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# PEOPLE'S CHINA



IN MEMORY OF J. V. STALIN

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# PEOPLE'S CHINA

A FORTNIGHTLY MAGAZINE

Editor: Liu Tsun-chi

*CHRONICLES* the life of the Chinese people and reports their progress in building a New Democratic society;

*DESCRIBES* the new trends in Chinese art, literature, science, education and other aspects of the people's cultural life;

*SEEKS* to strengthen the friendship between the people of China and those of other lands in the cause of peace.

No. 6, 1953

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The Memorial Meeting for J. V. Stalin in Peking's Tien An Men Square on March 9, 1953

Note: The present issue of "People's China" has been delayed in order to provide our readers with the important material...



# The Greatest Friendship

MAO TSE-TUNG

**J**OSEPH VISSARIONOVICH STALIN, greatest genius of the present age, great teacher of the world Communist movement, comrade-in-arms of the immortal Lenin, has departed from the world.

Comrade Stalin has made an inestimable contribution to our era by his theoretical and practical activities. Comrade Stalin represents our entire new era. His activities have led the Soviet people and the working people of all countries to transform the whole world situation: the cause of justice, of People's Democracy and Socialism has achieved victory on a tremendous scale over a territory containing one-third of the earth's population—more than 800 million people; moreover, the influence of this victory is spreading daily to every corner of the globe.

The death of Comrade Stalin has aroused unparalleled and profound grief among the working people of the whole

world; it has stirred the hearts of upright people throughout the world. This demonstrates that Comrade Stalin's cause and his ideas have gripped the hearts of the broad masses of the people throughout the world and have become an invincible force, a force that will guide those peoples who are already victorious from one fresh victory to another and lead all who are still groaning under the oppression of the old, vicious capitalist world to strike courageously at the people's enemies.

After the death of Lenin, Comrade Stalin led the Soviet people in building into a magnificent socialist society the first socialist state in the world, which he, together with the great Lenin, created during the October Revolution. The victory of socialist construction in the Soviet Union is not only a victory of the Soviet people, but also a common victory of the people of the whole world. Firstly, this victory proved in real life the absolute correctness of Marxism-Leninism and gave concrete in-

struction to the working people throughout the world how they should advance towards a happy life. Secondly, this victory ensured that humanity would have the strength to defeat the fascist beasts during the Second World War. The achievement of victory in the anti-fascist war would have been inconceivable without the victory of socialist construction in the Soviet Union. The fate of all mankind was bound up with the victory of socialist construction in the Soviet Union and victory in the anti-fascist war, and the glory of these victories must go to our great Comrade Stalin.

Comrade Stalin carried out a comprehensive and epoch-making development of Marxist-Leninist theory and advanced Marxism to a new stage of development. Comrade Stalin creatively developed Lenin's theory concerning the law of the uneven development of capitalism and Lenin's theory that Socialism can first be victorious in one country; Comrade Stalin creatively contributed the theory of the general crisis of the capitalist system; he contributed the theory concerning the building of Communism in the Soviet Union; he contributed the theory of the basic economic laws of modern capitalism and of Socialism; he contributed the theory of the revolution in colonial and semi-colonial countries. Comrade Stalin also creatively developed Lenin's theory on the building of the Party. All these creative theories of Comrade Stalin further united the workers throughout the world, further united the oppressed classes and the oppressed peoples throughout the world, and thereby enabled the struggle for the emancipation and well-being of the world's working class and all oppressed

people, and the victories in this struggle, to attain unprecedented proportions.

All Comrade Stalin's writings are immortal works of Marxist literature. His *Foundations of Leninism*, *History of the Communist Party of the Soviet Union (Bolsheviks)* and his last great work *Economic Problems of Socialism in the U.S.S.R.* comprise an encyclopaedia of Marxism-Leninism, a summing-up of the experiences of the world Communist movement in the past hundred years. His speech at the 19th Congress of the Communist Party of the Soviet Union is a precious testament bequeathed to the Communists of all countries of the world. We Chinese Communists, like the Communists of all other countries, find our own road to victory in the great works of Comrade Stalin.

Since the death of Lenin, Comrade Stalin has at all times been the central figure in the world Communist movement. We rallied round him, ceaselessly asked his advice and ceaselessly drew ideological strength from his works. Comrade Stalin was full of warm love for the oppressed peoples of the East. "Do not forget the East"—this was Comrade Stalin's great call after the October Revolution. Everyone knows that Comrade Stalin warmly loved the Chinese people and regarded the might of the Chinese revolution as immeasurable. He contributed his lofty wisdom to the problems of the Chinese revolution. And it was by following the teachings of Lenin and Stalin, and with the support of the great Soviet state and all the revolutionary forces of other countries, that the Communist Party of China and the Chinese people won their historic victory a few years ago.

Now we have lost our great teacher and most sincere friend—Comrade Stalin. What a misfortune this is! It is impossible to express in words the sorrow which this misfortune has brought us.

Our task is to transform sorrow into strength. In memory of our great teacher Stalin, the great friendship linked with the name of Stalin, which exists between the Communist Party of China and the Chinese people and the Communist Party of the Soviet Union and the Soviet people, will be immeasurably strengthened. Chinese Communists and the Chinese people will further intensify the study of Stalin's teachings, of Soviet science and techniques, to build their country.

The Communist Party of the Soviet Union is a party personally reared by Lenin and Stalin; it is the most advanced party in the world, the most experienced and the best trained in theory. This Party has been our model in the past, is our model now and will remain our model in the future. We are completely confident that the Central Committee of the Communist Party of the Soviet Union and the Soviet Government, headed by Comrade Malenkov, will certainly be able to follow Comrade Stalin's behest to advance and carry to greater glory the great cause of Communism.

There is not the slightest doubt that the world camp of peace, democracy and Socialism headed by the Soviet Union will be still more united and become still more powerful.

In the past thirty years, Comrade Stalin's teachings and the example of Soviet

socialist construction have made the world advance with giant strides. Now that the Soviet Union has become so powerful; the Chinese people's revolution has obtained such great victories; construction in the various People's Democracies has brought such enormous achievements; the movement of the peoples throughout the world against oppression and aggression has risen to such heights; our front of friendship and solidarity is so consolidated—we can definitely declare that we are not afraid of any imperialist aggression. Any imperialist aggression will be smashed by us; all foul provocations will be of no avail.

The reason that the great friendship between the peoples of China and the Soviet Union is unbreakable is precisely because our friendship has been built on the great principles of internationalism of Marx, Engels, Lenin and Stalin. The friendship between the peoples of China and the Soviet Union, and the peoples of the various People's Democracies, as well as all people who love peace, democracy and justice in every country of the world, is also built upon this great principle of internationalism and is therefore also unbreakable.

Clearly, the strength created by our friendship, which is of this kind, is inexhaustible and truly invincible.

Let all imperialist aggressors and warmongers tremble before our great friendship!

Long live the teachings of Marx, Engels, Lenin and Stalin!

The glorious name of the great Stalin is immortal!

# FOR STALIN!

IT is with the deepest sadness that I write this. It was little more than a month ago that I saw Stalin, hale and hearty and in such fine spirits. It warmed my heart to see him so. At that moment I thought how many more years he would be able to serve the people of the world.

But now I am faced with the fact of our dear comrade's untimely passing. It is a fact that hangs heavily on my mind. So has it affected the people of our country. When the news came, tears welled up in the eyes of all, and I heard someone say, "I feel as if I had lost my most beloved parent!" Such is the feeling of the people all over the world during these days.

All progressive mankind has indeed suffered a great loss.

We have lost a genius of the revolutionary art, steeled in long struggle, indomitable of spirit, resolute in principle and relentless towards all oppressors. In Stalin, the revolutionary flame burned with such force that he knew only one rule of life: to serve the people. How true to the people he was! How true he was to the revolution that freed his own people and showed the way for all the oppressed

everywhere! In the early days, wherever there was trouble, wherever there was the possibility that the enemy might break through, there Lenin sent Stalin. And always he was victorious—by the power of his analysis, by the brilliance and clarity of his solutions, by his resourcefulness in overcoming all difficulties.

How well Stalin continued the cause of Lenin! From his office in the Kremlin these long years, not only did he guide his Soviet people in building and protecting the future of all mankind, but his daily efforts also showed great concern for any oppressed people, no matter how far from him. This was a concern that withered distance and made all men know that proletarian brotherhood beat in a heart that would never let them down. It provided courage where there were but bare fists to fight with; when, on occasion, the enemy had all but won, it provided the substance with which to throw him back and defeat him; it held for all who toiled, all who suffered. It made Stalin our friend, our teacher, our comrade and leader.

We have lost the greatest of all partisans of peace. With what verve did he apply himself to the construction of a new society, to charting the steps to universal prosperity, when men's intellect would reach new pinnacles and

his every effort would go only towards nurturing and building! Stalin taught the world a new way to live, with sincerity and honesty, with openness and frankness, with equality between all peoples, between men and women, between all states, putting relations between nations on a level of friendship never before attained in history. Immense has been his inspiration to all who seek peace by his very pronouncement that the people of the world could have peace if they took the struggle for it into their own hands and upheld that struggle to the end.

Yes, we have lost much. But, dear friends of the Soviet Union, dear comrades here at home and in every part of the world, Stalin did not leave us unarmed for the journey into the future. By the sum of his life and work he has prepared us to carry on so that the dearest hopes of his predecessors, and his own, will come to pass.

He tempered the Communist Party and the Soviet Union into finest steel. Stalin said: "Lenin taught us only such leaders can be real Bolshevik leaders as know not only how to teach the workers and peasants, but also how to learn from them." Stalin not only made this lesson the very basis of his life, always setting an example of contact with the masses, but he lifted it to a new level. He had inextinguishable faith in the people and their invincibility against all enemies. In such a tradition did he guide the affairs of his Party. It is the guarantee that what Lenin started and Stalin continued will be carried to its historic conclusion by the Communist Party of the Soviet Union.

Stalin had faith not only in his own people, but in all peoples. He repeatedly stated that the way of the Soviet masses would be duplicated by all. I clearly recall the first remarks he made to me on January 13 this year: "The Chinese people are a good people." He meant that the Chinese are a heroic people, capable of performing miracles and emerging victorious from the most gruelling tests, just

as the Soviet people are; that both peoples can endure self-sacrificing struggle, render the supreme sacrifice for mankind, save civilisation and raise it to a higher point. Stalin's faith in the Chinese people was part of the inseparable link he forged with the international working class movement, for the emancipation of all toilers, and for the national independence of all colonial peoples from the yoke of imperialism. His every word was backed by deeds, and the Chinese people will never forget that in all the years of our struggle against foreign imperialism and native feudalism and militarism, his assistance never wavered for an instant. Such faith and action as Stalin's has welded the working people of the world into a solid unity which will withstand all and emerge the final victor.

We who believe in Stalin and his cause must take up the fight where he left it. The sorrow that burdens us today must be used to temper us, to steel our will. We must engrave on our minds Stalin's teachings. We must use the thought of Stalin as a motivating power. We must use the greatness of Stalin as our standard of service to the people. We must use Stalin's courage to spur us on past any difficulty.

This is the beginning of a new phase in the struggle for progress. It marks not the end of an epoch but rather a high point from which we must strike out for still higher levels. The victories Stalin has hewn are the base upon which all mankind will build its freedom and happiness. It is up to us to carry on the fight he led for so long.

All progressive mankind must place itself on the alert. We must rally around the Party of Stalin and the great Soviet people. We must re-dedicate ourselves, absorb the essence of Stalin's life and work, carry out our duties in the Stalin manner, with only victory in our hearts and minds. The victory of the world's working class must be achieved, and with the slogan: "For Stalin!"

# Messages of Condolence From China to the Soviet Union on the Death of J.V. Stalin

The news of the death of Joseph Vissarionovich Stalin, Chairman of the Council of Ministers of the U.S.S.R. and the great friend and teacher of the Chinese people, was received in China with the profoundest grief and sense of personal loss. The sentiment of the nation was expressed in numerous messages of condolence sent to the Soviet Union. We print below the full texts of the messages from Mao Tse-tung, Chairman of the Central People's Government of the People's Republic of China, to N. M. Shvernik, President of the Presidium of the Supreme Soviet of the U.S.S.R.; from the Central Committee of the Communist Party of China to the Central Committee of the Communist Party of the Soviet Union; and from the National Committee of the Chinese People's Political Consultative Conference to the Central Committee of the Communist Party of the Soviet Union.

## From Chairman Mao Tse-tung to President Shvernik

Comrade Shvernik:

With boundless grief, the Chinese people, the Chinese Government and myself learned the news of the passing away of the dearest friend and great teacher of the Chinese people, Comrade Stalin. This is an incalculable loss not only to the Soviet people, but also to the Chinese people, to the whole camp of peace and democracy and to the peace-loving peoples throughout the world as well. On behalf of the Chinese people, the Chinese Government and in my own name, I wish to extend to you, the Soviet people and the Soviet Government, the most deep-felt condolences.

The victory of the Chinese people's revolution is completely inseparable from the continuous care, guidance and support of Comrade Stalin over the past thirty years and more. Since the victory of the Chinese people's revolution, Comrade Stalin, the great Soviet people and the Soviet Government under his leadership have rendered generous and selfless assistance to the construction work of the Chinese people. This great and profound friendship which Comrade Stalin felt for the Chinese people will forever be remembered with gratitude by the Chinese people. The undying light of Comrade Stalin will forever illumine the road along which the Chinese people march forward.

Comrade President, the glorious Party of Lenin and Stalin, the great Soviet people and the Soviet Government will assuredly have the fraternal, consistent confidence and support of the Communist Party of China, the Chinese people and the Chinese Government. The Chinese people will definitely and with maximum resolution unite closely and forever with the great Soviet people, consolidate and strengthen the world camp of peace and democracy headed by the Soviet Union, heighten their vigilance, redouble their efforts in striking at the instigators of war and strive to the end for the lasting interests of the Soviet Union and China and for the peace and security of the world. I am confident that all working people, all peace-loving progressive mankind of the world will, together with us, follow the road pointed out by Comrade Stalin and take into their own hands the sacred cause of preserving world peace.

(Signed)

MAO TSE-TUNG

Peking  
March 6, 1953

People's China

## From the Central Committee of the Communist Party of China to the Central Committee of the Communist Party of the Soviet Union

The Central Committee of the Communist Party of the Soviet Union:

With unparalleled grief, all members of the Communist Party of China and the Chinese people mourn the passing away of our most respected and dearest teacher, our sincerest friend, Comrade Stalin. Comrade Stalin's death is an incalculable loss to our common cause.

The name of Comrade Stalin, the great leader of the working class of the world, is the great banner of the liberation of humanity. Together with the great Lenin, he led the October Socialist Revolution which opened up a new era in the history of mankind and illumined the road to victory for the oppressed classes and peoples throughout the world. After the death of Lenin, Comrade Stalin continued to carry forward the cause of Marx, Engels and Lenin, and, with his brilliant Marxist-Leninist wisdom and his indomitable Bolshevik courage, waged a relentless struggle against enemies and renegades and led the Soviet people to success in building a socialist society and carrying out large-scale Communist construction. In the Second World War, Comrade Stalin commanded the great Soviet armed forces in the defeat of the German, Italian and Japanese fascist brigands and thus saved humanity from fascist enslavement.

Comrade Stalin has always been untiringly concerned with the fate of the labouring people and all oppressed peoples of the world. Comrade Stalin made great and outstanding theoretical contributions to, and gave political guidance on the problems of the Chinese revolution, arming the Communist Party of China in ideology and policy. It is by following the road pointed out by Comrade Stalin that the Communist Party of China and the Chinese people under the leadership of Comrade Mao Tse-tung have achieved victory in their revolution.

In their long days of hardship the Chinese people always had the friendly concern and support of Comrade Stalin. The generous and selfless assistance rendered to us since the founding of the People's Republic of China, by Comrade Stalin and by the great Soviet people and the Soviet Government under his leadership, will remain forever in the hearts of the Chinese people.

Dear Comrades! In these days of grief following the passing away of Comrade Stalin, we tender our profound sympathy. Our entire Party and people will, with the greatest resolution, continue to strengthen our confidence in and support for the Communist Party of the Soviet Union and the Union of Soviet Socialist Republics, which Lenin and Stalin created, and consolidate the invincible world camp of peace and democracy headed by the Soviet Union. We shall continue forever in close unity with you and the great Soviet people, and under the common banner of Lenin and Stalin, struggle to the end for the cause of peace and democracy and the cause of Communism.

Eternal glory to the great Stalin!

Peking  
March 6, 1953

March 16, 1953

The Central Committee of the  
Communist Party of China

## From the National Committee of the C.P.P.C.C. to the Central Committee of the Communist Party of the Soviet Union

The Central Committee of the Communist Party of the Soviet Union:

Greatly distressed by the sorrowful news of the death of Chairman J. V. Stalin, the great teacher of progressive mankind all over the world, we, the people throughout China, tender you, with heavy hearts, our profound condolences.

The whole Chinese people can never forget the lofty sympathy, guidance and help rendered us by Chairman Stalin in the past several decades.

In memory of the great and everlasting friendship of Chairman Stalin towards the Chinese people, we, the Chinese people, will, under the leadership of Chairman Mao Tse-tung and the Chinese Communist Party, further consolidate the inviolable friendship and unity between the great Chinese and Soviet peoples, heighten our vigilance and struggle untiringly for the common cause of lasting peace and people's democracy led by the Soviet Union.

Peking  
March 6, 1953

The National Committee  
of the C.P.P.C.C.

## Eternal Glory to the Great Stalin!

Chu Teh

**T**HE great Comrade Stalin has departed from this world! Mankind's great star has fallen! The most respected and beloved friend and teacher of our Chinese people has departed

from us forever! Together with the Soviet people and people throughout the world, we, the Chinese people, are stricken with heavy, unparalleled grief by this sudden, most grave misfortune which has befallen us.

The passing away of Comrade Stalin is an immeasurable loss to the working people the world over. Stalin was the great leader and teacher of the working people throughout the world. Together with Lenin, Stalin led the Great October Socialist Revolution, which opened the way for the emancipation of the

toilers and all the oppressed people of the world.

Following the death of Lenin, Stalin continued to carry forward the cause of Marx, Engels and Lenin, and led the Soviet people in triumphantly building Socialism and advancing towards Communism. He thus set a magnificent example for progressive mankind in creating a happy life.

In the Second World War against fascism, Stalin led the great Soviet people and the Soviet Army to defeat the German, Italian and Japanese fascist brigands, thereby delivering all humanity from the danger of fascist enslavement.

Under the glorious banner of Stalin, the forces of the peace-loving people throughout the world have become united; they have been waging a valiant struggle for lasting peace and people's democracy since the end of the war. Stalin's great contributions to mankind radiate a lasting and unfading light of the greatest brilliance.

Comrade Stalin was the most respected and beloved friend and teacher of the Chinese people. He armed the Communist Party of China with the magnificent theory of Marxism-Leninism. It was precisely by following the path pointed out by Stalin that the Chinese people, under the leadership of Comrade Mao Tse-tung and the Communist Party of China, gained victory in the Chinese revolution. In the past thirty years and more, the cause of the Chinese people's revolution and construction always received the constant concern, encouragement and support of Comrade Stalin and the Communist Party of the Soviet Union, the Government of the U.S.S.R. and the Soviet people under his leadership. The victory of the Chinese revolution and its consolidation are absolutely inseparable from the name of Stalin. Comrade Stalin will forever live in the hearts of the Chinese people.

The Chinese people will never forget the deep friendship of Comrade Stalin for them. The Chinese people will forever continue to

advance in the direction indicated by Comrade Stalin. The Chinese people of all nationalities, all members of the Communist Party of China and all fighters of the Chinese People's Liberation Army will unite more closely around Chairman Mao Tse-tung, the Communist Party of China and the Central People's Government, to heighten our vigilance, exert every effort in our work, learn from the Soviet Union and transform our profound grief into united, militant strength to strive for victory in the struggle to resist U.S. aggression and to aid Korea, for the fulfilment of the national construction plan and the steady advance towards Socialism.

The Chinese people can never forget Comrade Stalin's great teaching that "the great friendship between the Soviet Union and the Chinese People's Republic constitutes a reliable guarantee against the threat of new aggression, and a powerful bulwark of peace in the Far East and throughout the world."

The Chinese people of all nationalities, the Communist Party of China and the Chinese Government must forever unite closely with the Soviet people, the Communist Party of the Soviet Union and the Government of the U.S.S.R. We must strengthen our confidence in, and support for, the Soviet people, the Communist Party of the Soviet Union and the Government of the U.S.S.R. We must consolidate the world camp of peace and democracy headed by the Soviet Union and resolutely take up the common cause for which Comrade Stalin up to the time of his death showed constant concern and to which he gave constant inspiration.

It is our conviction that under the common banner of Lenin and Stalin, the united strength of the Chinese and Soviet peoples is invincible. Our common cause is sure to advance from victory to victory.

Eternal glory to the great Stalin!

The brilliance of the teachings of Marx, Engels, Lenin and Stalin will forever illumine our victorious progress!

Rest in peace, Comrade Stalin!

# Stalin's Teachings Lead Us Forward!

Li Chi-shen

WITH the passing away of Chairman Stalin, the working people throughout the world have lost their great teacher. This is an incalculable loss to the cause of the emancipation of mankind. I cannot describe how shocked I was when I first heard the news of the death of Chairman Stalin. Even now I have to hold my profound grief in check to make this speech.

The success of the Chinese people's revolution and their great achievements since the founding of the People's Republic of China are inseparable from the concern, guidance and support of Chairman Stalin. I myself and many comrades of the Revolutionary Committee of the Kuomintang know from personal experience how Chairman Stalin, first together with Lenin, and then, following the death of Lenin, himself, guided and helped Dr. Sun Yat-sen in his revolutionary ideological development and also the launching of the Chinese revolution. It is also well known how, after Dr. Sun Yat-sen's death, we have received tremendous assistance from Chairman Stalin and the Soviet people and the Soviet Government under his leadership during the long course of the Chinese revolution led by Chairman Mao Tse-tung and the Communist Party of China and since the founding of the People's Republic of China. Stalin is not only the closest friend and great teacher of the Chinese people but also the source of the strength that has led to the victory of the Chinese people's revolution. Now, to our great misfortune, Chairman Stalin has departed from us forever! But the memory of the past will always remain deep in our hearts. The banner of Lenin and Stalin will forever be our beacon. Stalin's programme for the construction of Socialism and Communism in the Soviet Union will always point out to us the direction of our

advance. The immortal name of Stalin will live forever in our hearts.

Mourning the death of Stalin today, our grief is profound. But we must not give way to sorrow; we must work with redoubled efforts. The Chinese people throughout the country must rally still more closely around the Communist Party of China and under the brilliant leadership of Chairman Mao Tse-tung, to accomplish victoriously the present tasks of the nation. The Chinese people must also unite even more closely with the Soviet people to strengthen the world camp of peace and democracy headed by the Soviet Union, and so safeguard world peace.

We must maintain the keenest vigilance, for our enemies are not only ghoulishly rejoicing over our sorrow, but are intensifying their efforts to spread slanders against us. But this is all in vain. For the Chinese people know only too well who are their friends and who their enemies. Should the imperialists dare to start an aggressive world war, they will receive fatal blows from the Chinese and Soviet peoples as well as the whole camp of peace and democracy.

Today, mourning the death of Stalin, on behalf of the Revolutionary Committee of the Kuomintang, I pledge with all sincerity before our great leader Chairman Mao Tse-tung and the masses of the Chinese people, that we will unswervingly follow Chairman Mao Tse-tung and the Communist Party of China to accomplish our historic mission.

The death of Stalin has caused us profound sorrow. But it has heightened our vigilance and made us even more united and stronger. With our great and brilliant leader Chairman Mao Tse-tung and the steeled Communist Party of China, we shall be ever victorious!

Revered Stalin, beloved Stalin, the revolutionary teachings you left behind will shine forever brightly, leading and inspiring us with courage in our march forward, forever forward!

Eternal glory to the great Stalin!

# A NATION MOURNS

Our Correspondent

THE 475 million people of China mourn the death of Comrade Stalin, leader and teacher of the world's labouring people, the

most respected and beloved friend of the Chinese people. In every corner of the vast land there is an air of solemnity, of deepest grief—and of courageous rededication to the cause of Stalin—the cause of the emancipation and happiness of all mankind.

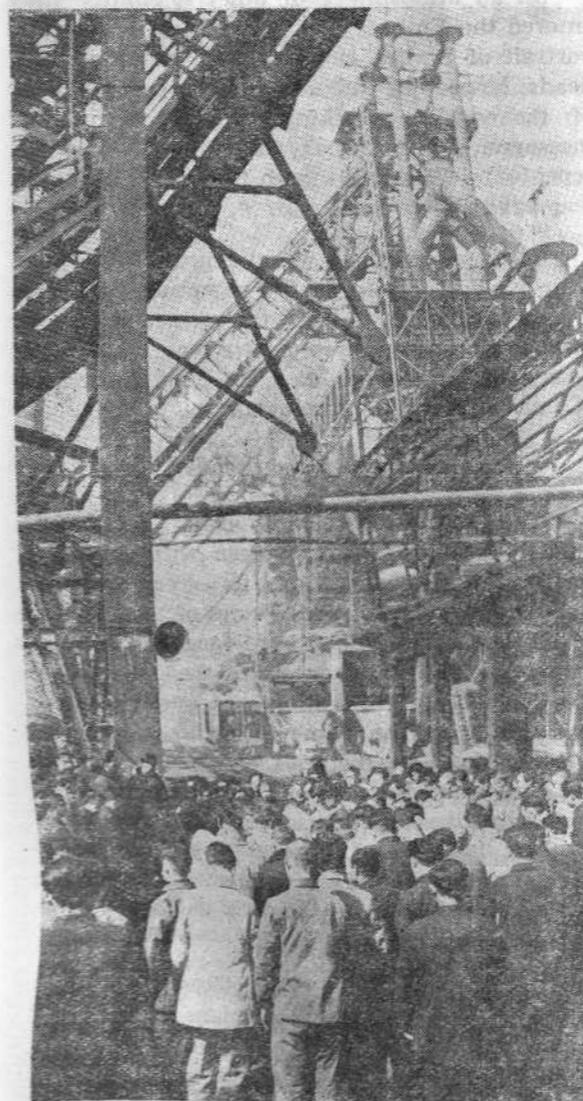
At 2:30 in the afternoon of March 6 the people of China listened in grief-stricken silence to Radio Peking's announcement that the heart of Stalin had ceased to beat.

Peking was transformed into a city of mourning. At Tien An Men Square, in the heart of the capital, the National Flag was slowly lowered to half mast. All over the city, from every house and office, flags with mourning streamers flew at half mast. The famous parks lay silent and deserted. Cinemas and theatres closed. All entertainments were cancelled. In temples, mosques and churches, memorial services were held. Among young and old there was a sense of personal loss as well as a consciousness of a national, a world misfortune.

The same afternoon, Chairman Mao Tse-tung, accompanied by twenty-six members of the Central Committee of the Communist Party, called at the Soviet Embassy to tender condolences to Ambassador A. S. Panyushkin. They were followed by many other leaders of the government, democratic parties and mass organisations.

## Sorrow-stricken People

Early in the afternoon on March 4 when the broadcasting stations first transmitted the news of his illness, the millions of hearts of China went out to Comrade Stalin. Chairman Mao Tse-tung and his close comrades-in-arms, Chu Teh, Chou En-lai and Kao Kang, immediately went to call on Ambassador A. S. Panyushkin at the Soviet Embassy and asked



Workers of Northeast China's Anshan Steel Works listen in grief-stricken silence to the broadcast announcing the death of Stalin

Text of the memorial address made by Li Chi-shen, Chairman of the Revolutionary Committee of the Kuomintang, at the Memorial Meeting for J. V. Stalin held in Peking on March 9, 1953.

him to convey the anxious and fervent hopes of the Chinese people for Stalin's early recovery. Messages expressing their deep concern were cabled to Stalin by Chairman Mao Tse-tung and leading organisations in China. People throughout the country stood by their wireless sets, waiting anxiously for a communique about an improvement in Stalin's health.

It was with a sense of heavy loss that the nation learnt of Comrade Stalin's death.

In cities, towns and industrial centres, in humble villages, silence reigned as the Chinese people realised the immensity of this loss to the world.

At that moment of mourning, Chairman Mao Tse-tung issued the Central People's Government's order that flags should be flown at half mast throughout the country from March 7 to March 9 as a token of mourning to express the boundless grief and the condolences of the Chinese people.

On March 7, an eighteen-member delegation headed by Chou En-lai, Secretary of the Central Committee of the Communist Party of China and Premier of the Central People's Government, was appointed by the Central Committee of the Communist Party of China, the Central People's Government and the National Committee of the C.P.P.C.C. to attend the funeral of Comrade Stalin in Moscow. The delegation immediately left by air for Moscow.

Meanwhile, the people in their tens of thousands streamed to offer their condolences to the Soviet representatives at the Embassy and all consulates. In fraternal sympathy, they pressed the hands of the Soviet experts who are assisting them in so many fields.

### Devotion to Stalin

The depth of the love and devotion of the Chinese people for Stalin were revealed in those days of mourning. On March 6 and 7, two-mile-long columns of mourners formed before the Embassy waiting to pay their respects, waiting through the sunshine of the afternoon, and the next day oblivious of the

cold and the boisterous sandstorm that suddenly rose. Among these 200,000 people were workers, peasants, members of the people's defence forces, members of the Communist Party and other democratic parties, men and women from religious organisations, businessmen, students and housewives. They carried wreaths, some of fresh flowers, some of traditional, beautifully-made white paper flowers. Girls wore white flowers of mourning in their hair. Despite the great concourse, the road was still as in a mourning room.

In an atmosphere of quiet solemnity they entered the Embassy, and filing past before the portrait of Stalin, stopped for a moment with heads bowed in tribute to the great leader of the world's working people. Many left messages. Many times was the solemn oath repeated: "We will march forever on the path you have shown us!"

They placed their wreaths around the portrait of J. V. Stalin in the reception hall, and it was soon surrounded with massed banks of flowers. Lying at their centre was the wreath placed by Chairman Mao Tse-tung, inscribed: "Comrade Stalin Is Immortal."

### The Workers' Leader

The Chinese working class, reared in Stalin's teachings, was stricken with profound sorrow at the death of its great teacher. Thoughts went back to the days of the Chinese revolution in its long, hard-fought course to victory, from the bitterness of the old days to the happiness of liberation. At every stage it is linked with the name of Stalin. Memorial meetings held in factories and mines through the length and breadth of China were attended by the hundreds of thousands. They went back to their lathes and benches inspired to new efforts by the memory of one whose whole life had been dedicated to the cause of the labouring people.

In the many government offices of Peking, in the rooms where the great plans of national construction in 1953 are being brought down to their smallest details and yet greater constructive tasks are being drafted, all work ceased while the announcement of the death of the greatest planner of our day was read.

The news spread through the countryside. With heavy hearts the peasants recalled how every great change in their life is connected with that honoured name: the land reform, the farm implements they use, their new advanced farming methods, their mutual-aid teams. The peasants of the Ying Wei-chen co-operative remembered how Stalin had sent an agronomist to visit them. It was he who taught them a new method whereby they could reap 2,500 kilogrammes of potatoes per *mou* instead of the former 1,500 kilogrammes. They had asked their Soviet friend to bring to Stalin gifts of their best products. But now Stalin, friend of the peasants, was dead!

Steeled fighters of the People's Liberation Army could not hold back their tears at the news of Stalin's death. Thirty-eight-year-old Ho Chen-hsin, divisional commissar of a P.L.A. unit, spoke for all the army when he vowed before the portrait of Stalin: "I will learn constantly from your spirit of selfless devotion to the noble cause of Communism!" He recalled the early days of his childhood as a poor exploited peasant and the great 25,000 *li* Long March with its unbelievable difficulties. "Through that long journey, Stalin lived in our minds. The living example of the Soviet land with Stalin at its helm—this gave us the strength and courage to carry on!"

Students at the College of National Minorities expressed the profound sense of loss of all their compatriots. They knew that Stalin's great contribution to the solution of the national problem had given them and people like them in the Soviet Union and in all the People's Democracies the right of equal treatment and chance for a new, free life. In their traditional costumes, the student body went to the Soviet Embassy. Before the portrait of Stalin they pledged to study harder and be worthy pupils of the leader of the peoples.

Seto Mee Tong, eighty-seven-year-old representative of the oversea-Chinese, spoke before the portrait of Stalin at the Soviet Embassy in Peking, "You helped us to victory. You helped us in our national construction. How can we ever forget your aid to us!"

The housewives group of Peking's Sho Sha Kua lane expressed the feelings of the ordinary

people of China when they added a clause to their collective patriotic pact "to do our utmost to strengthen the friendship between the Chinese and Soviet peoples!"

Throughout the country the people of every stratum of the population expressed their tribute to their great leader and teacher. Memorial meetings were held by the democratic parties, government organs, the various people's mass organisations, universities and schools. Tens of thousands of messages of condolence were sent to Moscow from Peking, from these meetings, from various provinces and cities, areas of the national minorities and from the steamers sailing in China's coastal waters. The All-China Democratic Women's Federation, notifying the country that all programmes for celebrating Women's Day on March 8 should be cancelled, called on China's women to follow the road pointed out by Stalin for the emancipation of all women of the world and to redouble their efforts in the construction of their Motherland.

### To Learn From Stalin

On March 7, all newspapers with black mourning borders were devoted to the statements on Comrade Stalin's death, to messages of condolence. They published large portraits of Stalin and pictures of the various memorial meetings. On March 9, the press devoted its frontpages to Chairman Mao Tse-tung's article in memory of Comrade Stalin—*The Greatest Friendship*.

People in all cities hurried to bookstores to purchase the works of Comrade Stalin and writings devoted to his life and teachings. On March 7, more than 4,000 copies of Stalin's works were sold by the central Hsinhua Bookstore alone. Such publications as well as portraits of Comrade Stalin were soon completely sold out. To meet the pressing demand, the People's Publishing House has hastened the printing of fifteen of Stalin's most famous writings. To enable Party members and government workers to deepen their understanding of Comrade Stalin's genius, his teachings and immortal deeds and strengthen the unbreakable friendship between the Soviet and Chinese peoples, the regular political

theoretical study by all government cadres has been suspended from March 12 to 25 so that the important documents written in memory of Comrade Stalin can be studied.

### Nation-wide Mourning

On March 9 the people of China, simultaneously with people of the Soviet Union, with those of the People's Democracies and upright people throughout the world, bade farewell to their beloved leader and teacher Stalin. In accordance with the instructions given by the Central Committee of the Communist Party of China, the Central People's Government and the National Committee of the C.P.P.C.C., at the hour when the funeral ceremony was being conducted in Moscow, all factories, mines, trains and steamers in China sounded their sirens. Tens of millions of Chinese people wherever the signals could be heard or the radio reach observed a solemn five-minute silence.

On this day over 600,000 people attended the memorial meeting in Peking's Tien An Men Square at which Chairman Mao Tse-tung laid a wreath before the portrait of Comrade Stalin. At that same moment, memorial meetings were being held in over 2,000 other cities and towns. In Shanghai over 800,000 people participated in the memorial meeting at which Vice-Chairman Soong Ching Ling laid a wreath made by herself before Stalin's portrait. Over 700,000 people attended the memorial meeting held in Tientsin; 400,000 in Harbin; 460,000 in Canton; 300,000 in Nanking.

### Grief Into Strength

Today the Chinese people have turned grief into strength—the strength to build a new world, to vigilantly defend the peaceful achievements of mankind and the lasting peace of the world.

In those unforgettable days the people of China saw clearly the path ahead: strengthen unity with the Soviet Union, learn from Stalin! Inspired to rally still closer to the cause of Stalin, many have applied to join the Communist Party, or the New Democratic Youth League. A young worker of the Shihchingshan Works on the outskirts of Peking, Meng Hsien-chung, said, "In my room, I have a poster showing Stalin,

pencil in hand, standing before a plan of one of the giant Soviet construction projects. Last night as I looked at it, I saw clearer what it meant. I thought of the rapid progress we too are making in industry and in every side of our life, and what enormous help Stalin has given us! Stalin has given all his life for us workers, for the working people of the world!" That evening, both the Party and Youth League organisations of the Works called a meeting. Workers pledged to finish repairs on the blast furnace in thirty-four instead of fifty-four days; to save five days on the repairs to the boilers. In front of the portrait of Stalin draped with a black mourning band, these workers of China solemnly took an oath to strengthen their unity with the Soviet people for the safeguarding of world peace. That dedication in the name of Stalin was shared by the millions of China's workers.

Workers in the Heng Yuan Cotton Yarn Mill in Tientsin, gathered before the portrait of Comrade Stalin, pledged: "We shall always remain in close unity with our elder brothers of the Soviet Union, in following the will of Comrade Stalin and working for the complete realisation of Communism."

On the night of March 7, Yi Mei, a woman worker of the Kweiyang Cotton Yarn Mill, with a white rosette of sorrow on her breast, broke the factory record for spinning cotton yarn. Workers of the Nanking Engineering Works, bearing the symbol of their sorrow in the black armbands on their sleeves, doubled their average daily production on March 6.

In bidding farewell to Comrade Stalin, common sorrow united the Chinese people in a great act of rededication to the cause of the people he served so selflessly to the end. It was a mighty demonstration of solidarity with the whole great world camp of democracy and peace headed by the Soviet Union. It was a solemn warning to the instigators of war that the friendship between the Chinese and Soviet peoples, founded on the rock of proletarian internationalism, is unbreakable; that the great Chinese people are boundlessly devoted to the socialist land, the land of Stalin, whose victorious development is the basic guarantee of mankind's further progress.

# FAREWELL TO STALIN

## THE MEMORIAL MEETING IN PEKING

### Our Correspondent

ONCE more the people of Peking are filing into Tien An Men Square. They do not carry flags, portraits, or symbols of their achievements. Their ranks are sombre and their faces grave with sorrow. In the Square which has witnessed so many celebrations of the victories and achievements of the new China, the people have come together to honour the memory of J. V. Stalin, the dearest friend and greatest teacher of the Chinese people.

It is not the usual Tien An Men that we have come to under this grey, sad sky. This is not the Square of National Day or May Day. The festive colours are absent. Today there are no decorations to its grandeur. A black banner stretches right across the ramparts of the Tien An Men Gate with a simple inscription in white:

### COMRADE STALIN IS IMMORTAL.

Below, the flags of China and the Soviet Union and red flags of silk with black mourning streamers flank the portrait of the great Marxist and teacher of the world's working people.

More than ten thousand wreaths sent by people from all walks of life cover the reviewing stands usually reserved for guests during the celebrations of national events.

It is quiet in the Square. So quiet that one can hardly believe that there are hundreds of thousands of people already gathered here: workers from Peking's factories; railwaymen; peasants from outlying farms; representatives of the national minorities; soldiers, sailors and airmen of the People's Liberation Army; government employees; teachers and students; industrialists and businessmen; housewives and

yet many more. Over six hundred thousand persons have come to honour the memory of Stalin. They overflow into the wide avenue to the east and west of the Square, forming solid columns several miles long.

We mourn not only because a giant among men has departed from us. It is for something more than that. For the Chinese people, this moment of grief is the sadness of a son for the loss of his father. To the Young Pioneer in the Square, to the woman whose eyes are dark with the anguish of bereavement, to the man standing silent with face set in stern lines, the name of Stalin means something especial and dear. For who can forget that the genius of Stalin guided the Communist Party of China along the path of victory and gave new life to the suffering millions?

No one will ever forget. Of the many thousands here today, each has had his experience. The worker, peasant, P.L.A. man, intellectual, national industrialist—each has seen the turn for the better in his life. Each in his own world of activity has come to the truth that Marxism-Leninism is all-conquering, bringing life and happiness to millions of the oppressed. So they have come to say good-bye to Stalin who showed them the road to peace and freedom.

There are no tears today. They have been shed and done with. Resolution has taken the place of the first shock of grief. As fire forges steel, so the loss of their beloved Stalin has bound the people closer together. We can feel it in Tien An Men today. There is an acute sense of oneness, a sense of close kinship with the Soviet people, with the whole of progressive mankind. In workshops, in suburban



Flanked by the national flags of China and the Soviet Union, the portrait of J. V. Stalin stands over the gate of Tien An Men. Below it are wreaths sent by the Central Committee of the Chinese Communist Party, the National Committee of the Chinese People's Political Consultative Conference and the Central People's Government

farms, in army units, in schools, in lane committees, the people have already pledged to carry on the grand tradition bequeathed by Stalin; to rally ever more closely around the Communist Party and to stand in close unity with the Soviet people.

There is a tenseness, a poignancy of the occasion that grips the Square—from a full hour before the ceremony begins to the end when the band plays the revolutionary anthem—*The Internationale*.

At 4:50 p.m. Chairman Mao arrives together with Soviet Ambassador Panyushkin, Chu Teh, Li Chi-shen, Kao Kang and other representatives of all the democratic parties, the government and popular organisations. At 5:00 p.m. the guns fire a twenty-eight-salvo salute that heralds the five minutes' silence.

All China is quiet. At this moment, in every city and village, on every train and steamer, all are standing in silent and sorrow-

full tribute to Stalin. At this moment, the Soviet people are laying to rest their beloved leader and teacher. In Moscow, in Peking, in countries where the people have taken power into their own hands, in lands where the oppressed still strive for liberation and peace, all the thoughts and emotions of the working people have mingled and merged into one, in bidding a revolutionary farewell to the guiding light of mankind.

When Chairman Mao lays the wreath at the foot of the portrait, he is paying the tribute of the whole nation to a man who will live forever in the hearts of the Chinese people. "Mankind's great star has fallen," says Chu Teh, Secretary of the Communist Party, Vice-Chairman of the Central People's Government and Commander-in-Chief of the People's Liberation Army, when he delivers his funeral oration. "It is our conviction that under the common banner of Lenin and Stalin the united strength of the Chinese and Soviet peoples is invincible. Our common cause is sure to advance from victory to victory."

Unity. Steeled unity around the Communist Party; unity of the Chinese and Soviet peoples and victory in the common cause. That is the meaning of the demonstration. And the speakers today, who represent all shades of opinion and all classes, magnify and stress this meaning. After Chu Teh they are: Li Chi-shen, Chairman of the Revolutionary Committee of the Kuomintang and Vice-Chairman of the Central People's Government; Chang Lan, Chairman of the China Democratic League and Vice-Chairman of the Central People's Government; Huang Yen-pei, Chairman of the Democratic National Construction Association (a party of industrialists and businessmen) and Vice-Premier; Chen Shu-tung, Vice-Chairman of the National Committee of the People's Political Consultative Conference; Wu Yu-chang, Vice-President of the Sino-Soviet Friendship Association; Lai Jo-yu, General Secretary of the All-China Federation of Labour; Hu Yao-pang, member of the Secretariat of the New Democratic Youth League; and Hsu Kuang-ping, Vice-Chairman of the All-China Democratic Women's Federation.

"We, the people of China," says Chen Shu-tung, "under the leadership of our great leader Chairman Mao Tse-tung and under the guidance of the Chinese Communist Party, pledge to...struggle shoulder to shoulder with all the peace-loving peoples of the world headed by the Soviet Union for the defence of world peace and for the construction of our great Motherland."

And Lai Jo-yu says, "The Chinese working class fully recognises that the Communist Party of the Soviet Union and the U.S.S.R. created by Lenin and Stalin is ever invincible. It is always the banner of the world's working class and progressive mankind and the powerful bastion of world peace." He pledges that the workers of China will stand even more closely with the Soviet people and learn from the Soviet Union.

The meeting marks the nation's calm confidence in the future. "We must transform grief into strength—the strength of unity, the strength for construction, the strength to deal blows to all aggressors and saboteurs," says Huang Yen-pei.

"We, the youth of China," says Hu Yao-pang, "shall adhere to Comrade Mao Tse-tung's call to strengthen, along with the rest of the Chinese people, our confidence in and support for the Communist Party of the Soviet Union and the U.S.S.R., strengthen the great friendship between the youth of China and the Soviet Union, consolidate the world camp of peace and democracy headed by the Soviet Union, heighten our vigilance, redouble our efforts and deal blows to the war provocateurs."

Hsu Kuang-ping, on behalf of China's women, pays tribute to J. V. Stalin. "We women," she says, "must further strengthen the unbreakable solidarity between the women of the Soviet Union and China, and steadfastly struggle for the construction of our great Motherland in support of the construction of Communism, in which the great Soviet Union is now engaged, and in safeguarding peace and security in the world."

"May the everlasting friendship and unbreakable alliance between the Soviet Union and China, bequeathed by Joseph Vissarionovich Stalin, dear teacher and great leader of us all, become still more consolidated daily!" says Soviet Ambassador Panyushkin.

The last strains of *The Internationale* have been played, and the crowds are now leaving the great Square. They leave silently as they came, but with a renewed determination to complete the work of Stalin.

The Chinese people have said their farewell to J. V. Stalin. Armed with the immortal classics of his teachings and the precious legacy of his experience, they will, under the leadership of Mao Tse-tung and the Communist Party of China, build a modern, socialist China. In bidding farewell to Stalin, they know that they stand today in indestructible unity with the great bulwark of peace—the U.S.S.R.—the socialist land that Stalin created, a unity that welds the thoughts and aspirations of Moscow and Peking into one mighty force. It is a close friendship that guarantees peace and happiness for mankind. No power can stop the two peoples in their onward march.

# China's 1953 Budget

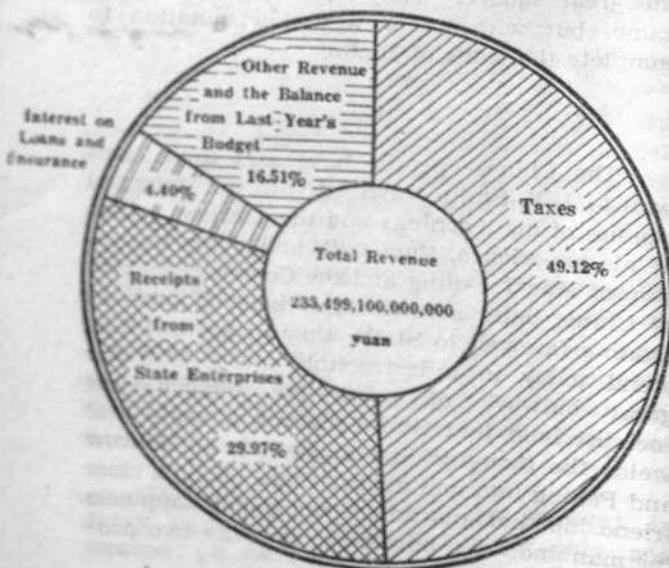
The budget shows how the material and cultural life of the people is cared for by a government of their own choosing.

## Ke Chia-lung

NEW China's budget for 1953 submitted by Po I-po, Minister of Finance, and approved by the Central People's Government Council on February 12\*, summarises China's financial and economic progress during the last three years. It vividly forecasts the further development of the national economy and the steady improvement in the people's material and cultural life.

These achievements have been made even while a successful struggle has been waged to resist U.S. aggression and to aid Korea.

### TOTAL REVENUE IN 1953



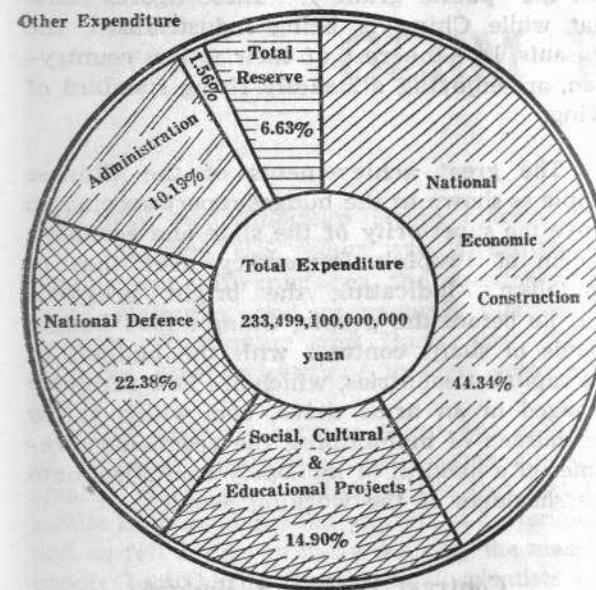
The budget shows, Minister Po I-po stated, that, "firstly, our finances are built on sound foundations and steadily progressing; secondly, our state budget is a budget of production, a budget of construction; thirdly, the 1953 budget shows that our country has entered a new stage of large-scale and planned economic construction which is centred round the development of industry, first and foremost, heavy industry."

The new stage of economic construction which began this year has become possible because of the impressive achievements in rehabilitation since the founding of the Chinese People's Republic in 1949. Industrial and agricultural production has, generally speaking, regained or surpassed the pre-liberation peak levels. This has enabled the state to expand production further, to increase social wealth, strengthen the national defences and improve the people's living standards. In a short period sufficient capital has been accumulated to launch China's first five-year plan in 1953.

The growth of the national economy is seen in the tremendous increase in both revenue and expenditure. Taking the revenue and expenditure in 1950 as 100 in each case, revenue in 1953 will be 336.29 and expenditure 342.97. This growth of the state budget resulting from the expansion of production and the increase in the national income coupled with the existence of an estimated surplus of

\* The text of Minister Po I-po's report is printed as a supplement to this issue.

### TOTAL EXPENDITURE IN 1953



more than 30,000,000 million yuan left over from the 1952 budget and the complete balance of this year's budget, is evidence of the soundness and steady progress of the country's finances.

### Budget of Peaceful Construction

New China's budgets have aimed in every possible way at fostering economic and cultural progress while at the same time meeting the requirements of national defence. In the budget for 1953, the sum allocated for economic, social, cultural and educational development totals 138,335,100 million yuan or 59.24 per cent of the total expenditure. The appropriations for economic construction alone are 103,527,600 million yuan (44.34 per cent of the total expenditure), while 22.38 per cent of the total expenditure or 52,253,700 million yuan will be spent on national defence.

Under the general heading of economic construction, the allocation for which shows a 41.68 per cent increase compared with 1952, industry enjoys priority; it accounts for 20.4 per cent of the total expenditure; agriculture, forestry and water conservancy account for 5.04 per cent; railways, communications, post and

telecommunications, 6.36 per cent; trade and banking, 1.92 per cent; and other construction projects, 10.62 per cent. As these figures show, the budget this year emphasises production and construction.

The huge 1953 appropriations for economic development, especially for heavy industry and capital construction, will speed up China's industrialisation. Compared with 1952, there will be the following increases in investment in various fields: the heavy and machine-building industry (in which investment is heaviest), 47.31 per cent; the fuel industry, 84.56 per cent; geological prospecting and surveying, 611.46 per cent; the building industry, 204.14 per cent; railways, 88.93 per cent; agriculture, 61.44 per cent; and forestry, 128.38 per cent. In making appropriations, the guiding principle has been to concentrate funds for the development of those industries which are of key significance.

In the current year many major plants will be built, renovated or expanded in the iron and steel industry, in non-ferrous metals, in chemicals and in machine-building. There will be many more new or reconstructed coal mines, oil fields and power plants. The People's Government will greatly extend geological prospecting and surveying, expand the building industry, build eleven new railway lines of which more than 600 kilometres will be opened to traffic in 1953, continue the various water conservancy projects, prepare plans for the complete control of the Han and Yellow Rivers and continue the expansion of irrigated acreage.

### Consumers' Goods and Culture

The budget shows how the material and cultural life of the people is cared for by a government of their own choosing. Further advances will be made in agriculture in 1953, with the aim of raising grain output to about 175 million tons, or by 9 per cent; and cotton to about 1,500,000 tons, or by 16 per cent, as compared with the previous year. There will also be adequate development in light industry. The output of cotton yarn, for instance, will be increased by 9 per cent; cotton cloth, by 16 per cent; paper, by 6 per cent; and sugar,

by 23 per cent above the levels of 1952. At the same time 14.9 per cent of this year's expenditure will be spent on social services, culture and education, which will be 12,475,000 million yuan more than in 1952.

That this is essentially a budget of peaceful construction is shown by the fact that the appropriations for economic and cultural development, together with the greater part of the budget reserves which will be spent under these heads, will amount to over 60 per cent of the total expenditure.

### Main Source of Revenue

Minister Po I-po's report on the budget shows that an ever bigger share of revenue is produced by the creative labour of the working class, by the state enterprises which are raising production and labour productivity, reducing their costs and increasing their profits. Profits and taxes paid by state enterprises and taxes paid by the co-operatives constitute 59.79 per cent of the total revenue. This compares favourably with 1950, when this source accounted for only 34.08 per cent of the budget of that year. It is a striking illustration of how the leading role in the national economy is being played by its state-owned (socialist) sector.

Meanwhile, private industry and commerce have also made tremendous progress. It must be remembered that the larger proportion of light industry and commerce is in the hands of private capital. All private enterprises beneficial to the nation's welfare and the people's livelihood will continue to develop this year. Minister Po I-po stated that it would still be an important part of state policy to correctly develop the active role of such private enterprises.

### Peasants' Burden Lightened

Another item in the report which merits special attention is the relatively smaller share made by rural taxes as a source of revenue. Though constituting 80 per cent of China's population, the peasants

17.08 in 1952; and it will be 14.56 in 1953 (of which 10.99 is derived from the agricultural tax, the "public grain"). These figures show that while China is being industrialised, the peasants, like the rest of their fellow countrymen, are enjoying a steadily rising standard of living.

The great achievements of the Chinese people as shown in the budget report once again prove the superiority of the state and economic system of People's Democracy over that of capitalism. Indicating the bright prospects that lie before the people, China's 1953 budget stands in sharp contrast with the budgets of the capitalist countries, which are now furiously engaged in an arms drive, and which throw the burden of maintaining the reactionary regimes of a handful of monopoly capitalists onto the shoulders of the working people.

### Contrast With U.S. Budget

For instance, 48.5 per cent of the income of the U.S. budget for the fiscal year 1952-53 comes from direct taxation of the individual. The U.S. Government has allocated 74 per cent of its total expenditure, amounting to U.S. \$58,200 million, to direct military spending. As far as peaceful construction is concerned, Minister of Finance Po I-po cited the striking fact that the U.S. Government spent less than \$5 million on water conservancy during the past eight years. This is a miserly one-hundred-thousandth of the total U.S. expenditure for the same period and less than 1 per cent of the more than U.S. \$550 million allocated by the People's Government of China for water conservancy in the period 1950-53!

In the short three and a half years since the founding of the People's Republic of China, the speed and breadth of its development in every sphere has rejoiced its friends and confounded its enemies. Year after year sees New Democratic China advancing steadily towards a better life for the people along the path of industrialisation blazed by the Soviet Union. These remarkable advances guarantee that the tasks set by the budget for 1953 will be fulfilled.

# High U.S. Officers Expose GERM WAR PLAN

Alan Winnington

WHEN two American senior officers fully exposed U.S. plans and directives for waging war with microbes, the question which faced statesmen and propaganda planners in London, Washington and Paris was: "How long can America continue to deny germ warfare?"

This was not because there was any lack of evidence previously, but—germs are very small. Washington relied on the fact that the public in general are not experts in bacteriology and so felt secure in flatly denying the massive proofs brought by international scientists and lawyers, thousands of witnesses, foreign correspondents and captured U.S. pilots who had taken part in germ war, as well as evidence on the ground, germ bomb casings and laboratory samples.

### Orders From the Pentagon

The evidence of Colonel Frank Schwable and Major Roy Bley is in a different class.\* These two men, the Chief of Staff and the Ordnance Officer of the important 1st Marine Aircraft Wing, laid bare the inside story of germ war: how it was ordered by the Pentagon; how those orders were transmitted to the lower organisations; and how it was carried into effect. It was the source of this new evidence of germ warfare that caused panic in the capitals of America and her allies.

Colonel Schwable and Major Bley, each in their different ways responsible for vital aspects of America's germ war plan, stated in separate and independent written depositions:

In October 1951, the U.S. Joint Chiefs of Staff sent a directive to General Ridgway in Tokyo ordering large-scale germ war;

This directive was passed on verbally to the lower echelons, including General

Everest, then commanding the 5th Air Force, and to the Commander of the 19th Bomb Wing in Okinawa, base for B-29's; The germ bomb programme was started by the B-29's, in November, 1951, followed by B-26's and then by fighter-bombers, including aircraft of the 1st Marine Aircraft Wing;

In May, 1952, in an effort to stop supplies reaching the front, germ warfare was expanded and a "contamination belt" set up across the waist of Korea above the capital. The dropping of cholera on the left flank of this belt was the task of the Marines;

Intense efforts were made to preserve secrecy, especially from their own personnel. Security was "a matter of national policy, not just military security."

No one can read the signed statements of these two men, and in particular Schwable's description of the germ-war conference that took place in the Wing Headquarters on May 25, 1952, and still retain any doubts of the authenticity of the facts which they disclose.

### Mark Clark's Admission

But naturally, in line with the "national policy" of denying germ warfare, the American authorities have tried to cast whatever doubts they can upon the evidence of these two officers. General Mark Clark, Commander of America's "U.N." forces, spearheaded the denials with, in fact, one of the most amazing admissions of this whole affair.

Although his statement carefully avoided any reference to the actual facts disclosed by Schwable and Bley, Clark admitted that the men exist, that they were in a position to make these charges and most probably had done so. Clark firm in the belief that all facts can be anti-Red



Colonel Frank H. Schwable (right) with Alan Winnington, special correspondent of the London "Daily Worker," discussing the U.S. Air Force strategic plan and operations in waging bacteriological warfare in Korea

minds. They take ordinary decent family men, good citizens, and try to force them to do things which are against their own consciences and against the will of the American public. They coerce them with threats of court-martial into blindly carrying out a "national policy" which is against the desire and the best interests of the American nation. The Mark Clarks of the world cannot understand that really loyal men are loyal to their people, not just to their superiors.

When such men are captured, they are already opposed to the manner of American fighting. Then they find out that the Chinese and Korean people are also plain folk who want peace and treat their prisoners generously, as thinking human beings. In the end they decide that their larger loyalty to the American people and to humanity requires that they expose germ warfare and thus take a hand in ending it.

#### Government Deceived Them

So Schwable writes in his somewhat pedantic military manner of a long-time career officer: "...every officer when first informed that the United States is using bacteriological warfare in Korea is both shocked and ashamed.... For these officers to come to Korea and find that their own government has so completely deceived them by still proclaiming to the world that it is not using bacteriological warfare, makes them question mentally all the other things that the government proclaims about warfare in general and in Korea specifically."

Such words leave no doubt of Colonel Schwable's feelings, and Major Bley is even more outspoken. Their statements have the inimitable ring of truth and authority, and the facts that they disclose are too damning for the Americans even to try to reply with anything but an umbrella denial—continuing their "national policy" of maintaining the "fiction," as General Jerome put it in the May 25 germ war conference, that germ war is not going on.

But for ordinary people who will read the statements of Schwable and Bley, they are profoundly convincing documents as well as being historic signposts pointing the dangerous road on which America is leading her "allies."

question by alleging that the men made these statements as a result of "mind-annihilating" methods.

The evidence of Schwable and Bley, lucid and exactly dovetailing with all the known facts of U.S. germ warfare since its inception, is its own answer to Clark. No one who reads them can doubt that the men who made these statements were "in the know" and in full control of their minds and, in addition, bitter at having been the tools of Washington's policy of secret microbe war.

On the occasions that I met these men, they have confirmed and enlarged on their statements. Their living conditions are excellent and they have plenty of novels and other reading matter. Bley worries about putting on weight. Both men are ordinary Americans, with American prejudices and believing in the reality of the "American way." This is their weakness from Clark's point of view. For it is the U.S. authorities who are annihilating men's

## China Celebrates Soviet Army Day

Our Correspondent

**S**OVIENT Army Day on February 23 was widely celebrated in China. Highlighting the celebrations in honour of the 35th anniversary of the founding of the Soviet Army, a Chinese government delegation led by Premier Chou En-lai paid a visit on February 22 to Soviet troops garrisoning the Port Arthur area and presented them with medals of Sino-Soviet friendship and a banner autographed by Chairman Mao Tse-tung.

In a speech at the ceremony the Premier said: "The enormous help given by the Soviet Army to the Chinese people in their struggle to defeat Japanese imperialism lives eternally in the hearts of the Chinese people."

Paying tribute to Stalin, the founder and commander of genius of the Soviet Army, Premier Chou recalled that the Army had annihilated the Nazi forces and delivered the peoples of Southeast Europe from the yoke of the Hitler gang. "This historic victory greatly inspired the Chinese people and the Chinese People's Liberation Army who were then engaged in a difficult and bitter struggle," he said.

Pointing out that the American aggressors are speeding up the revival of Japanese militarism with the aim of converting Japan completely into a U.S. war base and colony, Chou En-lai said: "This policy of war and aggression of the U.S. Government is seriously jeopardising the peace and security of China and the Far East."

"With the emergence of this new situation," the Premier added, "China and the Soviet Union decided on September 15, 1952, on the basis of a proposal made by the Government of the People's Republic of China, to postpone the withdrawal of Soviet troops from the jointly-used Chinese naval base of Port Arthur, as provided for in Article 2 of the Sino-Soviet Agreement on Port Arthur, until such time as a peace treaty is concluded between the People's Republic of China and Japan, and between the U.S.S.R. and Japan.

"It is common knowledge that historically the Port Arthur area was used as a beachhead by the imperialists from which they attacked Northeast China; it is a strategically important area. In the present situation the garrisoning of Soviet troops in the Port Arthur area is of first significance in checking and countering any aggressive schemes of imperialism."

Following the ceremony Premier Chou En-lai gave a party in honour of the Soviet troops. Present were A. S. Panyushkin, Soviet Ambassador to China; I. K. Morozov, Soviet Consul-General in Port Arthur; officers and representatives of the Soviet troops and many others.

In the evening the Soviet troops were entertained at concerts, dramas, song and dance performances by five ensembles which accompanied the Chinese Government Delegation to Port Arthur.

At forums held in the various P.L.A. units marking the occasion, armymen pledged to learn from advanced Soviet military science and improve the P.L.A. in every respect. In his message of greetings to Marshal Vassilevsky, Chu Teh, Commander-in-Chief of the P.L.A., said:

"The Chinese People's Liberation Army is systematically learning from Soviet military science.... It is endeavoring to build itself up into a completely modernised army to safeguard the security of its Motherland and preserve world peace together with the Soviet people and the people of all other lands...."

In all major cities celebration meetings under the auspices of the Sino-Soviet Friendship Association were held in honour of the anniversary. The Chinese press gave prominence to the news of the celebrations. "The power and might of the Soviet Army," wrote the *People's Daily*, "is for the benefit not only of the Soviet Union but also of the whole of mankind."

# The Rosenberg Frame-up: Widespread Protest in China

THROUGHOUT China as throughout the world, the demand is rising that the young American couple, Julius and Ethel Rosenberg, be freed from the death-cell where they were sent by a U.S. federal court on a framed-up charge of "conspiracy" to sell atomic secrets.

More and more prominent individuals and organisations of labour, women, youth, artists, scientists and religious denominations etc., are adding their letters and telegrams to the steady stream of protests flowing to Washington.

The Rosenberg case has stirred the conscience of decent public opinion throughout the world. Parents of two children, the couple were tried in March, 1951, and sentenced to death on faked evidence.

The palpable nature of the fraud perpetrated by the U.S. Government has aroused protests against the unjust sentence from every section of opinion in the U.S. as elsewhere in the world. Dr. Urey, well-known atomic physicist and Nobel Prize winner, a person by no means in sympathy with the progressive views of the condemned couple, has expressed his doubts about the case and pleaded for a reconsideration of the sentence. Many have pointed out that in the one hundred and seventy years' history of the United States, no one accused of spying has been sentenced to death in peace time.

## Worthless Evidence

An examination of the available documents has led Dr. Mei Ju-ao, a leading jurist and a former judge of the Far East International Military Tribunal, to declare:

The U.S. Government all along failed to produce any conclusive or direct evidence. The evidence on which the court relied is merely the "testimony" of David Greenglass, Rosenberg's brother-in-law, and the "evidence" of some professional stool-pigeons hired by the Federal Bureau of Investigation. Such evidence is worthless even when viewed in the light of U.S. traditions of legal evidence.

Yuan Han-ching, the well-known scientist and Deputy Secretary-General of the All-China

Association for the Dissemination of Scientific and Technical Knowledge, in appealing to American scientists to act on the Rosenbergs' behalf, recalls the fact that the so-called "atomic secrets" the Rosenbergs were alleged to have divulged were already common knowledge.

Yet Truman and now Eisenhower after him have refused clemency for the Rosenbergs.

As Shen Chun-ju, President of the Supreme People's Court and a vice-president of the International Association of Democratic Lawyers, writes, the conviction is "a most brutal violation of the most elementary principles of law."

Among the organisations which have issued public protests to the U.S. Government are the Chinese People's Institute of Foreign Affairs, the All-China Federations of Labour, of Democratic Women, of Democratic Youth, of Students, and of Literary and Art Circles and the China Peace Committee. Christian churches and religious associations throughout the country have expressed their horror of the sentence as being "intolerable to the Christian conscience." Twenty-three Chinese Christian leaders including Wu Yao-tsung, P. Lindel Tsen, Wu Yi-fang, Y. C. Tu and Z. T. Kaung have in addition issued a joint statement protesting against the U.S. Government's "evil act of using false evidence and publicly conspiring to commit murder."

Trade union branches, women's groups, newspaper reading groups and other popular organisations are passing resolutions demanding freedom for the Rosenbergs. Mrs. Chang Fu, a Peking housewife and mother of seven children, spoke for the common people of China when she said: "My heart aches for them. It reminds me of the nightmare days under the Japanese and the Chiang Kai-shek traitors. They killed innocent, good people at random then also—called them 'political criminals' just as the U.S. Government is doing now."

—L. H.

People's China

# IN THE NEWS

## Chairman Mao's Works Abroad

A hundred thousand copies of Mao Tse-tung's writings translated into the Hungarian language have been sold in Hungary. These include a collection of Mao Tse-tung's essays and speeches, the essays *On Practice* and *On Contradiction* and the first volume of the *Selected Works of Mao Tse-tung*. Preparations are being made to publish the second, third and fourth volumes of the *Selected Works*.

In Burma, twenty-four Chinese books have been translated into Burmese since 1949. Translations of Mao Tse-tung's works include *On New Democracy*, *On People's Democratic Dictatorship*, *Addresses at the Yen-an Round-table Discussion on Literature and Art*, *On Coalition Government*, *On Practice* and *On Contradiction*.

Other translations include Liu Shao-chi's *On the Party* and *How to Be a Good Communist*, Chou En-lai's *Fight for the Consolidation and Development of the People's Victory* and other important documents such as the Trade Union Law and the Agrarian Reform Law.

## Power Industry

New power plants will be built this year. The Electrical Administration Bureau of the Ministry of Fuel Industry announced recently that the amount of funds allocated for expanding the power industry this year will be five times more than in 1952. Emphasis will be placed, however, on the full utilisation of existing plants. It is estimated that the present installations can raise the output of electricity one-fifth above last year's.

## NE Industry Output Increase

According to the preliminary plans in the Northeast, the total output of state industries will be 23% above that of last year. In 1953,

local state enterprises will raise their output by 40% over 1952. The 1952 output will be surpassed in all main industrial items: pig iron by 11%, steel ingots by 25%, steel products by 32% and power by 44%.

## New Steel Records

Workers of the State Taiyuan Steel Plant, Shansi Province, have established a national record by reducing to 3 hours and 59 minutes the time taken to produce one heat of steel.

The same plant has succeeded in mass producing 0.3-millimetre thick sheets of silicon steel in its newly commissioned steel-sheet shop. Mass production of better quality steel sheets started in November last year, and output has steadily increased.

## Harbour Charges Reduced

Port dues in China's five major harbours of Dairen, Tientsin, Tsingtao, Shanghai and Canton have been reduced by an average of 45% as from February 21.

Under the Kuomintang regime there were over 170 port dues. Now there are only pilotage, harbour dues, loading and unloading charges, berthing charges, warehousing charges and service charges.

## CHRONICLE OF EVENTS

February 19

The Chairman of the Kwangtung Provincial People's Government, Yeh Chien-ying, protests to the Hongkong British authorities against their seizure of the Chinese fishing vessel the "Yuchiung."

February 22

The Hsinhua News Agency releases the full text of the signed depositions made by prisoners of war Colonel Frank H. Schwable, Chief of Staff of the U.S. First Marine Aircraft Wing,

and by Major Roy H. Bley, Ordnance Officer of the U.S. First Marine Aircraft Wing, disclosing the strategic plan for bacteriological warfare in Korea of the U.S. high command.

February 23

The 35th anniversary of the Soviet Army Day is honoured in China.

Hsinhua reports the people's forces in Korea inflicted heavy losses on the U.S. 25th and 40th Divisions and puppet Syngman Rhee's 7th Division in the past four months. Over 8,000 enemy troops were wiped out, and over 50 enemy planes were shot down.

The Korean-Chinese truce talks delegation protests against the killing of one P.O.W. on February 18 and of another on February 20 on Koje Island.

February 24

A Non-Trading Credit Agreement is signed in Peking between China and the Mongolian People's Republic.

The Canton Military Control Committee of the Chinese People's Liberation Army requisitioned in the public interest of China certain property of the British firm Butterfield and Swire in Canton.

February 25

The 1953 National Football Championship opens in Shanghai.

February 28

The Korean-Chinese truce talks delegation protests against the killing of three P.O.W.'s and injuring of four P.O.W.'s by the U.S. side between February 21-25.

The Korean-Chinese truce talks delegation also protests against the intrusion of U.S. military aircraft into the conference area on February 26.

Members of the Taiwan Democratic Self-Government League in Peking commemorate the 6th anniversary of the February 28th Uprising of Taiwan patriots against the Kuomintang rule.

March 1

The Central People's Government promulgates the Electoral Law for the All-China People's Congress and the people's congresses of all levels.

Radio telegraph services between Peking and Karachi start.

March 3

Regular postal services begin between China and Viet-Nam.

March 5

Hsinhua reports another 15 P.O.W.'s were killed and injured by the U.S. side between February 28 and March 3.

COMPLEMENTARY COPY

# RADIO PEKING

ENGLISH LANGUAGE BROADCASTS

NEW SCHEDULE BEGINNING MARCH 1, 1953

Greenwich Mean Time	Frequencies (kc/s)	Metre Band
09:00-09:30 hours	640	468.7
	700	428.57
	6100	49.1
	7500	40
	9040	33.1
	10260	29.24
	11690	25.66
	15060	19.92
13:30-14:00 & 22:30-23:00 hours	15170	19.77
	700	428.57
	11690	25.66
	15060	19.92

## NEW FACTS

on

# U.S. GERM WARFARE IN KOREA AND CHINA

DEPOSITIONS BY COLONEL FRANK H. SCHWABLE,  
FORMER CHIEF OF STAFF OF THE 1ST MARINE  
AIRCRAFT WING, AND MAJOR ROY H. BLEY,  
FORMER ORDNANCE OFFICER OF THE 1ST MARINE  
AIRCRAFT WING, U. S. MARINE CORPS

Supplement to "People's China"

March 16, 1953

# DEPOSITIONS BY COLONEL FRANK H. SCHWABLE, FORMER CHIEF OF STAFF OF THE 1ST MARINE AIRCRAFT WING, U.S. MARINE CORPS

## MAIN DEPOSITION OF COLONEL FRANK H. SCHWABLE

North Korea

I am Colonel Frank H. Schwable, 04429, and was Chief of Staff of the 1st Marine Aircraft Wing until shot down and captured on July 8th, 1952.

My service with the Marine Corps began in 1929 and I was designated an aviator in 1931, seeing duty in many parts of the world. Just before I came to Korea, I completed a tour of duty in the Division of Aviation at Marine Corps Headquarters.

### Directive of the Joint Chiefs of Staff

I arrived in Korea on April 10, 1952, to take over my duties as Chief of Staff of the 1st Marine Aircraft Wing. All my instructions and decisions were subject to confirmation by the Assistant Commanding General, Lamson-Scribner. Just before I assumed full responsibility for the duties of Chief of Staff, General Lamson-Scribner called me into his office to



Colonel Frank H. Schwable

March 16, 1953

talk over various problems of the Wing. During this conversation he said: "Has Binney given you all the background on the special missions run by VMF-513?" I asked him if he meant "Suprop" (our code name for bacteriological bombs) and he confirmed this. I told him I had been given all of the background by Colonel Binney.

Colonel Arthur A. Binney, the officer I relieved as Chief of Staff, had given me, as his duties required that he should, an outline of the general plan of bacteriological warfare in Korea and the details of the part played up to that time by the 1st Marine Aircraft Wing.

The general plan for bacteriological warfare in Korea was directed by the United States Joint Chiefs of Staff in October, 1951. In that month the Joint Chiefs of Staff sent a directive by hand to the Commanding General, Far East Command (at that time General Ridgeway), directing the initiation of bacteriological warfare in Korea on an initially small, experimental stage but in expanding proportions.

This directive was passed to the Commanding General, Far East Air Force, General Weyland, in Tokyo. General Weyland then called into personal conference General Everest, Commanding General of the 5th Air Force in Korea, and also the Commander of the 19th Bomb Wing at Okinawa, which unit operates directly under FEAF.

The plan that I shall now outline was gone over, the broad aspects of the problem were agreed upon and the following information was brought back to Korea by General Everest, personally and verbally, since for security purposes, it was decided not to have anything in writing on this matter in Korea and subject to possible capture.

### Objectives

The basic objective was at that time to test, under field conditions, the various elements of bacteriological warfare, and to possibly expand the field tests, at a later date, into an element of the

We print in full this and the following statements here without any editorial changes. Personal styles of spelling and punctuation have been left intact.

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regular combat operations, depending on the results obtained and the situation in Korea.

The effectiveness of the different diseases available was to be tested, especially for their spreading or epidemic qualities under various circumstances, and to test whether each disease caused a serious disruption to enemy operations and civilian routine or just minor inconveniences, or was contained completely, causing no difficulties. Various types of armament or containers were to be tried out under field conditions and various types of aircraft were to be used to test their suitability as bacteriological bomb vehicles.

Terrain types to be tested included high areas, seacoast areas, open spaces, areas enclosed by mountains, isolated areas, areas relatively adjacent to one another, large and small towns and cities, congested cities and those relatively spread out. Every possible type or combination of areas were to be tested.

These tests were to be extended over an unstated period of time but sufficient to cover all extremes of temperature found in Korea.

All possible methods of delivery were to be tested as well as tactics developed to include initially, night attack and then expanding into day attack by specialized squadrons. Various types of bombing were to be tried out and various combinations of bombing, from single planes up to and including formations of planes, were to be tried out with bacteriological bombs used in conjunction with conventional bombs.

Enemy reactions were particularly to be tested or observed by any means available to ascertain what his counter-measures would be, what propaganda steps he would take, and to what extent his military operations would be affected by this type of warfare.

Security measures were to be thoroughly tested—both friendly and enemy. On the friendly side, all possible steps were to be taken to confine knowledge of the use of this weapon and to control information on the subject. On the enemy side, every possible means was to be used to deceive the enemy and prevent his actual proof that the weapon was being used.

Finally, if the situation warranted, while continuing the experimental phase of bacteriological warfare according to the Joint Chiefs of Staff directive, it might be expanded to become a part of the military or tactical effort in Korea.

### Initial Stage

The B-29's from Okinawa began using bacteriological bombs in November, 1951, covering targets all over North Korea in what might be called random

bombing. One night the target might be in North east Korea and the next night in north west Korea. Their bacteriological bomb operations were conducted in combination with normal night armed reconnaissance as a measure of economy and security.

Early in January, 1952, General Schilt, then Commanding General of the 1st Marine Aircraft Wing, was called to 5th Air Force Headquarters in Seoul, where General Everest told him of the directive issued by the Joint Chiefs of Staff and ordered him to have VMF-513—Marine Night Fighter Squadron 513 of Marine Aircraft Group 33 of the 1st Marine Aircraft Wing—participate in the bacteriological warfare program. VMF-513 was based on K-8, the Air Force base at Kunsan of the 3rd Bomb Wing, whose B-26's had already begun bacteriological operations. VMF-513 was to be serviced by the 3rd Bomb Wing.

While all Marine Aircraft (combat types) shore based in Korea operate directly under the 5th Air Force, with the 1st Marine Aircraft Wing being kept informed of their activities, when a new or continuing program is being initiated, the 5th Air Force normally has initially informed the Wing as a matter of courtesy.

Towards the end of January, 1952, Marine night fighters of 513 squadron, operating as single planes on night armed reconnaissance, and carrying bacteriological bombs, shared targets with the B-26's covering the lower half of North Korea with the greatest emphasis on the western portion. Squadron 513 coordinated with the 3rd Bomb Wing on all these missions, using F7F aircraft (Tiger Cats) because of their twin engine safety.

K-8 (Kunsan) offered the advantage of take off directly over the water, in the event of engine failure, and both the safety and security of over water flights to enemy territory.

For security reasons, no information on the types of bacteria being used was given to the 1st Marine Aircraft Wing.

In March, 1952, General Schilt was again called to 5th Air Force Headquarters and verbally directed by General Everest to prepare Marine Photographic Squadron One (VMJ-1 squadron) of Marine Aircraft Group 33, to enter the program. VMJ-1 based at K-3, Marine Aircraft Group-33's base at Pohang, Korea, was to use F2H-2P photographic reconnaissance aircraft (Banshees).

The missions would be intermittent and combined with normal photographic missions and would be scheduled by 5th Air Force in separate, Top Secret orders.

The Banshees were brought into the program because of their specialized operations, equipment,

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### Director of the Joint Chiefs of Staff

I arrived in Korea on April 10, 1952, to take over my duties as Chief of Staff of the 1st Marine Aircraft Wing. All my instructions and decisions were subject to confirmation by the Assistant Commanding General, Lamson-Scribner. Just before I assumed full responsibility for the duties of Chief of Staff, General Lamson-Scribner called me into his office to talk over various problems of the Wing. During this conversation he said: "Has Benny given you all the background on the special missions run by VMF-513? I called him if he meant 'Supprop' (our code name for

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he reported to me that Colonel Gayin was both horrified and stupefied and said he'd like to "turn in his unit". Everyone felt like that when they first heard of it, and their reactions on what might well be expected from a fair minded, self respecting nation of people.

Tactically, this type of weapon is totally unwarranted—it is not even a Marine Corps weapon—morally it is damnation itself; administratively and logistically so planned for use, it is hopeless; and from the point of view of self respect and loyalty, it is shameful.

F. H. Schwable, 04429  
Colonel, U.S.M.C.  
6 December, 1952

Page 21 F.H.S.

### Two facsimiles of excerpts from the main deposition of Colonel Frank H. Schwable

facilities and isolated area of operations at K-3. They could penetrate further into North Korea as far as enemy counter-action is concerned and worked in two-plane sections involving a minimum of crews and disturbance of normal missions. They could also try out bombing from high altitudes in horizontal flight in conjunction with photographic runs.

During March, 1952, the Banshees of Marine Photographic Squadron One commenced bacteriological operations, continuing and expanding the bacteriological bombing of North Korean towns, always combining these operations with normal photographic missions. Only a minimum of bomb supplies were kept on hand to reduce storage problems and the 5th Air Force sent a team of two officers and several men to K-3 (Pohang) to instruct the Marine specialists in handling the bombs.

The Navy's part in the program was with the F9F's (Panthers), AD's (Skyraiders) and standard F2H's (Banshees), as distinct from the photographic configuration, using carriers off the east coast of Korea.

March 16, 1953

The Air Force had also expanded its own operations to include squadrons of different type aircraft, with different methods and tactics of employing bacteriological warfare.

This was the situation up to my arrival in Korea. Subsequent thereto, the following main events took place.

### Operational Stage

During the latter part of May, 1952, the new Commanding General of the 1st Marine Aircraft Wing, General Jerome, was called to the 5th Air Force Headquarters and given a directive for expanding bacteriological operations. The directive was given personally and verbally by the new Commanding General of the 5th Air Force, General Barcus.

On the following day, May 25th, General Jerome outlined the new stage of bacteriological operations to the Wing staff at a meeting in his office at which I was present in my capacity as Chief of Staff.

The other staff members of the 1st Marine Aircraft Wing present were: General Lamson-Scribner, As-

sistant Commanding General; Colonel Stage, Intelligence officer (G-2); Colonel Wendt, Operations officer (G-3) and Colonel Clark, Logistics officer (G-4).

The directive from General Barcus, transmitted to and discussed by us that morning, was as follows:

A contamination belt was to be established across Korea in an effort to make the interdiction program effective in stopping enemy supplies from reaching the front lines. The Marines would take the left flank of this belt, to include the two cities of Sinanju and Kunuri and the area between and around them. The remainder of the belt would be handled by the Air Force in the center and the Navy in the east or right flank.

Marine Squadron 513 would be diverted from its random targets to this concentrated target, operating from K-8 (Kunsan), still serviced by the 3rd Bomb Wing using F7F's (Tiger Cats) because of their twin engine safety. The squadron was short of these aircraft but more were promised.

The responsibility for contaminating the left flank and maintaining the contamination was assigned to the commander of Squadron 513 and the schedule of operations left to the squadron's discretion, subject to the limitations that:

The initial contamination of the area was to be completed as soon as possible and the area must then be recontaminated or replenished, at periods not to exceed 10 days.

Aircraft engaged on these missions would be given a standard night armed reconnaissance mission, usually in the Haeju peninsula. On the way to the target, however, these planes would go via Sinanju or Kunuri, drop their bacteriological bombs and then complete their normal missions. This would add to the security and interfere least with normal missions.

Reports on this program of maintaining the contamination belt would go direct to 5th Air Force, reporting normal mission number so-and-so had been completed "via Sinanju" or "via Kunuri" and stating how many "Super-Propaganda" bombs had been dropped.

Squadron 513 was directed to make a more accurate "truck count" at night than had been customary in order to determine or detect any significant change in the flow of traffic through its operating area.

General Barcus also directed that Marine Aircraft Group 12 of the 1st Marine Aircraft Wing was to prepare to enter the bacteriological program. First the AD's (Skyraiders) and then the F4U's (Corsairs) were to take part in the expanded program, initially, however, only as substitutes for the F7F's. When called upon, these planes were to fly out of K-6, their base at Pyongtaek, Korea, and bomb up at K-8, the Air Force base at Kunsan. Later, if formations were

involved with special bombs, planes could then rendezvous with the remainder of their formations on the way to the target. This was to delay as long as possible, the need of establishing a bacteriological bomb supply at K-6.

General Jerome further reported that 5th Air Force required Marine Photographic Squadron One to continue their current bacteriological operations, operating from K-3 (Pohang). At the same time, Marine Aircraft Group-33 at K-3 was placed on a standby, last resort, basis. Owing to the distance of K-3 from the target area, large scale participation in the program by Marine Aircraft Group 33 was not desired. Because the F9F's (Panthers) would only be used in an emergency, no special bomb supply would be established over and above that need to supply the photographic reconnaissance aircraft. Bombs could be brought up from Ulsan in a few hours if necessary.

These plans and the ramifications thereof were discussed at General Jerome's conference and arrangements made to transmit the directive to the officers concerned with carrying out the new program.

It was decided that Col. Wendt would initially transmit this information to the commanders concerned and that details could be discussed by the cognizant staff officers as soon as they were worked out.

### 1st MAW's Operations

Marine Night Fighter Squadron-513.

The next day then, 26 May, Colonel Wendt held a conference with the Commanding Officer of Squadron 513 and, I believe, the K-8 Air Base Commander and the Commanding Officer of the 3rd Bomb Wing and discussed the various details.

The personnel of the 5th Air Force were already cognizant of the plan, having been directly informed by 5th Air Force Headquarters.

Since the plan constituted, for Squadron 513, merely a change of target and additional responsibility to maintain their own schedule of contamination of their area, there were no real problems to be solved.

During the first week of June, Squadron 513 started operations on the concentrated contamination belt, using cholera bombs. (The plan given to General Jerome indicated that at a later, unspecified date—depending on the results obtained, or lack of results—yellow fever and then typhus in that order would probably be tried out in the contamination belt.)

Squadron 513 operated in this manner throughout June and during the first week in July that I was with the Wing, without any incidents of an unusual nature.

An average of five aircraft a night normally covered the main supply routes along the western

coast of Korea up to the Chong Chon River but with emphasis on the area from Pyongyang southwards. They diverted as necessary to Sinanju or Kunuri and the area between in order to maintain the 10-day bacteriological replenishment cycle.

We estimated that if each airplane carried two bacteriological bombs, two good nights were ample to cover both Sinanju and Kunuri and a third night would cover the area around and between these cities.

About the middle of June, as best I remember, the squadron received a modification to the plan from the 5th Air Force via the 3rd Bomb Wing. This new directive included an area of about 10 miles surrounding the two principal cities in the squadron's schedule, with particular emphasis on towns or hamlets on the lines of supply and any by-pass roads.

Marine Aircraft Group-12.

Colonel Wendt later held a conference at K-6 (Pyongtaek) at which were present the Commanding officer, Colonel Gaylor, the Executive officer and the Operations officer of Marine Aircraft Group 12. Colonel Wendt informed them that they were to make preparations to take part in the bacteriological operations and to work out security problems which would become serious if they got into daylight operations and had to bomb up at their own base, K-6. They were to inform the squadron commanders concerned but only the absolute barest number of additional personnel, and were to have a list of a limited number of hand-picked pilots ready to be used on short notice. Colonel Wendt informed them that an Air Force team would soon be provided to assist with logistic problems, this team actually arriving the last week in June.

Before my capture on July 8th, both the AD's (Skyraiders) and the F4U's (Corsairs) of Marine Aircraft Group-12 had participated in very small numbers, once or twice, in daylight bacteriological operations as a part of regular scheduled, normal, day missions, bombing up at K-8 (Kunsan) and rendezvousing with the rest of the formation on the way to the target. These missions were directed at small towns in western Korea along the main road leading south from Kunuri and were a part of the normal interdiction program.

Marine Aircraft Group-33.

Colonel Wendt passed the plan for the Wing's participation in bacteriological operations to Colonel Condon, Commanding Officer of Marine Aircraft Group 33, on approximately 27-28 May.

Since the Panthers (F9F's) at the Group's base at Pohang would only be used as last resort aircraft, it was left to Colonel Condon's discretion as to just what personnel he would pass the information on to, but it was to be an absolute minimum.

During the time I was with the Wing, none of these aircraft had been scheduled for bacteriological missions though the photographic reconnaissance planes of the Group's VMJ-1 squadron continued their missions from that base.

### Scheduling and Security

Security was far the most pressing problem affecting the 1st Marine Aircraft Wing, since the operational phase of bacteriological warfare, as well as other type combat operations, is controlled by the 5th Air Force.

Absolutely nothing could appear in writing on the subject. The word "bacteria" was not to be mentioned in any circumstances in Korea, except initially to identify "Super Propaganda" or "Suprop."

Apart from the routine replenishment operations of Squadron 513, which required no scheduling, bacteriological missions were scheduled by separate, Top Secret, mission orders (or "FRAG" Orders). These stated only to include "Super Propaganda" or "Suprop" on mission number so-and-so of the routine, secret "FRAG" order for the day's operations.

Mission reports went back the same way, by separate, Top Secret despatch, stating the number of "Suprop" bombs dropped on a specifically numbered mission.

Other than this, Squadron 513 reported their bacteriological missions by adding "via Kunuri" or "via Sinanju" to their normal mission reports.

Every means was taken to deceive the enemy and to deny knowledge of these operations from friendly personnel, the latter being most important since 300 to 400 men of the Wing are rotated back to the United States each month.

Orders were issued that bacteriological bombs were only to be dropped in conjunction with ordinary bombs or napalm, to give the attack the appearance of a normal attack against enemy supply lines. For added security over enemy territory, a napalm bomb was to remain on the aircraft until after the release of the bacteriological bombs so that if the aircraft crashed it would almost certainly burn and destroy evidence.

All officers were prohibited from discussing the subject except officially and behind closed doors. Every briefing was to emphasize that this was not only a military secret, but a matter of national policy.

I personally have never once heard the subject mentioned or even referred to outside of the office, and I ate all of my meals in the Commanding General's small private mess where many classified matters were discussed.

### Assessment of Results

In the Wing, our consensus of opinions was that results of these bacteriological operations could

not be accurately assessed. Routine methods of assessment are by (presumably) spies, by questioning POW's, by watching the nightly truck count very carefully to observe deviations from the normal traffic, and by observing public announcements of Korean and Chinese authorities, upon which very heavy dependence was placed, since it was felt that no large epidemic could occur without news leaking out to the outside world and that these authorities would, therefore, announce it themselves. Information from the above sources is correlated at the Commander-in-Chief, Far East level in Tokyo but the overall assessment of results is not passed down to the Wing level, hence the Wing was not completely aware of the results.

When I took over from Colonel Binney, I asked him for results or reactions up to date and he specifically said, "Not worth a damn".

No one that I know of has indicated that the results are anywhere near commensurate with the effort, danger and dishonesty involved, although the Korean and Chinese authorities have made quite a public report of early bacteriological bomb efforts. The sum total of results known to me are that they are disappointing and no good.

### Personal Reactions

I do not say the following in defense of anyone, myself included, I merely report as an absolutely direct observation that every officer when first informed that the United States is using bacteriological warfare in Korea is both shocked and ashamed. I believe, without exception, we come to Korea as officers loyal to our people and government and believing what we have always been told about bac-

## SECOND DEPOSITION OF COLONEL FRANK H. SCHWABLE

North Korea

### General Jerome's Conference

Brigadier General Jerome, Commanding General, 1st Marine Aircraft Wing, called a conference of staff officers of the Wing on 25 May, 1952. This was on the day after General Barcus, Commanding General, 5th Air Force, had directed General Jerome to extend the bacteriological warfare conducted by the 1st Marine Aircraft Wing into its operational stage.

This conference was held behind closed doors in the Commanding General's office at Wing Headquar-

teriological warfare—that it is being developed only for use in retaliation in a Third World War.

For these officers to come to Korea and find that their own government has so completely deceived them by still proclaiming to the world that it is not using bacteriological warfare, makes them question mentally all the other things that the government proclaims about warfare in general and in Korea specifically.

None of us believes that bacteriological warfare has any place in war, since of all the weapons devised bacteriological bombs alone have as their primary objective casualties among masses of civilians—and that is utterly wrong in anybody's conscience. The spreading of disease is unpredictable and there may be no limits to a fully developed epidemic. Additionally, there is the awfully sneaky, unfair sort of feeling dealing with a weapon used surreptitiously against an unarmed and unwarned people.

I remember specifically asking Colonel Wendt what were Colonel Gaylor's reactions, when he was first informed and he reported to me that Colonel Gaylor was both horrified and stupified and said he'd like to "turn in his suit". Everyone felt like that when they first heard of it, and their reactions are what might well be expected from a fair minded, self respecting nation of people.

Tactically, this type of weapon is totally unwarranted—it is not even a Marine Corps weapon—morally it is damnation itself; administratively and logistically as planned for use, it is hopeless; and from the point of view of self respect and loyalty, it is shameful.

*F. H. Schwable, 04429  
Colonel, U.S.M.C.  
6 December, 1952*

ters. No notes were taken nor written material involved and discussion was in moderate tones of voice. Present, in addition to General Jerome, were: Brigadier General Lamson-Scribner, Assistant Commanding General; myself, Chief of Staff; Colonel Stage, Intelligence Officer; Colonel Wendt, Operations Officer and Colonel Clark, Logistics Officer.

The conference was extremely informal. As I have said, no notes were taken, but the following is a substantially correct account of what took place as best I remember it seven months later.

General Jerome opened by saying: "Yesterday I talked for some time with General Barcus, with only

Colonel Mason [5th Air Force Operations Officer] present. What I have to tell you will shock you as it did me; nevertheless we have to continue to carry out 5th Air Force orders while shore based in Korea."

He then checked whether everyone present was familiar with the current bacteriological warfare program of "Super Propaganda" (or "Suprop") bombing of random targets. All hands either nodded or said, "Yes Sir," and he went on:

"You are aware that F7F's [Tiger Cats] have been carrying out a Suprop program since early this year, and that this spring our F2H's [photographic reconnaissance, Banshees] entered the program as well as certain other Air Force squadrons with which I am not familiar. The program, up to this point, has been using random bombing in an effort to cover all types of terrain features."

"Now a radical shift of operations has been directed! General Barcus stated that a contamination belt is to be established across the central part of North Korea with the 1st Marine Aircraft Wing assuming responsibility for the left flank, to include Sinanju and Kunuri, and the area around and between these cities. The Air Force will take the larger center area from Kunuri to within about 30 miles of the east coast, and the Navy will take the right flank. Gentlemen, this means we are shifting to the operational stage in this miserable kind of warfare!"

The General paused for a moment and no one uttered a word. He went on to describe the details, which went like this: "The Marine part of this program will be conducted initially by VMF 513—for them, it is actually only a shift of target, from miscellaneous bombing to bombing in a concentrated area. They have the additional responsibility of maintaining the recontamination of the area at intervals not to exceed once in every ten days.

"VMF 513 will be responsible for maintaining this schedule on their own and specific missions for this contamination program will not show up on "Frag" orders. [Frag orders are merely fragments of a complete operation order, but contain the detailed missions for individual units]. VMF 513 mission reports for these routine flights will merely report their normal night armed reconnaissance, adding the words, 'via Sinanju' or 'via Kunuri,' for those missions which include special weapons. VMF 513 is to commence these operations as soon as possible using all the normal facilities at K-8 [Air Force Base at Kunsan] as they have been doing, and coordinating as necessary with the 3rd Bomb Wing. Only twin engine F7F's [Tiger Cats] will be used and all previous safety precautions will con-

tinue in effect, like flying over water where possible and dropping Suprop bombs only in conjunction with other bombs and so on."

General Jerome continued, in effect: "That part of the program presents no particular problems. It is a shift of targets. The F2H [Banshee] aircraft will continue to be assigned intermittent missions in the program in the 'Frag' orders as in the past.

"The real problems, while not immediate, are nevertheless critical and are occasioned by the fact that this hitherto confined program will now involve the Groups, their air bases and the many personnel concerned." There was a decided stirring around by all officers present as this information of the meaning of extended bacteriological warfare hit like a bolt of lightning.

General Jerome then outlined the further arrangements needed to carry out the part of the expanded bacteriological warfare program assigned to the Wing. He said that Marine Aircraft Group Twelve had to prepare to take part with a limited number of AD's [Skyraiders] and F4U's [Corsairs] but that, until otherwise directed, these planes would only be used as substitutes for the F7F's. As to Marine Aircraft Group 33, they were to be placed on a standby basis to be called on only in an emergency as a last resort.

"For the time being," General Jerome said, "our operations will continue at night, but daylight operations are in the offing and we may be called on to include 'Suprop' bombs in daylight strikes later. In this connection, General Barcus specifically said to me: 'If the government decides to announce the use of bacteriological warfare publicly, then it will become a part of all major strikes, and will be so announced in an effort to keep workers away from repairing bomb damage through fear of entering contaminated areas.' So you can see for yourselves the possible extent of such operations and preparations necessary."

However, General Jerome went on, "I do not believe we have to worry about such large scale actions for some time and what I have outlined to you is the essence of the new program." Then he turned to Colonel Wendt and said:

"As I have pointed out, VMF 513's operations become routine with responsibility for their execution in the hands of the squadron C.O. He has been, or will be, notified of the new plan direct by 5th Air Force and warned that the 'Frag' orders will make no mention of it. However, I want you to go and see the C.O. personally and tell him that I have been informed and that, while I do not relish the program, it must be carried out as directed. Tell him that he has been given special responsibility for

seeing that the contamination of the area is maintained in the 10-day cycles, and if he runs into any trouble and needs help, he is to call on the Wing."

Still addressing Colonel Wendt, he said: "Then as soon as convenient, I want you to talk to both Gaylor and Condon so that if they get a 'Frag' order specifying 'Suprop' some day, they won't be caught short." Colonels Gaylor and Condon were the then Commanding Officers of Marine Aircraft Groups 12 and 33 respectively.

This was the main substance of General Jerome's opening remarks on the new program and they were followed by an open discussion.

General Lamson-Scribner inquired whether the program of maintaining the contamination of the area would not interfere with Squadron 513's normal night armed reconnaissance missions which were so important. Colonel Wendt said that he felt it would ease up 513's problems because formerly 513 had conducted bacteriological bombing missions all over the southern half of North Korea, clear over to the east coast at times, while still trying to maintain patrols over the Haeju Peninsula. Now, he said, although more special bombs would be involved, all the efforts of 513 would be concentrated in the south western part of North Korea and this should produce more efficient results.

Colonel Wendt estimated that, after the initial contamination by 513 squadron, if five aircraft each carried two bacteriological bombs a night, they could maintain the replenishment of the area with bacteria in about 3 or 4 nights out of each ten, leaving the remaining nights free from the bother of Suprop. Even on those nights the aircraft would only be temporarily diverted from the main routes they had to cover.

General Jerome intervened at this point to stress that General Barcus had stated that the establishment of a contamination belt across Korea "would assure the success of the interdiction program." This implied that, far from interfering with the armed reconnaissance flights, the bacteriological operations would increase the effectiveness of the total effort to stop the lines of supply.

This remark of General Barcus started a whole field of discussion by all hands in the use of bacteriological weapons in an interdiction program. If my memory is correct, I led off this discussion. Anyway, I said that the Air Force was getting pretty hard up if they had to turn to special weapons to make their interdiction program work. I expressed frankly my ideas that a contamination belt could easily be countered by a determined enemy; that it was a prostitution of a strategic weapon to use it

tactically; that it was a dreadful thing to use uncontrollable germs and sickness against large manufacturing areas in a major war, but it was even more ruthless and wanton to spread disease clear across the width of a whole country with the meager and indefinite hopes of stopping truck traffic.

Finally, I said that if we established an effective disease area, I believed the enemy would rush their supplies through with whatever safeguards they have, but with the effect that the disease might well spread to our side since an epidemic is quite impersonal as to whom it affects.

Colonel Wendt added that two large conventional bombs, in place of two Suprop bombs, on the wings of our night fighters, could do much more effective work if they could be dropped accurately on a bridge, than the whole squadron's efforts to spread disease in Korea.

Colonel Clark argued that any concentrated use of Suprop bombs in an area could only lead to complete exposure of the myth that the United States was not using bacteriological warfare. We would make liars out of ourselves and get nothing worthwhile in exchange.

Everybody started to talk at one time. It was pointed out that Marine aviation is neither organized, trained, nor equipped to use bacteriological warfare since it is not a part of amphibious operations, and that it did not, therefore, seem right that we should be required to use it here in Korea merely because we were under the operational control of the 5th Air Force temporarily. Finally General Jerome held the floor to say that he honestly felt the Air Force was desperate over the interdiction program.

Several officers added that if we had to use the stuff here, our government should admit it since through POW's, the enemy would find out soon enough. To use Korean people and towns to test bacteriological materials was bad enough, but to progress to the operational stage in a war the size of the Korean war, was simply outrageous because bacteriological warfare is a strategic weapon directed solely on human mass populations—that means mostly civilians—in an effort to stop war production, which does not apply in Korea.

It was about this point that General Jerome reminded us that we were not there to discuss the pro's and con's of using bacteriological warfare in Korea—that decision having already been made "higher up"—but we were to discuss the plan itself and the measures required of the Wing to implement it.

Then Colonel Clark asked what were the intentions regarding bomb supplies and facilities for the

AD's (Skyraiders). General Jerome reported that he had told General Barcus he would do all in his power to avoid large-scale bombing-up at K-6 (Marine Aircraft Group 12's base at Pyongtaek) and hoped that General Barcus would keep that in mind when "Frag" orders were written up. He had asked General Barcus for a trained team from the Air Force to handle the bombs initially from K-6. He said that if Marine Aircraft Group 33 was only to be used as a last resort, and was near the basic bomb supply area at Ulsan, he was not going to establish any bomb supply at their base at K-3 (Pohang) over and above that which was being used by the F2H's (Banshees).

Colonel Wendt added that if single Skyraiders were substituted for Tiger Cats at night, they would have to go to K-8 (Kunsan) for briefing anyhow and could bomb up there. Even in daylight strikes of a small number of aircraft, there would be no strain in sending them to K-8 for their bacteriological bombs and then having them rendezvous with the rest of the planes en route to the target.

General Jerome said that a very small number of Marine Aircraft Group 12's staff officers were to be made cognizant of the possibility of the Skyraiders entering the program, and a handful of specially qualified, hand picked, reliable and loyal pilots informed, so that they could participate at a moments notice without confusion. As to Marine Aircraft Group 33, he would leave it up to Colonel Condon as to whom he would inform but that the number must be small and a list of specially qualified pilots must be kept current.

Colonel Wendt asked as to whom on our own staff should know and referred particularly to the medical officer. I opposed violently letting the medical officer know on the basis that he did not have a real "need-to-know" in order for the program to function properly. I proposed that no one not present be informed without specific individual clearance by me and the Commanding General, except that both Operations Officer and Logistics Officer, but not the Intelligence Officer, should be authorized to inform the barest minimum number of officers required for efficient functioning of their own sections; that these officers must be majors and above, regulars and not reserves if at all possible and officers who had some time still to do in Korea.

This brought up the matter of security in general which we all recognized as being one of the main problems.

General Jerome said: "Tell all those involved that everybody from the top on down, including Barcus and now me, says that this is a matter of national

policy, not just military security." He reported that General Barcus had said that nothing must appear in writing on this program and that the use of the words "bacteriological or germ warfare" or similar terms, was forbidden except for initial identification with the program.

The discussion on security was long and detailed and ended by General Jerome saying that security was an "all hands' affair," that everybody was responsible and everybody had to play their part—that it was a chain of many links and one broken link could destroy the chain. Some officer pointed out that the Chinese had already claimed that the United States was using bacteriological warfare and that since the early days of its use by the B-29's, many pilots had become prisoners of war and that surely, therefore, the enemy must know by now of its use.

We all recognized this truth but, as the General pointed out, if the government chose to deny its use, we in the military had no choice other than to do our best to try to maintain this fiction. He said that, with 300 to 400 men of the Wing being rotated back to the United States each month, it was only a question of time before the truth would be known, and meanwhile, every effort was to be made to make the propaganda fiction as realistic as possible.

It was generally agreed in this instance that security, as so often is the case, was more to keep knowledge from our own people than it was to conceal facts from the enemy.

The General closed the conference with a directive summary that went about like this, as best I can remember:

Speaking to Colonel Wendt, he said: "You will see VMF 513 tomorrow and tell them that Barcus has cut me in and to go ahead at the earliest on the program. Stress security but, above all, stress the necessity of maintaining the ten-day contamination cycle because this responsibility is being passed directly to them. See Gaylor and Condon as soon afterwards as you can so that they can start thinking the problems over. Impress Gaylor with the fact that I think that his part will be a small scale effort for some time to come." To Colonel Clark he said: "You check with Gaylor and see what help he needs in getting a small bomb facility ready." His last words, addressed to Colonel Stage were: "Keep your ears and eyes wide open, security is essential."

F. H. Schwable, 04429

Colonel, U.S.M.C.

19 December, 1952

## THIRD DEPOSITION OF COLONEL FRANK H. SCHWABLE

North Korea

### Security

When the bacteriological warfare program was expanded, all security matters were reviewed at General Jerome's May 25 conference.

The one thing that was emphasized in every stage of bacteriological warfare was security and this constituted one of the major problems confronting the 1st Marine Aircraft Wing. While we had no operational authority, security is an administrative matter for which we were responsible to the 5th Air Force.

Every means possible was taken to mislead the enemy and to deny knowledge of these operations to our own personnel.

Among our own personnel, should they become curious, the aim was to create the impression that the special missions were strictly a form of highly specialized propaganda which could not be disclosed because of the loss of value if prematurely released, and because the sources had to be safeguarded.

On the enemy side, bacteriological bombs were to be dropped only in conjunction with ordinary bombs so that the specialized nature of the attack could not be detected—or if detected, could not be proved. Any evidence found on the ground would be claimed by our side to be either legitimate propaganda material or flare parachutes and cases.

At the conference on 25 May, 1952, General Jerome, assisted by General Lamson-Scribner, went over the security measures that would be enforced unless specifically modified.

Absolutely nothing was to appear in writing referring to the program in its true nature. "Bacteria", "germ", etc. were words that we were forbidden to use, as well as the type names of the diseases, except to identify them initially with the program. Official conversations substituted such words as "Super-Propaganda", "Suprop", special weapons, special bombs, special missions, etc.

Mission reports were handled in two ways:

The routine flights made by Squadron 513 after the commencement of the concentration on the contamination belt, were covered in the Squadron's normal, secret, mission reports—by despatch—reporting the targets covered, mission numbers, times, and damage assessed. Then the words would be added, "via Sinanju" or "via Kunuri", whichever was pertinent. This would convey to the proper authorities that Squadron 513 had conducted one of its reoccurring,

standard missions to maintain the bacteriological contamination in its assigned area in the 10-day cycle.

The other units, whose missions were intermittent, were scheduled by indicating "Suprop" for, say, mission number so-and-so in Top Secret orders, and would use the "Suprop" code for their reports. They would send in their standard, secret despatch stating mission numbers, type of aircraft, target coordinates, time over target, bombs dropped (conventional type) or photographic exposures made, flak encountered and any other information. Immediately after, a Top Secret despatch would also be sent to 5th Air Force by the unit reporting, which would say: "Mission number so-and-so, so many 'Suprop'." By this method they reported in code, the number of special bombs dropped on an otherwise normal mission.

Any reports of aircraft performance, tactics, etc., relative to the bacteriological program, would be reported verbally to the Operations Officer (G-3) and bomb difficulties to the Logistics Officer (G-4) who would further report verbally to the Commanding General who would then decide whether he or another appropriate staff officer would report to 5th Air Force.

Only those who absolutely needed to know about the program to ensure its efficient functioning, were to be informed. Normally a staff officer and his assistant are cognizant of all matters within their section, so that if one officer is absent, the other can attend to any pertinent matters. It was not so with this program. If the cognizant officer was absent and an urgent matter came up, the question was to be taken to the Chief of Staff, Executive Officer, Commanding Officer or other senior staff officer. The reason I opposed informing the Wing Medical officer was that the program could function without his knowing about it.

The entire subject was mentioned only in official business when it was necessary to discuss it, and then only behind closed doors and in guarded tones and terms. No "Suprop" mission was mentioned in the General's daily staff briefing.

Violations of security in this matter, like violations of security of any regulation of equal importance, were to be the subject of a general court martial.

Only twin engine aircraft were to be used until the 5th Air Force scheduled the use of AD's (Skyraiders).

Only night operations and high-altitude photographic reconnaissance flights would employ special weapons until the AD's were ordered to participate in daylight.

Flights would be made to the maximum extent over water and avoiding friendly territory, and bombs were to be jettisoned only in deep water at sea. Bombing-up would be confined to the minimum number of fields—in our case K-8 (Squadron 513's base at Kunsan) and K-3 (Marine Aircraft Group 33's base at Pohang) only, until large-scale operations were ordered from K-6 (Marine Aircraft Group 12's base at Pyongyang).

Where practicable, a napalm bomb would be carried on the attacking aircraft and retained until the bacteriological bombs were away, in order to ensure the destruction of the plane by fire, if it had to crash.

General Jerome further directed that only a very limited number of pilots in the operating units were to be involved and they should be the more senior, mature, responsible men; that they should preferably be regular officers making the service their career, and above all, must be men of unquestioned loyalty.

He also stressed that officers and men involved must be impressed with the vital nature of the security problem, its effects on national prestige and its effects on current enemy action. Pilots must be made to feel that they were a very select group, hand picked for capability and reliability. The point was emphasized to: "Forget it in Korea whenever you can, and when you go home, you never heard of it."

Pilots were to be assured of their personal safety from the effects of the materials used in order to avoid

a possible breach of security through fear of personal contamination.

For the same reason, pilots were to be given a brief summary of the general operations to date, to avoid possible breaches of security because of the moral factor if they should think they were the first ones to use this unorthodox form of warfare.

Dropping of a "Suprop" bomb on the wrong target was to be reported immediately. Pilots were to be made to feel that this was a vital responsibility—not so that disciplinary action would or could be taken, but to keep an accurate record of what areas had been contaminated.

Breaches of security were to be reported immediately and verbally. Any officer or man who appeared to be persistently curious about the propaganda program, was to be watched very carefully and reported direct to the General. Any pilot included in the program who appeared to be "breaking" in any manner, i.e. who appeared to become careless, rebellious, frightened, hesitant, etc., through combat fatigue or for any other reason, was to be removed immediately from the flight schedule and reported to the General. Any person who appeared to be acting in a suspicious or unnatural manner, was likewise to be reported to the General.

*F. H. Schwable, 04429*

*Colonel, U.S.M.C.*

*19 December, 1952*

## DEPOSITION BY MAJOR ROY H. BLEY, FORMER ORDNANCE OFFICER OF THE 1ST MARINE AIRCRAFT WING, U.S. MARINE CORPS

North Korea

I am Roy H. Bley, Major, USMC, serial number 010450, age 39, married with two children. My home is at 1333 Orange Ave, Santa Ana, California, U.S.A. For approximately 5 weeks, until I was shot down in North Korea on the 8th of July, 1952, I was Ordnance Officer on the 1st Marine Aircraft Wing Staff in Korea.

The facts which I relate about germ warfare are written by my own free will.

I arrived in K-3, Korea, on the 28th of May, 1952 and was assigned as 1st MAW Ordnance Officer on the following day, the 29th. The previous Wing Ordnance Officer had departed for the States in the early part of May, 1952, leaving the job to be handled

by a M/Sgt, McGarry, the Ordnance NCO., who had worked for him, and who had been on that job for several months.

On the night of the 2nd of June, McGarry and I were working alone in the Ordnance Section of the G-4 (Logistics) Office discussing normal, routine ordnance matters, and he briefing me on the details, problems and procedures of my job. That night he told me the main facts about germ warfare as conducted by the Wing at that time.

He reported that VMF-513, Marine Night Fighter Squadron 513 located at K-8 was dropping germ bombs for the 3rd Bomb Wing there. They had started dropping them early in 1952. The Ordnance men from VMF 513 had been trained and assisted in the

use of germ bombs by Special Weapons personnel of the 3rd Bomb Wing and the Squadron's supply of the weapons was made directly from the K-8 bomb dump, operated wholly by Air Force personnel.

Later, in March, 1952, VMJ-1, (Marine Photographic Squadron 1 of Marine Aircraft Group 33) also began dropping germ bombs. Ordnance men had been assigned to the Squadron from the Group for that specific purpose, forming a Special Weapons Unit, and had been given two weeks training prior to the Squadron's first use of the bomb by an Air Force Special Weapons team sent to their base from K-8. This team consisted of two officers and six enlisted men and had instructed the ordnance men on handling procedures, storage and security methods. Then the team had remained with the squadron for two or three weeks after the squadron had initiated its use, to supervise and continue their instructions.

The first supply of germ bombs for Squadron VMJ-1 had been ordered from the 6405th Air Support Wing of the Air Force located in Taegu, and picked up at their Ulsan Ammunition Supply Squadron (543rd) dump by the ordnance men of VMJ-1 accompanied by members of the Air Force Special Weapons team.

Security methods, especially in its first stage of use in K-3 (Marine Aircraft Group 33's base at Pohang, Korea) were very stringent. The only persons who knew of its use were some members of the Wing Staff, the Group and Squadron Commanders, pilots flying the missions, the Group Bomb Dump Officer and Ordnance men who made up the Special Weapons team and who actually handled all the transportation and did the loading of the aircraft.

The supply of the germ bombs was handled by the VMJ-1 Special Weapons Unit who went directly to the 6405th A.S.W., with a priority secret despatch.

On the morning of the 5th of June, 1952, Colonel Clark, Logistics Officer of the 1st MAW called me into his office where he was alone and asked about my progress in becoming familiar with the Ordnance job. After discussing several routine ordnance matters he hesitated for a while, shuffled through some papers on his desk, walked around his desk a couple of times and then said, "Now, Bley, for the main reason I called you in here. It's to discuss the Wing's Special Weapons project, the use of the germ bomb." After he sat down again at his desk he asked, "Has McGarry discussed it with you?" I replied that he had, briefly. He then said, "In order to bring you up to date on its use out here, I'll give you a brief history regarding its previous use."

The Air Force started dropping the bombs, upon order from their high command in Washington, in the early winter of 1951, first with the B-29's based in Okinawa, followed by the 3rd Bomb Wing's B-26's

at K-8 (Kunsan, Korea). Then fighter types were also included into the use of them too and that included Marine Squadron 513, also based at K-8.

This squadron, attached to MAG-33, using F7F (Tigercat) aircraft, was included in the project by the Air Force for these reasons: they were a night fighter squadron and could drop the bombs with a great deal of security; they were based at K-8 where the supply of bombs were available; and the Air Force high command decided that some experimentation and familiarization work by a Marine squadron would be very helpful to Marine Aviation and themselves should the germ bomb be used on an increased scale. This experimentation and familiarization would not only afford experience to flight crews but also to the ordnance men who would help the Air Force Special Weapons personnel in handling details and procedures.

Squadron 513 started using germ bombs right after the first of the year, 1952, and then Squadron VMJ-1 also was added to the program by the Air Force in March, first, because they were a utility outfit doing mostly photographic work and could drop the bombs without being suspected; second, during their normal work they covered all parts of North Korea, and third, Special Weapons personnel were available at K-3, their base, to form a nucleus of handling personnel required.

Then he paused and asked, "What do you think of the use of the germ bomb?" I said, "Sir, its not



Major Roy H. Bley

Supplement to People's China

only against my own principles but it would also certainly leave a black mark against the Marine Corps reputation." The Colonel said he didn't approve of its use either, nor did anyone else in the Wing, but we were ordered to do so by higher authority and there was nothing to do but obey our commands.

Colonel Clark then told me that General Jerome, Commanding General of the 1st Marine Aircraft Wing, had attended a conference at the 5th Air Force Headquarters during the latter part of May and a plan had been introduced to him where the 1st Marine Aircraft Wing was to participate more fully in the use of germ weapons. Then when General Jerome returned to K-3 he had called a staff meeting including the Assistant Commanding General, Lamson-Scribner; the Chief of Staff, Colonel Schwable; Intelligence Officer, Colonel Stage, to the best of my memory; Operations Officer, Colonel Wendt, and himself. General Jerome had discussed the plan in detail and had outlined the tasks and missions for the various G-sections to do. During this conference it was decided that I, as Wing Ordnance Officer due to arrive three days later, would have to be informed of the plan for I would have to handle many of the details for the Logistics Section.

Colonel Clark then pointed out that during the conference the target areas were also discussed. It was decided by JOC (Joint Operational Center) that a contamination belt was to be established deep behind the enemy lines, across the peninsula of Korea and covering the enemies' main routes of transportation.

So both of our Groups, Marine Aircraft Group 33 and Marine Aircraft Group 12, were included in the plan, Squadrons VMJ-1 and VMF-513 of MAG-33 were to continue on an increased scale, and the F9F (Panther) Squadrons of MAG-33 were to get prepared to use germ bombs and be on a stand-by status, ready should they also be ordered to drop them by JOC. The AD's (Skyraiders) of MAG-12 were to start immediately on a small scale by flying to K-8 for their supply of germ bombs and operating from there until some special dispensers arrived from the States and then they would operate on a large scale with their supply of bombs to be from the bomb dump of their own base, K-6 at Pyongtaek.

Colonel Clark then outlined several items he wanted me to accomplish for him as soon as I could.

To contact the 6405th Air Support Wing, at Taegu, and arrange for a conference with them regarding the increased usage supply of bombs at K-3 and to make arrangements for eventual supply to K-6.

To check on the storage facilities at both K-3 and K-6.

I was also to check on the security methods in the MAG-33 bomb dump where the germ bombs were stored and to have the MAG-12 Bomb Dump Officer to prepare for increased security when his supply of bombs was established. Colonel Clark stressed the fact that utmost caution was to be used in security. He stressed that nothing was to be issued from the Logistics or Ordnance sections in writing, that all instructions and supervision was to be made verbally with the exception of the required requisitions and reports. Colonel Clark's final remark, before I left his office, was, "Bley, I know this is an unpleasant assignment, but I expect you to carry out your part of the project to the best of your ability."

On the 9th of June, McGarry and I drove to see the MAG-33 Bomb Dump Officer and inspected his facilities for the germ bombs, which were satisfactory. He explained to me that the bombs were requisitioned by the Special Weapons Unit direct from the Air Force.

I advised him to make more storage space available because the usage rate was to be increased and will probably have to handle two or three times as many bombs as he previously had.

On the 13th of June I went to K-6 to inspect the MAG-12 bomb dump and to talk to the Group Ordnance Officer about his plans for his eventual storage of germ bombs there.

I asked him if he knew of the proposed use of the Special Weapon, the germ bomb, by MAG-12. He replied that he had been told of it by Colonel Gaylor, the Group Commander about 10 days before. Colonel Gaylor had told him that the supply of bombs was not to be established yet for a few weeks. Before the supply of bombs were to be handled at K-6, the Group would have to have some men trained in handling procedures. Colonel Gaylor had ordered him to select about ten men from his bomb dump crew, men who were reliable and who he considered would be able to pass a secret security classification check, but not key men in his regular bomb handling crew, and send them to K-8 where they could be given on-the-job training by the 3rd Bomb Wing. These 10 men had been sent to K-8 on the 11th of June for a period of about four weeks.

I checked on storage arrangements and security of information. I reported how Squadron VMJ-1 drew their germ bombs but said I'd have more information on that after Colonel Clark and I conferred with the Air Support Wing personnel in Taegu in a few days.

Finally I gave him instructions to go down to K-3 and see the set-up there and also to go to K-8 when he found time to see their storage methods.

On the 16th of June I flew to Taegu to confer with the 6405th Air Support Wing regarding the in-

North Korea  
I am Roy Hobley, Major USMC, serial number 010450, age 29, married with two children. My home is at 1333 Orange Ave, Santa Ana, California, U.S.A. For approximately 5 weeks, until I was shot down in North Korea on the 8th of July, 1952, I was Ordnance Officer on the 1st Marine Aircraft Wing Staff in Korea.

The facts which I relate about germ warfare are written by my own free will.

I arrived in K-3, Korea, on the 28th of May, 1952 and was assigned as 1st Lt Ordnance Officer on the following day, the 29th. The previous Wing Ordnance Officer had departed for the States in the early part of May, 1952, leaving the job to be handled by a 1st Lt, McGarry, the Ordnance NCO, who had worked for him, and who had been on that job for several months.

On the night of the 2nd of June, McGarry and I were working alone in

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Two facsimiles of excerpts from the deposition of Major Roy H. Bley

crease in supply of germ bombs to the 1st MAW. Colonel Clark was unable to come with me. The conference was held in the office of the Commanding Officer of the 6405th ASW, where I also met the Ordnance Officer.

I learned that the 6405th ASW had been supplying the germ bombs to the 3rd Bomb Wing at K-8 since December 1951, at first in small quantities and then in larger deliveries. Delivery to K-3 had commenced in March of 1952.

The Commanding Officer stated to me that Feacom (Far East Material Command) had notified him about the 1st of June that the 1st Marine Aircraft Wing was to increase its use of germ bombs at K-3 and was also to establish a germ bomb supply at K-6.

I went over all the details of requisitioning and delivery, coding, types and reports.

We agreed that Squadron VMJ-1 would continue to send their own requisitions for germ bombs until the germ bomb dump was established at K-6, and then all requisitions for both groups would be made by me from 1st MAW Headquarters. That would be around August. I passed all these decisions on to

He told me that he would be ready to establish a germ bomb facility there as soon as the team to handle them had completed their training at K-8. This would be around the 12th of July.

On this same day, July 8th, 1952, on my way back to K-3 from K-6 with Colonel Schwable, we lost our course and were shot down by ground fire behind the front lines in North Korea.

Roy H. Bley  
Major USMC, 010450  
North Korea,  
21st January, 1953.

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Colonel Clark and the other officers concerned, verbally.

On the 7th of July, Colonel Clark notified me that he was calling a conference of MAG-12 and MAG-33 Logistics and Ordnance Officers and some officers of the Special Weapons Unit of Squadron VMJ-1 to be held on the 10th of July to discuss the problems arising out of the increased use of germ bombs. Next day I made a trip to K-6 with the 1st MAW Chief of Staff, Colonel Schwable and had a preliminary talk with the Group 12 Ordnance Officer. He told me that he would be ready to establish a germ bomb facility there as soon as the team to handle them had completed their training at K-8. This would be around the 12th of July.

On this same day, July 8th, 1952, on my way back to K-3 from K-6 with Colonel Schwable, we lost our course and were shot down by ground fire behind the front lines in North Korea.

Roy H. Bley  
Major USMC, 010450  
North Korea,  
21st January, 1953.

# THE 1953 STATE BUDGET OF THE PEOPLE'S REPUBLIC OF CHINA

A Report by  
PO I-PO

Supplement to "People's China"

March 16, 1953

# THE 1953 STATE BUDGET OF THE PEOPLE'S REPUBLIC OF CHINA

A report to the twenty-third session of the Central People's  
Government Council on February 12, 1953

by Po I-po

Minister of Finance of the Central People's Government

COMRADE Chairman, Members of the Council, and  
Comrades:

I am reporting today to the twenty-third session  
of the Central People's Government Council on the  
state budget for 1953 and ask for its examination and  
approval.

Total revenue for the state budget of 1953 is  
233,499,100 million yuan. Total expenditure is 233,-  
499,100 million yuan. Revenue balances expenditure.  
Under the heading of revenue, receipts from taxes  
make up 49.12 per cent; receipts from state enter-  
prises, 29.97 per cent; from interest on loans and  
insurance, 4.4 per cent; and from other sources and  
the estimated surplus from last year's budget, 16.51  
per cent.

Under the heading of expenditure, appropriations  
for national economic construction and social, cultural  
and educational projects form 59.24 per cent. Appro-  
priations for national economic construction are 41.68  
per cent more than for 1952. Of these the principal  
items are: for the heavy and machine industries, an  
increase of 47.31 per cent; for the fuel industry, 84.56  
per cent; for geological prospecting and survey, 611.46  
per cent; for construction projects, 204.14 per cent;  
for the railways, 88.93 per cent; for agriculture, 61.44  
per cent; and for forestry, 128.38 per cent. National  
defence appropriations make up 22.38 per cent of the  
total expenditure; administration, 10.19 per cent; other  
payments, 1.56 per cent; and total reserves, 6.63 per  
cent.

struction; thirdly, the 1953 budget shows that our  
country has entered a new stage of large-scale and  
planned economic construction which is centred round  
the development of industry, first and foremost heavy  
industry. Industrialisation has been the dream of all  
the Chinese people for the past one hundred years.  
Chairman Mao Tse-tung in his work, *On Coalition  
Government*, wrote: "Without industry, there can be  
no solid national defence, no welfare of the people,  
and no prosperity and power of the nation." Now,  
step by step, the great dream is being turned into  
reality.

The new stage of economic construction beginning  
in 1953 is based on the achievements made during the  
stage of restoration of the past three years. The  
arduous struggle and complete unity of the people of  
our country in the past three years have enabled us  
to solve the serious problem of economic restoration.  
The condition of our state now is entirely different  
from its devastated, crippled condition at the time  
of its founding. Our industrial and agricultural pro-  
duction has, generally speaking, been restored to pre-  
liberation peak levels. Most items have already sur-  
passed this level or surpassed it greatly. This has  
made it possible for us to start launching the first  
five-year plan of economic construction and has laid  
a foundation for this plan.

The reason why the state of our country's finances  
is increasingly sound and steadily progressing day by  
day is that the revenue of our state budget is based  
on an increasing production and increase in the

some 60 per cent in 1953. The principal portions of our state budgetary expenditure are actually directed at developing the national economy and raising the people's material living standards and cultural level. The appropriations for national defence are also aimed at safeguarding our country's economic construction and the people's livelihood. Despite the conditions under which the state is actively building up its defences against U.S. aggression and our people are exerting themselves to strengthen the struggle to resist U.S. aggression and aid Korea, national defence accounts for only just more than 22 per cent of the total expenditure in 1953. The appropriations for economic and cultural construction plus a large part of the total reserve funds to be spent on these fields amount to more than 60 per cent of the total expenditure.

Such excellent features of our state finances emphatically prove the superiority of our state and economic system of People's Democracy. Although our state and economic system and financial situation at present lag behind those of the Soviet Union, which has already realised Socialism and is marching towards Communism, we, like the other People's Democracies, are travelling a path similar to that of the Soviet Union. The Soviet Union of today will be the new China of tomorrow.

The budgets of the capitalist countries are the very opposite of the budgets of the Soviet Union, China and other People's Democracies. They are solely in the interests of the bourgeois ruling class, and, as Comrade G. Malenkov has said, "a means by which the billionaires can rob the people." The principal source of the budgetary income in capitalist countries does not come from the appallingly huge profits of the monopoly capitalists, but from the daily declining income of the masses of poverty-stricken working people. The budgets are almost entirely devoted to maintaining the reactionary state machine which safeguards the interests of the exploiters and suppresses the resistance of the exploited to meet the requirements of the basic economic law of modern capitalism as expounded by Comrade Stalin, namely, "the securing of the maximum capitalist profit through the exploitation, ruin and impoverishment of the majority of the population of the given country, through the enslavement and systematic robbery of the peoples of other countries, especially backward countries, and, lastly, through wars and militarisation of the national economy, which are utilised for the obtaining of the highest profits."

Of the U.S. budget for the fiscal year 1952-1953, 48.5 per cent comes from direct taxation of the individual, while 74 per cent of the total expenditure amounting to U.S. \$58,000 million is for

the American people is war, mounting taxation, inflation, soaring prices, reduced real wages, poverty and unemployment.

In his State of the Union Message to Congress on January 7 this year, Truman painstakingly assembled some figures in an effort to prove that the imperialist wolves still "have a heart for the people." The U.S. Government is said to have spent "nearly" \$5 million on water conservancy in the past eight years. This is the only item of expenditure Truman mentioned in this respect. It comes to only one-hundred-thousandth of the U.S. Government's total outlay for the same period and less than 1 per cent of the total expenditure of 12,716,600 million yuan spent by the Chinese Government on water conservancy in the four years 1950-53 (over U.S. \$550 million if converted at the different rates of exchange prevailing during these years). But this ex-U.S. President had the audacity to claim in his Message that "we have demonstrated, up to now, that our democracy has not forgotten how to use the powers of the government to promote the people's welfare and security."

Is it not clear that two different worlds, two different state and economic systems, result in two diametrically opposite financial systems?

#### 1. ESTIMATES OF THE FULFILMENT OF THE 1952 STATE BUDGET

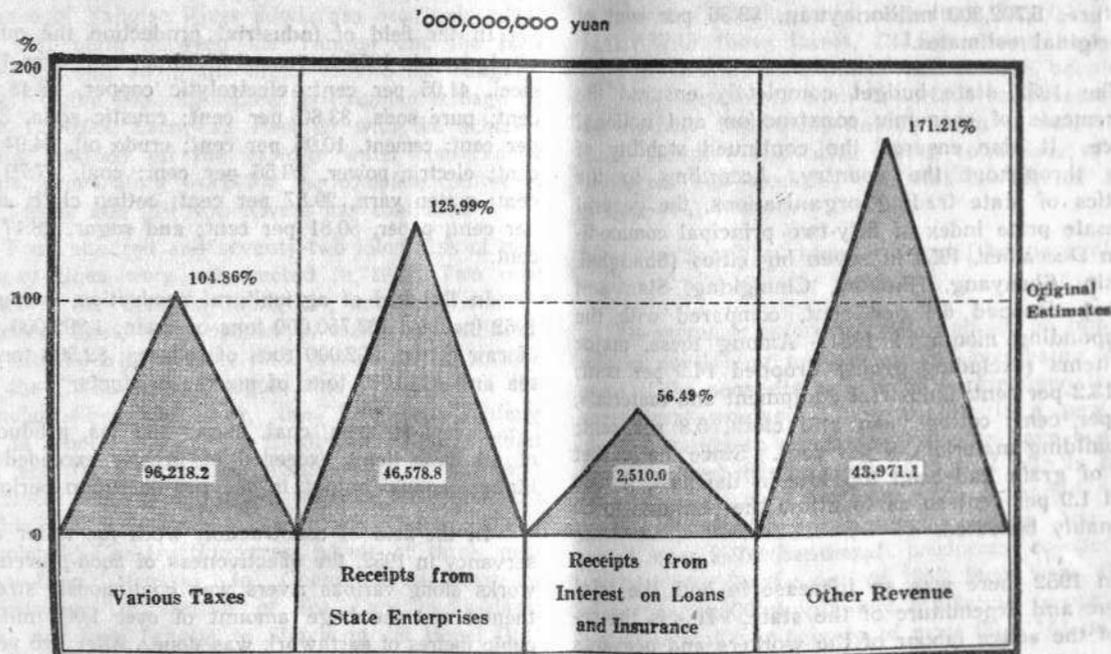
TO facilitate my explanation of how the 1953 budget was drawn up, I would like to deal briefly with estimates of the fulfilment of the 1952 budget.

It can now be affirmed that the state budget for the year 1952 was in the main very well fulfilled. Actual receipts exceeded the original estimates as well as exceeded expenditure. The budget has an estimated surplus of over 30,000,000 million yuan.

Revenue: Total receipts were 189,278,100 million yuan, 19.15 per cent above the original estimates. This includes: various taxes, 96,218,200 million yuan, 4.86 per cent above the original estimates; receipts from state enterprises, 46,578,800 million yuan, 25.99 per cent above the original estimates; receipts from interest on loans and insurance, 2,510,000 million yuan, 56.49 per cent of the original estimates; other revenue 43,971,100 million yuan, 71.21 per cent above the original estimates.

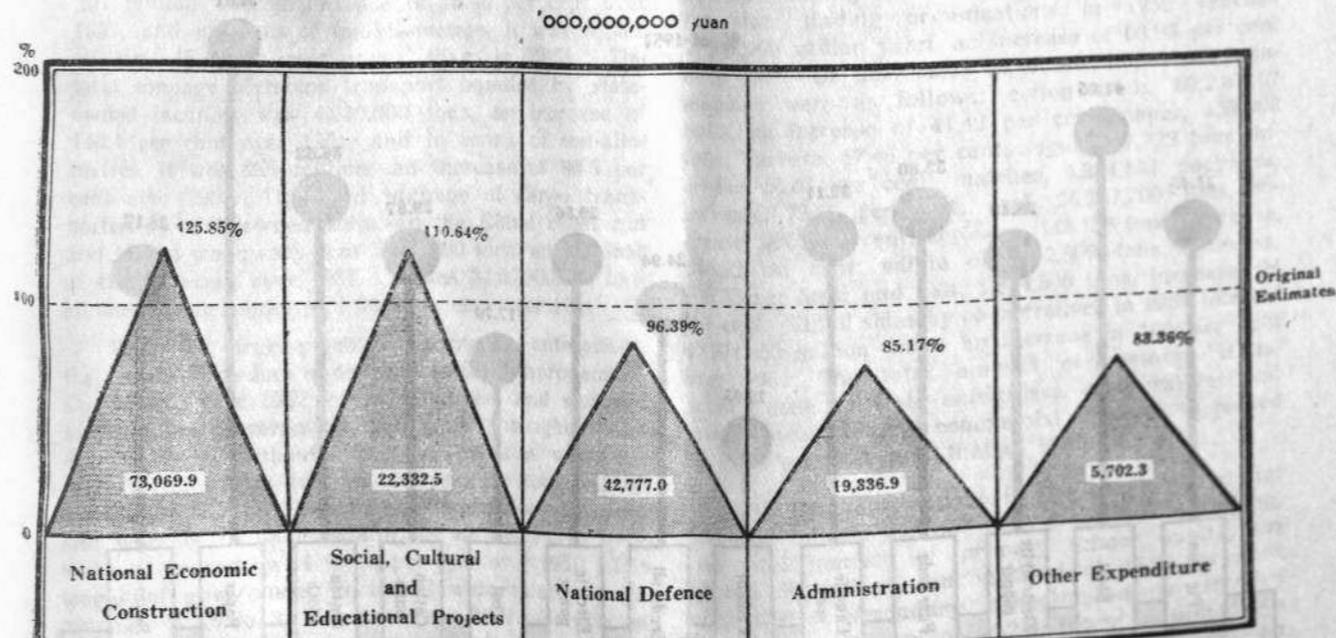
Expenditure: Total expenditure was 163,218,600 million yuan, 2.75 per cent above the original estimates. This includes: expenditure on national economic construction, 73,069,900 million yuan, 25.85 per cent above the original estimates; expenditure on social, cultural and educational projects 22,332,500 million yuan, 110.64 per cent above the original estimates; national defence, 42,777.0 million yuan, 96.39 per cent above the original estimates; administration, 19,836.9 million yuan, 85.17 per cent above the original estimates; other expenditure, 5,702.3 million yuan, 88.36 per cent above the original estimates.

## 1952 REVENUE



Total Receipts: 189,278,100 million yuan. Increase of 19.15% above original estimates

## 1952 EXPENDITURE



million yuan, 96.39 per cent of the original budget; administrative expenditure, 19,336,900 million yuan, 85.17 per cent of the original estimates; other expenditure, 5,702,300 million yuan, 83.36 per cent of the original estimates.

The 1952 state budget completely ensured the requirements of economic construction and national defence. It also ensured the continued stability of prices throughout the country. According to the statistics of state trading organisations, the general wholesale price index of fifty-two principal commodities in December, 1952 in seven big cities (Shanghai, Tientsin, Shenyang, Hankow, Chungking, Sian and Canton) dropped 6.4 per cent, compared with the corresponding month of 1951. Among these, major food items (excluding grain) dropped 14.9 per cent; fuel, 13.2 per cent; industrial equipment and materials, 12.5 per cent; cotton yarn and cloth, 0.8 per cent; and building materials, 9 per cent. Since the market price of grain had been too low in the past, it was raised 1.9 per cent so as to allow the peasants to be reasonably benefited.

In 1952 there was an increase in both the total revenue and expenditure of the state. This is the result of the active labour of the workers and peasants of our country which has brought about the new

developments that have been attained in the various economic fields and raised the level of industrial and agricultural production to greatly exceed that of 1951.

In the field of industrial production the output of pig iron in 1952 increased 31.45 per cent over 1951; steel, 41.05 per cent; electrolytic copper, 28.43 per cent; pure soda, 33.80 per cent; caustic soda, 32.11 per cent; cement, 10.95 per cent; crude oil, 24.94 per cent; electric power, 29.56 per cent; coal, 17.79 per cent; cotton yarn, 29.87 per cent; cotton cloth, 36.63 per cent; paper, 50.81 per cent; and sugar, 28.17 per cent.

In the field of agricultural production, output in 1952 included 163,750,000 tons of grain; 1,292,000 tons of raw cotton; 202,000 tons of tobacco; 82,500 tons of tea and 1,710,000 tons of marine products.

Except for iron, coal, sugar and tea, production of all these items exceeded or greatly exceeded the highest annual output in the pre-liberation period.

In the field of construction work for water conservancy in 1952, the effectiveness of flood-prevention works along various rivers was continuously strengthened and the huge amount of over 1,000 million cubic metres of earthwork was done. After two years of harnessing work, the greater part of the Huai River

area is now free from the menace of ordinary floods. The water detention project in the Chingkiang section of the Yangtse River has been completed so that the menace of Yangtse River floods has been reduced in the vast plain between the Yangtse and the Han River as well as in the areas around the Tungting Lake. China has augmented its irrigated acreage by over 1,600,000 hectares. Parallel with the achievements attained on the various water conservancy fronts, preparatory work for the complete control of the Yellow and the Han Rivers has continued.

Four hundred and seventy-two kilometres of new railway lines were constructed in 1952. Two new railways, the Chengtu-Chungking and the Tienshui-Lanchow lines, were opened to traffic. In addition, 602 kilometres of railway lines were repaired, including the Chinglingssu-Chengteh line (a section of the Chinchow-Chengteh line), the Yehposhou-Chihfeng line in Jehol Province, the Hsingshutun-Chengtsetuan line and the Niuhsintai-Tienshihfu line in Liaotung Province. The construction of the 140-kilometre double-track line between Harbin and Changchun was completed. Construction was begun of three new lines—from Tienshui to Chengtu, Lanchow to Wuhsiaoling (a section of the Lanchow-Sinkiang line) and from Fengtai to Shacheng (in Hopei Province). The construction of a railway in the forest area from Katur to the Tuli River in Inner Mongolia was also begun. Restoration of the Paochi-Tienshui line is continuing.

In 1952 China's total tonnage of rail freight was 131 million tons, an increase of 18.46 per cent over 1951, and in terms of ton-kilometres, it was 59,461 million, 15.4 per cent more than in 1951. The total tonnage of motor transport handled by state-owned facilities was 4,030,000 tons, an increase of 140.4 per cent over 1951, and in terms of ton-kilometres, it was 255 million, an increase of 89.5 per cent over 1951. The total tonnage of cargo transported by state-owned ships on the China coast run and inland waterways was 5,312,000 tons, an increase of 49.6 per cent over 1951. It was 3,960,900,000 ton-kilometres, an increase of 54.6 per cent over 1951.

With the development of economic enterprises, the people's life has undergone further improvement. During the year 1952, office employees and workers, as well as government personnel throughout the country were, without exception, given a wage increase. According to preliminary data compiled by the State Statistical Bureau, wages of office employees and workers in state enterprises in 1952 were generally increased by 11 to 36 per cent over 1951. The wages of government personnel were raised by an average of 15 to 31 per cent over 1951. This is as far as money wages are concerned. In terms of real income of the workers, the increase is much greater.

For instance, the funds spent by the state in administering labour insurance in 1952 reached more than 1,600,000 million yuan. The amount spent in building workers' housing was more than 2,860,000 million yuan. With these funds, 217,550 rooms have been built to accommodate about one million people. In addition, there have been important improvements in the medical treatment, health, cultural and recreational facilities and other living conditions of office employees and workers. All this constitutes a part of their real income.

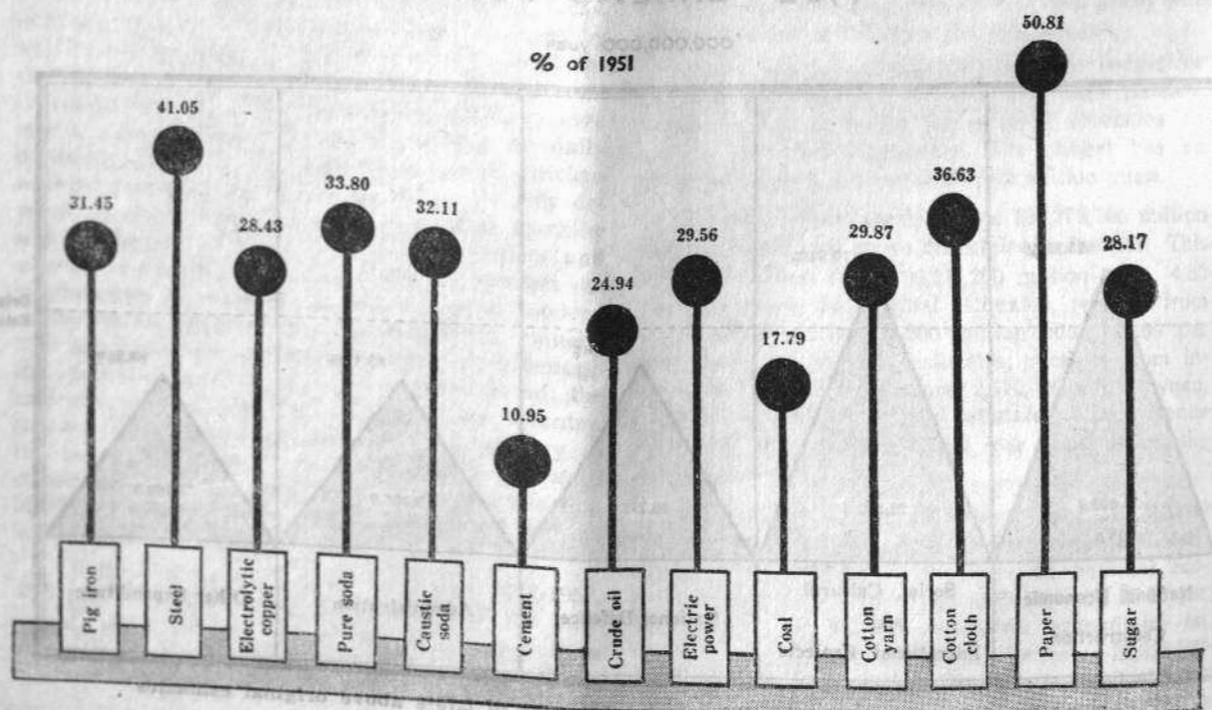
As a result of bumper crops, the peasants' income has also greatly increased.

Co-operative enterprises have played an important role in developing production and increasing the income of the peasants and other working people. The agricultural producers' co-operative is a new form of organisation in which the peasants have been further organised on the basis of mutual help in labour. In 1952, such co-operatives were expanded to approximately 4,000 in number. During the same period, over 2,600 handicraft producers' co-operatives were set up. By the end of 1952, there were already more than 34,000 supply and marketing co-operatives having a total membership of more than 141 million.

The increase in the income of workers and peasants has markedly raised their purchasing power. This is proved by the growing sales of daily necessities. According to preliminary statistics compiled by the state trading and tax agencies, the total sales of the state trading organisations in 1952 reached 91,518,000 million yuan, an increase of 60.93 per cent over 1951. Of this, sales of a few important commodities were as follows: cotton cloth, 69,216,107 bolts, an increase of 41.42 per cent; paper, 157,998 tons, increase, 47.46 per cent; sugar, 187,722 tons, increase, 55.05 per cent; matches, 4,354,831 packages, increase, 73.35 per cent; coal, 24,287,700 tons, increase, 29.63 per cent; kerosene, 145,158 tons, increase, 146.82 per cent; edible oil, 212,509 tons, increase, 103.35 per cent; and salt, 1,614,500 tons, increase, 24 per cent. Retail sales by co-operatives in 1952 totalled 49,274,900 million yuan, an increase of 160 per cent over 1951. The total amount of business transactions done by state enterprises, co-operatives and private industrial and commercial concerns increased by 39.73 per cent over that of 1951.

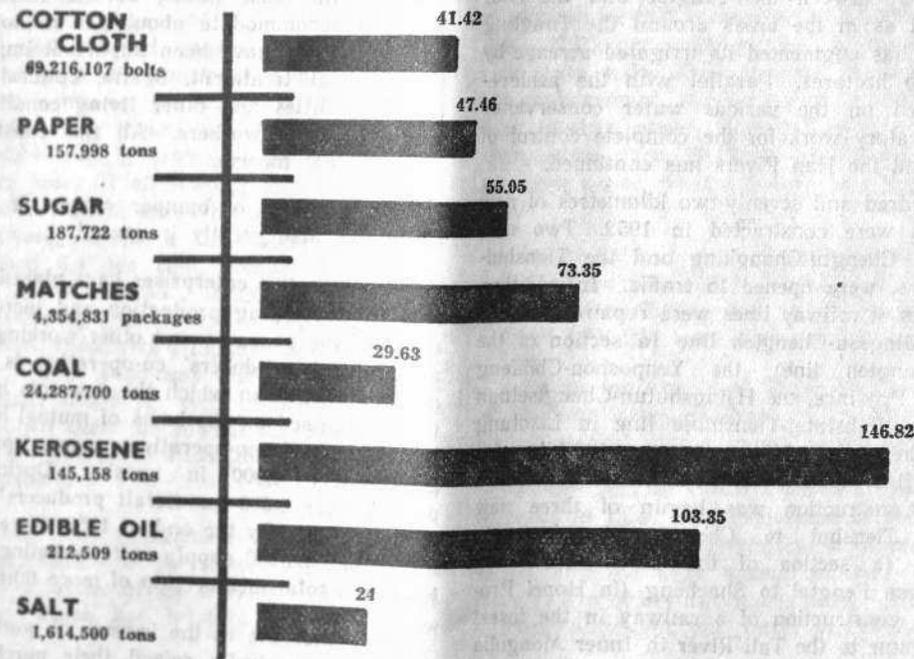
With the improvement in the people's material life, their cultural life has been gradually developing. The total number of primary school pupils has reached 50 million, an increase of 15.9 per cent over 1951. Secondary school students totalled 3,090,000, an increase of 54.2 per cent. Students in institutions of higher learning totalled 202,000, an

## INCREASE OF INDUSTRIAL OUTPUT IN 1952



## COMMODITIES SOLD IN 1952

Increase over 1951 (%)



increase of 15.3 per cent. Hospital beds throughout China totalled 142,000 in number, an increase of 38.5 per cent. Film shows drew a total audience of 650 million, an increase of 65 per cent.

TO sum up: Revenue has exceeded expenditure, the economy has been restored and developed, prices have in the main declined, and the people's material and cultural life has been raised. This shows that the financial and economic situation of the state has taken a fundamental turn for the better. This great achievement has been made on the basis of the great success of the movement to resist U.S. aggression and aid Korea, land reform, the movement to suppress counter-revolutionaries, the adjustment of industrial and commercial enterprises during these past few years and, particularly, the *san fan*\* and *wu fan*† movements and the campaign to increase

production and practise economy in 1952. This has been achieved by following Chairman Mao Tse-tung's correct leadership and by the united efforts of the people throughout China. This achievement signifies at the same time that the financial work done in 1952 was basically correct.

However, it should be pointed out that serious defects and errors still existed in the financial work of 1952. Efforts must be made to overcome and correct them in 1953.

As far as revenue is concerned the defects were primarily due to the under-estimation of industrial and commercial taxes, agricultural tax and the profits of state enterprises. This under-estimation of tax revenue was due to inadequate estimates of the developments in industry, commerce and agriculture, as well as of the possibility of smuggling and tax evasion by some industrial and commercial concerns. Under-estimation of the profits of state enterprises was due to the fact that a number of state enterprises were rather hazy about their own assets, the capacity of their equipment, their output norms and the market conditions. They lacked a proper evaluation of the initiative and creativeness of the workers. Consequently, when they fixed their production tasks, they

adopted not average advanced norms but backward norms. Nevertheless, the financial and economic organisations failed to correct these defects.

Another defect in connection with revenue is that bureaucracy and commandism have not yet been uprooted in the work of tax collection. As a result of this working style, the policy of the Communist Party and the People's Government at times could not be carried out, and it was even violated. Although the work of collecting the agricultural tax has improved year by year, there are still some problems which have not yet been solved completely. First, on the question of measuring farmland and determining the proper output, the central authorities concerned failed to investigate and sum up in time the experience acquired in different places in this work. Moreover, they failed to issue new and concrete directives in the light of the different conditions in different localities. In carrying out the task, most local authorities also failed to survey and measure farmlands in a systematic and planned way by relying on the co-operation of working teams, trained in and familiar with the technique and policy, and the peasants, thus differentiating the yield in accordance with the quality of land. Instead they adopted the method of first measuring a standard *mou* and determining its standard output and then calculating the estimated output of the surrounding farmlands. In some cases, they adopted the method of making random surveys and measurements, thereby resulting in either an over-estimation or under-estimation of the arable area and output.

Again, in some places the policy of tax reduction or exemption in accordance with the law was not accurately carried out, not being granted where reduction or exemption was due or being granted where it was not due. In some places as a result of lack of concern for the interests of the masses, collection and delivery of grain to the granaries gave rise to incidents causing death or injury to men and livestock. In other places there occurred delays in sending the public grain to the granaries after collection, thereby causing losses. Also there are places where, merely for the sake of "speed," the grain was loaded into the granary before it was dry, and no attention was paid to preserving the grain afterwards. This also caused losses.

In the work of collecting industrial and commercial taxes, there was a very great improvement in 1952. However, in some areas, in some trades, and as regards different assessment in different areas, there were cases of incorrect assessment of taxes and over- or under-charging. At the democratic discussions in which the levying of the taxes had to be decided, concerns with either too great or too small a volume of business were often chosen as typical

instead of the method of drawing up a sufficient number of categories and rates of taxation. Consequently, there occurred deviations in which taxes either too heavy or too light were imposed. In addition, after the *wu fan* movement, there were still a number of industrial and commercial concerns engaged in smuggling and tax evasion. Some even failed to put themselves right despite repeated warnings. There were also cases of smuggling and tax evasion by state enterprises. Some financial organisations either failed to take steps to prevent this state of affairs occurring or to take firm action afterwards.

In the field of expenditure the greatest weakness has been the lack of strict examination and control of budgets, so that the estimated expenditure in many organisations was not well planned, or was inaccurate and inadequate, or was drawn up but not observed. Incomplete and inaccurate planning resulted in too many supplementary budgets. Some of the items of expenditure in these supplementary budgets were difficult to foresee due to lack of experience and were therefore necessary and reasonable. But there were also many items of expenditure which were unnecessary or should have been either reduced or postponed. Some of the plans should not have been submitted or approved at all. But due to unwarranted over-eagerness or irresponsibility or just "doing someone a favour," they were submitted and approved without due consideration and then investment had to follow.

All these mistakes committed by various quarters are inseparable from bureaucracy in the leadership. From now on we must start out with severe criticism of bureaucracy and mete out punishment to the worst bureaucrats in order resolutely to overcome these mistakes.

## 2. THE 1953 STATE BUDGET

1953 is the year China begins her first five-year plan of construction. To achieve the general aim of industrialisation, we must, on the one hand, lay emphasis on the development of heavy industry and actively carry out capital construction; and, on the other hand, we must fully utilise the potential capacity of existing enterprises and try our best to increase production and practise economy so as to accumulate the capital needed for industrialisation. The 1953 state budget is in keeping with the country's situation and requirements. It is based on the indices of the 1953 national plan. It is therefore an important and militant task of the people, of every enterprise and government department throughout the country to ensure the correct realisation of the 1953 state budget.

\* Directed against corruption, waste and bureaucracy. Ed. P.C.

† Directed against bribery, tax evasion, theft of state property, cheating on government contracts and stealing state economic information. Ed. P.C.

The total revenue of the 1953 state budget comes to 233,499,100 million yuan, an increase of 23.36 per cent over 1952. The total expenditure comes to 233,499,100 million yuan, an increase of 43.06 per cent over 1952.

The 1953 state budgetary revenue falls into the following four categories:

(1) Tax revenue of all kinds amounts to 114,685,200 million yuan, or 49.12 per cent of the total revenue. Of this amount, industrial and commercial taxes of all kinds constitute 37.46 per cent; agricultural tax, 10.99 per cent; and other taxes, 0.67 per cent.

(2) Profits and funds set aside for depreciation of state enterprises and local state enterprises amount to 69,985,200 million yuan, or 29.97 per cent of the total revenue. Of this amount, state enterprises contribute 26.36 per cent and local state enterprises 3.61 per cent.

(3) Receipts from interest on loans and insurance totals 10,280,000 million yuan, or 4.4 per cent of the total revenue.

(4) Other revenue and the estimated surplus of the preceding year amount to 38,548,700 million yuan, or 16.51 per cent of the total revenue.

A comparison between the budgetary revenue of 1953 and the estimated revenue of 1952 reveals the following: revenue from taxes of all kinds will increase 19.19 per cent; receipts from state enterprises will increase 50.29 per cent; receipts from interest on loans and insurance will increase 309.56 per cent. Revenue from other sources will decrease by 12.33 per cent.

The 1953 state budgetary expenditure may be divided into the following five categories:

(1) Funds for national construction amount to 138,335,100 million yuan, or 59.24 per cent of the total expenditure. Of this amount the expenditure for national economic construction is 103,527,600 million yuan, or 44.34 per cent; the expenditure for social, cultural and educational projects totals 34,807,500 million yuan, or 14.9 per cent. Of the expenditure for national economic construction, the expenditure for industry is the major item, being 20.4 per cent of the total state expenditure. The expenditure for agriculture, forestry and water conservancy is 5.04 per cent; for railways, communications, post and telecommunications, 6.36 per cent; for trade and banking, 1.92 per cent; and for other construction projects, 10.62 per cent.

(2) The expenditure for national defence amounts to 52,253,700 million yuan, or 22.38 per cent of the total expenditure.

(3) The expenditure for administration amounts to 23,779,600 million yuan, or 10.19 per cent of the total expenditure.

(4) Other expenditure amount to 3,647,000 million yuan, or 1.56 per cent of the total expenditure.

(5) Total reserve funds come to 15,483,700 million yuan, or 6.63 per cent of the total expenditure.

A comparison between the 1953 budgetary expenditure and the estimated expenditure of 1952 is as follows: funds for national economic construction will increase 41.68 per cent; funds for social, cultural and educational projects will increase 55.86 per cent; funds for national defence will increase 22.15 per cent; and funds for administration will increase 22.98 per cent.

The following table serves to illustrate the development in China's annual financial revenue and expenditure since 1950.

(Figures for 1950 and 1951 represent actual revenue and expenditure; those for 1952 represent estimated revenue and expenditure. The figures for 1953 are budgetary figures. In 1950, 1951 and 1952, revenue was greater than expenditure, while this year revenue balances expenditure. This explains, taking 1950 as base, the lower percentage for total revenue in 1953 as compared with the percentage for total expenditure in 1953.)

	1950	1951	1952	1953
A. TOTAL REVENUE ..	100	204.63	272.60	336.29
Revenue from taxes of all kinds .....	100	165.64	196.45	234.14
Industrial and commercial taxes ..	100	195.72	230.88	292.75
Agricultural tax ..	100	113.58	134.01	134.32
Receipts from state enterprises .....	100	351.20	535.71	804.92
Receipts from interest on loans and insurance .....	100	173.43	76.61	313.78
Other revenue .....	100	291.55	518.21	454.31
B. TOTAL EXPENDITURE .....	100	174.82	239.74	342.97
National economic construction .....	100	202.29	421.01	596.49
Social, cultural and educational projects ..	100	177.91	295.70	460.89
National defence .....	100	178.99	151.30	184.81
Administration .....	100	132.93	147.25	181.08
Other expenditure ..	100	136.55	322.64	206.35

It can be seen from the above table that the total state revenue in 1953 will increase 3.36 times, and the total expenditure will increase 3.43 times over 1950. Why has it been possible for our budget

to increase in proportions so rapidly year after year? As already stated this is due to the superiority of our state system of People's Democratic Dictatorship led by the working class, based on the alliance of workers and peasants. This is due to the superiority of our economic system with the socialist economy as the leading force in the national economy. Such state and economic systems make it possible for the working class and the peasantry to develop steadily their initiative in production and to create more and more wealth. Our state organisations have direct control over state enterprises, ensure the ever-increasing output of these enterprises and exert great efforts to lead the masses of the peasants in developing production. At the same time they also lead the bourgeoisie to operate, along the proper lines, private industrial and commercial enterprises beneficial to the nation's welfare and the people's livelihood.

A most noteworthy aspect of the sources of our revenue is that the taxes paid and the profits made by the state enterprises and taxes paid by co-operatives constitute a rapidly growing proportion year after year. This is illustrated by the following table:

	1950	1951	1952	1953
Percentage of state revenue derived from tax payments and profits made by state enterprises and tax payments of co-operatives .....	34.08	49.35	56.33	59.79
Percentage of state revenue derived from taxation paid by the peasants ..	29.63	18.17	17.08	14.56
Percentage of state revenue derived from taxation paid by private industrial and commercial enterprises .....	32.92	28.66	24.06	22.36

It should be pointed out that taxes paid by private industrial and commercial concerns, with the exception of the income tax, are actually borne by the consumers, primarily the workers and peasants, and that all the profits of private industrial and commercial enterprises are, nevertheless, created by the workers and peasants. For this reason it should be the basic aim of all the economic and financial policies of China to uphold and develop the initiative of the working class and peasantry. But it should also be pointed out at the same time that all private industrial and commercial enterprises beneficial to the nation's welfare and the people's livelihood are still important to the present economic life of China. Private industrialists and businessmen also contribute their share to the state's finances. It should still be

an important policy of the state to correctly develop their active role.

The enormous increase in the financial budget of 1953, as stated above, is primarily a demonstration that China's industrial output and capital construction in industry will make outstanding developments.

In the iron and steel industry, the non-ferrous metals industry and the chemical industry, great efforts will continue to be made for the renovation or expansion of thirteen existing relatively large plants and the construction of eight new ones. The output of pig iron for 1953 will increase by 14 per cent, steel ingots by 23 per cent, copper 39 per cent, lead 49 per cent and zinc 54 per cent.

In the machine-building industry, nine new relatively large plants will be constructed in 1953, and fifteen existing ones renovated or expanded. These include machine- and heavy-machine-building plants, electric power equipment plants, automobile plants, shipyards, etc. In 1953 the output of machine tools will be increased by 34 per cent, and industrial and mining machinery by 153 per cent.

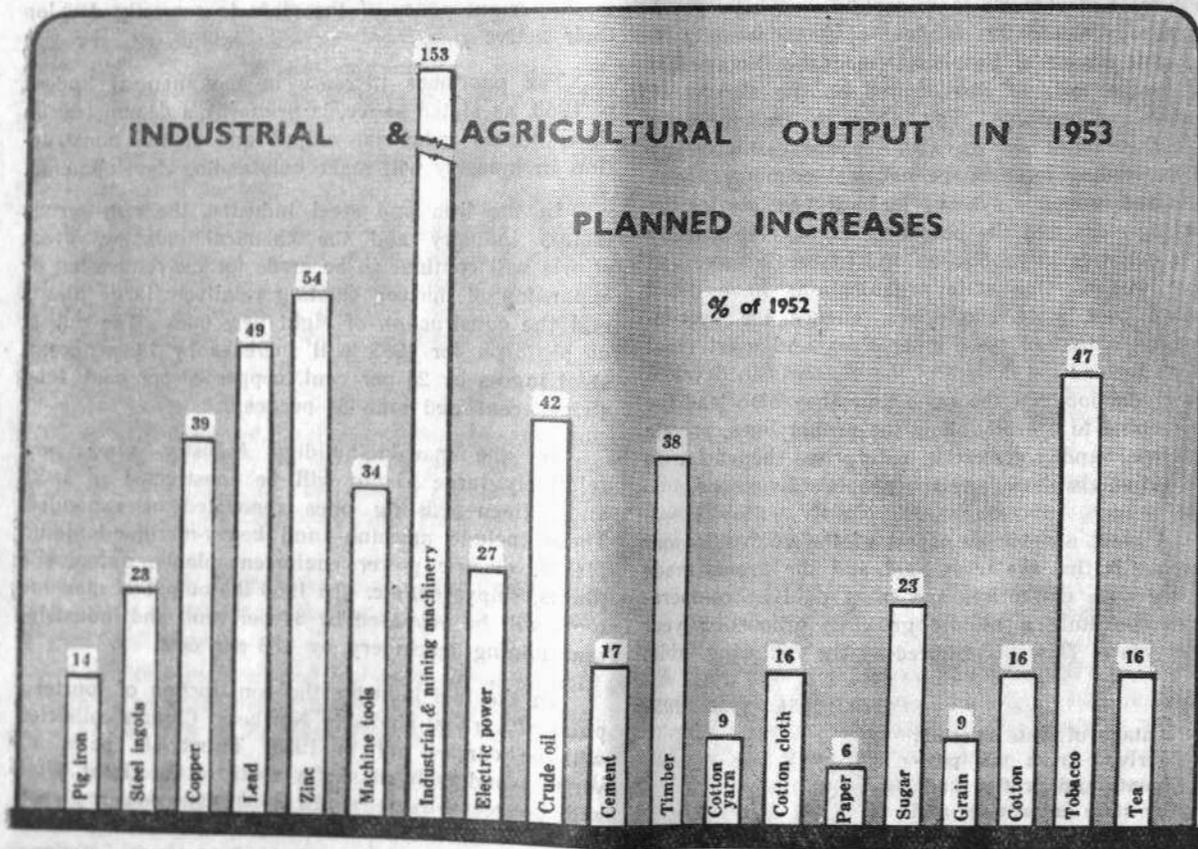
In the fuel industry the construction of fourteen pairs of vertical shafts in Northeast China's collieries will be carried out in 1953. Twenty-six pairs of vertical and inclined shafts south of the Great Wall will be reconstructed. In 1953 nine power plants will be constructed or expanded, and another three hydroelectric stations and twelve power stations expanded. The output of electric power in 1953 will increase by 27 per cent and crude oil by 42 per cent.

Geological prospecting and surveying and the building industry will be greatly expanded in 1953 to meet the needs of industrial development. The output of cement will increase by 17 per cent and timber by 38 per cent.

Production in light industry will also be appropriately developed in 1953. Cotton yarn will register an increase of 9 per cent, cotton cloth 16 per cent, paper 6 per cent, and sugar 23 per cent.

Eleven new railway lines, including those from Lanchow to Chiayukwan and from Tienshui to Chengtu, will be constructed in 1953, and more than 600 kilometres will be opened to traffic. Railway freight will be increased by 7.4 per cent, reaching 63,800 million ton-kilometres. Highway and water transport and post and telecommunications will also make further progress.

Tremendous development will be continued in agriculture for 1953. Grain output will be increased by 9 per cent, reaching some 175 million tons; cotton,



16 per cent, reaching some 1,500,000 tons; tobacco, 47 per cent; and tea, 16 per cent.

The projects for the complete control of the Huai and Yungting Rivers will be continued in 1953. Partial renovation of the Tungting Lake will be carried out, the complete control of the Liao River started and preparations made for the start of the complete control of the Han River. The preliminary draft plan for the complete control of the Yellow River will be drawn up. The expansion of irrigated acreage will also be continued.

In line with economic construction, cultural work will also be greatly expanded in 1953. The work in primary school education, limited approximately to 50 million pupils, will be concentrated on raising quality. Besides elementary education, the number of junior secondary school students, compared with 1952, will increase by 9.3 per cent, reaching 2,340,000; senior secondary school students by 48.4 per cent, reaching 370,000; students in short-term secondary schools for workers and peasants by 62 per cent, reaching 34,000; secondary technical school students by 112.9 per cent, reaching 337,000; secondary teachers' training schools by 107.4 per cent, reaching 360,000; college and university students by 108.9 per cent, reaching 220,000.

training schools by 7.4 per cent, reaching 360,000; college and university students by 8.9 per cent, reaching 220,000.

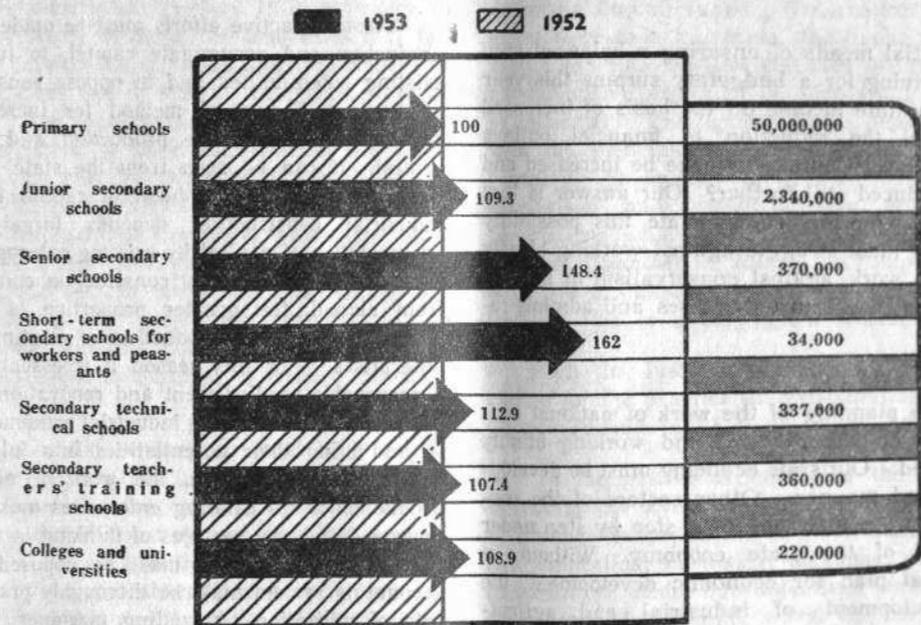
The number of hospital beds in cities will increase by 10 per cent, reaching 94,000; and beds for patients with chronic diseases will increase by 68.77 per cent, reaching 45,000.

The number of film projection teams will increase by 2,000, reaching 4,040 teams, and lantern-slide projectors will increase by 20,000, reaching 40,000.

Measures taken to raise the living standards of the people of all nationalities will be continued in 1953.

The expenditure on national defence for 1953 comes to 52,253,700 million yuan. This is earmarked for strengthening our national defence to safeguard the independence of our Motherland and the welfare of our people. The task of our national defence is to serve the economic and cultural interests of our people and the peaceful foreign policy of our country. The people of our country will continue to support the national defence.

### STUDENTS (1953)



ment of the Korean question and other Far Eastern problems. But the U.S. imperialists, persisting in their policy of aggression, have not learned from their failures in China and Korea. By insisting on the forcible detention of P.O.W's and breaking off the armistice negotiations, they are holding up the peaceful settlement of the Korean question and actively preparing to extend the Korean war. They have further directed their lackeys, the Chiang Kai-shek brigands, to make raids on us. For this reason, the people of our country cannot but continue to strengthen our national defences and the struggle to resist U.S. aggression and to aid Korea. They have to be even more vigilant and be prepared at any time to smash whatever attacks or raids the enemy might launch. In his closing speech to the fourth session of the First National Committee of the Chinese People's Political Consultative Conference, Chairman Mao Tse-tung declared:

"Firstly, we must strengthen the struggle to resist U.S. aggression and to aid Korea. It is necessary to continue strengthening this struggle, because U.S. imperialism insists on detaining the Chinese and Korean prisoners of war, wrecking the armistice negotiations and making wild attempts to extend the aggressive war in Korea.

"We are for peace. But so long as U.S.

the Chinese people can only be determined to go on fighting alongside the Korean people. It is not that we are warlike. We are willing to stop the war at once and leave the remaining questions for later settlement. But U.S. imperialism is not willing to do so. Alright then, the fighting will go on. However many years U.S. imperialism wants to fight, we are ready to fight it, right up to the moment when it is willing to quit, right up to the moment of complete victory for the Chinese and Korean peoples."

The above indicates that our task for 1953 is gigantic. According to the present proposed budget, our revenue and expenditure are balanced. However, considering that we have just started the first five-year plan and that we still lack experience, there will be some necessary expenditure that we have failed to foresee which will require supplementary funds. The people throughout the country will therefore have to make great efforts to ensure by the end of the fiscal year that the budget is balanced or that there is a budgetary surplus.

The items of revenue include a national bond issue to be floated at a suitable time in the future and to be bought voluntarily by the office employees, workers, peasants, industrialists and businessmen of our country. National bonds are, on the one hand, the savings of the people; and, on the other, they are an important source of revenue for the state. They

come mighty rivers. Small amounts of money, when accumulated, will play an active role in national construction.

The essential means of ensuring a balanced budget and of striving for a budgetary surplus this year is to raise the state income on the basis of increased production and the reduction of financial outlays wherever possible. Can our revenue be increased and expenditure reduced still further? Our answer is that it is possible to do so. To translate this possibility into reality, we must struggle against working blindly in construction work, against conservatism in production and against waste in enterprises and administrative organs.

This is to say:

Firstly, the planning of the work of national construction must be strengthened and working blindly must be opposed. Our state economy must be developed in a planned manner. Other sectors of the economy must improve their planning step by step under the leadership of the state economy. Without a unified national plan for economic development, the balanced development of industrial and agricultural production and other enterprises would be impossible. To meet the objective requirements of economic development, the 1953 budget devotes state expenditure to industrial capital construction of decisive significance. At the same time the budget ensures the steady and proportional progress of other construction. To ensure the realisation of this plan of construction, all the plans not in line with the unified state plan must be opposed. The various tasks of national construction must first and foremost meet the needs of the state and the domestic market. At the same time, prevailing conditions in the prospecting and surveying of national resources and other technical conditions must be taken into account, and the tasks must be carried on under the direction of the unified national plan and be based on the financial capacity of the state. If enterprises not within the state plan and financial capacity are undertaken unnecessarily or prematurely without taking into account the conditions indispensable for starting such enterprises, there will be the risk of undermining the state plan, keeping idle and wasting national wealth and diverting the state's finances to incurring outlays which have neither any bearing on the development of industry nor have anything to do with advancing the whole national economy. For this reason all unnecessary expenditures or those which actually cannot be undertaken because of the absence of certain conditions must be resolutely cut off. Comrade Stalin has pointed out that "knowledge of how to use our means sensibly, sparingly, is an art of the greatest importance that cannot be

mastered immediately." We must learn this extremely important art.

Secondly, active efforts must be made to increase production and accumulate capital, to fully develop existing potentialities and to oppose conservatism in production. The chief method for increasing state revenue is to increase production and accumulate capital. It can be seen from the state budget that the solution of the problem of capital for national industrial construction depends largely on the accumulation of capital by existing enterprises. While some equipment for new construction can be ordered from abroad, the greater proportion of them must still depend on the production of existing industrial enterprises. For this reason it is essential to make a reasonable readjustment and renovation of existing plants, to utilise existing industrial equipment rationally and bring their potentialities into full play. To fulfil this serious task, the work of administering production in all existing enterprises must be further improved and any vestiges of thinking in terms of the former supply system\* must be opposed. The cost accounting system must be thoroughly practised. The rate of utilisation of existing machinery and equipment must be fully increased. Labour productivity must be raised, output increased, quality improved, and production costs lowered.

All the state enterprises should sum up and popularise advanced experience, evaluate and determine output norms in a planned way, institute the system of responsibility, make full use of stock-piled material, guard against overstocking, and reduce administrative costs. Commercial departments should conscientiously investigate and study the purchasing power of the people and their needs, expand the movement of commodities, avoid discrepancies between supply and marketing and the overstocking of commodities, accelerate the circulation of capital and reduce turnover costs. The communications and transport departments should strengthen their plans for the loading and transportation of goods, eliminate the transportation of any commodity in opposite directions, accelerate the turnround of vehicles and vessels, and economise in the use of state funds.

In all state enterprises the production norm must be the average advanced norm which can be achieved

\* A term derived from the system of payment used generally before liberation, under which the state provides food, living quarters and other necessities to its employees and their families in accordance with a fixed standard. The Minister of Finance is here referring to the practice where an enterprise asks the state to provide it with supplies and personnel without taking into consideration cost of production, profits, the needs of the state and the national plan.—Ed. P. C.

only by active work. It is impermissible to introduce norms that are too low, that can be fulfilled or overfulfilled much too easily. It is necessary to resolutely overcome conservative tendencies that fail to strive to develop the initiative and creativeness of the working class and to exploit the potentialities of enterprises. The practice of setting aside a margin against emergencies or other contingencies is a violation of law that must be criticised and punished. If we actively increase production, increase the volume of business transactions and lower production costs according to needs and possibilities in all state enterprises, and also in the rural areas throughout China and in private enterprises beneficial to the nation's welfare and the people's livelihood, it will certainly be possible to continue to increase the state revenue.

Thirdly, financial supervision must be strengthened, economy strictly practised and waste opposed. To ensure financially the correct implementation of the plan of national construction along the lines of economy, financial organisations must from now on seriously introduce and strengthen financial supervision. They must, first and foremost, exercise financial supervision in enterprises.

The key to exercising financial supervision over enterprises is to strengthen financial administration at the ground level. Every enterprise must make a timely plan for receipts and expenditures in accordance with regulations and adhere to it scrupulously. For this purpose there must first and foremost be a sound financial organisation and an independent accounting system in enterprises. Without these two conditions, it will be impossible to compute the costs of production and business operations from financial estimates and accounting records, and the so-called co-ordination between planning and finances becomes meaningless. No matter whether it be a state enterprise or establishment or a government department, all must be accountable to the state financial system and financial discipline for their expenditure. In making any appropriation of funds, the financial organisation must minutely investigate whether its use is proper. Otherwise, a lump sum cannot be appropriated. After the appropriation has been made, the financial organisation must systematically check up on whether each unit strictly observes financial discipline, whether it uses its appropriations for the purposes specified, whether there are funds lying idle or wasted, whether it fulfils in terms of weeks or months the standard of quantity and quality indicated in the national plan for its production and capital construction. The financial organisation must supervise every enterprise in a responsible way to ensure accurate implementation of its plans, increase pro-

duction, lower costs, eliminate waste and strictly practise economy. The matter does not end with the appropriation of funds. To reduce administrative expenditure to a minimum, the financial organisation should examine whether the size of the staff and the administrative expenses of each state enterprise and establishment and government department comply with the principles of simplification, efficiency and economy. At present there are a number of state enterprises and establishments and government departments which have been set up with too many levels of organisation, follow too complicated a procedure, are too slow in their work and are excessively staffed. This is a very great waste.

Early in 1942 Chairman Mao Tse-tung, while calling for the practice of consolidating the army and the government in liberated areas, said:

"In the course of enforcing the policy of consolidating the army and the government, we must attain the five objectives of good quality and simplicity, unification, efficiency, economy, and overcoming bureaucracy. These five objectives seriously affect our economic and financial work. Once the policy of consolidating is carried out, non-productive expenditure will be cut down and the revenue from production will be increased, which in turn will not only produce salutary effects directly on the state of our finances, but will also lighten the people's burden and improve their economic conditions. Such evils as disunity, clamour for independence, each going his own way in our economic and financial set-up must be got rid of; and we must establish a working system that is unified, amenable to command, and certain to facilitate a thorough prosecution of our policies and programmes. With such a unified system established, efficiency in work will be increased. Economy should be practised in all our organisations in general, and those concerned with economic and financial work in particular. The result of this practice of economy can cut down a large amount of unnecessary, wasteful disbursements. Furthermore, those of our personnel engaged in economic and financial work should get rid of whatever bureaucratic practices, some of a very serious nature, that may be found, such as corruption and graft, empty formality, meaningless standardisation, and red tape."

It is still appropriate to use these words of Chairman Mao Tse-tung to criticise many of our state financial and economic organisations and other administrative organisations today. For this reason strict examination and supervision must be exercised over the size of staffs and the expenditure of administrative organs of state enterprises and establishments and government departments. The authorised size

of staff and production norms must be enforced; unnecessary levels of organisation must be reduced and procedure simplified. Those who practise bureaucracy by sitting in their offices and issuing directives and orders without examining the carrying out of the work must be opposed. Some of the personnel in the administrative organisations must be released to augment the personnel of ground-level plants and mines. Not only every enterprise but state establishments and government departments should draw up their regular plans for practising economy and fulfil them seriously, carry out periodic inspections and report on the progress of the fulfilment of those plans.

In order to fulfil the plan, to increase production, strictly to practise economy and fulfil the glorious task of 1953, we have to fully mobilise the power of the working class and the entire nation.

Comrade Stalin has pointed out that "to push forward our industry, raise its productivity, create new cadres of industrial builders, correctly carry out socialist accumulation of capital, sensibly use the accumulated capital for industrial needs, establish a most strict regime of economy, tighten up the state apparatus, make it cheap and honest, free it from the rottenness and dirt that had got into it in the process of our construction, carry on a systematic struggle against the plunderers and squanderers of the state property—all this represents tasks that no party can fulfil without direct and systematic support of the millions-strong working class masses. Therefore, the task is to draw the millions-strong masses of non-Party workers into our whole construction work." Our tasks today also lie in this.

We must set the masses in motion to seriously study the advanced construction experience of the

Soviet Union, popularise all advanced working methods, develop the patriotic emulation drive in production and the campaign to practise economy and to fulfil planned figures laid down in the 1953 state budget.

Three years ago when New China was first established, our finances and economy were still in difficulties, the state budget still had a deficit. Our enemies calculated that although we had achieved military victory throughout the country and established the people's democratic state power, nevertheless, without them in economic affairs we would not be able to do anything; that we would be sure to fail. But facts have proved that it is they who have failed. In the last three years our production has, generally speaking, been restored to or has exceeded the highest pre-liberation level; the state of our country's finances and economy have taken a fundamental turn for the better. Now, under conditions of continued resistance to U.S. aggression and aid to Korea, we have begun the five-year plan of national construction.

In future five-year plans, we shall build great numbers of large, modern factories and mines, the like of which never existed in China's history, and thereby basically transform the face of our country.

The Chinese people, under the leadership of Chairman Mao Tse-tung and the Communist Party of China, will be victorious in whatever they undertake. We are fully confident that the tasks set by the state plan and the state budget for 1953 will be fulfilled, so that we shall create favourable conditions for the beginning of the first five-year plan.