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## *Socialist Management in China*

### ON THE MANAGEMENT OF SOCIALIST ENTERPRISES

Kung Hsiao-wen et al.

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## ON THE MANAGEMENT OF SOCIALIST ENTERPRISES\*

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### Quotation from Chairman Mao

The correctness or incorrectness of the ideological and political line decides everything.

Our objective is to create a political situation in which there are both centralization and democracy, both discipline and freedom, and both unity of will and personal ease of mind and liveliness in order to facilitate our socialist revolution and socialist construction, to make it easier to overcome difficulties, to enable our country to build modern industry and agriculture at a fairly rapid pace, and to consolidate our Party and state and make them better able to weather storms and stress. The general theme is to correctly handle the contradictions among the people, and the approach is to adhere to the mass line and work in a practical and realistic way.

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\*Kung Hsiao-wen teng, T'an-t'an she-hui-chu-i ch'i-yeh kuan-li. Shang-hai jen-min ch'u-pan-she, April 1974. Translated by Ai Ping. This is a translation of the entire book.

Kung Hsiao-wen

WORKERS ARE THE MASTERS OF  
SOCIALIST ENTERPRISES\*

In enterprise administration work, we often come upon many concrete problems relating to quantity and quality of products, as well as to equipment, tools, and raw materials. Handling these problems merely seems to be a question of dealing with the relationships among objects, or among men and objects. Marxist political economy shows, however, that behind all these lie the relationships among men, that is, certain production relations.

In analyzing capitalist business administration, Marx pointed out that all large-scale, direct social labor or communal labor more or less needs some direction in order to coordinate individual activities and to exercise the functions which are called for in the implementation of general production. A violinist can act as his own director, but an orchestra needs a conductor. Right after this statement, Marx pointed out: "If the labor associated with capital becomes cooperative labor, the functions of administration, supervision, and regulation are transformed into the functions of capital. As a special function of capital, administration acquires a special character." (1) This means that capitalist management reflects the function of capital. It is a capitalist relationship of production. "What the capitalists are concerned with is how to manage business for robbing and how to rob through management." (2) A capitalist enterprise,

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\*Kung Hsiao-wen, "Kung-jen shih she-hui-chu-i ch'i-yeh ti chu-jen." [This essay originally appeared in Hsüeh-hsi-yü p'i-p'an (Study and Criticism), No. 4 (December 16, 1973), 11-13, under the title "T'an-t'an ch'i-yeh kuan-li" (On Enterprise Management)].

no matter whether it is managed by the capitalist himself or by his agent, operates for the sole purpose of extracting more surplus value from the workers. Hence, the relationship between the capitalist and the worker is absolutely one between the ruling and the ruled, between the exploiting and the exploited.

A socialist enterprise also exercises the functions of administration, supervision, and regulation. However, these functions reflect the relations between man and man in a socialist undertaking, that is, they reflect a relationship of socialist production. The means of production in a socialist enterprise are owned by all the working people, and the worker masses are the masters of the enterprise. In this fact lies a fundamental difference between socialist management and capitalist management. In all kinds of work of running socialist enterprises, if we divorce ourselves from socialist production relations in discussing enterprise management, then we are bound to depart from the basic Party line and be unable to draw a distinction between the different natures of socialist and capitalist management, even running the danger of slipping into the mire of capitalism and revisionism.

Whom should we rely on for management? On the eve of the nationwide victory of the Chinese People's Revolutionary War, Chairman Mao pointed out to the whole Party that we "must wholeheartedly rely on the working class." (3) After liberation, Chairman Mao summed up more than once the experience of the worker masses participating in management and gave it his personal confirmation. The "Charter of the Anshan Steel Works," ratified by Chairman Mao himself, laid down a series of principles: persisting in putting proletarian politics in command, strengthening the Party's leadership, launching large-scale mass movements, implementing the two participations, one change, and three-in-one-combination\*, and going in for tech-

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\*"Two participations" is the cadres' participation in manual labor and the workers' participation in management. "One change" is the revision of regulations. And the "three-in-one-combination" is the coordination among the leading cadres, workers, and technical personnel. — Tr.

nical innovation and revolution in a big way. At the time that the Great Proletarian Cultural Revolution was scoring great victories, Chairman Mao once more taught us that leadership in a factory or enterprise must be kept in the hands of genuine Marxists and the working masses. It is noted in the Political Report to the Tenth National Congress of the Chinese Communist Party that "the basic experience learned from our socialist construction during more than two decades is to rely on the masses." This is a fact: enterprises seethe with enthusiasm and liveliness when we have faith in and rely on the masses and are good at mobilizing and organizing them to participate in management. Enterprises fall into a dreary and lifeless state whenever we rely on a few administrative staff and technicians for management to the neglect of the masses. It is only by relying wholeheartedly on the working class for the strengthening of management and by putting the leadership of a socialist enterprise in the grip of the proletariat that we can improve and incessantly develop the relations of socialist production. Thus, the task of consolidating and strengthening the dictatorship of the proletariat can be carried out in every unit at the basic level, and the productive forces can be advanced incessantly.

Specific professional managerial personnel are needed for socialist management, and it is necessary to bring their role into full play. However, they must always remember: Bearing the mandate of the Party and state, we are here to administer the enterprise on behalf of the working class. Therefore, we should rely on the toiling masses at all times and on no account be separated from them. In the revisionist, social imperialist Soviet Union, the socialist public ownership of the means of production has degenerated into ownership by a handful of bureaucrat monopoly capitalists. The administrative staff in factories have become sharply antagonistic toward the worker masses, to the extent that they discharge workers at will. The so-called "Shurkino Experiment" is in fact a disguised system of hire-labor. (4) In our country, workers are the real masters of socialist enterprises. They resolutely implement Chairman Mao's revolutionary line, grasp the leadership of enterprises,

and administer socialist enterprises. Practice has proved that by firmly relying on the broad masses of workers we can resolve all contradictions and difficulties in production and work wonders in the mundane world.

Since the Great Proletarian Cultural Revolution, the relations among the workers, cadres, and technical personnel have undergone great changes. In the process of identifying themselves with the worker masses, cadres and technicians have remolded their own thinking and feelings and have elevated their consciousness of the political line. The broad masses of workers have enhanced their sense of duty as masters of their own affairs and have accumulated certain experience in participating in management. Many industrial enterprises have also acquired experience by practicing relying on the workers to strengthen management under the leadership of the Party. The worker masses not only take part in the various squad and section administrations but also choose representatives to participate in the three-in-one revolutionary committees and other leading organs at different levels. The worker masses conduct enthusiastic discussions concerning production, technology, finance, and plans for their enterprises. They constantly make use of weapons such as the big-character posters to exercise effective supervision over the cadres' implementation of the Party's line and its general and specific policies. In this way, they ensure consistent adherence to Chairman Mao's proletarian revolutionary line and greatly enhance the Party's leadership over their enterprises.

In a socialist enterprise, there exist a great many contradictions, of which the contradiction between the proletariat and the bourgeoisie — between the roads of socialism and capitalism — plays the decisive role. This contradiction, when reflected inside the Party, takes the form of a struggle between two lines. Lin Piao adopted Confucius's precept of "control oneself and restore the rites" as his own reactionary program in a vain attempt to subvert the proletarian dictatorship and reinstate capitalism. One of Lin's objectives was to demote the workers from being masters of socialist enterprises

to being hired slaves of capitalist enterprises. Therefore, to do well in managing our enterprises, we must rely on the broad masses of workers and grasp the key link of class struggle and two-line struggle. We must thoroughly repudiate the ultra-Right essence of Lin Piao's revisionist line and put the basic Party line in command over all our work, including management work.

In order to run a socialist enterprise well, we must have proper rules and regulations. Rules and regulations are indispensable in organizing and coordinating modern industrial production. However, they always have a class character; they represent the will and interests of this or that class. Chairman Mao teaches us: "The system must benefit the masses."<sup>(5)</sup> The rules and regulations of socialist enterprises should correctly reflect the ever-improving socialist production relations and facilitate the strengthening of the Party's leadership. They should be conducive to stimulating the initiative of the broad numbers of cadres and masses. It is entirely wrong to assert that regulations can only benefit production and not the masses. If the regulations in a socialist enterprise embody the workers' experience of practice and are formulated through adequate discussion by the masses, they will certainly not affect the workers' socialist enthusiasm but, on the contrary, will be even more beneficial to stimulating their initiative. Of course, there are regulations that are fetters to the masses, but they are the regulations of capitalism and revisionism, regulations advocated by Liu Shao-ch'i and Lin Piao. During the Great Proletarian Cultural Revolution, the vast numbers of cadres and masses rose to break down irrational regulations and, by summing up their experience, formulated new and rational regulations. This was a great revolutionary creation of the working class. It symbolized their high revolutionary consciousness of being masters of socialist enterprises.

The high sense of revolutionary consciousness displayed by the worker masses is most precious. Once it is stimulated, it will serve as a great material force for boosting both revolution and production. What should we do to stimulate this consciousness? Use material incentives? No. The worker masses

cast off this kind of revisionist "incentive" long ago. In the "money-is-all-powerful" capitalist society, the capitalists brandish clubs at the workers and at the same time use money to bribe and rear a handful of labor aristocrats. In fact, the revisionists introduce the material incentive because they want to use it as a means to enslave and employ the workers as hired laborers. Today in our country, workers are the masters of socialist enterprises. They are engaged in creative labor for the cause of revolution and socialism. Their socialist enthusiasm stems from their class awareness and consciousness of the two-line struggle. It is by no means the fruition of "material incentives." Chairman Mao has consistently taught us: "Political work is the lifeblood of all economic work." (6) For the more than twenty years since liberation, we have been continuously strengthening the Party's leadership, arming the worker masses with Marxism-Leninism-Mao Tsetung Thought and raising their class awareness and consciousness of the two-line struggle. And we have been relying on these measures to run socialist enterprises well and to develop the socialist economy. Some comrades always have blind faith in rewards and punishments and think they are the most convenient way to stimulate mass initiative. These comrades ignore the fundamental difference between socialist enterprise and capitalist enterprise and forget that our workers have been elevated from being hired laborers to being masters of the enterprises. Compared with political and ideological work, rewards and punishments may be much easier approaches. However, if such measures really worked, the capitalist system would not be doomed to extinction.

"The important thing is to be good at learning." (7) To do a good job in managing socialist enterprises, we must study Marxist political economy and constantly explore and grasp the law governing the development of socialist economy. Not only the leading cadres and administrative personnel in an industrial enterprise should study conscientiously, but the broad masses of workers should also study earnestly. By studying Marxist political economy, the worker masses will further realize the

historical mission of the working class and become aware of the position they occupy in the socialist enterprise. Thus, they will even more consciously participate in the management of enterprises. Having acquired a good grasp of the law governing the development of socialist economy and a clear understanding of the Party's basic line, the worker masses will be better able to assist and supervise the cadres in implementing Chairman Mao's revolutionary line. Any deviation from this line on the part of the leading cadres and administrative personnel will be quickly spotted, and the masses will put a stop to it. In this way, we will make fewer mistakes and avoid gross blunders.

Marx pointed out: "Once theory is grasped by the masses, it will become a material force." (8) Since the Great Proletarian Cultural Revolution, political economy has been liberated from the scholars' studies and has become a theoretical weapon of the masses for criticizing revisionism. During the mass movement to "Learn from Tach'ing in Industry," the broad masses of cadres and workers in many industrial enterprises studied Marxist political economy and made concrete analyses concerning the expression of the contradictions between socialist production relations and productive forces and between the superstructure and the economic base in their respective units. They made timely readjustments of the mutual relations among men in production, strengthened management, and consolidated the economic base of socialism. In the current campaign to criticize Lin Piao and Confucius, the movement among the broad masses of cadres and workers to study Marxism-Leninism-Mao Tsetung Thought is forging ahead. It can be expected that the study movement will bring about an even greater development in socialist revolution and socialist construction.

#### Notes

1) Marx, "Capital," Vol. 1, Complete Works of Marx and Engels, Vol. 23, pp. 367-368.

2) Lenin, "How to Organize Competition?" Selected Works of Lenin, Vol. 3, Jen-min ch'u-pan-she, p. 395.

3) "Tsai chung-kuo kung-ch'an-tang ti ch'i chieh chung-yang wei-yüan-hui ti-erh-tz'u ch'üan-t'i hui-i shang te pao-kao" [Report to the Second Plenary Session of the Seventh Central Committee of the Communist Party of China], Mao Tse-tung hsüan-chi [Selected Works of Mao Tse-tung], Vol. 4, p. 1318.

4) Shurkino is a Soviet chemical alloy plant located in the city of Tula near Moscow. In the plant, the Soviet revisionists have conducted a so-called "economic experiment to enhance the staff's concern for increasing production, to boost the productivity of labor, and to reduce the number of working personnel." Its objective is to raise the productivity of labor and cut down the number of workers by strengthening labor intensity. Meanwhile, it is stipulated that the total amount of wages of the plant will remain unchanged over several years. The funds saved through dismissal of workers will be put at the disposal of a handful of privileged persons in the plant. Up to June 1971, the plant had discharged more than 1,000 workers out of a total of over 7,000. Brezhnev, the chieftain of the Soviet revisionists, spared no effort in ballyhooing the "experiment" and ordered it to be popularized on a large scale. At present, the so-called "Shurkino Experiment" has become a major form of exploitation of the working people by the Soviet revisionists.

5) Reprinted from Jen-min jih-pao [People's Daily], May 31, 1972.

6) "'Yen-chung ti chiao-hsün' i wen an-yü" [Introductory Note to "A Serious Lesson"], Chung-kuo nung-ts'un ti she-hui-chu-i kao-ch'ao [The Socialist Upsurge in China's Countryside], Vol. 1, p. 123.

7) "Chung-kuo ke-ming chan-cheng ti chan-lüeh wen-t'i" [Problems of Strategy in China's Revolutionary War], Mao Tse-tung hsüan-chi [Selected Works of Mao Tse-tung], Vol. 1, p. 162.

8) "Introductory Notes to the Critique of Hegel's Philosophy," Complete Works of Marx and Engels, Vol. 1, p. 460.

Chiang Yang-nan (The Wu-sung Chemical Plant)

ENTERPRISE MANAGEMENT HAS  
A CLASS CHARACTER\*

Why must there be management in a factory? Some comrades believe that with so many people working together, each with his own task yet mutually linked, production could not proceed in an orderly fashion without management. Some comrades also believe that management is nothing but the organizing principle for production. It is a prerequisite for any sizable labor project and a means for organizing and coordinating production. Are these views correct?

Marx remarked in Capital that "any comparatively large-scale direct social labor or communal labor requires varying degrees of direction to coordinate individual activities and perform all the general functions stemming from the overall movement of production, a movement which is different from the overall movement of independent sensory organs." Citing the example of an orchestra's need for a conductor, Marx explained that management is an objective necessity in communal labor, and it is closely connected with the development of production. However, Marx subsequently noted: "If labor which is related to capital becomes cooperative labor, this kind of administrative, supervisory, and adjustment function then becomes a function of capital. And this kind of management function enables the special function of capital to acquire a special character."

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\*Chiang Yang-nan, "Ch'i-yeh kuan-li shih yu chieh-chi-hsing ti."

Here Marx clearly points out that the class character of capitalist management is the function of capital, that is, the function of capitalists exploiting hired laborers by using the means of production they possess. This nature of capitalist management is determined by capitalist production relations. Capitalist industry has developed through several historical periods, comprising the periods of simple coordination and cooperation, handicraft workshops and big, mechanized industry. There have been a great many changes with respect to production skills, coordination of production, and organization of labor. The level of productivity has been greatly enhanced, and the form of management has undergone various corresponding changes. However, the class character of capitalist management remains unchanged. It has always been as Lenin described: "What the capitalists are concerned with is how to manage business by robbing and how to rob through management." Therefore, the management in a capitalist enterprise is nothing more than the means by which capitalists exploit workers.

Analyses of capitalist management by the revolutionary teachers of the proletariat convince us that in a class society there is no management which rises above classes; management of an enterprise always bears a class character. The question is which class possesses and exercises the power of administration and which class benefits from it. The nature of the production relations determines the nature of an enterprise. In different kinds of enterprises, management has different characters. This is a basic starting point for studying the issues of management. We cannot depart from this principle when we analyze capitalist management, and we must not deviate from the same principle if we intend to comprehend socialist management.

In socialist enterprises, the proletariat and the laboring masses have become masters, and they hold the power of administration. Under these circumstances, can we define socialist management as only a question of strengthening the specialized organizations, carrying out the "five principles of administration" well, and improving the "seven systems"? No,

we cannot. "Marxists should on no account depart from the correct position of analyzing class relations." (1) Take the "five principles of administration" and the "seven systems" for example. Some of these administrative regulations directly reflect the relations between man and man, that is, they are connected with production relations. Some regulations stem from the need for production skills, representing the demand of the productive forces. However, the questions of who makes these regulations and who carries them out are certainly involved with the relations between man and man. In a socialist society classes, class contradictions, and class struggle exist. Every kind of human relationship bears the imprint of a class and represents certain class relations. If we view the management of socialist enterprises only from the question of how to organize and direct the production, we will surely leave out the class character of the management. Consequently, we will be unable to distinguish the class characters of the two entirely different systems of management, those of socialism and capitalism, and are likely to lead the management of socialist enterprises astray.

Starting from the basic viewpoint that management always bears a class character, we must adhere to the Party's basic line in running socialist enterprises. We must wage struggles between the two classes, two roads, and two political lines in order to consolidate the leadership of the proletariat and ensure that the enterprises will have a socialist orientation. Historical facts have shown us that with the basic accomplishment of the socialist transformation of the ownership of capital goods, the proletariat endeavors to consolidate and improve socialist production relations while the bourgeoisie attempts to erode and destroy them. This struggle goes on ceaselessly. The old social system has been smashed, but "remnants of old ideas reflecting the old system remain in people's minds for a long time, and they do not easily give way." (2) This is the environment in which socialist enterprises find themselves, and it is under the condition of still prevailing class struggle that socialist production is being conducted. This fact invariably finds its expression in management.

Since the liberation, revisionists like Liu Shao-ch'i, Lin Piao, and their followers have made repeated, frenzied attacks against the proletariat on the issue of enterprise management. They have been selling revisionist black commodities such as the "system of directorship," "administering the factory by experts," "material incentives," "profits in command," and so forth. They have attempted to start with management, usurping the leadership of the administration and tampering with the socialist principles guiding management, and to finally achieve their end of making the socialist enterprises degenerate into capitalist enterprises. Emulating the fallacy of Confucius that "the superior man minds the law, the inferior man minds the benefit," Lin Piao advocated that he and his gang were lawmakers and the broad masses were persons coveting small gains, fit only to be dominated. This was an undisguised advertisement of the nonsense that "oppression is justified." Poisoned by the counterrevolutionary revisionist line enforced by Liu Shao-ch'i and Lin Piao, leadership in part of the industrial enterprises had been usurped over a period of time by the bourgeoisie and their agents within the Party. These units maintained the socialist ownership in form, but were virtually in the process of degeneration. During the Great Proletarian Cultural Revolution, the proletariat recaptured the leadership in these units and correctly reoriented their management. This was a great victory.

However, has the problem of the proletariat exercising leadership over the management of industrial enterprises been fully solved? Has the two-line struggle reflected in the management been brought to an end? No, not yet. As long as classes and class struggle exist, there can never be an end to the two-line struggle in managing enterprises. Under these circumstances, the management of socialist enterprises bears a distinct class character. It openly proclaims that it works in the interests of the proletariat and laboring masses and serves the consolidation of the proletariat dictatorship. "The Charter of the Anshan Steel Works," formulated by Chairman Mao himself, indicates the correct direction for the manage-

ment of socialist enterprises. In the final analysis, socialist management is nothing but a specific means for the proletariat to consolidate the public ownership of socialism and develop socialist production. Through socialist management, the proletariat exercises its own power and, in accordance with socialist principles, correctly handles the relations between man and man in order to unite all the forces that can be united in a common struggle against the bourgeoisie.

With the movement to criticize Lin Piao and Confucius developing in greater depth, the issue of political line involves all fronts, whether political, economic, or cultural. Adhere to Marxism or practice revisionism? Proceed along the road of socialism or revert to the path of capitalism? These are questions of paramount importance and hold true in all cases, including enterprise management. Consolidating and strengthening the leadership of the proletariat in socialist enterprises and criticizing capitalism and revisionism should be taken as the fundamental factors in socialist management. If we deal with production and the enterprise merely from the point of view of production and the enterprise, neglecting fundamental factors, we are bound to ignore the proletarian character embodied in the management of socialist enterprises and lead management astray.

In socialist management we must primarily grasp the political line and orientation of the enterprise. But this does not mean to say that we can relax our hold on the concrete work of management. With the two-line struggles as the key link and adherence to the socialist orientation as a prerequisite, we must conscientiously grasp the specific work of management. The management of socialist enterprises comprises many aspects, such as plan control, management of production, labor control, technical supervision, financial administration, supply service, care for life and welfare, and so forth. These are obligatory tasks, and must be fulfilled. However, if we do not attach priority to the question of which political line we carry out and which road we follow when performing these tasks, we certainly cannot do them well.

Whether a socialist enterprise fully implements the plan set by the state or one-sidedly seeks profits and value of output;

whether it holds a responsible attitude toward the people and improves the quality of its products incessantly or turns out crude and inferior products to the neglect of quality; whether it persists in economical accounting and is industrious and thrifty or runs the business in a rough way, being extravagant and wasteful; whether it fosters the spirit of socialist coordination, yielding to the convenience of others, or practices selfish departmentalism, disregarding the common interests of the whole nation — all these are not purely business questions but relate to the political line being pursued. It is the same with the implementation of various regulations in management. When enforcing the regulations, whether to have faith in the masses, rely on the masses, and correctly handle the relations among the people in an enterprise or whether to have an eye on material factors to the neglect of human factors, grasping regulations from the viewpoint of regulations and doing things by resorting only to administrative orders; this is also not purely a business question. It involves the political line being executed. These are all vital issues concerning the two political lines and the two roads. It is only by using the Party's basic line for guidance and by seizing the plan of struggle between the two classes and the two lines that we can grasp the essentials of enterprise management, things governing the whole situation, and matters of paramount importance. We must correctly tackle issues concerning class contradictions and class struggle. At present, we must grasp especially well the campaign to criticize Lin Piao and Confucius, which is a matter of primary importance. Only thus can we correctly settle all the contradictions existing in the enterprises and help bring about a lively and thriving outlook in both revolution and production.

#### Notes

- 1) "On Strategy," Complete Works of Lenin, Vol. 24, p. 26.
- 2) Chairman Mao, "'Yen-chung ti chiao-hsun' i wen an-yü" [Introductory Note to "A Serious Lesson"], Chung-kuo nung-ts'un she-hui-chu-i kao-ch'ao [The Socialist Upsurge in China's Countryside], Vol. 1, p. 123.

I Miao-chang (Shanghai Electronic Machine Plant)

### MANAGEMENT IS ALSO SOCIALIST EDUCATION\*

Chairman Mao has issued an important directive on the management of socialist enterprises: "Management is also socialist education." (1) Based on the objective law governing class struggle in the socialist era, Chairman Mao's directive presents the nature of management in socialist enterprises and clearly shows us the directions of socialist management.

It is only when the management of a socialist enterprise embodies socialist production relations that it can help boost the development of productive forces. The management of socialist enterprises cannot do without the role of the socialist superstructure. Chairman Mao's directive about administration teaches us that we must attach importance to the role of the superstructure. We must have an understanding of the superstructure when we do work relating to the economic base. We must strengthen the management of our enterprises through socialist education so that we can push the productive forces forward.

Chairman Mao teaches us: "The basic contradictions in a socialist society continue to be the contradiction between production relations and productive forces and that between the superstructure and the economic base." (2) In our country, the socialist transformation of the ownership of the means of production has basically been accomplished. Ever since, the main aspect of the situation has been conformity between the production relations and productive forces and between the super-

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\*I Miao-chang, "Kuan-li yeh shih she-hui chiao-yü."

structure and the economic base. Aside from this, there is still the question of contradiction. The basic contradiction in a socialist society finds its class expression in the contradictions and struggles between the proletariat and bourgeoisie. Such contradictions and struggles will certainly find their expression in the management of enterprises. "Management is also socialist education" is a precept teaching us that we must grasp the class struggle and the two-line struggle in the sphere of enterprise management and draw a distinction between the management of socialist enterprises and that of capitalist enterprises. Socialist enterprises are the battlefield for the proletariat and working people to carry on the Three Great Revolutionary Movements of class struggle, production struggle, and scientific experiment. By making use of the battlefield, the proletariat strives to create the material and mental conditions for the realization of communism; the bourgeoisie attempts to realize in our enterprises their scheme of capitalist restoration. In the course of the Great Proletarian Cultural Revolution, there emerged in enterprise management a great many new revolutionary things. Lin Biao, the capitalist careerist and conspirator, maliciously swore at the new things coming forward during the Great Proletarian Cultural Revolution in his vain attempt to "cultivate oneself and restore the rites," retrogression, and restoration. Therefore in managing an enterprise, no matter whether dealing with a problem relating to production skills or solving a business issue, we should consider whether the management will lead to the affirmation or the negation of the fruit of the Great Proletarian Cultural Revolution and whether it will serve to support or oppose the new things which emerged during the Great Proletarian Cultural Revolution. That is to say, it is a question of which class will benefit, which road will be pursued, and which political line will be executed. When we grasp the management of an enterprise, we should on no account tackle problems in a "business-is-business" way but must grasp the superstructure and keep a firm hold on class struggle and two-line struggle. We must organize the cadres and workers to study Marxism-

Leninism-Mao Tsetung Thought and strengthen their education in ideology and the political line to enable everyone to distinguish socialism from capitalism and differentiate between the proletarian and the capitalist way of running enterprises. It is only by doing this that we can resist the erosion of the bourgeoisie and ensure that the leadership of socialist enterprises is in the firm grip of Marxists and the worker masses. In this way, we can continuously consolidate the economic base of socialism and expand the productive forces of the whole society.

One of the major components of socialist production relations are the relations among people in production. In a socialist industrial enterprise, apart from the relations between the broad masses of working people and a handful of members of the exploiting class, the relations among people in production are mostly the relations among the laboring people. The precept "management is also socialist education" requires us to unite the working people in our management of the enterprises and wage a struggle against those capitalist-roaders and all other monsters and freaks who conspire and perpetrate capitalist and revisionist activities. It requires us to gradually reform the handful of members of the exploiting class, turning them into workers who live on their own toil, and correctly handle the contradictions between the working people and these few exploiting elements. It requires us to correctly handle the contradictions among the working people in the same enterprise and bring into full play their enthusiasm for socialism in order to boost socialist production with greater, faster, better, and more economical results.

In a socialist industrial enterprise, the relations among the working people mainly take the form of the relationship between the leaders and the masses and that between administrative and technical personnel and the workers. With the establishment of socialist public ownership of the means of production, the relations between the leaders and the masses and those between the staff and the workers are an ever-improving comradely relationship underlying which is a basic identity of interests.

However, this cannot be explained by saying there are no contradictions among them. Because of the influence of bourgeois ideology and the different positions functionaries and workers hold, it is likely that some leading members may deviate from socialist principles in their handling of the relations between the masses and themselves. They may avail themselves of their positions and power to seek privileges; they may take no part in physical work, remaining high above the masses with an arrogant, lordly air; and they may act arbitrary and despotic, suppressing democracy, treating people unequally, and turning the relations among comrades into relations between the ruling and the ruled. Some administrative and technical personnel have not remolded their bourgeois world outlook completely. They may lack faith in the masses and conduct their work without relying on the masses, and when something happens, they may ignore the advice of the masses. All this can give rise to contradictions between the leadership and the masses, between the staff and the workers. Generally speaking, these contradictions fall into the category of contradictions among the people and are nonantagonistic. Nevertheless, if these contradictions are not resolved correctly and in time, they may confound and subjugate the revolutionary spirit of the masses to assume the role of masters of their own affairs. If this situation persists, the workers may not consider the factory as their own but may consider it to belong to the leading members or administrative personnel. The workers will be brought into sharp antagonism with their leaders and other functionaries.

During the Socialist Education Campaign, and especially during the Great Proletarian Cultural Revolution, some cadres were criticized by the masses. One of the reasons for the criticism was that they had carried out a reactionary capitalist line, which angered the masses. Another reason was that they had seriously estranged themselves from the masses and had violated socialist principles when dealing with the masses, and the masses objected. The criticism served as a profound education in socialism. With criticism and education, the majority of the cadres changed for the better. They earnestly improved

their relations with the masses and modestly accepted the supervision of the masses. In many enterprises there appeared a lively situation of "cadres and masses being of one mind, those above and below rallying together." Many business heads, administrative staff, and technical personnel, as well as the worker masses, have greatly enhanced their consciousness of socialism and have further improved the relations among themselves. Consequently, they have managed the socialist enterprises more successfully.

This has proved that we are able to run our socialist enterprises better if we merely follow Chairman Mao's instruction that "management is also socialist education" and correctly handle the relationships among people. However, there is also a small number of people who are hostile to the new revolutionary things which emerged during the Great Proletarian Cultural Revolution and who attempt to negate its achievements. Such persons will certainly lead management down the wrong road of restoration and retrogression. This is a question of principle and should be solved through the movement to criticize Lin Piao and Confucius so that we can ensure the continual progress of our enterprises along the track of revolution.

Historical experience shows us that enterprise management comprises a good many special lines of work. These include planned management, management of production, labor control, technical supervision, financing, supply service, livelihood and so forth. And in every category of administration, there are dozens or hundreds of concrete tasks. All these tasks must be fulfilled and done well. However, in the final analysis, all these matters are by no means confined to the relations between material objects and human beings, but are connected with the relations among people. Thus, in strengthening the management of socialist enterprises, we must not merely keep our eyes on material factors and lose sight of the human elements, that is, we must incessantly improve the relations among people in accordance with the principles of socialism, especially the relations between cadres and masses. For the purpose of establishing and developing socialist relationships among people

within our enterprises, we must consistently implement in our management all the principles set down in "The Charter of the Anshan Steel Works." These include the constant participation of cadres in productive labor, the participation of the masses in management, the transformation of irrational codes and conventions, and the implementation of the three-in-one combination of workers, cadres, and technical personnel.

The Socialist Education Movement embraced not only the problem of class struggle and issues of the cadres' participation in productive labor, but also the job of assuming a strict scientific attitude in conducting experiments and thus learning to solve several problems in our enterprises and undertakings. Through socialist education we must "enable our cadres to become good cadres who understand not only politics but also business, who are both red and expert, who do not float above, lording it over the people and divorced from the masses, but who identify themselves with the masses and are supported by the masses." (3) It is only by implementing the spirit of socialist education in our enterprise management that we can resist and weed out bourgeois influence, incessantly strengthen the militant solidarity among the cadres and masses, overcome bureaucracy, and guard against revisionism and dogmatism. All systems of administration can be easily dealt with if the relations between the cadres and masses are handled well. But if the relations are not handled well, the systems will be of no use no matter how good they are. By the same token, the leadership and administrative and technical personnel in an enterprise must frequently participate in productive labor. They must go down to the workshops and sections, identifying themselves with the workers and treating the workers as their teachers. They must learn some technical skills from the workers. If they do not work in this way, if they know nothing about technology but remain inexperienced all the time, they certainly cannot manage the enterprise.

In sum, socialist management means managing enterprises under the guidance of the Party's basic line. It requires us to grasp the superstructure and ideology, to correctly handle the

relations among people in production in order to consolidate and push forward the economic basis of socialism. It is certain that with socialist production relations continually developing and improving, we will propel the socialist productive forces forward.

#### Notes

1) Reprinted from Jen-min jih-pao [People's Daily], August 14, 1972.

2) "Kuan-yü cheng-ch'üeh ch'u-li jen-min nei-pu mao-tun te wen-t'i" [On the Correct Handling of Contradictions Among the People], Mao Tse-tung chu-tso hsüan-tu [Selected Readings from Mao Tse-tung's Works], Anthology A, Jen-min ch'u-pan-she, 1966, p. 336.

3) Reprinted from Jen-min jih-pao [People's Daily], July 24, 1973.

Yang Ying-shun

THE SYSTEM MUST BENEFICIALLY  
STIMULATE MASS INITIATIVE\*

To transform irrational rules and regulations and formulate and improve rational ones is a major task in the management of a socialist enterprise. But how are we to judge whether or not the rules and regulations are rational? Chairman Mao has summed it up incisively: "The system must benefit the masses." That is to say, whether the rules and regulations are beneficial to stimulating mass initiative is the criterion for judging their rationality.

The rules and regulations in an enterprise should help develop the masses' enthusiasm for socialism. This requirement is determined by the nature of socialist production relations. Any enterprise in which production is socialized must lay down a set of rules and regulations; and any set of rules and regulations is drawn up on the basis of certain production relations and must finally give expression to those relations. In capitalist enterprises, the sole motive and aim of the capitalists is to extract as much of the surplus value created by the workers as possible. The relationship between the capitalists and the workers is absolutely one between the ruling and the ruled, between the exploiting and the exploited. The rules and regulations in a capitalist enterprise are therefore the means by which the capitalists dominate and exploit the workers. They are invisible

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\*Yang Ying-shun, "Chih-tu yao yu li yü fa-hui ch'ün-chung chi-chi hsing."

ropes binding the workers. Hence, they can only benefit the capitalists and not the workers. In a socialist society, the proletariat and working people are the masters of the state and the enterprises. Their status in society has undergone a fundamental change. "The masses have a potentially inexhaustible enthusiasm for socialism." (1) The rules and regulations in a socialist enterprise must mirror the wishes and requirements of the broad masses so that their initiative can be brought into full play. In the past, cadres of some enterprises were affected by the influence of Liu Shao-ch'i's revisionist line. Relying on a small number of administrative and technical personnel, "behind closed doors," they worked out a set of trivial rules and regulations, intending to exercise "supervision" over workmen and production by resorting to regulations. For example, in some foundry factories, it was provided in the operation regulations that "heated iron had to be picked up with a clasp." This is simply rubbish! One transportation unit drew up for the maintenance of its trucks a whole set of "maintenance procedures accompanied by music" which required the workers to go through 360 procedures in accordance with the tempo of some musical records. Could this be defined as being anything other than a barrier to the workers? Such rules and regulations in essence are nothing but variations of regulations in the capitalist enterprises. They are entirely contradictory to socialist production relations. There also existed in the past some other rules and regulations which, judging by their contents, were basically in conformity with the requirements of production. But they were frequently not fully implemented and were even opposed by the worker masses. What brought this about? This was because some cadres lacked faith in the awareness of the masses. Focusing their attention on the material factor to the neglect of the human element, they did not regard the workers as the masters of regulations but took them to be objects for their supervision. They did not consult the masses beforehand when mapping out the rules and regulations; nor did they conduct ideological and political work when implementing them, but attempted to tie down the workers by con-

tinually resorting to a certain regulation. In this way, they seriously confounded the masses' enthusiasm for socialism, and the regulations they drew up invariably met opposition from the workers. Hence, the formulation and implementation of rules and regulations must be a process of mobilizing the masses, relying on the masses, and "from the masses, to the masses." Only in this way can the various rules and regulations take deep root among the masses.

Whether the rules and regulations in an enterprise facilitate bringing forth mass enthusiasm for socialism is a major gauge in judging whether the nature of the rules and regulations is socialistic or capitalistic. Concerning the issue of what kind of rules and regulations were to be enforced, there had always existed the struggle between the revolutionary line represented by Chairman Mao and the revisionist line pursued by Liu Shao-ch'i, Lin Piao, and the like. Lin Piao advocated the idealist historical concept of "the sage and the dullard." He had all along cast aspersions on the working people, picturing them as "occupying themselves with how to make money, how to gain rice, oil, salt, sauce, vinegar, and firewood." The struggle in this respect is in essence a question of having faith in the masses or treating the masses as imbecile children, of relying on the masses or "running the factory by experts." To get to the grassroots, it is a question of proceeding along the road of socialism or regressing to the road of capitalism. Obviously, whether the regulations are beneficial to the masses is not a question of working method but one of political line.

Rules and regulations can benefit production only when they are beneficial to the masses. Benefiting the masses and benefiting production are the same thing. It is wrong to assume that since regulations are binding, they can only benefit production and not the masses and thus set benefit to the masses in opposition to benefit to production. Production is always undertaken by the masses. Without the masses there can be no production. "The people, and the people alone, are the motive force in the making of world history." (2) Rules and regulations in a socialist enterprise have a certain binding capacity. Once they

are laid down and before they are revised, they must be consciously observed by everyone. The binding quality of the regulations mainly serves as a check to bourgeois thoughts and actions. It is also a necessity in coordinating the activities of production. Rational rules and regulations can relatively accurately reflect the relations between the parts and the whole, between department and department, enabling all production activities to be coordinated. The broad masses observe these regulations, regarding them as binding on themselves, because they want to build socialism with greater, faster, better and more economical results, an undertaking which in the end will benefit the broad masses themselves.

"The lowly are the most intelligent; the elite are the most ignorant." (3) Rational rules and regulations are the summing up of the masses' experience in practice. They are the reflection of laws governing the techniques of production. They conform to the requirements of the masses, and the masses are willing to observe them. However, rules and regulations of any kind stem from the subjective views of man, and man cannot bring them in line with objective laws by going through one process of cognition only. Moreover, objective matters are continuously progressing, and man's cognition of them must develop correspondingly. The rationality of rules and regulations is not absolute but relative. With the masses gaining more experience in practice, their cognition deepening, and objective matters developing further, regulations which were previously rational may become irrational or partly irrational and disadvantageous to stimulating mass enthusiasm for socialism. Consequently, they need proper revision. It is necessary to mobilize the masses incessantly, earnestly sum up their experience, and keep improving the rules and regulations not yet perfect in order to continually improve the relations among men in socialist production and thus expedite the development of production.

Rational rules and regulations are formulated by man and are carried into effect by man. In the relationship between man and system, man always occupies the primary position. Even

when we have rational rules and regulations, we cannot rest assured that there will be no problems. "Political work is the lifeblood of all economic work." It is only by strengthening political and ideological work that rational rules and regulations can have vitality and be made to play their appropriate role.

#### Notes

1) Chairman Mao, "'Chei ke hsiang liang nien chiu ho-tso hua le' i wen an-yü" [Introductory Note to "The Township Went Cooperative in Two Years"], Chung-kuo nung-ts'un ti she-hui chu-i kao-ch'ao [The Socialist Upsurge in China's Countryside], Vol. 2, p. 587.

2) "Lun lien-ho cheng-fu" [On Coalition Government], Mao Tse-tung hsüan-chi [Selected Works of Mao Tse-tung], Vol. 3, p. 932.

3) Quotation from Chairman Mao, reprinted from Jen-min jih-pao [People's Daily], June 4, 1970.

Huang Lai-chi (Shanghai Diesel Engine Plant)

TAKE A CORRECT VIEW OF THE ELIMINATION AND ESTABLISHMENT OF RULES AND REGULATIONS\*

How to correctly view the elimination and establishment of regulations is a frequent issue in enterprise management. To sum up experience in this connection in good faith is imperative if we are to do well in the management of socialist enterprises.

For over twenty years, there has been a phenomenon deserving our notice, namely, during each high tide of socialist revolution, the rules and regulations in our enterprises came under attack in either a big or small way. After the socialist transformation of the ownership of the means of production was basically accomplished, such attacks occurred several times. The bigger attacks included the one during the Great Leap Forward in 1958, the one during the "Four Cleans" [Socialist Education Campaign], and particularly the one during the Great Proletarian Cultural Revolution, which was broader and more thorough. The spearhead of the revolutionary mass movement was directed against all aspects of the hackneyed rules and regulations, piercing them without resistance and breaking them like rotten wood.

Why was it that whenever a revolutionary mass movement surged forward there would be an attack on the old rules and regulations of our enterprises? Was this coincidental? Obviously not.

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\*Huang Lai-chi, "Cheng-ch'üeh k'an-tai kwei-chang chih-tu ti p'o ho li," pp. 21-25.

Chairman Mao teaches us: "The basic contradictions in a socialist society continue to be the contradiction between production relations and productive forces and that between the superstructure and the economic base." Most of the rules and regulations fall into the categories of production relations and superstructure. There exist both conformity and contradiction in the relationship between the regulations of socialist enterprises and the socialist economic base or the development of productive forces. The impact that the revolutionary mass movement has on the irrational regulations precisely reflects the development of this contradiction.

The rules and regulations in our enterprises do not drop from the skies but gradually take shape in the process of transforming the old economy and during the acute struggle between the two classes and the two lines. On the whole, such regulations reflect socialist production relations and can serve as an impetus to the development of socialist production. However, some of them retain traditions and vestiges of the old, handicapping the progress of production. Under the guidance of a correct line, an enterprise, by relying on the masses, can ceaselessly overcome the irrational part and develop the rational part of its regulations, getting rid of the old and introducing the new. In this way it can make the regulations catch up with the requirements of increasing production, facilitate the consolidation and development of socialist production relations, and help the broad masses bring forth their enthusiasm for socialism. But if an enterprise is disturbed by a wrong line, the negative part of its rules and regulations will grow dominant, which can wreak havoc on socialist production and frustrate mass enthusiasm for socialism. Under these circumstances, it is possible that the rules and regulations in this enterprise could become entirely incompatible with the socialist economic base and would surely be cast off by the masses in the end.

Why did the masses attack some old administrative regulations during the Great Proletarian Cultural Revolution? The fundamental cause was that in some enterprises affected by the

revisionist line of Liu Shao-ch'i and Lin Piao the administrative regulations contained things which did not conform with socialist reasoning and failed to fully embody the status of the worker masses as masters of these enterprises. The major target of the attack was the irrational regulations seriously hampering the socialist initiative of the masses. These regulations brought the cadres and technicians into sharp opposition against the workmen, grossly damaged unity within the ranks of the working class, and were an extremely corrosive agent among the workers. These regulations must be abolished. Without eliminating revisionist regulations, it is impossible to establish correct relations among men in accordance with socialist principles, and it is impossible to bring into play the consciousness and enthusiasm of the worker masses for being masters of their own affairs. Some rules and regulations which had been in keeping with the needs of production were also swept away. However, it did not happen for no reason. It happened because the rules and regulations were either associated with material incentives or did not follow the mass line when formulated, thus lacking a genuine mass basis. However, any rational regulations, if actually established in keeping with the ideas of the masses, cannot be swept away even if you want to do so; and if they were swept away for the moment, the masses would revive them voluntarily. Analyzing the above phenomena from a revolutionary point of view, you can see that the masses' impact on the old administrative regulations was precisely their expression of opposing the revisionist management in their enterprises. It was a necessity in boosting socialist production.

"There is no construction without destruction, no flowing without damming, and no moving without halting." (1) New rules and regulations can only be established when old ones are removed. During the process of struggle-criticism-transformation in the Great Proletarian Cultural Revolution, we criticized the revisionist line of enterprise management symbolized in "running the factory by experts," "material incentive," and "supervision, control, and suppression"; and in the meantime, we gave fuller support to the spirit of "The Charter of the Anshan Steel Works." Compared with

the situation prior to the Great Proletarian Cultural Revolution, basic systems in socialist enterprises such as the unified leadership of the Party, the system of democratic centralism, cadres participating in labor, workers participating in management, cadres, technicians and workers forming a three-in-one combination, and so forth have all made great progress. The system of the masses studying works of Marx, Lenin, and Chairman Mao has been universally set up, which makes the enterprises more politicized than ever. All this demonstrates that with the drastic destruction and construction during the Great Proletarian Cultural Revolution, the management of our enterprises has been greatly strengthened, which provides a more favorable condition for the rapid development of production.

Once the rules and regulations are laid down, they should have relative stability and be taken seriously. We must not repudiate them lightly, especially in the case of regulations reflecting the objective laws of production. If they are violated at will, the violation will cause grave damage to production. However, production struggle, class struggle, and scientific experiment continuously move forward, and man's cognition of objective laws is also heightened step by step. Limited by various conditions, rules and regulations previously formulated will wholly or partially get out of step with reality and wholly or partially fall short of the requirements of the masses. This is a common phenomenon. Some regulations are correct and rational at a given time or under given conditions but become incorrect and irrational when the time and conditions change. And it is possible that things which once benefit the stimulation of mass initiative and serve as an impetus to the expansion of the productive forces may one day stand in the way of mass initiative and the productive forces. Therefore, we must constantly and consciously readjust the existing rules and regulations and make them fit in with the development of revolution and production. To regard regulations as unchangeable once they are laid down will stalemate their reform and revisions, which is very harmful. In the factories there frequently emerge some phenomena which are "rational but illegal, or legal but irrational."

There are things created or innovated by the masses and beneficial to production but regarded as illegal or out of keeping with existing regulations. To conduct business in accordance with old rules and regulations is legal, though it only brings about fewer, slower, inferior, and expensive results. Such strange situations often spring up when the reform of regulations comes to a standstill.

The smashing of old rules and regulations and the setting up of new ones is a process of struggle. Old ideology upholds hackneyed rules and regulations, which in turn become evidence justifying old ideology. Without eliminating the old and bringing forth the new in ideology there can be no discarding of the old and setting up of the new. Influenced by the revisionist line, all kinds of nonproletarian thoughts such as bureaucratism, departure from the masses, separation from labor, ignoring reality, slighting the creativity of the masses, the philosophy of being a slave to foreigners and worshiping things foreign, and so forth often find their expression in the management of our enterprises. And under certain conditions, things criticized during the Great Proletarian Cultural Revolution may crop up again in disguised form. There are people who do not assume a responsible attitude or who are afraid of taking responsibilities. They tend to conduct business according to regulations so that they can be justified by rules and formalities if something goes wrong. It is their belief that the more regulations the better, the more stamps and signatures the safer. If we let such erroneous ideas go unchecked, it will be difficult for us to eliminate old and set up new systems on the right track. Therefore, in the whole process of reforming irrational rules and regulations, we must pay attention to the struggle in the ideological sphere and grasp well people's education concerning thought and political line, ceaselessly criticizing revisionism and the bourgeois world outlook. This has become a most essential requirement for systems reform. We must particularly focus our attention on Lin Piao's reactionary program of "cultivating oneself and restoring the rites," criticizing the expressions of Lin Piao's revisionist

line in all respects, including regulations in the enterprises, so that we can eliminate all its remnant poison.

In the final analysis, the smashing of old and setting up of new systems is a question of how to run our affairs in conformity with the objective law. We must adhere consistently to the principle of "arousing the masses fully, with everything undergoing experimentation." (2) The practice of the broad masses is the only criterion for judging the rationality of regulations. As to which regulations are to be abolished and which instituted, the masses are the most qualified to decide. We must persist in the mass line of "from the masses, to the masses," rely on the masses, and engage in mass movements in order to bring into full play the energy, wisdom, and creativeness of the masses. We must constantly mobilize the masses to expose contradictions and rely on them to resolve the contradictions. As our more than two decades of experience in practice has shown, the aforementioned is the only approach for revising rules and regulations. Pursuing this path, the systems in our enterprises can be continually improved and forged into a mighty weapon for enhancing productive forces and consolidating and bettering socialist production relations.

#### Notes

1) "Hsin min-chu-chu-i lun" [On New Democracy], Mao Tse-tung hsüan-chi [Selected Works of Mao Tse-tung], Vol. 2, p. 655.

2) A quotation of Chairman Mao, reprinted from Hung-ch'i [Red Flag], No. 11, 1959.

Wu Yüeh-hua (Hu-chiang Engineering Plant)

DISCIPLINE MUST BE ESTABLISHED ON THE  
BASIS OF THE MASSES' CONSCIOUSNESS\*

"Strengthen discipline, and the revolution is invincible." (1) Discipline ensures the implementation of the political line; hence it is a prerequisite for the victory of the revolution. To carry on production effectively in a socialist enterprise, we need a revolutionary discipline. But what kind of discipline is it, and how do we maintain it? This is a question we must straighten out first.

Marxism tells us that under different social systems discipline has an entirely different nature and the ways to maintain it also vary. Lenin pointed out: "The system of serfdom depends on the clubs to maintain the organization of society's labor, . . . capitalism relies on hunger to maintain the organization of society's labor, . . . communism (its first stage being socialism) maintains the organization of society's labor through the voluntary and conscious discipline of the laboring masses who have ridded themselves of the landlords' and capitalists' oppression." (2) The three types of discipline in the three social orders reflect in depth the class characters of the disciplines and mirror the different relations among people in the different social systems. In the serf and capitalist societies, landlords and capitalists formulate their discipline for the exploitation and oppression of the laboring people and the suppression of

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\*Wu Yüeh-hua, "Chi-lü yao chien-li tsai ch'ün-chung ti tzu-chüeh-hsing shang."

their resistance. Their ways of maintaining discipline have to be compulsory and arbitrary, and their reactionary discipline is bound to arouse resistance among the masses of workers and peasants.

Socialist society has established socialist public ownership of the means of production, and discipline in socialist enterprises has also undergone a fundamental change. For the few exploiters, discipline is a weapon forcing them to accept socialist reform. As for the broad masses of workers and peasants, it is an important measure for correctly handling contradictions among the people, mobilizing socialist enthusiasm, developing socialist production with greater, faster, better, and more economical results, and for creating the conditions to eliminate all classes and erase all the differences among them. In a socialist industrial enterprise, the worker masses are the masters of the factory. Labor has become a glorious career, and fulfilling the task assigned by the state has become the broad masses of workers' own demand. Hence, it is natural for them to voluntarily observe revolutionary discipline, which is an expression of the superiority of the socialist system. The task of managing a socialist enterprise simply requires giving full play to the superiority of the socialist system. It means relying on the broad masses of workers, arousing their sense of duty as masters of their own affairs, and bringing forth their enthusiasm for socialism in order to push forward the development of both revolution and production. Thus, although the rules and regulations are definitely binding on each producer, this binding power can only really be effective when it is based on the consciousness of the masses. To implement the regulations merely by administrative coercion frequently will not work. Lin Piao advocated, "One has to implement not only the portion of the Chairman's directives which one comprehends, but also the portion which one does not understand." Lin's idea was nothing but a replica of what Confucius once said, "If you want to lead people to work for you, you should not let them have a great deal of knowledge." Prior to the Great Proletarian Cultural Revolution, some units, influenced by the revisionist

line of Liu Shao-ch'i and Lin Piao, had no faith in arousing the workers' consciousness. They practiced the so-called "leadership instituting the rules, administrative staff implementing the rules, and the masses observing the rules," exercising "supervision, control, and suppression" over the workers. Rules and regulations formulated under these circumstances failed to reflect correctly the socialist production relations and the superiority of the socialist system. This handicapped the development of production. The contents of certain rules, such as the system of quality inspection and regulations for operation, might correspond to the practical requirements of production; but as they were not founded on a mass basis, they too failed to become the voluntary behavior of the masses. Since the Cultural Revolution, many units, guided by Chairman Mao's revolutionary line, have mobilized the masses to stage revolutionary mass criticisms. In this way, they have delinated the two lines of management, summed up the experience of production, reformed irrational rules and regulations, and set up rational ones. And the masses have also greatly enhanced their consciousness of observing revolutionary discipline.

In socialist society, "the people enjoy extensive democracy and freedom, but at the same time, they have to keep within the bounds of socialist discipline." (3) The broad masses are fully aware that socialist discipline is entirely different from the discipline enforced by the exploiting classes. They consciously regard the observance of socialist discipline, as well as rational regulations, as a necessity in the drive to grasp revolution and promote production. In this way, their enthusiasm and creative spirit are further brought into play, and production is propelled forward at great speed. Chairman Mao has pointed out, "Unless the masses are conscious and willing, any kind of work that requires their participation will turn out to be a mere formality and will fail." (4) Only when socialist discipline and socialist regulations strike root among the masses and become their conscious behavior can Chairman Mao's revolutionary line be ensured of implementation.

As a matter of fact, the masses do not all have the same

level of socialist awareness. Owing to the erosion of bourgeois thinking, a small number of workers may not have a high level of class consciousness, and they may demand freedom to the neglect of discipline. What is the correct attitude we should adopt regarding this problem ?

The socialist consciousness of the proletariat has never arisen spontaneously. It grows out of the leadership of the Party and education in Marxism-Leninism-Mao Tsetung Thought. The fact that there is still a small number of workers who do not have a high level of consciousness demonstrates the need for strengthening the Party's ideological and political work. By conducting thorough and meticulous education in socialism, we will awaken their class awareness, help them acquire a correct understanding of the dialectical relation between freedom and discipline as well as of the significance of socialist discipline. When they come to know that the observance of socialist discipline has important bearing on the revolutionary cause of the proletariat, they will consciously keep themselves within the bounds of socialist discipline. "Our discipline is founded on the basis of consciousness. This is the fruition of our Party's leadership and education." (5) It is likely that there may be some people who do not give in for the time being. However, if we distinguish between the two different types of contradictions and resolve the contradictions among the people by sticking to the formula of unity-criticism-unity, we will be able to bring into play the socialist initiative of the broad masses and create a political situation in which there are both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness. If we shut our eyes to the majority of the masses and only see the shortcomings of a small number of persons, we will fail to perceive in essence the mass initiative for socialism. And when some relaxation in discipline appears, if we do not focus our effort on political and ideological work but resort to rules and regulations for a solution, or even go so far as to indulge in the implementation of irrational regulations, we will never be able to bring about a political situation with ease of mind and liveliness as required.

As for those very few who have made repeated gross violations of discipline and do not repent after education, it is necessary to couple serious criticism with disciplinary measures to correct them. However, these measures can become effective only when discipline is based on the consciousness of the majority.

The Political Report to the Tenth National Party Congress pointed out, "The basic experience learned from our socialist construction during more than two decades is to rely on the masses." We must take this as our starting point in the formulation and implementation of regulations so that we can achieve the expected results. Furthermore, there are a lot of problems which cannot be solved by regulations alone. In the great undertaking of building socialism, the broad masses display great energy, working day and night without regard for rewards. They also give play to a revolutionary style of work, contending for the heavy loads and taking the initiative in coordination. All this cannot be attained by rules and regulations alone, but by exercising the Party's leadership and arming the masses with Marxism-Leninism-Mao Tsetung Thought. "Political work is the lifeblood of all economic work." Whenever the Party's ideological and political work is being strengthened and the masses' enthusiasm for socialism is being brought into full play, our enterprises will be full of vigor, and our undertakings will thrive. Whenever the Party's political and ideological work is being weakened and the socialist initiative of the masses is being held down, the management of our enterprises will deviate from the socialist orientation, and our undertakings will suffer a setback. This is an historical experience we should always bear in mind.

#### Notes

- 1) Quotation from Chairman Mao, reprinted from Hung-ch'i [Red Flag], 1967, No. 3.
- 2) "The Great Creation," Complete Works of Lenin, Vol. 29, p. 381.
- 3) "Kuan-yü cheng-ch'üeh ch'u-li jen-min nei-pu mao-tun ti wen-t'i" [On the Correct Handling of Contradictions among

the People], Mao Tse-tung chu-tso hsüan-tu [Selected Readings of Mao Tse-tung's Works], Anthology A, Jen-min ch'u-pan-she, 1966, p. 332.

4) "Wen-hua kung-tso chung ti t'ung-i chan-hsien" [The United Front in Cultural Work], Mao Tse-tung hsüan-chi [Selected Works of Mao Tse-tung], Vol. 3, p. 913.

5) Quotation from Chairman Mao, reprinted from the joint editorial of Jen-min jih-pao [People's Daily], Hung-ch'i [Red Flag], and Chieh-fang-chün pao [Liberation Army News], August 1, 1972.

Ts'ao Pao-mei

THE BIG-CHARACTER POSTER IS A WEAPON  
FOR MASS PARTICIPATION IN MANAGEMENT\*

In our socialist industrial enterprises, the worker masses often use the big-character poster as a medium to put forward their opinions and suggestions concerning the problems of enterprise management to the leaders. You put up a poster, and I follow suit. With more people taking part, contention abounds. The enterprises are seething with enthusiasm, and the masses are dashing forward with great energy. Spurred on by the posters, many age-old problems are quickly solved with the backing of the masses and the leadership's concern. During the Great Proletarian Cultural Revolution and the Campaign to Criticize Lin Piao and Rectify the Style of Work, and especially in the current struggle to criticize Lin Piao and Confucius, more and more leading cadres of industrial enterprises have further elevated their cognition of the role of the big-character poster and have voluntarily taken it to be a mighty weapon for elucidating the political line, disclosing contradiction, gauging discrepancy, expediting transformation, and strengthening business management by relying on the workers.

Chairman Mao teaches us: "The big-character poster is an extremely useful new weapon. It can be used in cities, villages, factories, cooperatives, shops, government organs, schools, army units, and streets; in short, in all the places where there are

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\*Ts'ao Pao-mei, "Ta-tzu-pao shih ch'ün-chung ts'an-chia kuan-li ti wu-ch'i."

masses. It has been used everywhere and should be used forever." (1) In mobilizing the masses to participate in enterprise management, the big-character poster also serves as "an extremely useful weapon," playing a very important role.

Revolutionary wall-posters can arouse the socialist enthusiasm of the masses widely for participating in management. Since the Great Proletarian Cultural Revolution, the mass participation in the management of industrial enterprises, in both its content and form, has made great progress. Representatives from the worker masses have become members of revolutionary committees at various levels in factories. This has notably aroused the initiative and creativity of the vast masses and has fostered the revolutionary spirit of the worker masses as masters of their own affairs. It has further improved the relations among men in production within the enterprise itself and has helped develop socialist production with greater, faster, better, and more economical results. However, those workers who directly participate in the leadership at various levels in a factory are, after all, limited in number. Mass management, as well as worker masses assuming leadership in an enterprise, does not mean that every worker should occupy a leading post. The decisive factor is how to develop democracy to the fullest extent and enable every worker to have a say in the management of the enterprise as a whole. The broad masses take delight in reading and talking about the big-character poster. It is a good medium for fostering democracy. Everybody can write a big-character poster and put it up at any time, regardless of form or length. If the worker masses have any opinions or suggestions regarding issues of management, they may state them directly using the wall-posters. Thus, they provide a possibility for every worker to take a part in managing his enterprise. Making full use of the weapon of the big-character poster will create an even wider mass basis for mass participation in management and workers assuming leadership in their enterprises.

Our country is a socialist state of proletarian dictatorship. The working class is the master of our country, and workers

have the right to exercise revolutionary supervision over cadres of different ranks in our Party and the state. And the revolutionary wall-poster is a mighty weapon for the worker masses to fully exercise their revolutionary supervision. The management of socialist enterprises does not grow spontaneously. It takes shape through the repeated struggle between the two classes, two roads, and two lines. In their attempt to restore capitalism, the bourgeoisie and its agents always try to guide enterprise management down the vicious road of revisionism. Some of our comrades know little about Marxism and do not rely on the masses. They frequently fail to distinguish between Marxism and revisionism and to differentiate between socialism and capitalism. They are likely to judge and deal with the contradictions and problems in their work from a metaphysical point of view. When the dynamic mass movement makes an assault on the outdated rules and regulations, some people are there "sticking to antiquity," and when the broad masses further improve the new regulations, they are there advocating "following the old rules." They confuse the regulations formulated under the guidance of the proletarian revolutionary line with those laid down when the revisionist line interferes. When the state requires the industrial enterprises to turn out more products, some people keep their eye on the quantity and value of the output and ignore the quality of their products; when the state demands the improvement of quality, they lower quantity and raise the costs of production. Thus, they sever the two aspects of production which are originally closely connected. Such ideological trends may sometimes take the wind out of some people and affect the consistent implementation of Chairman Mao's revolutionary line, causing damage to both revolution and production. This is a reflection of class struggle and the two-line struggle in real life. In dealing with the struggle between the two classes, two lines, and two roads as expressed in enterprise management, we must not only make a strict distinction between the two entirely different types of contradictions, but must also conduct criticism and struggle against all kinds of erroneous thought. The big-character poster is defi-

nately a powerful weapon in the struggle against all mistaken ideas. The wall-posters make public the existing contradictions and invite everyone's participation in deliberating, judging, and criticizing them. Usually when a few wall-posters are put up, one poster will be followed by ten more, and ten will be followed by a hundred. In this way, they will soon grow into a strong revolutionary force making a fierce assault on the various erroneous views. Confronting the big-character posters, things with a revisionist brand can no longer retain their foothold, comrades who entertain wrong ideas become sober-minded, and those age-old problems cannot drag on unsolved forever. Consequently, the revolutionary torrent of the proletariat will rapidly beat back the reverse current of the bourgeoisie and constantly push our undertakings forward in the socialist direction.

Some comrades are not quite used to managing their enterprises through the medium of big-character posters. They tend to regard it as a good sign if no wall-posters are put up in their units. Whenever they see a few posters being stuck to the wall, they become panic-stricken and think the situation is bad. They are afraid that big-character posters might make a mess of the "normal order" in their management. But, in fact, realities often run contrary to what they expect. When the worker masses put up their revolutionary wall-posters, they change the dreary and deathly silent situation prevailing in their units and bring about a political situation filled with vigor and liveliness.

"Management is also socialist education." To do a good job in the management of socialist enterprises is, in fact, to conduct revolution in the superstructure, including the sphere of ideology. In order to press socialist revolution and the undertakings of socialist construction forward, it is a must for the proletariat to use the weapon of the big-character poster and struggle against all kinds of erroneous views. All mistakes must be exposed and criticized. Needless to say, such criticism should be made by "applying the dialectical method with great effort," and "what is needed is scientific analysis and convincing argument." (2) Hence it is groundless to assume

that when the masses put up posters it is a sign of a bad situation and to even go so far as to exclude the use of wall-posters from enterprise management. The masses write wall-posters to disclose problems existing in management, their objective being to adhere to truth and rectify mistakes. The more of this kind of wall-posters that come up, the more concern the broad masses will show for management. It is a sign of a good situation and a matter to be delighted in. Contradictions can only be resolved when they are brought to light. For fear of the wall-posters written by the masses, some people do not actively guide the masses in uncovering the contradictions but cover them up unresolved. This so-called "normal order" of theirs is actually abnormal. It will not benefit mass mobilization and will constitute a barrier to the struggle the proletariat launches against the capitalists. Everything in this world is in motion, and there is no such thing as a static "order" in management. To congeal management work means to cease progress. We must mobilize the masses to bring to light all contradictions and solve them constantly, our objective being to create a dynamic and lively political situation. Only when we have grasped the law that things develop through struggle can we ceaselessly propel our work forward; and while watching a certain major tendency, we should keep our sight on an alternative tendency that might be concealed.

The key to fully bringing into play the role of the big-character poster in managing socialist enterprises lies with the leadership. We must stand with the proletariat and, guided by the Party's basic line, extend warm support to the revolutionary mass movement, encouraging the masses to use the mighty weapon of wall-posters. In the current struggle to criticize Lin Piao and Confucius, it is especially necessary to deeply criticize the precept of "cultivating oneself and returning to the rites" as advocated by Lin Piao. Through the medium of wall-posters, we must conduct criticism regarding the major issues related to class struggle and the two-line struggle in real life. In this way, we can continuously improve socialist production relations and their superstructure in line with the

orientation pointed out by Chairman Mao, expedite the consolidation of the socialist economic base, and boost the productive forces immensely.

Notes

1) "Chieh-shao i ke he-tso-she" [Introducing a Cooperative], Mao Tse-tung chu-tso hsüan-tu [Selected Readings of Mao Tse-tung's Works], Anthology A, Jen-min ch'u-pan-she, 1966, p. 381.

2) "Kuan-yü cheng-ch'üeh ch'u-li jen-min nei-pu mao-tun te wen-t'i" [On the Correct Handling of Contradictions among the People], Mao Tse-tung chu-tso hsüan-tu, Anthology A, 1966, p. 354.

Tan Hsi

## ADHERE TO THE SOCIALIST PRINCIPLE OF ECONOMIC ACCOUNTING

Chairman Mao teaches us: "Any economic undertaking in socialist society must pay attention to making the fullest possible use of the labor force and equipment. It must do its utmost to improve labor organization, renovate management, raise labor productivity, and economize as much as possible on manpower and material resources. It must also launch labor emulation and practice economic accounting." (1) Economic accounting is one of the major contents in the management of socialist enterprises. To do it well is of great importance to a socialist enterprise in its effort to implement the Party's General Line for Building Socialism and carrying out the policy of running the enterprise through diligence and frugality.

According to the popular explanation, economic accounting is keeping accounts and preparing accounts to record, calculate, analyze, and compare the consumption and yields of labor in the course of production. Calculating a product's output, variety, quality, and consumption of material is called calculation in kind, and calculating a product's output value, production cost, profit, and capital turnover is termed calculation in value. We must do a good job of economic accounting and strive to achieve greater, faster, better, and more economical results in developing socialist production with the least possible funds,

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\*Tan Hsi, "Chien-ch'ih ching-chi he-suan ti she-hui-chu-i yüan-tse."

manpower, and material resources. This will facilitate the ceaseless consolidation and improvement of socialist production relations, that is, the economic basis of the proletarian dictatorship.

To do economic accounting well in a socialist enterprise, it is necessary to set up and improve a variety of administrative systems governing planning, technology, labor, material supply, and financial affairs. It is also imperative to do a good job in controlling quotas, recording primary data, maintaining good statistics, and measuring quantity. Obviously, economic accounting is fairly meticulous and complicated work, embracing a great deal of business transactions and calculations. However, economic accounting is not just simple addition, subtraction, multiplication, and division in a purely technical sense. How to settle an account, which account is rational and which one is not — all lead to the question of whether it is in conformity with the socialist principle.

What is the socialist principle of economic accounting? It is that economic accounting in a socialist enterprise must subordinate itself to the objective of socialist production. The objective of socialist production is to meet the ever-growing requirements of the socialist state and the broad masses of working people. It aims at strengthening and developing the economic basis of socialism, consolidating the proletarian dictatorship, and creating the conditions for the realization of communism. To be in conformity with the objective of socialist production is to be in keeping with the principle of socialism. But to attain this there must be a process of struggle.

When a socialist enterprise manufactures a certain product, the amount of steel, electricity, and other materials consumed may be figured out through calculation in kind. Based on the calculation, we can tell whether the material consumption is economical or wasteful so that necessary measures can be taken to prevent waste and ensure frugality. However, calculation in kind in socialist society is expressed through the form of calculation in value, including in the figuring how much value of output is produced, how much the cost is, how much profit is

earned, and so forth. To conduct economic accounting through the medium of value is still indispensable in socialist society. However, value is an economic category molded under the conditions of commodity economy. Although the category of value in a socialist society reflects the socialist production relations, it is a category subordinate to commodity economy. Invariably, it retains the remnants and traces left over from the old society. The existence of the category of value marks the existence of commodity production. And the existence of commodity production manifests the contradiction between the value and the use value of a commodity. Thus, given a certain condition, it is possible for the bourgeoisie and its agents inside the Party to avail themselves of this contradiction to sabotage socialist construction and lead socialist economy down the vicious road of capitalism. Influenced by bourgeois ideas of management and the revisionist line enforced by Liu Shao-ch'i and Lin Piao which called for "the greater the profit, the larger is the investment; the smaller the profit, the smaller is the investment; and there will be no investment where there is no profit," some enterprises fail to produce according to the needs of the state and the people. They tend to turn out more products of high value and big profit and manufacture less of those with low value and small profit and even blindly seek value of output and profit. Chasing one-sidedly after [exchange] value to the neglect of use-value is an erroneous practice which runs counter to the objective of socialist production.

Under the influence of bourgeois ideas of management, the economic accounting in an enterprise may for a time turn out products of high value at low cost with big profits and quick capital turnover. It may give the impression that the enterprise has done a fairly good job of economic accounting. But in fact it deviates from the objective of socialist production, being short on supplies of goods which the state and the people need, while being long on supplies of goods which the state and the people do not need. Consequently, neither the targets fixed in exchange value nor the targets fixed in use-value can be fulfilled. This will certainly damage the national economic plan and en-

tail waste in the productive forces of the society. From this it can be seen that economic accounting is by no means just a matter of bookkeeping; it reflects the serious struggle between the two ideologies and two roads of socialism and capitalism. To adhere to the socialist principle of economic accounting, it is necessary to correctly understand and handle the contradictions and struggles emerging in the process of economic accounting. And to achieve this, we must take the Party's basic line as the key link, drawing a clear distinction between the right and the wrong line, resolutely struggling against the ideologies and influences of the revisionists and capitalists, and consciously working in accordance with the directions, policies, and unified plans laid down by the Party and the state in order to obtain an overall fulfillment of the targets planned by the state. Only in this way can we achieve the objectives of socialist production.

In a socialist society, the economic relations among socialist enterprises must also be subordinated to the objective of socialist production. The very nature of socialist public ownership of the means of production provides a potential for all enterprises to conduct extensive coordination and cooperation among themselves. With the same goal, all enterprises should support and help each other. However, all socialist enterprises are relatively independent units for economic accounting, and business transactions among them must be reflected by their accounts. The relationship of economic accounting among enterprises benefits the strengthening of the sense of duty of each enterprise with respect to enterprise management. Therefore, this relationship must be adhered to. On the other hand, the contradictions of economic interests among the enterprises may, under certain conditions, affect the coordination and cooperation among them. Suppose there is a factory specializing in producing spare parts and mechanical equipment. With appropriate innovation and improvement of its products, it will help promote immensely the labor productivity of the factories which use its spare parts and mechanical equipment. As for the factory itself, during the process of innovating and improv-

ing its products, it temporarily may have to sustain higher costs of production and lower labor productivity. What should we do to resolve this contradiction?

All socialist enterprises are components of a unified socialist economy. They have their basic common interests, and there is no fundamental clash of interests among them. This is entirely different from the relationship of mutual contending and benefiting oneself at the expense of others that prevails among the capitalist enterprises. Thanks to this nature, socialist economy does not practice economic accounting within the scope of a single enterprise only but practices it in the sphere of the society as a whole. An enterprise is a part, and society is the whole. The economic accounting of an individual enterprise should be subordinated to the economic accounting of the whole society; that is to say, every individual enterprise should start from the common interests of the national economy and subordinate its partial interests to those of the whole. Anything which is of advantage to the production of the society as a whole, though it may entail temporary loss to a single enterprise, should be performed with enthusiasm, and the departments concerned should give their active support. Nevertheless, as each enterprise must conduct independent calculations, accounts must be kept and settled among the enterprises. Each enterprise should figure out its own gains and losses. But the primary concern is mutual assistance and cooperation and the cultivation of the communist style of work. Relinquishing coordination and cooperation, discarding the communist style of work, and placing partial interests of individual enterprises above the common interests of the whole society, such tendencies, if developed and unchecked, would invariably lead to degeneration of the socialist enterprises. What is involved here is an acute struggle between the two classes, two roads, and two lines regarding the interrelations of socialist enterprises. It is only by cultivating the communist style and correctly handling and continually improving the relations between the enterprises according to the socialist principle that we can fully develop the

superiority of the socialist system, boost socialist production with greater, faster, better, and more economical results, and persist in the socialist orientation of the enterprises.

Economic accounting in the socialist enterprise reflects socialist production relations and will certainly enlist the support and approval of the broad masses. The masses are fighters on the front line of production, and they are the ones who have the most say about issues of how to economize manpower, funds, and material resources in promoting socialist production with greater, faster, better, and more economical results. Many industrial enterprises have instituted a cost-accounting system by section or squad, which is also a form of conducting enterprise accounting by the masses. Only by relying on the masses and keeping close ties with the masses can the financial personnel find out the various problems in management and administration work, fully develop their expertise, and with the masses, increasingly improve their practice of economic accounting.

#### Note

1) "'Chen-ju ch'ü Li-tzu-yüan nung-yeh sheng-ch'an ho-tso-she chieh-yüeh sheng-ch'an fei yung te ching-yen' i wen an-yü" [An Introduction to "Experience of Li-tzu-yüan Agricultural Cooperative of Chen-ju District in Economizing on Costs of Production], Chung-kuo nung-ts'un te she-hui chu-i kao-ch'ao [The Socialist Upsurge in China's Countryside], Vol. 2, p. 768.

Kung Ching (Department of Political Economy, Fudan University)

### SET UP AN ADMINISTRATIVE STRUCTURE WHICH FORGES CLOSE TIES WITH THE MASSES\*

To establish in industrial enterprises a revolutionized administrative structure which forges close ties with the masses is a major element in strengthening enterprise management. It will play an important role in ensuring the Party's unified leadership, effectively organizing and mobilizing the enthusiasm of the broad masses for socialism as well as boosting socialist production.

Since the founding of our state, there has always existed a struggle between two lines and two ideologies over the issue of how to set up an administrative structure in industrial enterprises. A lot of experience, both positive and negative, has been accumulated in this respect. To establish a good administrative structure it is imperative to take the two-line struggle as the key link and earnestly sum up the experience so that we can get hold of the essence of administration and discover the laws governing it.

From the early days of the postliberation period to the beginning of the First Five-Year Plan, most factories, through democratic reform, eliminated capitalist administrative structures and rules such as the system of having foremen and supervisors, the system of searching the workers entering or

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\*Kung Ching, "Chien-li i ke lien-hsi ch'ün-chung ti kuan-li chi-kou."

leaving a factory, and so forth. All these were intended for the oppression of the workers, and their extermination greatly enhanced the workers' revolutionary spirit of being masters of their own affairs. After 1953, many places introduced some foreign systems of administration without any modification. They instituted the revisionist system of "running the factory under one director" and set up enormous administrative structures, which seriously handicapped the workers' enthusiasm for socialism. In 1958, the worker masses rose to strike down these revisionist goods and began the dynamic and vigorous situation of the Great Leap Forward. In the years 1961 and 1962, because of Liu Shao-ch'i's revisionist line, administrative structures in some enterprises retrogressed to the old path of the minute divisions of labor and overlapping levels. Consequently, the administration divorced itself from the masses and impeded the development of production. During the Great Proletarian Cultural Revolution, the broad masses, guided by Chairman Mao's revolutionary line, rose once again to storm the rules and regulations shackling mass initiative and smash the overlapping structures divorced from the masses. Many industrial enterprises, under the leadership of revolutionary committees, have set up compact and unified command systems of production and have extensively realized the "three-in-one combination." The cadres there persistently take part in collective labor, forge close ties with the masses, and foster a vigorous revolutionary style of work. Administrative organs closely associated with the masses as such help promote both ideological and organizational revolutionization, bring into play the enthusiasm of the broad masses, and thus serve as a great impetus to the development of production.

Since liberation, the administrative organs have gone through a course of repeated progress and reverses. From this it can be seen that the setting up of administrative organs in the industrial enterprises is not routine work, but an acute and profound two-line struggle. From these rich historical experiences we have learned very deep lessons.

With regard to the issue of how to establish an administrative

structure in the industrial enterprises, the primary requisite is to set a basic guiding thought. Chairman Mao teaches us: "To reform the state organs, the basic requirement is to maintain close contact with the masses." (1) Chairman Mao's brilliant directive is the basic guiding thought for the reformation of state organs. It is also the basic guiding thought for setting up administrative structures in our industrial enterprises.

The nature of our socialist enterprises determines that the administrative structures in the factories must facilitate association with the masses. This is a major feature that distinguishes socialist from capitalist and revisionist enterprises. The administrative structure in a capitalist enterprise can display a lot of variety, but the capitalists neither will nor can ever turn out an administrative structure which maintains ties with the masses. In their enterprises, the nature of the production relations is one of capitalists exploiting hired laborers. Administrative structures which are determined by this kind of production relations and are set up to uphold such relations cannot be anything but instruments by which the capitalists rule the workers. They are absolutely opposed to the workers. Contrary to the capitalist enterprises, socialist enterprises are founded on the socialist public ownership of the means of production. To rely on the conscious initiative of the worker masses for socialism is the essential approach to run a socialist enterprise well and to develop socialist production. Taking over the fallacy of Confucius and Mencius that "the mean men cannot be ruled without gentlemen," Lin Piao advocated the idea of "the sage and the dullard." His attempt was to thoroughly negate the fact that workers and other laboring people are the masters of socialist enterprises. The administrative organs of our socialist enterprises must take the opposite direction from the road followed by Lin Piao and Confucius and Mencius. We must forge close ties with the masses, "from the masses to the masses." Although administrations of different enterprises cannot be uniform because of differences in concrete conditions, they should all be beneficial to maintaining close contact with the masses. If there is any deviation from this, should one merely concentrate one's efforts on

the forms and titles of enterprise administration, one would "not see the woods for the trees" and would lose direction.

How can the administrative structure of an enterprise provide free access to and maintain close ties with the masses? One of the most important factors for this is reliance on the participation of the toiling masses in enterprise management.

Chairman Mao has all along attached importance to the participation of the worker masses in enterprise management. He has often personally summed up and confirmed their experiences in management. In "The Charter of the Anshan Steel Works," he has listed the worker masses' participation in management as a basic principle for running socialist enterprises well. Over the past two decades, guided by Chairman Mao's revolutionary line, many industrial enterprises have created various approaches relying on the worker masses for management and have scored great achievements. Revolutionary committees made up by the three-in-one combination came into being during the Great Proletarian Cultural Revolution. They further realized the principle of associating with the masses. As practice has shown under the unified leadership of the Party, worker masses have directly participated in the administration of factories. They are "both officials and common folk." (2) As they are not divorced from productive labor, they can maintain direct and close ties with the broad masses. In this way, they can duly transmit the opinions and demands of the masses upwards and also exercise mass supervision over all levels of leadership from the bottom to the top. Besides, they can also quickly pass down the tasks and policies of the Party and turn them into voluntary actions on the part of the masses. This provides the Party's leadership and administrative structures at different levels with a more extensive and solid mass basis and ensures that the leaders and administrative personnel in an enterprise will persist in the mass line and keep close contact with the masses.

Apart from the above, we must practice the principle of "maintaining fewer but crack troops and streamlining administration" when we set up administrative structures in our enter-

prises. Chairman Mao has taught us many times: We must "simplify organizational structure, reform irrational rules and regulations, and transfer office personnel down to the lower level." (3) We must also "break up overlapping administrative structures, practice the principle of maintaining fewer but crack troops and streamlining administration, and organize a revolutionized leading body which keeps close contact with the masses." (4) The idea that "with more people, work can be done better" should be understood in this connection: A good many tasks can only be done well by relying on the joint effort of the masses. With fewer and better administrative staff, their contacts with the masses will become closer, and work can surely be done well. Even if there are a great many administrative staff members, they are still a minority when compared with the broad masses. If they fail to keep contact with the masses and do not rely on the masses, they still cannot do the work well.

However, simplifying organizational structure does not mean merging organs and laying off personnel without discrimination. Simplification must be coupled with effectiveness, its objective being to keep close ties with the masses and to raise efficiency. When we have fewer but crack troops, everyone will actively assume responsibility and conscientiously do the things that must be done. Consequently, everything will be taken care of and nobody will stand idle. Owing to the rapid development of production and the gradual deepening of the drive of struggle-criticism-transformation, the structural layout in some enterprises will fail to keep pace with the new situation. It must be strengthened and readjusted in time in order to further consolidate the victorious result of simplification achieved during the Great Proletarian Cultural Revolution. We must not negate the revolutionary actions of the masses in assaulting the old administrative structures; nor should we revive without discrimination all the institutions and structures set up in the past.

In readjusting the administrative organs in our industrial enterprises, the common objective is to attain "simplification, unification, effectiveness, economy, and opposition to bureau-

cratism." (5) Generally speaking, attention must be paid to handling well the relationship between centralized and decentralized management, between coordination and division of labor. Taking the convenience of the masses as our starting point, we must pursue the principle of combining unified leadership with administration at different levels. We should not centralize everything when centralization is the word; nor should we decentralize everything if decentralization is stressed. Each functionary organ in an industrial enterprise must have a definite duty and a division of labor; but division of labor does not mean the division of everything with everyone hoeing only his own row. Ours are socialist enterprises, and we should emphasize mutual support and coordination with the same goal. Overstressing mutual restriction will result in squabbles if it is not handled well. In the final analysis, too much restriction will end up in restricting the masses, hampering the masses' enthusiasm for socialism. To exercise administration by relying on the so-called role of restriction is in essence to rule over the masses and not to rely on them. As a result, you cannot rule over the masses; nor can you rule them well. Without a revolutionary style of work and an attitude of wholeheartedly serving the people, even a rationalized administrative structure cannot achieve the aim of maintaining contact with the masses. Therefore, the leading cadres and administrative personnel must face the masses, face production, go deep into reality, conduct study and investigation, persistently take part in labor, and do a good job of ideological revolutionization.

Finally, it is also necessary to have a developing point of view when dealing with the establishment of administrative structures for industrial enterprises. Administrative structures of any kind are not unchangeable and they will evolve following the progress of revolution and production. Administrative structures conforming to revolution and production may, under given conditions, partially or completely grow out of line with revolution and production. And then it is necessary to readjust them. This is a dialectical process of growth and stagnation. When an organizational structure needs adjustments, the broad

masses must be consulted and decisions should not be made by a few people behind closed doors. To depart from the mass line and set up administrative organs maintaining no contact with the masses is bound to meet mass opposition. And it is likely that after a few years the masses will rise again to attack those overstaffed administrative organs which maintain no ties with them. The broad masses stand on the forefront of the Three Great Revolutionary Movements of class struggle, production struggle, and scientific experiment. They have the best understanding of the real situation. They have clear ideas about what organs should be set up in their factories and how the organs should be staffed. It is only by fully mobilizing the masses and fostering democracy that administrative organs can be set up in keeping with reality and be brought into genuine association with the masses.

#### Notes

1) Reprinted from Jen-min jih-pao [People's Daily], March 30, 1968.

2) Quotation of Chairman Mao, reprinted from Jen-min jih-pao [People's Daily], June 8, 1967.

3) Reprinted from Hung-ch'i [Red Flag], 1968, No. 2.

4) Reprinted from Jen-min jih-pao [People's Daily], March 30, 1968.

5) "K'ang Jih shih-ch'i ti ching-chi wen-t'i ho ts'ai-cheng wen-t'i" [Economic and Finance Problems during the Anti-Japanese Period]. Mao Tse-tung hsüan-chi [Selected Works of Mao Tse-tung], Vol. 3, p. 850.

Fu P'ei-tzu

BRING INTO PLAY THE ROLE OF THE  
REVOLUTIONARY COMMITTEES UNDER  
THE LEADERSHIP OF THE PARTY\*

The documents of the Tenth National Congress of the Party indicate that the Party committees at various levels should further strengthen the unified leadership of the Party and at the same time bring into full play the role of the revolutionary committees. Through study we are deeply aware that to conscientiously implement this directive in our socialist enterprises is the fundamental guarantee of running socialist business management well and consolidating the economic base of the proletarian dictatorship.

Socialist economy is based on public ownership. In the state enterprises, the means of production are owned by the proletariat and the working people. In the collective enterprises, the means of production are owned by collectivized working people. However, be it a state enterprise or a collective enterprise, they are all under the unified leadership of the Communist Party, the vanguard of the proletariat. These enterprises conduct productive activities and enterprise management in agreement with the interests of the proletariat and the vast working people. To depart from or weaken the Party's unified leadership is to lead socialist enterprises astray. Chairman Mao says: "Of the seven sectors — industry,

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\*Fu P'ei-tzu, "Tsai tang ti ling-tao hsia fa-hui ke-wei-hui ti tso-yung."

agriculture, commerce, culture and education, the army, the government, and the Party — it is the Party that exercises overall leadership." (1) The Party must strengthen its unified leadership over all sectors of the socialist economy.

In what context can the unified leadership be regarded as strengthened in a socialist enterprise? We have plenty of experience and lessons deserving summation concerning this question. Before the Great Proletarian Cultural Revolution, comrades in some enterprises thought that to strengthen the Party's leadership was to monopolize all activities, big or small, by the Party organs. They would often pick up the sesame seeds and forget the melons, grasping trivial matters to the neglect of major issues. As a result, they lost the ability to distinguish between the right and the wrong lines and even went so far as to pursue the revisionist line. They not only failed to boost production but even led the enterprises down the vicious road of capitalism. The Political Report to the Tenth National Congress of the Party further summed up the experience of strengthening the Party's unified leadership and emphatically pointed out: "Quite a few Party committees are engrossed in daily routines and minor matters, paying no attention to major issues. This is very dangerous. If they do not change, they will inevitably go down the road of revisionism." To grasp major issues is to grasp the ideological and political line, persevering in implementing the Party's basic line and resolutely resisting the revisionist line so that the management work of our enterprises can proceed continuously in the socialist direction. This is the basic issue in bringing about the unified leadership of the Party.

At the same time as strengthening the Party's unified leadership, it is necessary to bring into full play the role of the revolutionary committees in the industrial enterprises. "The three-in-one revolutionary committee is a creation of the working class and the masses of people during the Cultural Revolution." (2) The revolutionary committee is a new thing which emerged during the Great Proletarian Cultural Revolution. In the storm of the "January Revolution" in 1967 when the revolutionary com-

mittee first appeared, our great leader Chairman Mao immediately backed and confirmed with wholehearted eagerness this great creation of the working class and the masses of people. Farsightedly he pointed out that "the revolutionary committee is good."

The reason why revolutionary committees are good is first of all that representatives of the worker masses participate in the leading bodies at various levels in the enterprise so that enterprise management can further embody the leadership of the working class. The participation of the worker masses in the revolutionary committees is a major organizational assurance for the Marxists and worker masses to grasp the leadership of the enterprises. Prior to the Great Proletarian Cultural Revolution, many enterprises had, in varying degrees, implemented the participation of workers in administration, setting up various systems such as the workers' congress, meetings analyzing economic activities, administration by squads and sections, and so forth, which had been useful. But as the worker masses had not maintained their leadership, some enterprises had for a time deviated from the socialist direction, and some even had their leadership usurped by a handful of villains. Since the Great Proletarian Cultural Revolution, our enterprises have undergone a profound change. The worker masses have chosen representatives to participate directly in the leading bodies at various levels in their enterprises. This is a new dimension in mass management. It has great significance for the consistent implementation of Chairman Mao's proletarian revolutionary line as well as for resisting the revisionist line. The broad worker masses fight on the forefront of the Three Great Revolutionary Movements of class struggle, production struggle, and scientific experiment. They best understand the Party's policy and are the most resolute in its implementation. They are the most capable in discerning the revisionist line, and they are the most forceful when fighting against it. The direct participation of representatives from the worker masses in leading bodies has made it possible for the masses to effectively take an active role in the overall work

of their enterprises, assisting and supervising the cadres in their implementation of the Party's line. Take the drawing up of the production plan for example. In some enterprises in the past, a few cadres mapped out plans in the headquarters and brought these fixed plans to the masses for discussion. The worker masses commented: "This is consultation in form and arbitrariness in fact." Consequently, the cadres were unable to fully arouse the workers' enthusiasm for socialism. And as a few cadres regarded themselves as "wise" and entertained a blind faith in the "experts," they even prevented workers from having their correct proposals adopted. But things are quite different now that the worker masses have participated in the revolutionary committees. Take for instance the Shanghai No. 23 Radio Factory. At the beginning of 1973, when the revolutionary committee in the factory conducted study and discussion concerning the yearly plan, those committee members who were not divorced from productive labor fully reflected the opinions of the masses and put forward many proposals for increasing production, practicing economy, and bringing out latent power. Quite a few times they vetoed the low plan targets suggested by the department of production, ending up by working out a production plan exceeding that of 1972 by 21 percent. The plan won the support of the masses, and as a matter of fact, it was fulfilled two months ahead of schedule, and the quality of the products was notably improved. The evolution of planning as noted above indicates that since the representatives of the worker masses have directly participated in the leadership of the factory, they have had more say over the major issues in the factory, and the status of the worker masses as masters of the factory has stood out more conspicuously than ever. Clearly it is entirely wrong to regard as negligible the direct participation of worker masses in the leadership over the factory.

With the participation of representatives from the worker masses, the revolutionary committees not only realize the leadership of the working class but also enable the leading body in an industrial enterprise to take root among the masses,

providing the leading body with a reliable assurance of pursuing the mass line and forging close ties with the masses. Mass representatives in the revolutionary committees are generally not divorced from productive labor. They are "both officials and common folk," connected with the broad masses like flesh and blood. In this way, they can duly relay the opinions and requirements of the masses upward and simultaneously pass the general and specific policies of the Party downward, turning them into voluntary actions of the masses. Numerous facts have proved that the three-in-one revolutionary committees are superior in maintaining close ties with the masses, which is a powerful assurance for doing all kinds of work well and a major factor in strengthening the unified leadership of the Party. However, some people have the idea that with Party organs re-established in the enterprises, the historical task of the revolutionary committee has been accomplished and that from now on what the revolutionary committee must do is to merely "hang up its signboard and stamp its name on the documents." Some people even hold that having the revolutionary committees debate problems discussed and decided by the Party organs is redundant. Thus, more problems would be directly decided by the Party organs and fewer meetings would be held by the revolutionary committees, resulting in turning the unified leadership of the Party into a monopoly and reducing the role of the revolutionary committees to a formality. In fact, neglecting the role of the revolutionary committees will invariably affect the links between the Party and the masses, being disadvantageous to revolutionizing the leading body as well as to strengthening the Party's leadership. To strengthen the unified leadership of the Party does not mean substituting Party organs for the revolutionary committee, which in fact cannot be replaced. It is only by bringing into full play the role of the revolutionary committees and paying attention to forging close ties with the masses through the revolutionary committee that the Party organ can really strengthen its unified leadership.

During the Great Proletarian Cultural Revolution, the broad masses founded the principle of combining the old, the middle-

aged, and the young in the leading body. It provides favorable conditions for us to train, in accordance with the five requirements laid down by Chairman Mao, millions of successors to the cause of the proletarian revolution. The three-in-one revolutionary committee is the most useful for the upbringing and growth of new cadres. According to incomplete statistics, in the six years since the founding of the revolutionary committees, new cadres at various levels brought up from among the workers in some enterprises in Shanghai generally exceeded the total number of cadres promoted from among the workers during the seventeen years prior to the Great Proletarian Cultural Revolution. In some cases the ratio is more than double the previous figure. The development of new cadres from among the workers is a major result of the Cultural Revolution. Having taken leading posts in revolutionary committees at various levels, the new cadres assume heavier loads of responsibility and have more opportunities for tempering themselves. Besides, with the new and old cadres working side by side in the revolutionary committee, they learn from each other, overcoming their weaknesses by acquiring each other's strong points, with the old bringing up the new and the new urging the old onward. All this ensures organizationally the fulfillment of the important task of training successors to the proletarian revolutionary cause. Old cadres in many enterprises are aware of the responsibilities on their shoulders. They not only modestly learn from the new cadres but also enthusiastically show concern for their growth. This is in line with Chairman Mao's teaching that we should enable "the seniors to keep contact with the masses and the youths to be seasoned." (3) By bringing into full play the role of the three-in-one revolutionary committee, we can enable the ranks of our cadres to flourish, thus ensuring that there will be successors and rejuvenating our Party.

It is not an easy thing for the revolutionary committees to acquire a deep and solid mass foundation. The broad masses of workers and staff were dancing with joy when revolutionary committees were set up in their units. Therefore, we must wholeheartedly cherish the revolutionary committees, uphold,

consolidate, and develop them. The revolutionary committee was a new thing which came into being during the Great Proletarian Cultural Revolution. Lin Piao and his like were dead set against all the newly emerging revolutionary things. In the struggle to criticize Lin Piao and Confucius, we must make a thorough repudiation of the various fallacious abuses which the Lin Piao anti-Party clique maliciously poured on the new socialist things so we can ensure that the revolutionary committees made up by the three-in-one combination of the young, the middle-aged, and the old will grow more sturdy and thrive. This is a major issue relating to the consolidation and development of the fruits of the Great Proletarian Cultural Revolution. It has an important bearing on how to do an earnest job of struggle-criticism-transformation in the industrial enterprises. By bringing into full play the role of revolutionary committees under the unified leadership of the Party, we can surely further socialist management and ensure that socialist enterprises will ceaselessly march forward along the track of the Party's basic line.

#### Notes

1) Reprinted from Chou En-lai, "Tsai Chung-kuo kung-ch'antang ti shih tz'u ch'üan kuo tai-piao hui shang ti pao-kao" [Report to the Tenth National Congress of the Communist Party of China].

2) Quotation of Chairman Mao, reprinted from Jen-min jih-pao [People's Daily], March 30, 1968.

3) Reprinted from Jen-min jih-pao [People's Daily], March 30, 1968.

Editors' Postscript

To run enterprise management well is a question about which the vast workers and cadres in the industrial enterprises are always concerned. However, in correctly handling enterprise management, one must study and have a good grasp of the principles of Marxist political economy, adhere consistently to the Party's basic line in our work, integrate theory with practice, and distinguish between the two lines in running our enterprises. To satisfy the need for study and discussion of problems in this connection, we compiled this pamphlet for everyone's reference. It contains the article entitled "On Enterprise Management" [T'an-t'an ch'i-yeh kuan-li] which was carried by the journal Hsüeh-hsi yü p'i-p'an [Study and Criticism], 1973, No. 4 [December 16, 1973, pp. 11-13] (the title has been changed to "Workers Are the Masters of Socialist Enterprises" in this book) and other articles dealing with enterprise management which appeared in the column entitled "Learn Something about Political Economy" [Hsüeh i-tien cheng-chih ching-chi hsüeh] of the Liberation Daily [Chieh-fang jih-pao] during July, August, and December 1973. These articles were written by comrades from some industrial enterprises and the departments concerned and were based on their study of theory, investigation, and research as well as the experience they have summed up. Minor revisions have been made in wording and phraseology when they were put into book form.

January 1974

The Party Committee of the Shanghai Wristwatch Factory

RUN THE ENTERPRISE WELL BY  
RELYING ON THE WORKER MASSES\*

In the high tide of criticizing Lin Piao and Confucius, we have confidently ushered in the year 1975.

The idea of running the enterprise well by relying on the worker masses has taken deep root among all people in the factory. The initiative and creativity of the workers have been further developed, and the whole factory is seething with enthusiasm. We have been increasing production for several years now, and in 1974 we have again overfulfilled the state plan. The total output of wristwatches exceeded that of 1973 by 6.1 percent, and our general labor productivity showed a rise of 6.6 percent. Now we can turn out more watches than could three factories combined before the Great Proletarian Cultural Revolution. Simultaneous with fulfilling the task of production, in one year we have accomplished the preparations for switching to the manufacture of a new variety, a task which used to take two or three years to complete. In this way, this year we are able to manufacture smoothly a new type of watch according to the latest design. The quality of our products has been steadily improving, and their accuracy has risen from Grade B to Grade A.

Practice in the past year has once more proved that only by conscientiously implementing the proletarian revolutionary line

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\*Shang-hai shou-piao ch'ang tang-wei-hui, "I-k'ao kung-jen chün-chung pan-hao ch'i-yeh." Hung-ch'i [Red Flag], No. 2 (January 1, 1975), 74-77. Translated by Ai Ping.

of Chairman Mao can we run our enterprise better and better and make further contributions to socialist revolution and socialist construction.

The question of whether or not to rely on the worker masses for running the enterprise reflects the two entirely different lines of socialist and capitalist management. During the Great Proletarian Cultural Revolution, our factory criticized the revisionist line pursued by Liu Shao-ch'i. Through the criticism, the staff and workers have become aware that in order to run the socialist enterprise well we must implement Chairman Mao's proletarian revolutionary line, consolidate the leadership of the proletariat, strengthen and develop socialist production relations, and set up such systems as democracy in technology, democracy in planning, and democracy in administration in order to facilitate mass management. Led by the Party, the masses handle all kinds of work in their role as the masters of the state, the enterprise changes its look everyday, and production rises steadily. However, old thoughts and old styles of work which were criticized in the past sometimes reappear in the behavior of some cadres. When work goes smoothly, they become arbitrary about everything, unwilling to go deep among the masses and listen to their opinions. And when work runs into difficulty, they are likely to keep their eyes on the backward aspects of the masses and see none of the positive factors. Some comrades even try to reinstitute material incentives and control, barriers, and suppression at every possible opportunity. Such conditions show that without grasping education in ideology and the political line, business management is in danger of going astray.

In the movement to criticize Lin Piao and Confucius, worker masses in our factory attacked Lin Piao's revisionist line and his fallacies regarding "the sage and the dullard." They linked their criticism with reality and disclosed problems the Party committee had faced in relying on the worker masses for managing the enterprise. For the purpose of distinguishing between right and wrong in the political line, we called different discussion meetings, forums, and debates over issues on which

the masses held controversial views. We wanted, by combining theory with practice, to strengthen the essential points in socialist enterprise management. Once the ideological and political line was rectified, management in our enterprise made notable progress. Cadres spend more time now than before in participating in productive labor and in seeking the counsel of the masses when problems appear. Some of the shortcomings, such as overburdening the management with trivial things, having too many superfluous organizations in the administration, and so forth, were eliminated. In preparation for inaugurating a new model in 1975, we had to install more than two thousand sets of technological equipment in 1974. It was a heavy responsibility. However, by fully relying on the masses and practicing democracy in administration and technology, the project was accomplished quickly and with good quality. Looking back over the work done in the past year, all of us said with deep appreciation: "The movement to criticize Lin Piao and Confucius served as a further criticism of the revisionist line. With the sweeping away of the poison left over by the doctrines of Confucius and Mencius, the worker masses' enthusiasm for socialism was brought into full play."

To rely on the workers to run socialist enterprises well, it is necessary to let the advanced workers play a prominent role. When the most enthusiastic segment of the masses has received support from the leadership, the proletarian spirit of righteousness will be fostered, the masses will feel at ease, and work will progress vigorously. In a socialist enterprise, achievements have emerged not only in the advanced units, but also in the backward units. However, if we were blind to these new developments, or if we saw them but would let them slip by without promoting them, we would surely dampen the initiative of the masses and even turn some positive factors into negative ones.

The conditions in our factory's press workshop were poor and very labor intensive, so it had long been a weak link in our chain of production. In the past, whenever production was stepped up in our factory, the supplies of watchcases would

fall behind, often resulting in the finished mechanical parts being piled up waiting for the cases. Some comrades complained of the backwardness of the masses in the workshop. But, as a matter of fact, it was in that shop that achievements were obtained. After the launching of the movement to criticize Lin Piao and Confucius, workers in that workshop put up a wall-poster entitled: "We shall take care not only of production, but also of political line." They enumerated many typical incidents to criticize the leadership for failing to earnestly implement the proletarian revolutionary line of Chairman Mao. The poster was sharp, incisive, clear-cut, analytical, and convincing. This vividly illustrated that through the tempering of the Great Proletarian Cultural Revolution, the worker masses have greatly raised their awareness as masters of their own affairs. We availed ourselves of this progressive incident and propagated and cited it throughout the factory. Spurred on by this, the enthusiasm of the masses was running higher than ever. In the past whenever the topic of increasing production was brought up, cadres in this workshop would ask for more workers and equipment; but now the workshop has come forward as an advanced unit in the whole factory. They have done a good job in criticizing Lin Piao and Confucius and have made quite a few technical innovations. These facts served as a deep education to us. To popularize in the whole factory the progressive thoughts and advanced experience from the masses, we often called on-the-spot meetings and published bulletins to commend those units, groups, and individuals who had done a good job of criticizing Lin Piao and Confucius, grasping revolution, and promoting production. In this way, we popularized the advanced experiences and new things from the masses, which was a great impetus to both revolution and production in our factory.

While praising the progressive elements among the masses, what should we do about the backward ones? Some of the masses remain in a backward state because they are influenced by bourgeois thinking. They remain indifferent, and their consciousness of being masters of their own affairs is not aroused. Their backwardness is temporary, and we should wholeheartedly help

them gradually shake off the influence of bourgeois ideology. We must firmly believe that they are able to transform themselves into advanced units. If we regard them as unreliable and resort to control, suppression, or material incentives to solve their problems, we will actually oppose the masses. We had learned this lesson prior to the movement to criticize Lin Piao and Confucius. Once, a few newly recruited young workers behaved in a free and easy way and became lax in labor discipline. Cadres in some workshops tried to tackle it with simple and rigid measures. Though they were determined to improve and strengthen labor discipline, they achieved little, and the problem remained unsolved. During the movement to criticize Lin Piao and Confucius, the worker masses criticized this situation, but some cadres were still not convinced. The workers said: "The question is how to tackle the problem." Should it be solved through penetrating and painstaking political and ideological education or by simple suppression? Should it rely on the broad masses to raise the consciousness of a few, or on a few cadres to "rule" the people? The masses had elevated their understanding of the problem to a higher level by examining the facts and reasons for the struggles between the two ideologies and the two lines. By comparing the present with the past, some veteran workers outlined the history of the eight-hour working day, which is one of the results of the revolutionary struggle. In order to intensify their exploitation of the workers, the capitalists used to force the workers to labor ten, twelve, or even more than fourteen hours a day. Many workers were unemployed. They could not find a job, and suffering from cold and hunger, many lost their lives. We must realize that our labor today is entirely different from that of the past. We no longer work for the capitalists but for the revolution, for the socialist cause of the proletariat and the broad masses of people. Labor is our responsibility and also our privilege. We must treasure our working hours and strive to make more contributions to the revolution. The discussion was lively and achieved good results, with the masses educating each other. Some young fellows who did not formerly observe labor disci-

pline made great progress in the past year. Some became backbone members in the movement to criticize Lin Piao and Confucius as well as trailblazers in the drive to grasp revolution and promote production. Some joined the theory-study group in the workshop, and some were admitted into the Youth League.

To implement the principle of fully relying on the masses, it is imperative to strengthen the leadership of the Party. Chairman Mao says: "Our objective is to create a political situation in which there are both centralism and democracy, both discipline and freedom, and both unity of will and personal ease of mind and liveliness." The work of leading a socialist enterprise should conform with this orientation. It is only by combining the full mobilization of the masses with the strengthening of the Party's leadership that we can create such a political situation. Regarding this fundamental issue, some of our comrades hold muddled ideas. They tend to put relying on the masses into opposition with the strengthening of the Party's leadership. They tend to ignore relying on the masses when strengthening the Party's leadership is being emphasized for fear that any mistake thereby might affect the quality of the products. And when stress is laid on relying on the masses and fostering democracy, they are willing to forsake leadership and let the masses do what they like. Both ways are one-sided and mistaken and cannot attain the aim of relying on the worker masses to run socialist enterprises well.

Without a high level of democracy there cannot be a high level of centralism; and without a high level of centralism, we are unable to build a socialist economy. Democracy and centralism are a unity of opposites. Since the Great Proletarian Cultural Revolution, the vast masses in our factory have fostered the spirit of being the masters of their own affairs and have implemented democracy in administration, planning, and technology. During the movement to criticize Lin Piao and Confucius, work of various kinds went on with more dynamism. Whenever the workers came into conflict with the cadres concerning production techniques, meetings would be held for discussion and debate on technology. In this way, the Party organizations at our

basic level could pool the correct opinions of the masses and do their work well. Some cadres were in charge of production in the factory. For fear that they might commit the mistake of suppressing revolution with production, they dared not grasp production. Seeing this, the workers took the initiative to hold heart-to-heart talks with the leadership and wrote articles on ideology. Beating gongs and drums, some workers even went to the factory Party committee to make petitions, demanding that the leadership at various levels exercise effective control over all work. These facts eloquently prove that with socialist democracy fully developed and the masses mobilized, the Party's leadership will be further strengthened.

The leading role of the Party must be achieved through Party organs at different levels. To exercise leadership over various work, Party organs in our enterprise should be good at propagating and explaining to the masses the Party's line and policies in order to turn the line and policies into voluntary actions on the part of the masses. During the movement to criticize Lin Piao and Confucius, there were many wall-posters criticizing the Party branch secretary in one of our workshops. Some posters even demanded that the Party committee put the cadre aside. What should we do about this? After serious deliberation, we thought that the spearhead of the struggle should be directed against Lin Piao and Confucius. The branch secretary had made mistakes and had some shortcomings and should modestly accept criticism from the masses. However, his mistakes fell into the category of contradictions among the people and we should rely primarily on education to solve them. We held a small meeting with some of the workers who had more controversial opinions against him. Together we studied Chairman Mao's teachings about correctly handling and distinguishing between the two different kinds of contradictions and about implementing the policy of "learn from the past to avoid future mistakes and heal to save the patient." Through study we came to the conclusion that we should let cadres like him learn from education in struggle and raise their consciousness; we should not leave them alone. Later the cadre examined his faults and

was accepted by the masses. He united with the masses and plunged with them into the struggle of criticizing Lin Piao and Confucius. And the outcome won the approval of the masses. From this incident we came to realize that only by transmitting the Party's line and policies and placing them in the grasp of the masses can a lively political situation be brought into play.

As in the whole country, the situation in our factory at present is excellent. It is a vivid expression of the profound movement to criticize Lin Piao and Confucius and a result of relying on the worker masses to run the enterprise. With a view to developing the excellent situation and winning still greater victories in revolution and production, we mobilized the masses during the fourth quarter of 1974 to discuss and work out a long-range plan for 1975-1980. The broad masses all over our factory are high in spirits and firm in determination. They are determined to carry on the campaign of persistently criticizing Lin Piao and Confucius in depth and breadth, to further elevate their consciousness of implementing Chairman Mao's revolutionary line, and to conscientiously sum up the experience of relying on the masses to run the enterprise well in order to excel in our work in the new year.

Chi Chih

**RUNNING A PLANT BY PROLETARIAN  
REVOLUTIONARY SPIRIT\***

The Kirin Municipal Oil and Grease Plant is rated fairly good in Kirin Province in learning from the Tach'ing Oilfield, the national pacesetter in industry. Spurred on by the Great Proletarian Cultural Revolution, the workers and staff there have conscientiously studied works by Marx, Engels, Lenin and Stalin and Chairman Mao's works, deepened their criticism of Liu Shao-ch'i and Lin Piao's revisionist line and consciously opposed influence and corrosion by bourgeois ideology. The revolutionary spirit of self-reliance and hard struggle has been brought into play and the workers and staff's socialist enthusiasm has soared to an unprecedented height. Both revolution and production have advanced in big strides.

The plant was collectively owned when it came into being in 1958. A disabled PLA man headed twelve housewives in setting it up with three cauldrons. Though material conditions were poor, it thrived with the Party's leadership and the founders' drive for socialism. Now the plant, embracing more than 500 workers and staff and some modern equipment, is owned by the whole people.

Continuing to Struggle Hard

The scale of the plant has been enlarged step by step and

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\*People's Daily, No. 31 (August 1, 1975), 17-18, 23.

conditions have been gradually improved. In the new situation, the issue of whether to continue to display the spirit of hard struggle often arises. Struggle between proletarian and bourgeois ideologies is first reflected among members of the leading bodies. Some of them held that as the plant is state-owned now, raw materials are supplied by the state and products go to the state and so running the enterprise by hard struggle and diligence and frugality is of no concern.

The plant's tradition was such: Every drop of oil spilled on the ground had to be scooped up, all oil remaining on the edge of the barrels had to be scraped off, and cleaning cloths had to be boiled to retrieve the oil. Later, some cadres paid no attention to the spilled oil. They thought that as the plant grew richer a little waste didn't matter.

Such thinking came to the attention of the plant's Party committee. Its members restudied Chairman Mao's teaching on running all enterprises diligently and frugally. In the light of the class struggle in society, they made an analysis and concluded that the growth of the idea of discarding the fine tradition was not accidental. It showed that in a socialist enterprise, proletarian and bourgeois ideologies are often locked in fierce struggle. The bourgeoisie invariably wants to corrupt our enterprises and our ranks through its ideological influence. The idea that waste and extravagance are permissible with the growth of the enterprise is only a reflection of bourgeois ideology. If no attention is paid to or no guard is set up against such an idea, then the revolutionary spirit of building an enterprise through hard struggle will be discarded and the enterprise will go astray.

The Party committee members together with cadres and the masses repeatedly discussed the following issue: Should the spirit of hard struggle be brought into full play after conditions have been improved; has their ideology been raised to the level suited to the plant's development? Reviewing the plant's history and linking the discussion with their personal experience, they came to a deeper understanding that being self-reliant and running a factory diligently and frugally are a component part

of implementing Chairman Mao's revolutionary line as well as a fundamental principle for running a socialist enterprise well. They embody the revolutionary spirit of the proletariat. In the new situation, maintaining and carrying forward this spirit or not is a test of whether the plant's Party committee will continue the revolution or not under the dictatorship of the proletariat. To continue the revolution and keep on advancing, all the cadres and masses know that they must at every moment guard against and resist the influence and corrosion by bourgeois ideology.

### Be a Servant of the People

Leading bodies must be in the lead in criticizing bourgeois ideas and resisting their influence and corrosion. In the course of repeatedly criticizing the revisionist line in the Great Cultural Revolution and the movement to criticize Lin Piao and Confucius, the plant's Party committee has realized that its ideology and work style has a close bearing on the enterprise's orientation. So long as leading members stick to giving full play to proletarian ideology and work style, it is easier for them to comprehend Chairman Mao's revolutionary line and they will carry it out firmly. If leading members are corroded by bourgeois ideology, they would be unable to implement Chairman Mao's revolutionary line and be liable to slip into revisionism. Therefore, members of the plant's Party committee have paid special attention in recent years to conscientiously studying works of Marx, Engels, Lenin and Stalin and Chairman Mao's works and closely linked their study with remolding their world outlook. Setting a good example in their deeds, they maintain and carry forward the proletarian revolutionary spirit, take the lead in criticizing the idea of bourgeois right and resist bourgeois influence.

An important way of carrying forward the proletarian revolutionary spirit for leading cadres in an enterprise is: Never be divorced from the masses, share their weal and woe, firmly oppose the idea of bourgeois privilege, be a servant of the peo-

ple, and do not sit on them as an overlord. In the past few years, leading cadres in the plant have persevered in doing manual labor. As the saying goes, "The cadres have posts high above, but they do their work down below and take part in manual labor at the front." Last year was an example. The plant's Party committee members generally spent more than 100 days doing manual labor. In the 60-day mass campaign to rush building the workshop to produce fatty alcohol, they worked through the whole shift along with the workers. Although many new buildings were completed in the last few years, the Party committee office still is in the mud room as in the past decade and more. The secretary of the Party committee is the disabled PLA man, one of the plant's founding members. His physical disability never affects his revolutionary will. He still maintains the same vigor displayed in the years of revolutionary war, takes the lead in doing revolutionary work and consciously be an ordinary worker. Young cadres in the plant also set strict demands on themselves and retain the qualities of a common laborer.

Should cadres be different from workers? The Party committee members hold that in socialist enterprises, both cadres and workers are ordinary laborers. The only differences are their posts and the division of labor between the two. Nothing special should go to the cadres. In accordance with Chairman Mao's teaching "Remain one of the common people while serving as an 'official,'" the Party committee members pay attention to educating cadres to be ready to work at any post, high or low, to be those who can work as cadres at one time and common workers at another, and to be one with the workers. In the past few years, according to the needs of the work, the plant has selected a group of cadres from among the workers and taken workers into management. Meanwhile, the plant authorities have sent cadres down to the workshops and cadres at the workshop level back to do productive labor as common workers. They think that this does the revolution good. Over the past six years, one of the vice chairmen of the plant's revolutionary committee has been transferred several times to work

in workshops or in the technical department. He always has a vigorous revolutionary spirit. A veteran worker has three times been promoted to be head of his work section and three times sent back to be a common worker. No matter what his post is, he always works with a revolutionary drive. During the movement to criticize Lin Piao and Confucius, another vice chairman of the revolutionary committee voluntarily asked to be a worker and to give his post to a young comrade. It is common practice in the plant for cadres to work at any post, which helps promote comrade-like socialist relations between cadres and workers.

However, an enterprise does not exist in isolation. Class struggle and the bourgeois evil trends in society are reflected in the enterprise through many channels. The plant's leadership pays serious attention to educating the workers and staff to resist corrosion by bourgeois ideology.

### Communist Work Attitude

As a result of the Great Cultural Revolution and the movement to criticize Lin Piao and Confucius, the plant's workers and staff have greatly raised their consciousness of class struggle and the two-line struggle. A group of advanced people with a communist attitude of work has emerged, among them veteran workers and cadres as well as new workers and cadres. Their common characteristics are that they are imbued with the proletarian revolutionary spirit, able to consciously shed the fetters of old bourgeois ideas and tradition, and they work with a revolutionary spirit. The emergence of these advanced people has enlightened the plant's Party committee that in the wake of the incessant growth of the masses' socialist enthusiasm, it should "spread communist ideas more widely" (Mao Tse-tung: On New Democracy) and support the new things among the masses wholeheartedly.

Every year in the recent past the plant erected new buildings. In the spirit of hard struggle, the workers and staff go in for production and undertake capital construction at the same time.

The more than 10,000 square meters of workshops and dormitories built are the fruit of their own labor. Cadres and workers go to the worksite to build during their off hours if urgent work has to be done, and on Saturdays, they organize mass campaigns in which all work with might and main.

Since the start of the Great Cultural Revolution, three groups of young workers, altogether more than 300, have been admitted into the plant. Inspired by the deeds of the veteran workers, they fear neither hardship nor fatigue and work energetically at capital construction. The first group of young workers built a club and a dining room covering a total floor space of more than 1,000 square meters. The second group organized itself into a shock force to sink a well which can supply 200 tons of water per hour. The third group took part for three months in building a workshop. They all hold that the significance is not just to save money in creating material wealth, but even more important is carrying on with "the same vigor, the same revolutionary enthusiasm and the same daring death-defying spirit we displayed in the years of revolutionary war." In the last four years, one out of every two of these youngsters has joined the Communist Youth League, and forty-five were admitted into the Chinese Communist Party. A contingent of young workers with both socialist consciousness and culture is maturing.

"The correctness or incorrectness of the ideological and political line decides everything." Maintaining and carrying on with the proletarian revolutionary spirit of hard struggle, the Kirin Municipal Oil and Grease Plant can now produce more than 80 kinds of oil and grease as against only one originally. Of the 80, four are new petrochemical products in China. The plant has fulfilled the state plan ahead of schedule every year for over a decade, making a bigger and bigger contribution to the state.

CHINESE ECONOMIC STUDIES contains unabridged translations of articles from Chinese sources, primarily scholarly journals and collections of articles published in book form. The aim of the journal is to present the more important Chinese studies in this field in the light of the interest of those who are professionally concerned with it.

SOURCES USED: Chi-hua ching-chi (Planned Economy); Ching-chi yen-chiu (Economic Research); Hsin chien-she (New Construction); Hsin-hua pan-yüeh-k'an (New China Semi-Monthly); Hsin-hua yüeh-pao (New China Monthly); Hsüeh-hsi (Study); Jen-min shou-ts'e (People's Handbook); T'ung-chi kung-tso (Statistical Work); T'ung-chi kung-tso t'ung-hsin (Statistical Bulletin); Jen-min jih-pao (People's Daily); Kung-jen jih-pao (Workers' Daily); Ta kung pao (Impartial Daily).

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