sake of unity.

Regarding the future, I have said many times before that Chairman Mao's policy is to advance steadily, recover in three years, and develop in ten or twenty years. Developing a new democratic economy may take ten or twenty years; we cannot give such a precise timeframe. Marxism is not Liu Bowen's "Tui Bei Tu" (a prophetic text).

Currently, China's economy is characterized by the simultaneous development of five components: state-owned economy, cooperative economy, individual economy of farmers and handicraftsmen, private capitalist economy, and state capitalist economy. These five economic components are like the five fingers of a hand. Of course, the state-owned economy is the leading economy; with the support of the powerful state, its development will be greater in both quantity and quality. From the perspective of the interests of the country and the people, private industrialists and businessmen should also warmly welcome the development of the state-owned economy.

The Chinese national bourgeoisie is different from the monopoly bourgeoisie of imperialist countries and also different from the bourgeoisie of Eastern European countries. Although the essence of the bourgeoisie is the same, their appearances are different. Because: (i) The bourgeoisie in Eastern European countries had previously held political power. After the failure of the Great Revolution in 1927, the Chinese national bourgeoisie, although briefly participating in Chiang Kai-shek's reactionary regime, was immediately ostracized. (ii) After Hitler's invasion of Eastern European countries, the bourgeoisie surrendered to Hitler and organized puppet regimes. The Chinese national bourgeoisie generally did not cooperate with the enemy and puppet regimes, and many representatives retreated to the rear areas of the War of Resistance. (iii) After the Soviet Red Army liberated Eastern Europe, some of the bourgeoisie in Eastern European countries fled, while others

stayed behind to cause trouble and undermine the people's government. Consequently, the state quickly confiscated their enterprises. Except for a very small number who followed Chiang Kai-shek, many representatives of the Chinese national bourgeoisie sided with the people. During the Third Revolutionary Civil War, the Chinese national bourgeoisie generally participated in the revolution or remained neutral. After the nationwide liberation, in the three years of cooperation, they shared weal and woe, especially in maintaining production, healing the wounds of war, and transforming the old social economy, contributing a certain amount of effort and making a contribution to national construction. Therefore, China's national bourgeoisie has made certain historical contributions and has promising prospects for development.

Organizing the petty bourgeoisie in national construction is a complex and difficult problem. Chairman Mao once said that the vast peasantry and urban handicraftsmen are two vast oceans. The national agricultural population is approximately 470 million, and organizing them for collectivization will take about ten to twenty years. Urban handicraftsmen are also numerous; there are approximately four million industrial and commercial households nationwide, and if street vendors are included, the number may exceed six million, a large portion of whom are handicraftsmen. Organizing these people and achieving collectivization will also take a long time. Both peasants and handicraftsmen should be organized and gradually collectivized; otherwise, many will face bankruptcy due to differentiation, which will also affect the country's industrialization.

Private capitalist economy, state capitalist economy, and state-owned economy will all develop in the future. Private industry and commerce, especially industry, will certainly develop along with national construction. The state's current investment focus is on heavy industry, such as the fuel industry and machinery industry. In light industry, private industry and commerce still have vast room for development. The development of national industry benefits the improvement and development of private factories. For example, the development of the national machinery industry, enabling the mass production of textile and papermaking machines, facilitates the improvement and development of private textile and papermaking industries. Of course, the development speed of state-owned and private enterprises differs; in relative proportion, state-owned enterprises will be larger, but in absolute numbers, both will continue to increase. Therefore, there is no need to worry about the lack of development prospects for private industry and commerce.

Regarding market issues, private commerce faces some difficulties, which are temporary. Some issues concerning urban-rural relations, domestic and international relations, and labor-capital relations have not yet been properly addressed. However, after land reform, farmers' purchasing power will increase significantly. With increased agricultural production, agricultural products such as grains, oilseeds, industrial raw materials, local produce, and livestock can not only meet domestic market needs but also be exported in large quantities. Farmers require a large amount of industrial goods, a significant portion of which are consumer goods, which cannot be handled by state-owned or cooperative commerce. The increase in farmers' purchasing power and demand for industrial goods will inevitably stimulate market activity. Therefore, private industry and commerce will certainly develop in the future, first industry, then commerce. Of course, the development of private industry and commerce is subject to certain restrictions. When Mr. Shi Fuliang [341] spoke in Tianjin, he said that the three rights of capitalists [342] are only relative, not absolute, and not something that can be exercised arbitrarily according to personal will. This interpretation is appropriate.

The development of private industry and commerce should not be solely for the sake of personal enjoyment, but should continue to expand the scale of enterprises. I have heard that some wealthy people are indulging in lavish meals and drinks, leading to the prosperity of restaurants and dance halls, which reflects the political frustration and despondency of some people. They should be

persuaded and educated to realize that as long as they operate legitimately, there will be a future and a way out.

The issues of profit and market have not yet been fully resolved. Solving these problems will be somewhat troublesome, but we should not be afraid of trouble. Regarding market issues, the Central Committee has entrusted Comrade Chen Yun [300] to conduct research, including the issues raised at this All-China Federation of Industry and Commerce meeting. To handle these issues better, we must consider both the interests of the state and the interests of private individuals. The All-China Federation of Industry and Commerce should submit the issues raised at this meeting to the Central Financial and Economic Commission for study, but it is not certain that they can be completely resolved in one go. For industrial capitalists, their profits should not only be used for expanded reproduction but also allow them to maintain a relatively high standard of living. When socialism is adopted, capitalists will still retain their consumer property, and their standard of living will always be higher than that of ordinary civil servants and workers. Furthermore, those who contributed to the recovery of the national economy over the past three years but are now bankrupt due to socio-economic restructuring should be taken care of. If they are experiencing hardship, the state should provide assistance and set an example so that people feel they have a secure future in their old age. For legitimate private industrialists and businessmen, they should not only receive legitimate profits but also be politically elevated, given political hope, and made aware that contributing more to the country will be beneficial.

The method for entering socialism in the future cannot be fully described at present, but generally speaking, it will be a peaceful transition. Having undergone the bloody revolution against imperialism and feudalism, China will not shed blood a second time. Peaceful transition will take a considerable amount of time and must be natural, a "successful outcome." This could be achieved through various forms of state capitalism, leading to class elimination and individual well-being. Discussing "factory donations" now is unnecessary. Some people think this is a good way to get rid of burdens, but this is a negative attitude. Today, some people are enduring difficulties and actively engaging in production, and the state and the All-China Federation of Industry and Commerce should encourage them. China's industrialization is a matter of ten or twenty years. Haste makes waste; we must move forward steadily. Talking about "donating factories" now is not only impossible, but will also lead to major deviations. In the future, to peacefully, happily, and healthily enter socialism, so that everyone can get what they deserve, we need to make good arrangements.

The issue of cadres. The country is about to embark on large-scale construction, requiring a large number of cadres. The allocation of university graduates to private enterprises should appropriately consider private sector enterprises. This summer, over 400 people were assigned to private enterprises, and this number could be increased next year; otherwise, private enterprises will find it difficult to continuously improve their production and operations. In the future, in cultivating technical personnel, in addition to the responsibility of the state and people's organizations, private enterprises must also assume responsibility.

The technological improvements and advanced experiences of state-owned factories should be introduced to private factories. Otherwise, if both are members of the working class, one can master advanced technology in state-owned factories while the other can only master outdated technology in private factories, this will create disunity within the working class. With the development of economic construction, the number of personnel in private factories is still far from meeting the needs. Industrialists and businessmen are part of the Chinese people and also participants in the national government. Except for a small number of counter-revolutionaries, saboteurs, and those who are corrupt, the vast majority of private industrialists and businessmen have bright futures.

* This is a summary of a conversation between the Standing Committee of the Preparatory Committee of the All-China Federation of Industry and Commerce and several representatives of capitalists after the second meeting of the Standing Committee.