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CHINA REPORT RED FLAG

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SEIZE THE OPPORTUNITY, USHER IN THE NEW TECHNOLOGICAL REVOLUTION

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 2-5

[Article by Ma Hong [7456 3163]]

[Text] Today, an upsurge of a new technological revolution has appeared in the world. In the industrially developed states such as the United States, Japan, and the European countries, voluminous articles and publications have been written touching on this phase of development, offering diversified viewpoints and sounding various calls which have, in varying degrees, reflected the development and use of new information technologies (including microwave technology, optical fiber, and so forth), biological engineering, new types of materials, new energy resources and oceanological development. This is well worth our attention.

The emergence and development of new technologies and new industries have given birth to doctrines of all shades and forms on social sciences among Western capitalist scholars. We should earnestly analyze the different theories of these scholars on the basis of Marxist stand, viewpoint, and methodology, and absorb those things that conform to science but reject those that are unscientific. These Western scholars, perfectly aware that the capitalist society is in an extremely precarious state and being anxious to show or explain that capitalism will not necessarily perish, have placed their hopes on a new technological revolution or industrial revolution ushering in a "marvelous and new era" and enabling capitalism to last forever. Our attitude must therefore be scientific, analytical, and critical. Nevertheless, concerning their forecast that the scientific revolution will score a major breakthrough, and that it will bring about a development in the social productive force, and new changes in social life, it is indeed worthwhile noting and deserves to be studied seriously. Moreover, we should, based on the actual conditions of our country, formulate the relevant countermeasures. If we can grasp this opportunity, and, in accordance with the concrete state of our country and our available conditions, selectively use the fruits of the new technologies and speed up our economic development, we can narrow the gap between ourselves and the developed countries in economy and technology; otherwise, if we lose the opportunity, the gap between us and the world's advanced level will be widened.

In the face of the rise and development of new technologies and new industries in the world, we can take different kinds of attitudes: First, we may consider these new technologies and new industries as being still far away and hence be little concerned with them, in fact close our eyes to them, and fail to understand and even not wish to understand the situation at all; or second, we may be anxious for results, anxious to adopt at once all the newest technologies and develop the newest industries, paying no regard to the actual national condition, divorcing ourselves from reality, and acting blindly; third, we can give proper regard to reality, note the direction of the new development, and, in accordance with our needs and capability, fully utilize the new technologies to develop our own economy and technology. The last-mentioned attitude, a Marxist one, should be the one for us to adopt. Briefly, it is: Seize the opportunity to receive the new technological revolution.

History has told us that there has always been an imbalance in the development of the productive force and scientific technology of the human society. The advanced may not always remain advanced, while the backward may not always stay backward. There have been numerous instances of the advanced becoming backward, the backward becoming advanced and those behind catching up with those in front both now and in ancient times and in this country and abroad. This may be said to be a law in itself. In the prolonged process of the industrialization of the capitalist countries, Britain used to be in the leading position but was later surpassed by the United States and Germany. In recent years, in certain respects, Japan has surpassed the United States. At present, in the development of new technologies in the fields of information technology, biological engineering, and new industries, Britain and certain West European countries have, generally speaking, fallen behind the United States and Japan. Facts have shown that if relatively backward states can adopt an appropriate economic development strategy and technological policy, they can, in subsequent development, take a leading place. Although at present our country is still in a relatively backward state, it hardly means that we shall be backward forever.

In the high tide of the new technological revolution, if we can promptly grasp the opportunity and utilize the advantageous conditions, we can surely speed up our development and be able to narrow the gap between us and the developed countries in economy and technology and catch up or surpass the world's advanced level. Naturally, we must be practical and realistic in carrying out our country's economic construction, cannot violate the laws of historical development, and cannot skip at will the development stages that we must pass through, in the vain hope that modernization can be realized all at once. In this connection, we must learn from the past lessons derived from the so-called breakthroughs on a nationwide basis which called for accomplishing in only a few days the movement to realize the "ultrasonic wave," "piping and tubing," and the "agricultural mechanization" projects. By no means should we become hot-headed. But neither should we proceed at a snail's pace, or follow others in starting everything from the beginning. We have already built a definite foundation in economy and technology. The current enforcement of the policy of opening up our foreign relations can, in a planned manner, introduce for us certain useful new technologies. In

this way, it may be possible for us, in certain definite areas and without going through the traditional industrial technological stages, to directly use relatively advanced technological results, such as microwave apparatus, laser, optical fiber and other new techniques. On the side of agriculture, special attention should be given to the use of new technologies such as genetic engineering the sector of biological technology. A study of the concrete conditions in our country will reveal that by the end of this century, the technological production structures in our country will still be on many levels---some using automation in operation, some mechanized, some semimechanized while some will still have to depend on manual labor. Our target is to enable our country's production technological level by the end of this century generally to reach the level that existed in the world's advanced countries at the end of the 1970's and the beginning of the 1980's. At the same time, the technology and craftsmanship of certain of our departments and of certain projects are to reach, by that time, the world's advanced level.

In recent years, Western economy has for a prolonged period been in a state of "stagflation." Various traditional industries such as iron and steel, textiles, shipbuilding and motor-car manufacturing are all falling off, sinking like the setting sun. Various developed countries, including some newly risen and semi-industrialized countries and regions are all striving to be the first to develop new technologies and build new industries to find a way out, concentrating their major effort on undertaking the newest technologies and the newest industries. However, certain traditional industrial products are not only sorely needed by our own country but are indispensable to the developed countries and developing countries as well. On our part, we should still grasp the opportunity and do an even better job of producing them, increasing their varieties, improving their quality, and lowering their cost of production. In this way we shall be able not only to meet our internal needs but also to export some of the products.

Following the adoption by the developed countries of new technologies such as microwave machines and others, certain labor-intensive industries will use new machines to replace manpower, and there will be no need to transfer some of the jobs to people in the developing countries. In addition, due to the use of new technologies, the dependence for material resources which the developed countries used to place on the developing countries will undergo changes to a certain degree. This will mean that certain of the superior points which developing countries are now enjoying (such as relatively larger and cheaper labor power, relative abundance in resources of the initial grade, and so on) will be curbed in varying degrees. In fact, we are currently facing the same situation. Hence, we must tightly grasp the opportunity and adopt the necessary countermeasures, otherwise we shall meet with many more difficulties in the days to come.

At the present stage of our socialist modernization program, we must as soon as possible formulate appropriate development strategies to meet the new situation. We must adopt correct policies and, in accordance with all possible conditions, absorb as many of the advanced technological results as possible, and speed up the healthy development of our economy and technology.

As for the development strategies for our economy and technology, we may select from several of the following:

First, the "copying" strategy. Whatever road others have taken in the past, we will follow today. Be it the road that the Soviet Union took or that taken by the Western countries, we will take the same road, that is, copy exactly their development strategy. For example, just as the West has said, following the completion of the so-called "third industrial revolution," we shall likewise begin the "fourth industrial revolution." Or, we may say, after passing through the development stage of the traditional industries, we shall enter into the development stage of the newly rising industries.

Second, the "catch up and surpass" strategy. This is what we adopted some time ago--the method of the "do a crash job" movement. It is also one that demands that within a relatively short period, in the main and even in everything, we catch up and surpass the level of the developed countries.

Third, the "closed-door" strategy. This implies the principle of "self-reliance and regeneration" within the country, holding that in everything, we shall start from the beginning, and that we not only refrain from adopting, but also categorically reject, foreign advanced technologies. We have already adopted this strategy once before.

Fourth, the "creating new" strategy. We do not follow the road taken by the developed countries, nor endeavor to "catch up" in everything, nor start everything from the beginning on the principle of "self-reliance and regeneration." On the contrary, we obey our national condition, fully utilize the advantageous opportunity of the moment and all available conditions, directly adopt the new technologies suitable to our needs to restructure our existing industries, and, on this basis and taking this as the starting point, appropriately develop new industrial branches.

Based on past experiences, of the four above-mentioned strategies, we should select the fourth one. In so doing, and in accordance with our national condition, we should attach special attention to the following points:

1. We have a population of 1 billion, of whom 800 million are peasants. The most important consideration is that each of these 1 billion people should have his own role to play and that his positive and creative qualities should be fully tapped so as to create more wealth for society and maintain our economic prosperity and social stability. At the same time, we should consider that we started from a poor foundation, that we are relatively short of capital, and that our strength in technology is also relatively weak. Hence, we must, on the one hand, under all possible conditions develop capital-intensive and information-intensive industries and must, on the other hand, pay attention to developing labor-intensive industries, particularly a combination of labor-intensive and information-intensive industries, to create products that have distinctive Chinese characteristics and are competitive in the markets. The proportion of the three above-mentioned types of industries should follow our country's concrete conditions. We cannot copy wholesale the patterns of the developed

countries. At the same time, we have a vast territory. The various localities are extremely uneven in economic development. Hence the proportion of the industries cannot be alike in all the localities. We should not all follow the same pattern.

2. Our country has a large number of medium-sized and small enterprises. A large number of the enterprises are scattered in the countryside (at present our country has about 400,000 industrial and transportation enterprises; plus the number of enterprises in the countryside, the total number exceeds over 1 million). Hence, we must develop those techniques that can be utilized by medium-sized and small enterprises, specialized households and households doing specialized jobs and in small towns and sideline occupations. We cannot take the urbanized road of a capitalist society, and concentrate, in the large and medium-sized cities, the several hundred millions of people in the countryside. It is necessary for us to develop industries in the countryside and have industry and agriculture combined, developing what Engels called villages with urban and rural superior points, that is, urbanization of the rural villages.

3. We must stress the development of those techniques that yield good economic results and are urgently needed by the country. We can depend on good economic results to accumulate funds for the development of new techniques, and again utilize these funds to further develop new techniques, in other words, depending on developing new techniques to further develop new techniques. Naturally, concerning those important projects that are urgently needed, investments must be made by the state but we must not solely depend on the state for everything. Only in this way is it advantageous to the speedy realization of the strategic targets fixed by the 12th CPC National Congress.

4. It is necessary to start from the existing condition of the national economy and employ those new techniques that are compatible with the present productivity and the productivity in the near future. We cannot divert from the present productivity, nor stay put at the present level, but must facilitate its improvement.

5. We must adopt those techniques that can rationally utilize resources, call for less investment but may economize on the use of material and energy. Although our country has a vast territory and is proverbially rich in resources, yet, on a per capita basis, our resources are by no means really rich. In fact, concerning certain resources we are below the world's average level. Therefore, we must treasure the resources and energy, and not waste them, but must by all means adopt those techniques that call for less investment but can economize on the use of material and energy.

6. We must strengthen the training of professionals and develop intellectual resources so as to raise the cultural and scientific standards of the nation as a whole. Existing staff members and workers, particularly engineering and technical personnel and management personnel, should pay special attention to updating their knowledge and seek economic results from knowledge, technology, management and information.

7. We must organize groups of superior and technical personnel to master newly emerging technologies for which China already has some grounding so that we can speedily grasp and apply those new techniques with the most important significance in the national economy.

8. It is necessary to study foreign trade work which conforms to the new situation and to plan and manufacture competitive export commodities, so as to raise even more foreign exchange funds for the purpose of developing the new techniques.

Many of the results in the world's development of new techniques and new industries are suitable for our adoption and many of them we can readily grasp after making some efforts and within a short space of time. This is true not only of the industrial sector but also of the agricultural sector. For example, take the case of genetic engineering in biological technology. As everybody knows, bean crops such as soya beans and peanuts, because they possess nitrogen-fixing nodule bacteria, can yield good crops despite a scanty application of fertilizer. According to incomplete statistics, each year the volume of nitrogen fixed in living organisms worldwide is about 175 million tons, equivalent to 200 to 300 percent of the gross volume of the world's output of nitrogenous fertilizer. On the other hand, crops such as paddy, wheat, and corn planted in our country, because their roots lack nodule bacteria, require the application of a large amount of nitrogenous fertilizer in order to have a high yield. Now, with the progress made in genetic engineering technology, some scientific research workers are studying the possibility of transplanting the nitrogen-fixing gene to the roots of paddy, wheat, and corn plants so that they can generate the functions of nitrogen-fixing and thus provide these crops with nitrogen. They are also studying how to directly transfer the nitrogen-fixing gene to the gene structure of unicellular crops, thereby producing new varieties of farm crops which can provide themselves with nitrogen-fixing. If this new technique in genetic engineering can be put to actual use in our country, it will embody an important and realistic significance in developing our country's agriculture and animal husbandry, in economizing on the use of energy, and in soil and water preservation and environment improvement. Following the successful experimentation on the planting of hybrid rice in our country, the yield of this new variety of rice has been high over a rather extensive area. Hence, if the other experiments mentioned above can be successfully carried out, they can be put into actual operation on a large scale. This is not something far in the future. Naturally, we must also note the complex nature of genetic engineering and the possibility of the harmful organisms it may bring to the human race. We must of course prevent the occurrence of a problem of this kind.

Our country has a rather weak economic foundation. In general, our production techniques are behind the advanced level in foreign countries by several tens of years. In the country as a whole, the scientific and cultural level of the vast masses of people is not high and, in the work of developing new techniques and new industries, we still suffer from such drawbacks as shortages in capital funds, material resources and technique equipment and also backwardness in the system of management. However, we

still enjoy many advantageous conditions. Over the past 30 years we have built up a fairly complete industrial and economic system and have made considerable progress in training our own scientists and technicians and mastering production technologies. For example, in the fields of computers, microwave technology, optical fiber information, laser technique, genetic engineering, raw materials and new forms of energy, a certain amount of research has been done and progress has been made in using them. These are favorable conditions for applying new technologies in certain branches of the economy. Moreover, there is another even more important condition--a basic one--we have a superior socialist system, the theoretical guidance of Marxism-Leninism-Mao Zedong Thought, and the party's strong leadership and its correct policies and guidelines since the 3d Plenary Session of the 11th CPC Central Committee. We are entirely capable of arousing to the maximum degree the enthusiasm of people of the whole nation, fully organizing the whole country's technical personnel, material resources, technology and financial power, and accomplishing many big things which the capitalist countries are unable to accomplish within a relatively short period of time.

The great Chinese people are a diligent, brave and sagacious race, possessing the will and capability to stand independently among the world's peoples. In the high tide of the development of new technologies and new industries in the world, we are entirely capable of seizing the opportunity, developing ourselves, realizing at an early date the gigantic strategic targets for the long-term development of the country formulated at the 12th CPC National Congress, and building a socialist modern power with special Chinese characteristics.

CSO: 4004/70

FURTHER DEVELOP COMMODITY PRODUCTION AND INCREASE COMMODITY CIRCULATION

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 6-12

[Article by Tian Jiyun]

[Text] I. A New Situation Facing Commercial Work

Since the 3d Plenary Session of the 11th CPC Central Committee, the political and economic situation in our country is getting better and better. Since we have implemented correct policies, public feeling has become calm, and industrial and agricultural production has continued to develop. The changes in 1983 were more gratifying. However, the present situation is more pressing. The reason why we say so is that development of production, commodity production in particular, has set new and stricter demands on commercial work. Circulation cannot be separated from the overall economic situation. What changes have taken place in the present economic situation?

1. Development of national economy has been speeded up. We have had bumper harvests for years running, and have continued to increase industry.

According to initial statistics, total output value of industry and agriculture of the whole country in 1983 reached 890 billion yuan. This means we have overfulfilled by 2 years the 1985 quotas set by the Sixth 5-Year Plan. In the last 3 years, the annual average growth rate of the total output value of industry and agriculture is 7.3 percent, exceeding the growth rate set by the Sixth 5-Year Plan.

The situation in agriculture is particularly gratifying. In 1983, total grain output throughout the country reached 760 billion jin or so, an increase of more than 50 billion jin over 1982. Total output of cotton reached about 90 million dan, an increase of more than 18 million dan over 1982. This was an unprecedented bumper harvest. With good harvests of both grain and cotton, people are well-fed and well-clothed. People have ease of mind and society is stable. Under such circumstances, it will be easier for us to do our work.

The situation on the industrial front is also encouraging. Total industrial output value in 1983 was 10.2 percent higher than 1982. Light industrial output value increased by 8.4 percent, whereas heavy industry increased by

12.1 percent. Of 100 kinds of products, production quotas for 86 were over-fulfilled. Total production output of energy, which plays a decisive role in national economy, increased by 5.1 percent.

The development of agriculture, energy, and basic industry has provided new conditions for the development of the entire national economy in the future.

2. Commodity production in the rural areas has increased by a large margin. Agriculture in our country is being transformed from self-sufficient and semi-self-sufficient production into commodity production. This transformation is an inexorable historical trend, and a historical progress. It has provided our entire economic life with new vitality.

The commodity rate of agricultural and sideline products has greatly increased. Since 1978, the average annual purchase rate of agricultural and sideline products in society has increased by 17.6 percent. The purchase rate in 1983 was 15.9 percent higher than in 1982. By the end of January 1984, the whole country had purchased 185.9 billion jin of grain. There are more than 400 counties throughout the country whose individual sale amount of grain has exceeded 100 million jin. Some provinces, which imported grain from other provinces for a long time in the past, have now become grain exporters. Various kinds of specialized households, which appear as commodity producers, have demonstrated their vitality in the development of commodity production. At present, there are more than 24 million specialized households of all kinds in the rural areas throughout the country, accounting for more than 13 percent of the total peasant households. There are a number of specialized households engaged in grain production whose individual sale volume of grain has exceeded 10,000 jin. In Hejiang Prefecture of Heilongjiang Province alone, there are more than 8,500 peasant households whose individual sale volume of grain exceeds 10,000 jin.

There has also been a rapid increase of commodity cotton. By the end of January 1984, purchase volume of cotton throughout the country had reached 87.05 million dan, an increase of more than 20 million dan over the same period in 1983. In cotton-producing areas, it is a common occurrence that a household can sell more than 1,000 jin of ginned cotton to the state.

3. The incomes and purchasing power of people in urban and rural areas have increased, and the needs of consumers have changed.

Since 1978, peasants have rapidly increased their incomes. In 1983, per capita incomes of peasants throughout the country already exceeded 300 yuan, an increase of more than 100 percent over 1978. There are a number of peasant households whose individual incomes reach 10,000 yuan. There are also a number of production brigades in which per capita incomes of peasants exceed 1,000 yuan, and a number of counties in which per capita incomes of peasants exceed 500 yuan. In addition, a small number of localities in coastal areas have basically reached a well-off level. Savings in rural areas have continuously increased. The total amount of various deposits in the rural areas in 1983 increased by 19.6 percent over 1982.

The average individual savings for peasants is 38 yuan. Each individual peasant has on average 43 yuan of cash. In other words, the average potential purchasing power of each individual peasant is 81 yuan. Incomes of workers and staff members in cities and towns have also generally increased in recent years.

The increase in the incomes of people in urban and rural areas has also been reflected in the increase in the sale volume of commodities and the change of the structure of demands. In 1983, the total retail sale volume of commodities in rural areas reached 166.4 billion yuan, which was a record high. It was an increase of 12.4 percent over 1982, and an increase of 110 percent over 1978. In the recent 5 years, the total retail sale volume of commodities in rural areas has increased by 19.4 billion yuan over the accumulated volume of the past 26 years.

When peasants have basically solved the problem of eating and clothing themselves and have surplus money, what do they desire and require? According to surveys made by various quarters, the first thing they want to do is to purchase capital goods in order to expand reproduction. After that, they intend to improve their living conditions, repair and build houses, and buy furniture. They also have higher demands in their material and cultural life. Peasants in some rich areas and those who have got rich first have paid attention to "living commodiously, eating nourishing food, wearing beautiful clothes, and using high-quality goods." Some peasants have bought commodities which they seldom bought in the past, such as beer, high-quality cigarettes, sofas, household electric appliances, motorcycles, and so forth. The level of commercialization of the means of livelihood of peasants has gradually increased. Natural economy characterized by self-production and self-processing has also changed. In addition, people in urban and rural areas have changed their demands in livelihood.

Due to the increase of the circulation amount of commodities in the society and prosperous economy in both urban and rural areas, some reforms have been carried out in the circulation field. Gratifying achievements have been made in this respect. For example, the number of commodity circulation channels and commercial networks has increased. Collective commerce and individual commerce have considerably developed. Initial results have been achieved in the reforms of supply and marketing cooperatives. Most of the basic-level supply and marketing cooperatives are carrying out the work of clearing up and expanding shares, drawing extra dividends, and conducting democratic election. There are fewer kinds of agricultural and sideline products covered by central and assigned procurement plans of the state. After fulfilling sale quotas of products covered by central and assigned procurement plans of the state, multichannel and transregional business is allowed in many localities.

In recent years, the broad masses of workers and staff members on the commercial front have bought agricultural and sideline products as well as industrial goods from millions of peasant households and tens of thousands of enterprises, and have supplied commodities needed by industrial and agricultural production and by the people in urban and rural areas in their

daily life. In particular, since the implementation of the responsibility system based on output, the purchase of agricultural and sideline products and the settling of accounts are carried out on the basis of households. The work load of workers on commercial fronts has been increased manyfold. The work of purchasing cotton and grain is frequently carried out in winter. When the weather is cold and the ground is frozen, it is particularly strenuous to work in the open air. Very often, they have to work for more than 10 hours a day. They have suggested ways and means to enliven urban and rural economy. They work hard and have made great contributions. All these should be fully affirmed.

However, generally speaking, the present commodity circulation is incompatible with the rapid development of commodity production. Our previous system of commodity circulation was based on limited commodity production. Many regulations and methods were devised on a limited basis. For a long time in the past, those comrades engaged in commercial work, and those comrades engaged in the business of agricultural products in particular, very often feared that the amount of agricultural products was insufficient. They also feared that they could not purchase sufficient products from peasants and that certain goods would be out of stock. They worried about an insufficient supply of goods. In a word, they were seized with a "morbid fear of shortage." Since the 3d Plenary Session of the 11th CPC Central Committee, fundamental changes have taken place in the entire economic situation--the economic situation in the rural areas in particular. Production has considerably developed and goods supplies have been gradually increased. However, we should soberly realize that the present supplies are "ample" only in comparison with the previous level. The present level of the supplies of certain kinds of goods is still low on a per capita basis. For example, per capita supply of grain is only 700 jin, cotton 9 jin, tea 5 liang (excluding tea for export), and edible vegetable oil is 7 jin. The present level is very low in comparison with that of economically developed countries. Compared with a number of developing countries, it is also low. Only peasants in a small number of localities are still living a hard life. Why do the difficulties in buying and selling occur? There are a number of reasons contributing to this. The fundamental reason is that circulation channels are impeded and that commodity exchange is not developed. There exist the problem of international trade (helping supply each other's need) and the problem of commodity exchange at home. The problem of commodity exchange at home is the fundamental one. With regard to some goods, the supplies in some localities might be sufficient, whereas the supplies might fall short of demand in some other localities. Some goods are overstocked in certain localities, whereas they are out of stock in some other localities. At present, the supplies of certain products are sufficient, but they will dwindle in the long run. To develop commodity economy, we should promote exchange. Producers should give play to their strong points in production, and make up for each other's deficiencies from each surplus through exchange of equal value. Therefore, basically speaking, to overcome difficulties in buying and selling, we should start with dredging the circulation channels, and developing commodity exchange. The changing of fear of shortage into fear of surplus should be avoided. If we are seized with "morbid fear of surplus," we will restrict the development of production, and repeat the

previous mistake of "arbitrarily cutting the surplus and hurriedly making up the shortage." Of course, overcoming difficulties in buying and selling involves a series of problems, such as insufficient commercial facilities, poor transportation, foreign trade, management system, quality of enterprises, administration and management, and prices in particular. All these problems should be comprehensively and systematically studied, and gradually solved.

We should realize that the problem occurring in the field of commodity circulation is a contradiction arising on the path of advance, and a reflection of the present favorable situation. We should enthusiastically adopt an active attitude to study the new situation and solve new problems so that we will greatly promote the development of commodity production, and ensure that commodity circulation suits the demand of the new situation more effectively.

II. Taking Up the New Challenge

In the face of the new situation and new problems, how should we carry out our commercial work? Should we go with the tide of development, make the best use of the situation, and take up the new challenge? Or should we, following the beaten path, retain what is old and outworn, stick to the old way, and be indifferent to the changing situation? The broad masses of cadres and staff members on the financial and commercial front should get a correct understanding of the present situation, and be determined to carry out the reforms, uphold the spirit of working enthusiastically, and be firm and indomitable in promoting the reform to take up the new challenge.

1. Leaders at various levels should further emancipate their minds, and enhance their understanding of the importance of developing commodity production.

Vigorously promoting commodity production is needed in order to speed up socialist modernization. At the present stage, the development of commodity economy in our country is an objective and inexorable trend, and independent of man's will. At present, we should grasp this main link in the work, actively stimulate commodity circulation, and promote the development of commodity production. The viewpoint of fearing the development of commodity production and equating commodity production with capitalism is completely wrong. We should further eliminate the "leftist" ideological influence in this respect. In the face of historical changes in rural economy, leaders at various levels should restudy to solve the problems of lagging behind in ideological understanding, scientific and technical knowledge, and work style and methods. Some of them think that a great number of methods can be adopted to deal with the problem of insufficient supplies of goods, but it is hard to handle the problem of surplus supplies. They also think that things could be easily done when the country was still poor, but it is difficult to deal with the problems when people have got rich. To carry out socialist modernization, we should free ourselves from the fetters of natural economy, vigorously expand commodity production, and develop commodity circulation. If we are still fettered by the old

conventions of the natural economy, it is impossible to promote economic construction, and realize the four modernizations. At present, commodity circulation is a weak link in the process of the reproduction of the society. The central authorities have decided to take dredging circulation channels and developing commodity production as a focus of rural work for this year. It is a very correct decision. We should effectively develop commodity circulation, establish closer ties between industry and agriculture, bring about a prosperous urban and rural economy, and improve people's livelihood.

Modern large-scale agriculture includes not only farming, forestry, animal husbandry, side-occupations, and fishery, but also various kinds of services provided before and after production. We should not treat modern agriculture from a traditional view on agriculture. In some industrially advanced nations, agricultural enterprises include companies which provide service items including seeds, fodder, fertilizer, agricultural chemicals, irrigation, plant protection; various kinds of specialized companies which deal with items including purchase, processing, storing up, and transport of agricultural and sideline products; manufacturing industries of food, non-staple foods, and beverages which use agricultural and sideline products as their main raw materials, and textile industry which uses natural fabrics as its raw materials. To carry out modernization in agriculture, we should establish a viewpoint of building up large-scale agriculture. In the last 2 years, we have reaped a record harvest of grain and cotton, and have considerably developed diversified economy. However, our progress in forestry, animal husbandry, side-occupation and fishery is comparatively slow, the present state of single-product economy has not yet been changed, and services provided before and after production are still lagging behind. To enrich villages as fast as possible, we should further carry out rational structural reforms in agriculture. Under the guidance of the principle of "firmly grasping grain production and actively developing diversified economy," we should vigorously promote all-round commodity production in agriculture, forestry, animal husbandry, side-occupations and fishery. Leading comrades in various areas and departments should grasp commodity production, commodity circulation, and various kinds of services provided before and after production. They should proceed from the situation taken as a whole to strengthen their leadership over the development of commodity production. The faster they solve these problems, the greater the benefits they will derive and the greater the initiative they will gain in work.

2. We should attach more importance to market demands, and produce more goods needed by people in the urban and rural areas.

At present, difficulties in buying industrial goods and capital goods in particular have generally occurred in the rural areas. All these should be attributed to the problems of production and circulation. Basically speaking, this is a problem of production. At present peasants have asked the state to supply them with more agricultural machines, high-quality chemical fertilizer, agricultural chemicals which are highly effective and low in toxin, diesel engines for agricultural use, processing apparatus for agricultural and sideline products, and so forth. Peasants also need a large

quantity of building materials such as steels, cement, glass and others. Heavy industry should have a wide field of vision, serve the rural areas, and make new contribution to speeding up the "two transformations" of agriculture.

Light industry, including manufacturing industries of food, textile products, various kinds of industrial goods for daily use, electronic products for civil use, and others, should also cater to market demand and organize production more effectively. In recent years, social purchasing power has increased very rapidly, and market supplies have also improved. However, there is still a serious problem that product mix is incompatible with the consumption structure of society. According to commercial departments, among various kinds of commodities, 50 percent of them can basically meet market demand, while more than 20 percent of them fail to do so. About 20 percent are unmarketable. This is the main reason why a great number of products are unsalable and kept long in stock, and why some other products needed by the masses, and some high-quality and famous-brand durable products are in short supply. Such a situation requires that light industrial departments proceed from market demand to manufacture for people in urban and rural areas more high-quality, famous-brand, and marketable products which are low in price and good in quality.

Agricultural production also should take market demand into consideration. In the present rural economy, self-supporting and semi-self-supporting production has attained a large proportion. To switch to commodity production, it is necessary for agriculture to change from superiority in natural resources into product superiority, and to change product superiority into commodity superiority and, finally, into economic superiority. Under the guidance of state planning, agricultural departments should give play to their strong points and avoid their weak points to develop commodity production in light of market demand and their superiority. Difficulties in selling products have occurred in many localities. This has something to do with the insufficient production planning of some products, or unreasonable prices. Commercial departments should provide peasants with market information, and learn how to use economic means to guide production. Agriculture should gradually and rationally readjust its product mix, improve varieties, enhance product quality, cut down profit margin in order to increase sales, provide urban areas with more suitable agricultural and sideline products, supply industry with more high-quality raw materials, and furnish the state with better export products. Only thus can commodity production in rural areas have vitality.

3. Commercial work should actively play the role of a bridge and serve as a link between production and consumption to truly ensure that commodity circulation remains unimpeded and that everything is made full use of.

At present, more commodities have been supplied to the market and there are more channels for commodity circulation. In addition, we have enlivened our ways of doing business. However, some comrades think that "although the present situation is favorable, it is difficult to do business." There truly exists a problem of doing business under the new situation. Subjectively

speaking, these comrades fear difficulties, and have not done enough to emancipate their mind. Such situation has occurred at both higher and lower levels. If we fail to change the situation promptly, we will be defeated in front of the new challenge. Comrades in commercial departments, leading comrades at various levels in particular, should consider the problem from a strategic viewpoint. They should arouse their spirit, change their thinking, overcome the fearing of difficulties, and give up these old habits, old work styles, and old conventions which are incompatible with the new situation and the new tasks. It is no longer possible for them to stick to the old way of using administrative means to maintain exclusive business. They should conduct more investigations and market forecast work, enhance their capacity to deal with the changing situation, develop markets, expand business, and improve their service. Only thus can they escape their predicament. They should persist in implementing the principle of relying mainly on planned economy while making regulation by market subsidiary. They should give play to the guiding role of state-run commerce, and actively assist collective and individual commerce so that it can fully play an assisting and supplementary role in commodity circulation.

In his report delivered at the 12th CPC National Congress, Comrade Hu Yaobang pointed out: "Whether we have done well in commercial work will have a direct bearing on industrial and agricultural production and people's livelihood. The importance of this problem has been more and more demonstrated in the development of our economy." We should further enhance our understanding of the importance and role of commercial work, work hard, be bold in our endeavor, take up the new challenge and create a new situation.

III. Explore the Avenues for Reforming the Circulation System

The challenge which the circulation sphere is facing is both a pressure and motive force. The fundamental way out lies in reform. Circulation is an important link in the reproduction of society. Production decides circulation and, in return, circulation reacts to production. In his speech delivered at the national conference on rural work, Comrade Wan Li quoted Marx: Realizing the value of commodity "is an astounding leap. If the leap is unsuccessful, it is not the commodity itself which is ruined, but the possessors of the commodity." In the process of the reproduction of society, production, distribution, exchanges, and consumption are an organic entirety which have their own law. We should act in accordance with objective law, and reform those which are incompatible with the law. This is a very complicated systematic project. Considering something as it stands and treating symptoms but not the disease will never solve problems. We should grasp the essence and link various aspects of things to carry out an overall study. At present, it is clear that price is the crux of the matter. It is logical to say that price is the core of all economic relations, and the core for solving the problem in the circulation field as well. "Brisk business can be carried out in the four seas, and enormous financial resources enable a person to reach the three rivers." If an enterprise loses money due to an unreasonable price structure, how can it reach the three rivers and carry out its business on the four seas? At present, the prices of commodities such as grain, edible oil, meat, vegetables, and others are extremely unreasonable.

Enterprises which sell more of such commodities lose more money. They lose less money if they sell less. And they will not lose any money at all if they do not sell. Without a large quantity of subsidies provided by the state, how can an enterprise actively engage in such business? In recent years, the state has provided more and more subsidies for the sale of agricultural and sideline products. If the problem of price remains unsolved in coming years, the state will not be able to afford to provide such great amount of subsidies. Therefore, to study the problem of circulation, we cannot avoid the problem of price. However, this is a very complicated problem. It is impossible to solve it completely in a short period of time. We should make full exploration and preparations, work out overall planning, and gradually tackle the problem. We should not do the work hastily. Before carrying out the reform, we should adopt a basically stable policy. However, this does not mean that the price system can be left unchanged. If we fail to change it, we will not be able to accomplish something significant with regard to the problem of circulation. There is no existing pattern to be followed in the reforms. We should be bold in carrying out exploration and bringing forth new ideas. We should be good at summing up experiences and exploring avenues for reforms in many ways.

1. Reform the circulation system of rural commodities.

The reform of the circulation system of rural commodities must be speeded up. It must be carried out at the same pace and must be geared to the needs of the rural economic reform as a whole, in connection with the spirit of the directive of the State Council. In recent years the supply and marketing cooperatives in various localities have started to restore the "three functions" [not further explained] as well as implement initial reform in various areas, such as the joint venture between peasants and businessmen and the joint cooperatives at county level, and they have made substantial achievements. But we must by no means stay at this level. We must lead an in-depth development of the structural reform of the supply and marketing cooperatives in accordance with the requirement of the central authorities. We must further heighten our understanding of the nature of the supply and marketing cooperatives, turn the "state-run" supply and marketing cooperatives into "locally run" ones, and really run them as a cooperative commerce owned by the peasants and masses, so that the broad peasants will be the masters of their own affairs. In order to achieve this, we must establish direct economic links between the supply and marketing cooperatives and the interests of the peasants. Specially speaking, grassroots supply and marketing cooperatives must break through five points in the pilot project of the reform: 1) In the work system, cadres of the grassroots supply and marketing cooperatives must be really elected by the peasants. They must be ready to work both at the top or at the grassroots level; and peasants have the right of recall. Workers of the supply and marketing cooperatives are subject to recruitment and dismissal. 2) We must achieve a breakthrough in encouraging the peasants to buy shares. At present, the majority of peasants own shares, but the proportion of funds owned by them in the supply and marketing cooperatives is very small. Therefore, whether or not the supply and marketing cooperatives are run well has little to do with the interests of the peasants. Only when we raise the proportion of peasant's funds in the

cooperatives will they be concerned about the cooperatives, and can they elect the competent personnel to manage the cooperatives, which is the most basic point. 3) We must achieve a breakthrough in expanding the present scope of business and service. We must make the supply and marketing cooperatives really do what the peasants want them to. 4) We must conscientiously carry out the principle of distribution according to work, really achieve the goal of paying more to anyone who works more, and break the practice of equalitarianism in distribution. As long as this problem remains unsolved, the supply and marketing cooperatives will by no means really become an economic organization which serves the people wholeheartedly. 5) We must let the supply and marketing cooperatives have a certain degree of flexibility in terms of price. Within the scope of production stipulated by the state, we should allow the supply and marketing cooperatives to float prices within a certain range in connection with the quality of the products and market supply and demand. We must first launch a pilot scheme for this method before gradually implementing it. We must be somewhat bold in our work and steady in our pace.

The supply and marketing cooperatives are the link between the urban and the rural economies. On the one hand, they are responsible for purchasing and selling products planned by the state, and on the other hand, they help peasants to market their products and provide them a means of production as well as a means of livelihood. Hence, their tasks are by no means easy. They have a huge amount of funds, a variety of channels, and enormous strength. Therefore, we must do well in the structural reform of the supply and marketing cooperative. In solving the problems of rural circulation, if we do not first grasp the structural reform of the supply and marketing cooperatives, do not change their nature as a "state-run commercial organization," and do not let the peasants support their business activities, in no way can we say that we have grasped the point. In the reform, we must not neglect the enormous strength of the supply and marketing cooperatives, and we must not start anew or start another form of rural commercial organization. Doing so would be inadvisable based on the overall situation.

2. Continue to readjust the policy of purchasing and selling agricultural and sideline products.

For a long time we have implemented the policy of centralized purchasing and selling. This has played an important role in ensuring supply, stabilizing price and the people's life, and invigorating the urban and rural economies. We must continue to uphold the implementation of this policy for a rather long time to come. However, the degree, range, and specific method of centralized purchasing and selling must be readjusted in connection with the changing situation. We must adopt a more relaxed attitude and proceed with a more lively approach. For example, we should allow multichannel business operation, long distance transport for sales, and the in-depth development of the processing industry when there is a grain surplus. We also should adopt a more relaxed attitude toward the selling of cotton and tea after fulfilling the state plan.

We must really open the door for and invigorate third category agricultural and sideline products. At present, we generally have not invigorated enough this category of agricultural and sideline products. We still have not opened the door for some areas and some products. In accordance with the policy of the central authorities and under the guidance of the state plan, we should carry out negotiated purchasing and selling, meet market demand, and adopt flexible management in accordance with changes in market supply and demand, and by applying the law of value and the market mechanism. State-run commercial organizations and supply and marketing cooperatives should actively take part in market competition and readjustment and should economically strengthen their leadership in negotiated purchasing and selling. In order to redistribute within the state or a province third category agricultural and sideline products which are for export, are specially needed, or are urgently needed by large cities, we may adopt the management method applied to second category products, that is, the province, city, and autonomous region are responsible for controlling a certain amount of supply. We must also better invigorate prices of first and second category products after fulfilling the centralized delivery and purchasing task assigned by the state. We should allow price to float within a certain range so as to readjust supply and demand and to guide production.

Conscientiously implementing the contract system is an effective measure for safeguarding the interests of the peasants, ensuring the fulfillment of the state plan, and gradually fixing the relationship between production and marketing. We must safeguard the seriousness of contracts, fulfill the contracts, and sum up and popularize our new experience in implementing the contract system of purchasing and selling agricultural and sideline products.

3. Reform the commercial wholesale system.

Units in various places are engaging in the study of the reform of the commercial wholesale system, the reform of the industrial product wholesale system in particular. However, no breakthrough has been made so far. Wholesale business is the medium between production and retail sales, a basis to ensure the leading role of the state-run commercial system, and a key factor for stabilizing commodity prices in the market as well. The wholesale of major commodities must be processed through the main channel--the state-run commercial system--in a centralized manner. This is a definite policy. For what kinds of products should production and sales be combined? And for what kinds of products should production and sales be separated, with the commodity wholesale sector being improved? In order to tackle these problems we must carry out a thorough study, sum up experience, weigh the advantages and disadvantages, and work out specific policies. For industrial product wholesale trade under the control of the state-run commercial system, it is necessary to establish wholesale units along the rational distribution channel of commodities so as to promote purchase and sales. It is also necessary to reduce redundant intermediate links according to different commodities and specific situations in different places so as to shorten the distribution path of commodities. All barriers between different areas and between town and country must be eliminated. For the wholesale of agricultural and sideline products, it is necessary to set up

wholesale units in counties or towns which serve as the distributing centers of these products. We must try our best to establish direct links between production and sales and reduce intermediate links in the distributing channel. Wholesale markets for agricultural and sideline products must be set up gradually in large and medium-sized cities. By and large, our policy toward the commercial wholesale system is: First, to reform it resolutely; and second, to carry out the reform cautiously, keep it under control, and avoid affecting the stable economic life. In dredging the circulation channel, we must uphold the key role of the socialist centralized market, increase the number of channels, reduce intermediate links, ensure that a large amount of industrial products reach the rural areas and a large amount of agricultural and sideline products reach the cities, and try hard to promote horizontal material exchanges between different areas.

4. Strengthen the leadership over commodity circulation work.

At present, our experience and capability in handling commodity circulation work have lagged far behind the recent development of commodity economy. One of the conspicuous weaknesses is our poor leadership in organizing commodity circulation and in allotting the market in a unified way. Now, the financial and trade setup is different from place to place. Now, a number of leading cadres are needed for taking care of finance and trade and controlling the market, and some competent and efficient organs are needed for conducting investigations and studies, undertaking unified planning and coordination, and providing information and putting forth suggestions for leading persons' reference when making decisions.

It is necessary to pay attention to properly handling relations in three aspects during the reform in the commodity circulation system: 1) The relationship between a planned economy as the key link and the regulation of market mechanism as an auxiliary role; 2) the relationship between the state-run commercial system as the main channel and other commercial undertakings as auxiliary channels; and 3) the relationship between the effort to enliven circulation on the one hand, and control over the market, stabilization of commodity price and increasing of accumulation funds on the other. We must properly handle these relationships so as to keep the key link under control while bringing other factors into full play. In order to achieve this, we must draw up some specific policies and measures. For example, should a proportion of sales be set between the state-run commercial wholesale system and retail network? What proportion will roughly be appropriate on a nationwide scale? What problems must be solved in order to give full play to the role of commerce as a "reservoir"? How do we bring the complementary function of collective and individual commercial enterprises into play? Here, a series of problems are involved, which range from vocational guidance to the readjustment of various trades, technical training, control over the market, and so on. It is necessary to carry out serious investigations and studies in all these fields.

The enlivening of commodity circulation will give rise to an enormous work load regarding industrial and commercial administration. Our comrades of industrial and commercial administrative departments, particularly those

comrades in charge of market administration, have done a lot of work and have achieved great success. We must enthusiastically support and encourage them in their work. All industrial and commercial administrative departments are required to strengthen the training of staff to improve the quality and competence of their staffs and enhance their understanding of policies. Enlivening and controlling constitute a unity of opposites. In order to enliven commodity circulation we must keep the market under control. And control means administration by law. Who is to be charged with the enforcement of the law? We depend on our industrial and commercial administrative departments to fulfill the task and they are obligated to make every effort to carry out their duties.

CSO: 4004/70

IMPORTANT CORRECTIONS

Beijing RED FLAG in Chinese No 6, 16 Mar 84 p 12

[Article by Hu Qiaomu]

[Text] Four errors (of which the first was pointed out by Comrade Gao Baozhu and the fourth by Comrade Ji Dingzhou) were found in my article "On Humanism and Alienation" after its publication. Here below is an amendment to these errors with reference to the separate edition of the article published by the People's Publishing House:

1. Page 15, line 2 to line 3 [see China DAILY REPORT, 7 February 1984, p K 4, paragraph four, the third line from the bottom] reads: "but in the economics of each particular epoch." Here, "economics" should be changed into "economy."
2. Page 27, line 1 to line 2 [see China DAILY REPORT, 7 February 1984, p K 12, the last line, and p K 13, the first and the second lines] reads: "Hankering after individual interests (this is given expression by the so-called 'commodity fetishism' and 'money worship')." Here, the words between the parentheses should be deleted. Commodity fetishism is a simile used by Marx to depict the fact that people mistake the value relation hidden in commodities for the natural property of commodities as they do not understand that this value relation is exactly the social relations between men. Marx pointed out: "The existence of the things like commodities, and the value relation between the products of labor which stamps them as commodities...are a definite social relation between men that assumes, in their eyes, the fantastic form of a relation between things." And the money form which reflects the value of commodities further "conceals, in the form of material, the social character of private labor and the social relations between the individual producers." (see "Capital," Vol 1, part 1, Chapter 1, Section 4) The bourgeoisie's mentality of hankering after individual interests is determined by the private ownership of the means of production. Here, it is meaningless to depict this phenomenon in terms of commodity fetishism or money worship.
3. Some words should be added to page 34, line 6 [see China DAILY REPORT, 7 February 1984, p K 16, paragraph three, line eight] to make it read as follows: "In fighting against criminal offenders, progressive elements on different fronts are required to courageously and dauntlessly make sacrifices."

4. The following words, "Film artist Charles Chaplin," in line 19, page 36 [see China DAILY REPORT, 7 February 1984, p K 17, paragraph three, the fourth and third lines from the bottom] should be placed behind "George Bernard Shaw" in line 17 [see China DAILY REPORT, 7 February 1984, p K 17, paragraph three, the sixth line from the bottom]. Charles Chaplin was an Englishman who had been active in American film circles for about four decades. He was never a naturalized U.S. citizen. Persecuted by the reactionary force in the United States, he returned to Europe later.

Hu Qiaomu, 10 March

CSO: 4004/73

PROMOTE COMBINATION AND INCREASE THE PRODUCTION OF HIGH-QUALITY FAMOUS BRAND PRODUCTS

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 13-15

[Article by Zhang Jingfu [1728 0513 1133]]

[Text] It is very important in present economic life to support advanced enterprises, lead the backward, promote combination among enterprises and expand mass production of high-quality famous brand products. It is also imperative to continue to implement strong policies and take active measures, both by administrative interference and economic means, so that we will be able to make still greater achievements in this aspect.

There are advantages in expanding the production of high-quality famous brand products. First, this work will help attain better economic results. It is a principle that should be followed in economic work to produce more products that are required by society with less possible consumption of animate labor and inanimate labor. To use the same amount of raw materials and energy in producing high-quality famous brand products will result in higher economic effect than using them in producing less well-known, low-quality products. Second, it will increase state financial revenues. High-quality famous brand products are characterized by high domestic tax and high foreign exchange rate when they are exported and therefore such products are helpful in increasing financial revenues. Third, it can increase the withdrawal of currency from circulation. At present, the broad masses of people are hoarding money in their bid to selectively buy high-quality famous brand products and the products that are in short supply. Therefore, to increase the output of such products is in the interest of meeting the urgent needs of the masses, while good sales of products means that more currency will be recovered. Fourth, it will activate the market and develop the economy. The commodities that are now available in the market can be basically divided into two categories: those that are in short supply and those that are in excessive supply. High-quality famous brand products are in short supply but the production of such products cannot be increased because of the limitation of various conditions. Low-quality, less well-known products are in excessive supply and they have to be sold at even bigger discounts. We must study and resolve this problem as early as possible. To promote integration among enterprises and increase the output of high-quality famous brand products and marketable products will enable

enterprises to strengthen their ability to adapt themselves to changes of market demand and improve market supply. Therefore this measure is particularly significant in boosting the economy. There is another tendency that merits our attention. That is, a new situation has emerged in the structure and trend of people's consumption. A number of people with higher income have emerged and they are characterized by "seeking nourishing foods, paying attention to the attractiveness and beauty of their clothes, and using high-quality products." The proportion of such people in rural and urban areas varies from place to place. If 10 percent of people across the country become consumers of high-quality products, that will be 100 million people. If the percentage is 5 percent, it will be 50 million people. Therefore it is apparent that it has become a very important and pressing problem to take measures to expand the production of high-quality famous brand products.

What method should be resorted to in expanding the production of high-quality famous brand products? We all know that it is improper to increase the production of such products through expanding capital construction because such construction is controlled. The practical way is to combine and reorganize existing enterprises. Concretely speaking, we must support advanced enterprises so that they will be able to lead backward enterprises in their combination to expand the production of high-quality famous brand products. Much work with good prospects can be done in this aspect. In addition, economic and technical coordination has been carried out widely in various places over the past few years and therefore it is also advisable on this basis to organize the combination among enterprises in various forms.

How should we integrate enterprises? In carrying out this work, it is imperative to resort to administrative interference and economic methods and to carry out ideological and educational work in various aspects. In my view, the following measures are feasible:

First, form a system for issuing production licenses. Enterprise integration is particularly imperative for those enterprises in light industry, textiles, machinery, electronics and chemical industry and for military enterprises that have been shifted to producing goods for civil use. As far as the whole country is concerned, this work must be carried out gradually and step by step. The State Economic Commission must help the Ministry of Light Industry in trial producing goods such as bicycles and refrigerators. At the same time, the various industrial management departments should arrange in order of importance the products that are under their management and concentrate their efforts on some major products. It is necessary to define certain rules so as to be able to issue licenses according to the defined conditions and it means that the production of certain goods that do not have the desired conditions must not be licensed. How shall we define the rules? They must be based on the quality, output, and major economic and technical quotas of the products and other aspects such as environmental pollution. Plans must be worked out for each product and such plans can only be approved after checking. The enterprises that do not have licenses for production must be suspended, closed down, merged or

shifted to other production, depending on their specific conditions. But the best way is to integrate such enterprises with advanced ones. Why is it necessary to integrate them? Because the enterprises with low social economic effect will be able to make progress and improve their economic effect considerably after they have been reorganized and integrated to carry out specialized production.

Second, import advanced technology and carry out technical reform in enterprises. This aspect must be concretely analyzed and treated according to specific conditions. That is to say, not all enterprises are in a position to import technology. It remains to be studied what conditions should exist in enterprises before they are allowed to import technology, send staff abroad for study, and carry out technical exchange and technical cooperation with foreign companies. Cooperation with foreign companies in design and production must also be based on these conditions and the enterprises concerned will be allocated a certain amount of foreign exchange. Those enterprises without the necessary conditions must not be allowed to carry out such activities; but they can be integrated with advanced enterprises and take part in such activities by way of sharing a certain interest. Support must be given first of all to those enterprises that are producing high-quality famous brand products. At the same time, the decisionmaking powers of such enterprises must be expanded. This move is imperative because such enterprises have a stronger ability to absorb new technology and they are able to use the imported technology promptly and display its efficiency. Therefore, in this aspect, we cannot do things in a rigid way. That is to say, all enterprises must be treated differently according to their specific conditions.

Third, the "green light" must be given to enterprises that are producing high-quality famous brand products with regard to such aspects as the supply of electric power, coal, gas and raw materials, as well as transportation. Backward enterprises must be given the "red light" in these aspects or they may be supplied after advanced enterprises are supplied. The limited energy, raw materials, and tight transportation facilities must first of all be used to meet the needs of the production of advanced enterprises, advanced products, and those products that are in short supply. In this way, the enterprises that are producing low-quality products will be compelled to take the road of integrating themselves with advanced enterprises. Enterprises cannot be treated equally; we must support the advanced to lead the backward so as to promote integration between them. The principle of "six preferences" for light industrial products must be implemented on the above-mentioned basis. Different enterprises and products must be treated differently according to their different conditions. In this way, we will be able to limit and cut down the production of unmarketable products and expand the production of high-quality famous brand products.

Fourth, tax on increased value must be implemented among the enterprises that have been integrated. That is, the integrated enterprises with independent accounting must pay tax only for the increased part of their value so as to solve repetitious taxation that may occur in various links of coordination and to avoid the problems that are unfavorable to enterprise integration.

Fifth, uphold the principle of high price for high-quality products and low price for low-quality products. Penalties must be imposed on old and backward products. Specific measures and plans must be worked out for products and they must after all be implemented in mechanical, textile, and light industrial enterprises.

Sixth, introduce bank loans, with financial departments providing subsidies for interest as a move to support advanced enterprises and lead backward ones. The banks must provide integrated enterprises with the loans under different interest rates on the basis of the specific conditions of these enterprises. The maturity of the loans must also be different. Preferential loans must be given to those enterprises whose products have little economic effect because of irrational price, but which have better social effect. The interest of such loans must be covered neither by the enterprises themselves nor the banks but by the subsidies from financial departments. The quotas of the loans must be mainly determined by the advanced enterprises and they must be used to help backward enterprises carry out technical reform so as to guarantee the production of high-quality famous brand products and expand mass production. But before such measures are taken to support the production of high-quality famous brand products, it is imperative to solicit the opinions of commercial departments. The method of providing loans with subsidized interest can be regarded as an economic measure to promote technical reform and technical progress of the existing enterprises in a big way so as to promote the mass production of high-quality famous brand products. In this way, the financial departments will be able to do more work with less money and use the money where it is really needed. I think this method is feasible at the present stage when capital is relatively tight. It is imperative to allocate a certain amount of capital this year to carrying out experiments and this work can be speeded up later when we have accumulated experience.

Seventh, give proper consideration to the interests of the units that are integrated. The technology and the famous brands of high-quality products of advanced enterprises can be transferred with compensation or included in share capital or be paid on the basis of the value of the products. The interests of the backward enterprises that have been integrated must also be given consideration. And this principle must be particularly shown in calculating output value and tax profits. Under the present conditions, the calculation of output value can be based on the shares of joint capital and be respectively included in the output value of the regions where the enterprises are located; industrial and commercial tax is paid by locality; there should also be a method for dividing income tax and profits. It is also imperative to form a corresponding system. In this way, the enterprises that have been integrated will not have the feeling that they are being merged; on the contrary, they will feel that they are being helped to get rid of their backwardness. It is necessary under this condition, that the integration should be favorable to the advanced enterprises, backward enterprises, and the regions where the related enterprises are located to mobilize the initiative of the enterprises that are taking part in integration.

Eighth, industrial and commercial banks must set up specialized credit departments for technical reform so as to concentrate the capital for various items of technical reform. The formation of such departments can later be followed by the formation of specialized credit departments for collective welfare funds and worker bonus funds. At present it is imperative to deposit enterprise funds for developing new products, technical reform and developing products, and other enterprise retention funds into specialized credit departments. These funds must be managed and utilized well mainly by the State Economic Commission, with the related enterprises making their proposals as how to manage the funds. For example, enterprises may withdraw and use the funds for small reforms, within the defined quota. With regard to the funds that are required for technical reform and importing technology and that are above the defined quota, it is necessary to work out planning and make feasibility reports. The funds can be withdrawn and used according to planning only after approval. We must learn how to use and transfer these funds well by making use of banks.

Ninth, it is necessary to strengthen in an overall way the management over quality. Integrated enterprises that have taken high-quality famous brand products as the main must be based on the system of guaranteeing quality. With such integrated enterprises it is necessary to organize main factories, supplementary factories, and various production links such as raw materials, parts, supplementary machinery and main machinery into a complete and strict network of quality management. Product quality can in no way drop following the integration and expansion of mass production.

Tenth, various departments and localities must work out plans for various trades and with these plans we will be able to avoid blindness in stepping up planning and production. It is necessary under unified planning, to rationally resolve the locations of industry and enterprises so as to avoid defects, display advantages, promote coordination among regions and enterprises and form more powerful productive forces to promote the harmonious development between economy and society.

I hope that the first step can be taken this year with regard to the above-mentioned views so as to make initial achievements, sum up and constantly perfect experience in practice, and do a still better job of integrating enterprises and increasing the output of high-quality famous brand products.

CSO: 4004/70

IT IS STILL MORE NECESSARY TO PRACTICE ECONOMY IN BUILDING THE MAJOR
CONSTRUCTION PROJECTS

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 16-18

[Article by Jing Ping [2529 1627]]

[Text] An important question in centralizing financial power and material resources and ensuring the completion of the major construction projects is how to take good care of, and use well, construction funds and how, by diverse means, to achieve the objectives of making the major projects good in quality, incurring a short construction period, effecting economy in investment, good effects, devoid of losses and waste, and generally striving for accomplishing the feat of using the same amount of funds designated for building two to three projects to complete three to four projects of the same scale.

Since the 3d Plenary Session of the 11th CPC Central Committee, investment results have been generally improved, as a result of implementing the policy of readjusting, restructuring, consolidating and improving, reshaping the direction of investment, and improving management and control. In particular, in recent years, definite results have been achieved in centralizing financial power and material resources and ensuring the completion of major construction projects. Nevertheless, the poor investment results found through the years have not been basically eliminated. For example, of the 560 large- and medium-sized projects and single item projects completed from 1979 to 1981, 176 projects, or 31 percent, failed to achieve normal economic results. The investment outlay on these projects amounted to 15.7 billion yuan, 37 percent of the gross investment on all the projects. As for certain major construction projects under construction, many problems have also risen. According to a survey, of the 176 large- and medium-sized projects under construction in 1983, the amount of investment now required surpasses the original estimate by 18.5 billion yuan. In 1983, of the 70 major construction projects completed within a normal or reasonable construction period, investments on 46 projects exceeded estimates by 8.4 billion yuan, 40 percent of the gross estimates for these projects. Naturally, of the amount surpassing the original estimates of these projects, some were within the realm of reason and no waste or extravagance was incurred although a substantial portion still suffered waste and losses.

At present, the country's financial situation is still in a relatively stringent state. Additions to national revenue each year that can be used on major construction projects are extremely limited in amount. The contradiction between the demand for, and availability of, capital construction funds is extremely conspicuous. To solve this contradiction, the basic road is to adopt policies that are correct, arouse the positivism of various sides, and strive hard to increase production, improve the economic results, and accumulate more capital funds. At the same time, it is necessary to take good care of, and use well, construction funds, make the various outlays for social labor conform to social needs, and prevent losses and waste. In this connection, the responsibility that rests with the major construction projects is especially great because they require huge funds, their construction period is usually long, and the projects themselves concern the development of the state's long-term construction work. If in the major construction projects we fail to pay sufficient attention to economy in the use of funds but indulge in spending freely, repeatedly exceeding the estimates and continuously prolonging the construction period, the chances are that even though we concentrate all our financial power and material resources on the major construction projects, we will still not be able to reach the objective of realizing the four modernizations.

We must adopt a highly responsible attitude to the people and treasure the construction funds which have been accumulated over the years and through the diligence and toil of the masses, spending each cent of money as if "it was worth 2 cents." Comrade Chen Yun once solemnly pointed out: "An occasional waste of a little money may perhaps be forgiven by the people, but a habitual waste of money year in and year out cannot be forgiven by the people. The money belongs to the people; we cannot jestingly play with it." Major construction projects enjoy the support of the whole country. In return, units handling the major construction projects should accept the supervision of the party, the state, and the people. They should insist on building the nation through thrift and diligence, strive for good investment results, avoid losses and extravagance, and make people of the whole country feel at ease.

In undertaking the major construction projects, in order to economize on the use of funds and avoid waste and extravagance, it is necessary to stress solving the following several problems:

First, the necessity of working in accordance with the capital construction procedure must be emphasized. Failure to do so is the main cause of confusion, losses, and waste in capital construction work. Capital construction procedure prescribes and regulates a rational order for the various stages of work of a construction project. Among the various stages of capital construction procedure, the most important is the stage of work prior to the actual start of construction. Generally speaking, waste caused by planning is larger than waste caused by actual construction, while waste caused by policy decisions on the scale of construction and projects is larger than waste caused by planning. If we can work in accordance with the capital construction procedure, perform the preconstruction stage of work well, take the entire situation as the starting point, and correctly determine

the construction scale of the projects, product plans, geographical distribution, and specifications concerning equipment, technological requirements, and accessory appliances, and so on, then it is entirely possible to achieve good investment results. On the other hand, if we do not follow the capital construction procedure in our work, violate the objective laws governing the formation of fixed assets, start planning before completing well work in the preconstruction stage, and start earthbreaking and actual construction before completion of the planning stage, then inevitably we will be forced to alter the planning in the course of actual construction or change the actual construction project, resulting in the stoppage of work and even in discarding the entire project, thus causing undue waste and losses. In particular, at present, huge investments are required for the major construction projects, there being altogether 93 projects now under construction, each requiring an investment of 500 million yuan or more; the construction periods are long, generally requiring over 5 years each; the nature of the construction work is rather complex and a rather high modernization level is demanded; for some of the projects, a large amount of foreign technology and equipment must be introduced, and rather complex conditions are required for cooperation and accessory and fitting work. There are many intermediate stages and, starting from decisionmaking on the projects, planning arrangements, planning of technological requirements, and actual construction to the completion of construction, inspection, and taking over of the completed job, errors or loopholes found in any one of the stages can cause varying degrees of loss and waste. This requires that we must work strictly in accordance with the capital construction procedure and definitely strengthen our research on the feasibility of each project; that we must do a good job of overall balance and determine a rational scale of construction; that concerning the relevant subsidiary projects and accessory and fitting jobs, we must make good arrangements for them ahead of time so that they can progress at the same pace; that we must bring about coordination between productive construction and nonproductive construction; and that we must strictly avoid "great ups and downs," breaking up the regular order of the economy and causing losses and waste. At the moment, among the major construction projects, the phenomenon of working not in accordance with the capital construction procedure is still found. In some of the projects, surveying, planning, and actual construction work are still simultaneously proceeding, thus causing "major wastes in major projects."

Failure to work in accordance with the capital construction procedure is indivisible from the leadership's attitude of being overanxious for quick results. Subjectively speaking, being overanxious for quick results hopes for speeding up the steps in the four modernizations, but objectively the result is the opposite. We should insist on taking the united viewpoint of the motive and effect of dialectical materialism and weigh our policy decision on the basis of the ultimate results and avoid the repetition of errors such as being overanxious for quick results, careless decisionmaking, and hastily starting work on a project.

To perform a good job in preconstruction stage work, it is most important to set up a scientific policymaking procedure. Concerning construction projects of a relatively high modernized level, the method of solely relying on the

experience and habit of the decisionmaking individual cannot meet decision-making needs which are daily growing in complexity. The decisionmaking organ must strengthen its investigation and research work and must listen to views from various sides, particularly views from the opposing side. It is necessary that important projects go through serious and earnest discussions on the technical and economic aspects and proceed in accordance with the capital construction procedure. The larger the project, the more important it is to act in this way.

To act in accordance with the capital construction procedure, it is also necessary to set up a stringent responsibility system, including a responsibility system covering management work in the preconstruction stage. In December 1978, Comrade Deng Xiaoping already pointed out: "At present, in the enterprise units in various localities and in the various organs of the party and government, an extremely important problem is that nobody is responsible." "After arrangements have been made for an item of work, nobody questions if they have been carried out and nobody cares whether the results are good or bad." A situation of this kind also exists in major construction projects. Because of the lack of a strict and stable responsibility system, in certain projects nobody takes responsibility when problems arise, and in the case of urgent problems requiring immediate solution, the upper and lower levels will try to shift the burden to each other. Hence, it is necessary to set up a definite responsibility system in the major construction projects. In the entire construction process, from work in the preconstruction stage to the completion and starting of production work of the project, it is necessary to set up a strict and stable responsibility system. If any problem arises in any one stage of work, the responsibility will be traced to the person in charge of that particular stage.

Second, it is necessary to implement financial and economic discipline. Improper social atmosphere and laxity in enforcing financial and economic discipline constitute another important cause for waste and extravagance in the use of capital construction funds. In the past 2 years, certain localities, departments, and units, emerging purely from the standpoint of partial interests, raised in profusion the prices of equipment and materials, imposed on, and collected from, the construction units levies and charges of various descriptions, and made queer and unfair charges on various pretexts. For a period of time, these phenomena of the violation of financial and economic discipline were allowed to go unchecked and were not seriously dealt with, resulting in inflating the cost of construction and the waste of much capital construction funds. However, since the second half of last year, following the implementation of an urgent directive from the Central Discipline Inspection Commission calling for "resolutely stopping and suppressing the profuse rise in the prices of means of production and the practice of indiscriminately levying charges on construction units," the situation has turned for the better. But this phase of work has not yet been completed and the results achieved have not yet been consolidated or solidified. It is still necessary to continue with the work in real earnest and to set up a healthy system of control. Doing a good job in the major construction projects provides the key to the development of the Chinese nation and the realization of the four modernizations. It is a major affair related to the basic interests of the

people of the whole country. People of the whole country should pay close attention to economy and frugality and contribute utmost efforts to major construction. They should never permit a small minority of people to weaken the foundation of socialism for the sake of private gains. Leadership of localities, departments, and units related to major construction projects should take the whole situation into account and lead the vast masses of cadres and people to stop the evil practice of making irregular levies and perform a good job in the major construction projects. In the process of land requisition, the irrational demands of cadres and peasants of certain counties and communes should not be tolerated. Rather, we should enhance our education of those concerned. We should build up a social atmosphere which makes everyone responsible for supporting the major construction work. The collection of irregular levies on capital construction is also related to a certain extent to the management system and to certain regulations being irrational in the first place. Hence, on the one hand, it is necessary to be firm in principle, to insist on policy implementation, to rectify improper practices, and to practically and realistically solve problems. Individuals and units hampering major construction work should be sternly dealt with and serious cases should be prosecuted. On the other hand, it is necessary to basically restructure and perfect the management system and the present irrational regulations, to rectify the methods of collecting levies for capital construction, and to formulate and promulgate rational regulations in this regard.

Third, it is necessary to strengthen management and control. Poor management is an important cause of the waste of funds. In this connection, the capital construction departments shoulder a big responsibility. Once a construction project is decided upon, concerning the phases of work ranging from planning, actual construction, and completion of the project to putting it into production and from compiling the estimate, budget, and final accounts to fixing the various consumption amounts and targets on anticipated results, it is necessary to adopt a scientific attitude and perform serious and strict management work. The capital construction corps are the main forces in completing the major construction projects. Whether their work is good or bad has a direct effect on the improvement of the investment results of the major construction projects. At present, certain comrades in the capital construction department have strongly stressed the objective causes, alleging that if the external conditions are not changed, it is difficult to practice economy and to lower the construction cost. In reality, such a point of view is not a comprehensive one. Poor external conditions naturally can hamper economizing on the spending of capital construction funds. However, many cases of waste are not caused by external conditions but are mainly due to poor management on the part of the capital construction departments. Judging from the capital construction department's current campaigns "to investigate waste and extravagance, to stop up leakages and loopholes, to reform and improve management, and to practice economy in investments," lowering construction costs and practicing economy in construction are entirely possible. At the same time, as for the waste and extravagance caused by external conditions, the capital construction department itself also has the responsibility of investigating the causes, stopping up the leakages, and generally resisting the improper practices. For

this reason, units responsible for planning and actual construction work must rectify and improve their work in management and control, strengthen business accounting, and practice economy as much as possible, thus making their own contribution to the rational and economical use of construction funds.

Finally, it is necessary to reinforce supervision by the banks. This is an important measure in preventing the waste of construction funds. Through the People's Construction Bank exercising unified control of the capital construction funds and supervising their use in strict accordance with the state plan, it is possible to enable the People's Construction Bank to supply, on time, funds to the construction projects according to the state plan and to the progress of the construction work, and also to enable it to actively take part in the planning and scrutiny of the projects, and, through its examination and overseeing of the transfer of funds and/or loans and supervising over their use, to force the relevant units to abide by the capital construction plan sanctioned by the state and work in accordance with the capital construction procedure. At the same time, rejecting the various kinds of irrational charges also helps in stopping the practices of "repeatedly exceeding the estimate and eventually seeking reimbursement for what has been spent."

In addition, it is necessary to treat in an all-round manner current problems from the various economic, administrative, and legislative sides. For example, legislation should be strengthened, a capital construction law should be enacted, the judiciary system should be perfected, and lawbreakers should be held legally responsible for their offenses; the management system of capital construction should be improved, and we should gradually enlarge the area of application of changing the state allocation of funds to banks making the loans for construction to, and differential interest rates and varying conditions of loans and loan repayment period, for different investments, should be enforced; improving the target system for checking the investment results of projects and increasing the targets for checking the construction period, building cost, and so on and so forth, in this way facilitating the practice of economy on capital construction funds from various sides.

CSO: 4004/70

SEEK UNITY OF THINKING AND ACTION

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 19-21

[Commentator's article]

[Text] To unify ideology and action, first of all it is necessary to unify the ideology of the entire party on the basis of the party's Marxist line and to keep in line with the CPC Central Committee, the leading core which holds firm to the Marxist line. Specifically speaking, each party organization and party member must keep in line with the CPC Central Committee by upholding the four basic principles and the line, principles, and basic policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee, and must strive to blaze a new trail in their region, department, or unit so as to realize the four modernizations, develop socialist material and spiritual civilizations, and build a socialist country with Chinese characteristics. These are the main standards for measuring the ideological, political, and disciplinary status of party organizations and party members.

The line, principles, and basic policies formulated since the 3d Plenary Session of the 11th CPC Central Committee, the great aim of "quadrupling" the annual industrial and agricultural output value by the end of this century and the strategic task of building the "two civilizations" put forward by the 12th CPC National Congress, and the three tasks for the 1980's put forward by Comrade Deng Xiaoping in January 1980, that is, opposing hegemonism and safeguarding world peace in international affairs, the return of Taiwan to the motherland and reunification of the motherland, and strengthening the four modernizations drive, are the results of applying the scientific principles of Marxism-Leninism-Mao Zedong Thought, of combining the four basic principles with the new historical conditions, and of correctly solving the problem of China's socialist modernization, as well as the products of scientifically summing up historical experiences, of correcting "leftist" mistakes and opposing rightist ones, and of adhering to the principle of seeking truth from facts. Practice has proved that the party's line, principles, and basic policies and the party's aim and three tasks for endeavor are correct. They have brought about a new situation in China's socialist modernization. Therefore, every party organization and party member is required to observe them and to regard them as the basis for unifying their ideology and action.

Viewed from the present status of the party, can we say that all of our comrades are able to keep in line with the CPC Central Committee ideologically and politically? No. Some unsatisfactory practices can still be seen in the party. A small number of persons distort the four basic principles and have misgivings on or resentment against the party's line, principles, and basic policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee, including policies concerning the rural areas, intellectuals, cadres, united front work, Overseas Chinese affairs, and scientific and technological work, as well as the open-door foreign policy. They hold a "leftist" viewpoint with regard to the party's line, principles, and basic policies and with respect to the party's reform work in various fields, asserting that "we have gone too far in emancipating the mind" and that "the rural responsibility system and the open-door foreign policy are manifestations of rightist retrogression." They either spread the feeling of resentment against the party's line, principles, and basic policies or even openly oppose the party's line, principles, and basic policies. In some aspects, for example, in ideological and political work, and in the struggle against unhealthy tendencies and bureaucratism in particular, they are inclined toward the rightist side and are incompetent and lax. All this shows that in our work, there are both rightist and "leftist" tendencies, which must be overcome and corrected in the course of party rectification.

The purpose of unifying ideology is to unify action. The standard for examining whether one can keep in line with the CPC Central Committee ideologically is not what one says or expresses in the newspapers but one's actions. In appearance, some party members are keeping in line with the CPC Central Committee. But in their actual work, they are in low spirits, are lazy in studying problems, and rest content with being able to "receive and transmit" the party's line, principles, and basic policies as well as the instructions and decisions of the CPC Central Committee, instead of working out practical and feasible policies according to instructions of the CPC Central Committee in light of the specific conditions of their regions, departments, and units. They ignore study, do not carry out investigation, and do things merely according to old methods, old rules, and old experience. They refuse to put into effect CPC Central Committee documents which are not to their liking. Such being the case, how can there be unanimity of ideology and action?

There are strict and actual requirements for keeping in line with the CPC Central Committee. Leading cadres of the party are required to go deep into the realities of life, to know the situation well, to work hard, to be diligent in thinking, to be good at combining CPC Central Committee instructions with the actual conditions of their departments so as to put forward their own opinions and work out practical methods, and to be good at enabling the principles of the departments and units they lead to serve and comply with the aims for endeavor of the whole party. Our comrades are required not to rest on the "glow of documents" of the CPC Central Committee but to go deep into the masses and carry out investigation and study, to know objective realities well, to understand the feelings of the masses, to obtain first-hand materials, and to carry out the CPC Central Committee's instructions

in light of specific conditions. Our comrades are also required to break away from old ideas, old methods, and old rules which are not suited to the new situation, new conditions, and new tasks and to be bold in studying good methods and good experiences which are suited to the new situation, new conditions, and new tasks. Therefore, keeping in line with the CPC Central Committee should not be regarded as a pretext for preventing those who have bureaucratic shortcomings from being criticized. People are required to have more intelligence and wisdom, to be more diligent in thinking, to work harder, and to constantly blaze new trails. For this reason, we have repeatedly stressed the importance of "proceeding from actual conditions" and "seeking truth from facts," of adopting flexible work methods, and of paying attention to the art of leadership, and we are opposed to giving vague, general directions.

Our party is a combat body formed on the basis of unified beliefs, unified programs, a unified line, and unified discipline. It is the core which leads the people of various nationalities throughout the country in carrying out revolution and construction. For Communist Party members, keeping in line with the CPC Central Committee is the requirement of party spirit as well as where the greatest interests of the party and the fundamental interests of the people lie. The attitude of party organizations and party members toward the leadership of the CPC Central Committee, toward the four basic principles, toward the party's line, principles, and basic policies, and toward the general aim and tasks set by the 12th CPC National Congress is the attitude toward the party, the people, and the revolutionary cause. The party absolutely does not allow its members to accept the party's programs, abide by party discipline, or follow the party's decisions merely in word or merely at the time they take the oath on being admitted to the party. The party requires its members to follow the correct leadership of the CPC Central Committee in their actual work. The party absolutely does not allow its members to take a liberalist attitude toward the party's Marxist line, principles, and basic policies, toward the party's correct decisions, and toward party discipline. The party absolutely does not allow its members to be less enthusiastic toward the general tasks in the new situation and to lack responsibility in work. It is comprehensible that at an important historical juncture, a person will need time to learn to keep in line with the CPC Central Committee. However, 6 years have passed since the 3d Plenary Session of the 11th CPC Central Committee, the "leftist" mistakes committed by the party in the "Cultural Revolution" and after the smashing of the Jiang Qing counterrevolutionary clique have been corrected, the correct line and correct leadership of the CPC Central Committee have been established, and the general aim and general tasks for the new period have been worked out. Under such circumstances, it is not permissible to persist in the above erroneous ideology and actions.

In order to unify ideology and actions in a better way, we must continue to straighten out the ideological line and to uphold the principle of "emancipating the mind, seeking truth from facts, and uniting to go forward," which was stressed by the 3d Plenary Session of the 11th CPC Central Committee. Past experiences should be maintained and popularized as long as they are good and suitable for the present situation, outmoded experiences should be

discarded, and erroneous things must be resolutely negated. If we confine ourselves to old methods and convention, we will get nowhere. Only by firmly establishing the ideological line of seeking truth from facts can we have the courage to break away from old ideas and old habits and to know objective realities well, can we profoundly understand the correctness of the party's line, principles, and basic policies, can we suit the guiding thinking of our work to the line and principles of the CPC Central Committee and to the requirements for building a socialist country with Chinese characteristics, and can we resolutely and unswervingly strive for the realization of the party's line, principles, and policies.

We should conscientiously implement and perfect the system of democratic centralism and strengthen party discipline. All party members, including leading cadres in charge of important work, must observe the principle of "the individual being subordinate to the organization, the minority being subordinate to the majority, the lower level being subordinate to the higher level, and the whole party being subordinate to the CPC Central Committee." On the one hand, we should boldly seek ways to usher in a new situation in our work, and on the other, we should strengthen party discipline. These two aspects are complementary to each other. To avoid mistakes, major problems should be reported to the higher authorities for instructions. "Taking immediate action upon receipt of instructions" without considering specific conditions is not a serious attitude Communist Party members should adopt. While the whole party is shifting its work focus to economic construction, we should resolutely make up our minds to bring forward the four modernizations. It is not permissible to do things in one's own way without paying attention to the work focus of the party or in such a manner that the work focus of the party is hampered, because this will affect not only the development of socialist modernization, but also the excellent situation of stability and unity which has just emerged and is developing.

We should have an overall perception of the situation and place the interests of the party and the people above everything else. When considering problems and studying the situation, we should not forget the general aims and general tasks of the party. In everything we do, we should have the overall situation in mind. We should not say words or do things which are detrimental to the situation of stability and unity. But we must resolutely refute words which are harmful to the prestige of the party and to the party's policies. We must be firm in overcoming the problem of being incompetent in leadership and in discarding and criticizing the mediocre philosophy of "letting things drift if they do not affect one personally" and "keeping more flowers but fewer thorns." Every party member, and every leading cadre of the party in particular, should merge his work, words, and deeds into the whole cause of the party. We should oppose words which ignore the overall situation, support cadres who are bold in carrying out their work and blazing new trails, and criticize those who do not let others do what they themselves do not like to do and those who "dispute over trifles and affect the overall situation." As long as we have the overall situation in mind and work enthusiastically, we will be able to unify our views in a practical and realistic manner.

The tasks of the party rectification currently under way are: to unify ideology, to consolidate work style, to strengthen discipline, and to purify the organization. Of these four tasks, unifying ideology is of the first importance, whose completion will bring about the fulfillment of the other three tasks. Most of the problems emerging in the course of unifying ideology are problems within the party and are contradictions between proletarian ideology and nonproletarian ideology in the party. Generally speaking, mistakes committed by our comrades are mistakes of ideological understanding. In criticizing these comrades, on the one hand, we should adhere to principles, take up the weapon of criticism and self-criticism, expose their problems, and help them differentiate between right and wrong and correct their mistakes. On the other hand, we should treat them well and encourage them to conscientiously study the party rectification documents and accept the criticisms made by the organization and their comrades, to straighten out their ideology, to make self-criticism in an honest manner, to unify their ideology and actions in line with the party's line, principles, and basic policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee, to be of one heart and one mind with the party, and to concentrate on socialist modernization. We should, according to the basic policy stipulated in the decision on party rectification, inflict disciplinary punishment on the small number of persons who refuse to correct their mistakes after repeated criticism and who obstinately refuse to implement the party's line, principles, and basic policies and no "people of three categories," who persist in opposing and harming the party.

CSO: 4004/73

A TALK ON THE QUESTION OF THE 'VALUE OF MAN'

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 22-25

[Article by Feng Yuzhang [7458 5713 4545]]

[Text] Over the past few years, some comrades engaged in making abstract propaganda on humanism [ren dao zhu yi 0086 6670 0031 5030] have been keen on making abstract propaganda on the value of man and have thus caused quite a lot of ideological confusion, particularly among young people. In his article entitled "On Humanism and Alienation," Comrade Hu Qiaomu makes a pithy analysis of this question and expounds on the basic viewpoints of Marxist historical materialism on the question of the "value of man." By so doing he has provided us with a scientific method for correctly dealing with this problem. Here, we are going to make an analysis of some viewpoints on this problem that are much in vogue now in order to deepen people's understanding of this question.

The question of value of man and human dignity is a major topic of the thought of the bourgeois movement of humanism [ren wen zhu yi 0086 2429 0031 5030]. At the end of the 14th century, the bourgeois movement of humanism arose in Europe to meet the requirements for the development of capitalism. To counter the theology and feudal rule which regarded God as the center and belittled the value of man, this movement loudly stressed the value, dignity, and interests of man, advocated the individual emancipation and personal freedom, and played an important and progressive role in opposing the feudal system and the rule of theology. However, fundamentally, these demands were aimed at achieving the interests and development of the rising bourgeoisie itself. In the capitalist system that was established later, what was in vogue was the idea of "money decides the value of a man" and there was no so-called value or dignity of man common to both capitalists and the proletariat. Just as Engels pointed out, in a capitalist society, "money decides the value of a man: in other words, a man being worth 10,000 pounds means that he has such a sum of money. Those who have money are 'worth people's respect,' are regarded as 'superior people,' and will have 'pull.' Moreover, they occupy leading positions in their circles." ("Collected Works of Marx and Engels," Vol 2, p 566) Therefore, when humanists talked about the value of man, it upheld the private interests of capitalists under cover of the generality of the entire human race. In theory, this view of value is abstract, but in practice it is egoism.

Abstractly talking about and advertising the value of man is the common theoretical characteristic of earlier humanism [ren wen zhu yi 0086 2429 0031 5030] and the various factions of bourgeois humanism [ren dao zhu yi 0086 6670 0031 5030]. Because they viewed man in isolation from man's social nature and historical development, they inevitably regarded the theory of the value of man as an abstract principle that was divorced from actual history and transcended class. This is a historical idealist viewpoint and method. Of course, it is impossible for this viewpoint to give a scientific explanation on the value of man. Today, some of our comrades have precisely sunk into this kind of predicament in making abstract propaganda on the value of man, whether they admit this fact or not.

There is another theory, called the theory of "common principle." It upholds that there is a principle common to all kinds of humanism [ren dao zhu yi 0086 6670 0031 5030] and this "common principle is summed up as the value of man." It also upholds that "there are no contradictions between historical materialism and this basic principle of humanism," and that Marx "did not negate this basic principle of humanism." Accordingly, the value of man also becomes the "common principle" of both historical materialism and historical idealism and of both Marxism and non-Marxism. This is an incorrect idea. The historical idealism of humanism talks about human nature and the value of man in isolation from concrete historical conditions and the relation between individual man and society, and proceeds from abstract human nature and the abstract value of man in explaining the development of society. Conversely, Marxist historical materialism entirely reverses this viewpoint and explains human nature and the value of man through man's social relations and historical development. This is a diametrical difference between the two conceptions of history. How can we say that there are no contradictions between Marxist historical materialism and humanist historical idealism on the question of the value of man? The bourgeoisie's conception of the value of man, like their conceptions of human freedom and happiness, is the outcome of capitalist relations and the manifestation of the class consciousness of the bourgeoisie. In carrying out the communist revolution, the proletariat should not only wipe out private ownership, but should also break away thoroughly from traditional conceptions. As was said well by Marx and Engels: "In a bourgeois society, capital has independence and individuality while an acting individual has no independence or individuality." "However, the bourgeoisie calls the elimination of this kind of relation the elimination of individuality and freedom. It is right to call it this. Indeed, we precisely wish to eliminate the individuality, independence, and freedom of the capitalists." ("Selected Works of Marx and Engels," Vol 1, p 266) From this we can see that the understanding of the proletariat and the bourgeoisie on the value of man are diametrically opposed. Many facts in the reality of our society have also shown that the proletariat's outlook on life, which is based on a materialist conception of history, which regards collectivism as the core, and which regards the realization of communism as the goal, is diametrically opposed to the bourgeois outlook on life which is based on an idealist conception of history, which regards egoism as the core, and which regards the pursuit of personal fame, interests, and enjoyment as the goal. This being the case, what grounds are there for regarding the value of man as a "common principle"

for these ideological systems of diametrically opposed classes? What, in essence, do they have in common except for the common words of the "value of man" if we disregard the content and essence of these two kinds of diametrically opposed ideological systems and insist on summing up a "common principle" for them? It is very clear that making abstract propaganda on the value of man is, in fact, the practice of making propaganda for the bourgeois world outlook and idealist conception of history.

Still other people say: The "value of man lies in man himself," and "regarding man himself as the greatest value of man entirely conforms to man's fundamental characteristics." Therefore, they think that this conception of value is based on Marx' thesis that "man himself is the most essential essence." The so-called "man himself," as a philosophical term, is linked with Ludwig A. Feuerbach's idea that regards the essence of man as pure nature, that is, the biological "category." At most, the idea of "man's value lies in man himself" only shows the difference between man and animal. It cannot provide us with an answer to the question of why man has diametrically different values under different historical conditions and in actual life. The value of man upheld by these people in this manner is still an abstract value of man. True, in 1844 Marx said "man himself is the most essential essence," but this is not a scientific viewpoint of Marx' on the essence of man, but an idea that shows that at that time he had not yet broken away from the influence of Feuerbach. Even at that time, Marx had already put forth the idea that the essence of man was his "social essence." ("Collected Works of Marx and Engels," Vol 42, p 37) This shows that he had already surpassed Feuerbach. One year later, Marx threw away Feuerbach's philosophy of humanism [ren ben zhu yi 0086 2609 0031 5030] and pointed out that "what Feuerbach talked about was 'man himself' and is not 'man in reality and history.'" ("Collected Works of Marx and Engels," Vol 3, p 48) In order to oppose Feuerbach's view on "abstract man," he pointed out: "The essence of man is not an abstract thing innate in every individual man. In reality, it is the total sum of social relations." ("Selected Works of Marx and Engels," Vol 1, p 18) Therefore, if we try to prove, even now, the value of man by the idea "man himself is the most essential essence," we only show that we have retrogressed from Marx' scientific viewpoint to Feuerbach's viewpoint.

For a period, the practice of making propaganda on the abstract value of man came into vogue. For example, the idea of "man has the value of man," the ideas that we should show "greater respect for man's value," that we should "heighten people's sense of the value of man," and that "man's value is final, absolute, and unconditional" have emerged in quite a few theoretical articles and in literature and art commentaries. This problem is not a small and negligible problem, as some people think, but is a harmful ideological trend.

Its harm lies, first of all, in the fact that it leads people to make empty talk on the value of man in isolation from reality, and this will encourage egoist ideology. In our country, the establishment of the socialist system has opened up broad prospects for the satisfaction of the demands resulting from the material and cultural life of our people, but because of our poor

foundation, the material and cultural living standard of our people is still not high. This problem cannot be solved by making abstract talk on the value of man. It can only be solved by vigorously carrying out the construction of socialist material and spiritual civilization. Making empty talk on the value of man in isolation from actual economic and cultural conditions, and from this construction, can solve no actual problems. Moreover, under the so-called slogan of "regarding man himself as the greatest value of man," any person can raise the demand to regard himself as the "greatest value," and add a coloring of respecting the value of man to his various impractical demands. As a result, the demarcation line between egoism and collectivism and the principle of subordinating personal interests to the interests of the state and the people are both negated. Precisely under the impact of this ideological trend, some people who lack training in Marxist theory have been infatuated with "the realization of their own value," have persisted in advocating their own value, and thus have been eroded to various extents by ultraegoism.

Its harm lies in the fact that it shakes people's faith in socialism and leads people to criticize and doubt socialism. Some articles start from this abstract value of man and pit individuals against the cause of the collective and against the development of socialist construction. They criticize the so-called "alienation of the value of man" under the socialist system and even use the words which Marx used to expose capitalist society to criticize socialist society and say that in a socialist society "the world of man continues to be devalued while the material world (including power) continues to grow in value." This is equivalent to saying that a socialist society "continues to stifle the value of man." This being the case, how can socialism and communism be regarded as a solemn faith and ideal that is worth struggling for? Here, the conception of the abstract value of man is linked with the erroneous idea that negates the four basic principles. This aggravates the erroneous mentality among some people, particularly youths, of doubting the socialist system, and reduces people's enthusiasm in building socialism; therefore, it is harmful to the cause of socialism.

How, then, should we correctly regard the value of man?

We do not mean that a Marxist is not allowed to talk about the value of man, but the issue is that we should have correct viewpoints and methods in so doing. Based on the foundation of actual historical facts, the materialist conception of history faithfully points out that people must first be engaged in production labor before society can exist and develop. It then discloses that the history of human society is a process of regular development, of the movement of the contradictions between productive forces and relations of production. In the process of material production, people form their different natures in accordance with their different economic positions, and they change themselves along with the development of history. Therefore, the basic method of the materialist conception of history in studying the questions related to man is to explain the development of society by the movement of the contradiction between productive forces and relations of production and then to explain the questions related to man by

social and material living conditions and the situation and development of social relations. This enables the study of the questions related to man to be based on the foundation of actual historical facts. It also allows the probing of man in the manner of seeking truth from facts and in light of the concrete historical stage on which man depends for his subsistence and in which he carries out his activities. Thus we will be able to reach objective conclusions. This viewpoint and method points out the direction for research into the questions related to the value of man. Since a man in any historical period is a man in society and a man in history, we should regard research into the value of man as research into man's historical conditions and activities. Under different historical conditions, the value of man differs greatly. Even under the same historical conditions, different men can still have very different or even opposite values because of the difference in their relations to the requirements and direction of historical development. Moreover, because their class positions and positions in social relations differ, people in different times have different or even opposing views on the value of man. Therefore, we should probe the questions related to the value of man concretely and historically and should not do it in an abstract manner.

As Comrade Hu Qiaomu pointed out in his article, in a socialist society, by the value of man, we mean on the one hand a man's position in social life--the respect given a man by society and the satisfaction that a society provides a man with--and on the other hand, we mean the significance of a man's life and activities for society--his responsibility to and contribution to society. These two senses are a dialectical unity. In our country, we have already abolished the system of exploitation and the vast number of laboring people have already become masters of their country and are creating, day by day, their own bright future. From this point of view, socialism has incomparably increased the value of man compared with the old society. Today, what restricts us in realizing a higher value of man is not the irrationality in our fundamental social system, but is mainly the underdevelopment of our economy and culture, the lack of perfection in some of our systems, and the shortcomings and errors in our work. We are working hard, under the leadership of our party, to perfect and develop our socialist system. In order to enable our society to ensure the subsistence and development of people as individuals, we must first create certain conditions. This requires people to carry out construction and requires an individual to shoulder his responsibility to other people and to make greater contributions. In fact, everybody is carrying out his various activities in a certain historical stage and playing his role in the development of history in this or that manner. Thus they are providing solutions in their lives and showing the significance of their lives for society and the people. Therefore, from the point of view of the materialist conception of history and from the point of view of the proletarian outlook on life, we should stress probing the value of man from the relations between a man's activities and the direction of the development of history and from his responsibility to and contribution to society. This means that if a man's activities and work meet the requirements resulting from the progress of history, and if he has thus made contributions to society and the people in his post, he has some value. Conversely, if a man cannot meet the

requirements resulting from the progress of history, or even follows the opposite direction, to do harm to society and the people, there will be nothing to say about his value. Therefore, the value of a man can never be abstract nor decided by himself at will, but should be objectively calculated by his contribution to social progress and to the people. In China today, this requires us to actively plunge into the work for socialist modernization under the guidance of communist ideals. As Comrade Deng Xiaoping pointed out: "Struggling for the future of socialist China is the loftiest mission and glory for the youth of our times." ("Selected Works of Deng Xiaoping," p 219) Struggling for the magnificent cause of socialism and communism and acting like Lei Feng in "putting limited life into the unlimited task of serving the people" is the loftiest embodiment of the value of the life of the younger generation of our times.

Still other people have said that stressing the idea that the value of a man is first of all determined by his contribution to society means a negation of the "value of a man as an individual" and thus "negating a man as an individual." Therefore, this idea is a so-called "outdated conception." These people's view is wrong. Undoubtedly, a socialist society should pay attention to the great significance of the needs and enjoyment of the people as individuals and strive to satisfy various people's just and reasonable needs within the scope allowed by objective conditions. We should never "negate people as individuals." However, we should not pit the value of man as individual against the undertaking of the collective or the cause of socialism. Marxists hold that a man in isolation can achieve nothing and an individual cannot subsist without the collective or the society. If the undertaking of the entire collective does not succeed or develop, it is impossible to satisfy the material and cultural demands of each laborer. Therefore, the proletarian "conception of the value of man" first stresses the value of the people. It holds that the value of each man as an individual can only be realized in the value of the people. For an individual, if he can play a certain role in promoting the progress of society and in benefiting the people, his value as an individual can be highly confirmed. Therefore, this kind of conception of value does not "negate the value of a man as an individual." On the contrary, it precisely gives a scientific explanation of the value of man and points out a correct orientation for increasing the value of man. As Comrade Chen Yi wrote when he raised the requirements for the education of the younger generation: "We must know the importance of fostering an ideal and give more consideration to the world. We should serve the people and regard pursuing private interests as shameful." The actual actions of many revolutionary martyrs and advanced people precisely embody the lofty value of man. However, from the point of view of the bourgeois world outlook and the bourgeois outlook on life, only "ego" is the basis of the value of man and only regarding "ego" as the center means attaching importance to the value of man. Otherwise, what we do will be regarded as so-called "negation of the individual." People who hold this viewpoint consider that the advanced people who shine with the brightness of the communist ideology cannot be understood and even think that "it is not true that the minds of advanced people are free of any egoism." This kind of solipsist world outlook and outlook on life will cause people to distort facts, negate truth, and follow an evil path. In

fact, the "outdated conception" that it wishes to break with is a basic Marxist principle that has endured the test of practice. On the other hand, the so-called "new viewpoint" is an outdated conception of the bourgeoisie.

In our socialist motherland, many advanced people emerge every day. Their moving deeds and lofty spirit and their communist thoughts and practice are the best criticism and refutation of the conception of value that regards "ego" as the center. At the same time, they continue to raise our understanding of the value of man to a new horizon. We should vigorously publicize, under the guidance of the materialist conception of history, the correct conception of value, help our people, particularly youths, distinguish and throw away erroneous conceptions of value, and thus arouse our youths' enthusiasm in vigorously making progress, strengthen their confidence in the revolution, and make them realize and increase their value in the struggle for the great socialist cause. This is an extremely important task in our current ideological and political work.

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TAKEOVER POLICY, OR INDISCRIMINATE COPYING?--ON THE ATTITUDE TOWARD WESTERN LITERATURE AND ART OF THE MODERN SCHOOL

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[Article by Cheng Daixi [4453 0108 3556]]

[Text] Over the past 2 or 3 years, in introducing Western literature and art of the modern school, some comrades always quoted from Mr Lu Xun and clamored for "takeover." However, they did not fully understand the takeover policy put forth by Mr Lu Xun. Actually, the takeover policy advocated by Lu Xun is basically consistent with our important guiding principle, formulated by Comrade Mao Zedong in the 1950's, concerning the cultural and ideological front, namely, the principle of making foreign things serve China. The takeover policy is certainly not in favor of indiscriminately "taking over" all trends of thought in and all the works of foreign literature and art regardless of whether they are good or bad, useful or useless. We must correctly understand the essence of the takeover policy advocated by Lu Xun. Only thus can we acquire a correct attitude in dealing with Western literature and art of the modern school.

Know Ourselves and the Other Party, Focus Attention on Ourselves

The introduction of foreign culture, particularly modern Western culture and ideology as well as works of Western literature and art of the modern school, must always be integrated with the needs of our country's revolution, or, concretely speaking, with the needs of the building of socialist spiritual civilization. To achieve this, we must correctly understand those foreign spiritual products which we need to bring in, as well as our own actual condition. In the words of the ancients, we must know ourselves and the other party. "Knowing the other party" means that on the basis of mastering as much information as possible, we should use the Marxist stand, viewpoints, and methods to scientifically analyze the ideological trends in and the specific works of Western literature and art of the modern school; we should make a study of the times and the social conditions associated with their creation; we should study how they are affected by modern Western science and culture, particularly Western philosophy, sociology, psychology, and so on; we should understand their past history and their evolution and development; and we must also know the various social effects they exert in the West. On the other hand, "knowing ourselves" means that in order to

build our socialist spiritual civilization and to make socialist literature and art flourish, we should take foreign literature and art as our reference and assimilate the useful things in it. Therefore, the central idea of "knowing ourselves and the other party" is that we must focus attention on ourselves. In our country's past history, some people put forth the ideas of "wholesale Westernization" and "using Chinese learning as basic principles and Western learning as practical tools." "Wholesale Westernization" proceeded from reversing the positions of the host and the guest, and it denies the traditions of our national culture. As to "using Chinese learning as basic principles and Western learning as practical tools," though this policy superficially appeared to mean adherence to "focusing attention on ourselves," it actually involved a change in form but not in content, because here "ourselves" means the old feudal or semifeudal system. To speak the truth, it represented an attempt to use capitalist science culture to defend the tottering reactionary rule. Lu Xun's takeover policy objects to both the bourgeois "wholesale Westernization" and the reformism of the advocates of the Westernization movement of the late Qing Dynasty. Lu Xun always stressed focusing attention on ourselves. In "A Vigorous Exposition of Mara Poetry," he paid particular attention to introducing those bourgeois democratic ideologies in 19th century European literature and art "which reflect a determination to revolt, which aim at action," and which "make sonorous calls in order to help one's nationals acquire a new life and to make one's country excel in the world." Lu Xun thought China at that time urgently needed that kind of "loud cries of intensive grief to stir later generations to rise." He had this view in mind when he enthusiastically introduced the outstanding literary works of various small, weak, and oppressed East European nations. As to his translation and vigorous introduction of those Soviet novels which depicted the great October Revolution and those early Marxist treatises on literature and art which were written by Plekhanov, Lunacharsky, and so on, his efforts even aimed to satisfy the needs of our country's revolutionary movement in literature and art.

Bourgeois literature and art has had a history of 500 to 600 years, if we count from the time of the Renaissance. During the Renaissance, the age of enlightenment, and even the earlier half of the 19th century, bourgeois literature and art dared to openly challenge fideism and all kinds of ignorance, with rationalism as their banner. It bravely exposed contradictions and anything going against rationality. From the latter half of the 19th century to the earlier part of this century, however, aestheticist literature, and later negative romanticist literature, strived to evade and gloss over all kinds of unsurmountable contradictions of the capitalist society, and literature, portraying a kind of illusory haven of peace, itself became a haven for escaping from harsh reality. The neo-Kantism and positivism in philosophy became the theoretical base for intuitionism, mysticism, and ultra-subjectivism in literary creation. Since the early part of this century, the Western modern school of literature and art has held the banner of opposing reality, traditions, and rationality. However, it differs from aestheticist literature in that it no longer glosses over various contradictions in social life, because the bourgeoisie has become less and less capable of glossing over contradictions and has been unable to gloss over the increasingly more acute social conflicts and crises.

Therefore, Western literature and art of the modern school now propagates the absurdities of social life. Anything absurd, including people, society, life, and social systems, arises from man's "original sin." In this view, this contradiction cannot be overcome unless mankind is completely destroyed. This is the path taken by the pioneer literature of an earlier time, the fantastic school of drama, existentialist literature, works of the "new novels" school, and so on. Western literature and art of the modern school is now no longer limited to neo-Kantism and positivism, and is not content with following the philosophy of Schopenhauer, Nietzsche, and Bergson; instead, it has gone farther: It has even picked up for its own use the mysticist philosophy of Saint Thomas Aquinas of the Middle Ages, which the bourgeoisie had criticized, from the rubbish heap of history; and it has also viewed the oriental Buddhist transmigration theory as a new discovery. Therefore, it is full of pessimistic, solipsistic, mysticistic, and anarchist ideologies.

Although Western literature and art also exposes various contradictions in life, sometimes even in a highly resourceful way, however, it cannot perceive any way out in life, it does not believe that the irrational reality will change in the course of the people's practical activities in creating history, and it completely loses confidence in life and man's future. For example, in talking about a character (a guerrilla in wartime) in his novel, West German writer Hans Erich Nossack wrote: "...He was squeezed out by various forms of social ideologies, laws, and systems... Therefore, he had no way out other than attempting evil. He struggled, not to oppose any specific system or any specific social collective, but to oppose turning it into an absolute system, because this amounted to a vigorous attempt to make it become some consumer goods that could be easily replaced." (Quoted from "What Is Modernism" by D. Za-dong-si-ji [2089 2639 2448 1015]) This means that in the West, man has lost the meaning of life and has completely degenerated into a victim of the social system. Therefore, the writers of the Western modern school oppose all social systems, including both the capitalist and the socialist social systems. They do not want any social systems. However, this is impossible, just as it is impossible for a man to raise himself from the ground by pulling his hair. Man cannot live in a society without any social system. The above quotation reflects the typical mentality of the writers of the Western modern school.

The modernist writers no longer trust mankind. They do not believe that the masses of people can change the existing irrational social system and create a new social system beneficial to mankind. Therefore, no matter how severely they castigate the capitalist system, and no matter how thoroughly they expose the irrational reality of the capitalist society, the only possible final conclusion is that the capitalist system will not change and will forever continue to exist as in the past. This kind of exposure and castigation naturally does no harm at all to capitalism, but merely reflects the spiritual crisis and continuous degeneration of the bourgeoisie. Therefore, in dealing with Western literature and art of the modern school, we must adopt an analytical and critical attitude, and we must definitely not indiscriminately take over everything.

Use It, Keep It for Future Use, or Destroy It

In his article "Tasks of the Youth League," Lenin wrote: "When we talk about proletarian culture, we must pay attention to the following point: We should clearly understand that only by clearly understanding the culture created during the entire process of human development, and only by transforming this culture, can we build our proletarian culture." ("Selected Works of Lenin," Vol 4, pp 347-348) In the light of this principle, in dealing with Western literature and art of the modern school, we must both selectively take over it and scientifically analyze it, so that we can use it. This is what Lu Xun described as "discarding the dross, retaining the essence, and nourishing and developing a new organic body." ("Collected Works of Lu Xun," Vol 6, p 23) In discussing how to deal with literature and art brought in from abroad, and in expounding the takeover policy, Lu Xun put forth three methods of treatment: "Use it, or keep it for future use, or destroy it." This is also applicable in dealing with the Western modern school.

Western literature and art of the modern school propagates bourgeois ideologies, which are incompatible with socialist spiritual civilization. This is beyond doubt. However, Western literature and art of the modern school is a very complicated social phenomenon. In determining which part should be taken over for our "use," which part should be "kept for future use," and which part should be "destroyed," we must make some effort; we must clearly analyze the questions involved, thoroughly explain our rationale, and adequately expound the advantages and disadvantages. It is easier to deal with those works of the Western modern school which display an obviously reactionary or dirty ideological content, because it is easier to clearly lay bare their true nature.

In Western literature and art of the modern school, some works not only expose the conflicts in capitalist social life and reflect certain aspects of the insurmountable spiritual crises of the bizarre Western society, but also relatively powerfully thrash various social causes of the capitalist world. For example, "Catch 22," a novel by Heller, who is called an American writer of "black humor," is a typical work in this respect. No one ever knew or had ever seen the content of military regulation No 22, but it did make people feel that it was ubiquitous. Some officers desperately tried to make money, some officers craved for power and only wanted to advance in position, and a group of officers both wanted to make a fortune through war and wanted to fight their way to higher ranks; all of them flaunted the banner of military regulation No 22. These officers not only used this regulation to ride roughshod over others in the barracks, but also committed crimes in its name outside the barracks and in occupied territories. Actually, military regulation No 22 was nothing but the embodiment of the American military-bureaucratic machine of World War II and the postwar period. In the writer's book, the so-called democracy, freedom, justice, bravery, and so on in the United States all became mere decorations. In their place were slavish docility, imperiousness, greed, selfishness, faithlessness, and cowardice.

Another example is that found in Kafka's "The Trial," in which the leading character is a banker who can be considered to belong to the upper class when compared with Gregor in "The Metamorphosis." One morning, the banker Joseph K. received a summons which stated that he had committed a crime and had to be tried. Although Joseph K. had not committed that crime, he was finally sentenced to death and executed. In the court, he did not vigorously defend his innocence, but boldly exposed the decadence of the judicial organ. He said: "Behind all the activities of this court, that is, in my case and behind my arrest and today's trial, a colossal body is working... What great significance does this colossal body have? Its work is nothing else but false accusation, arrest, and unreasoning interrogation of innocent people. The majority of cases, like mine, involve utterly fruitless interrogation. However, if everything is so meaningless, how can superiors prevent their subordinates from the very common practice of perverting justice for bribes? This is impossible. Even the highest judge in this body can only allow this perverting of justice for bribes to exist in his court." Kafka's exposure of the legal court in his novel is inferior to Lev Tolstoy's accusation of Czarist Russia's judicial organs, and is naturally much less forceful than the exposure of the reactionaries in the legal court by Pavel, the leading character in Gorky's "Mother." After all, however, "The Trial" does considerably truthfully expose the reactionary nature of the bourgeois state machine.

Undeniably, compared with those categories of literary works which only portray homosexuality, which lavishly sell pornography, or which only aim to gloss over reality, those modern literary works like "Catch 22" and "The Trial" do reveal to various extents certain facts of life in Western society. Although they reveal distorted facts of life through distorted characters, they tell us from various perspectives that Western capitalist society is not a paradise in the world. The people there, or a considerable proportion of them at least, do not live a happy life; they badly lack spiritual ballast and feel a sense of crisis, suppression, and fear. This is an insurmountable problem of the capitalist system.

Moreover, a great deal of works of the Western modern school also, to various extents, touch on various abuses of the capitalist society and reflect the anxiety and fear afflicting intellectuals and young people in society, who sink into extreme spiritual depression because of an inability to find a way out in life. However, the writers concerned do not acknowledge that what their works expose are the conflicts of the capitalist society alone, but hold that these are conflicts of all mankind. They say that all mankind, and not just the bourgeoisie alone, do not have any way out. They say that not only the capitalist society, but also any other society, is absurd. For example, the fantastic school of drama holds this view. It holds that communications between man and man is impossible, that the world is a puzzle which cannot be understood, and that only death alone can thoroughly relieve man of his sufferings in life. Ionesco's "The Bald Prima Donna" tries to demonstrate that life is a dream. His "The Chairs" suggests that what is said to be the true meaning of life does not exist at all; and if one must say it does, then it is death. The two leading male and female characters in his drama committed suicide by leaping into the sea

together. Their act tells all those who want to seek the true meaning of life that suicide is man's best way out and end result. Similarly, Beckett's "Waiting for Godot" also suggests that in life there is not any emancipator who is eager to solve people's urgent problems and who can extricate people from their predicament; life promises no hope at all. There is a comment that the writers of the Western modern school "overwhelm all paths with the shadow of their despair, rendering them impassable." This is the most appropriate remark about the fantastic school of drama. This kind of thematic ideology in the dramas of the fantastic school is the most obvious evidence of existentialist philosophy. The assertion that the world is absurd and devoid of rationality or regularity, that life is painful and at the mercy of destiny, is a basic principle of existentialist philosophy. Moreover, Western literature and art of the modern school has also directly or indirectly inherited various forms of idealist philosophy which arose in Europe after the mid-19th century, so that this kind of literature and art has an ideological content which is extremely complicated. For example, it contains the ideology of detachment from the world, ultra-egoism, nihilism, anarchism, decadent ideologies, and so on, which constitute a multifarious assortment of numerous ideologies. These many varied forms of bourgeois ideology, with their theoretical basis, namely, Western idealist philosophy, are the things that we must thoroughly criticize. We must certainly not allow them to freely spread unchecked in our country, causing spiritual pollution.

As to the literature and art techniques of the Western modern school, we must not blindly copy them either because these techniques are invariably closely integrated with the ideological content of the literature and art of the modern school. At present, the stream-of-consciousness school most seriously affects our literature and art creation in terms of methods of expression. Bergson's intuitionism and Freud's idealist psychoanalysis constitute the theoretical basis of stream-of-consciousness. Bergson, Freud, and William James, the pioneer of the stream-of-consciousness school, held that man's conscious activities (that is, psychological activities) are nonrational activities. They also used subjective randomness to negate the existence of constraints on consciousness. Stream-of-consciousness severs the links between literature and social life, uses "free association" (a special term used by Freud) to replace the inherent ties between consciousness and things, and arbitrarily reverses time and spatial relations. It does not leave a great deal of room for the readers to think over or recollect what they have read, to say nothing of carrying out reasoning and analysis. On the contrary, it makes the works fragmented, complicated, confusing, or even unintelligible. Therefore, in using as our reference certain techniques of Western literature and art of the modern school, we must conscientiously study and refine them, and incorporate them in our traditional national methods. Only thus can we weed through the old to bring forth the new and make them acceptable to the masses of people.

The Policy of Opening Our Country to Economic Intercourse With Other Countries and the Setting Up of Ideological Defenses

Over the past several years, we have adopted a policy of opening our country to economic intercourse with other countries, so that our country is no

longer closed to international intercourse and isolated from the rest of the world. This is absolutely correct. However, we must soberly note that when our country is opened to economic intercourse with other countries, the decadent bourgeois lifestyle and various forms of bourgeois ideologies will inevitably take the opportunity to infiltrate our country. A long time ago, Comrade Deng Xiaoping already reminded us of the importance of "adhering to the socialist road and opposing capitalist corrosive influences." Comrade Hu Yaobang also said: "The policy of opening our country to economic intercourse with other countries will bring many advantages and also many pathogenic germs. Therefore, we must use some dual tactics: On the one hand, we must steadfastly implement the policy of opening our country to economic intercourse with other countries, because this policy is correct; but on the other hand, we must resolutely resist the corrupt things of capitalism, including bourgeois ideologies and lifestyles." The bourgeoisie try to exert corrosive influences on us by using both material and spiritual "sugarcoated bullets." In discussing spiritual "sugarcoated bullets," he particularly stressed: "Decadent capitalist ideologies, viewpoints, culture, literature and art, lifestyles, and so on, can exert corrosive influences on our thinking, slacken our will to fight, disintegrate our conviction, and disrupt our ideology." (RED FLAG, No 1, 1983) Therefore, we must both open our country to economic intercourse with other countries and set up defenses. It is very dangerous to pay attention to the former at the expense of the latter.

When Lu Xun put forth the "takeover policy," he also advocated setting up defenses. Discussing his argument: "I think young people can also read the works of 'imperialists,'" he made an analogy: "If an unarmed young man goes deep into the mountains in order to see tigers and wolves, he is surely an idiot; however, if he dares not even go to the zoo where animals are kept behind iron bars just because tigers and wolves are formidable, then he must be said to be a ridiculous fool." ("Collected Works of Lu Xun," Vol 5, p 296) What Lu Xun called "iron bars" here means "correct guidance" or "detailed analysis and correct criticism." That is, we must remove certain kinds of poisons, which are as bad as tigers and wolves, from Western bourgeois culture. Ideological defenses are definitely indispensable. To sum up, in dealing with cultural exchanges with other countries, we should never "worship foreign capitalist countries, accept the corrosive influences of capitalism, or lose our socialist Chinese national pride and national self-confidence." ("Selected Works of Deng Xiaoping," p 226)

Here, the setting up of ideological defenses mainly means that we must be sober ideologically. With this in mind, we must first adhere to and diligently study Marxism-Leninism-Mao Zedong Thought. In recent years, a majority of comrades have been skeptical about Marxism and have tried hard to free themselves from, or even resist, the guidance of Marxism over our literature and art. The inevitable result is that they are bogged down in theoretical confusion and extremely serious blindness. For example, some comrades said: "We can believe that Western literature and art of the modern school will also create works which reflect belief in ideals, which are beneficial to human progress, which embody greatly enhanced confidence,

and which depict the new appearance of the new world to come." This view is obviously unrealistic. Western literature and art of the modern school, basically characterized by absurdity, despair, and opposition to rationality, is the product of a period when the bourgeoisie are degenerating and declining. It is purely an illusion to expect this kind of literature and art to produce works that can reflect "ideal thinking" and depict the "new appearance" of the future world. Probably even members of the modern school would not appreciate this kind of expectation.

To set up ideological defenses, we must hold high the banner of socialist literature and art. In his congratulatory speech at the fourth national congress of literature and art workers, Comrade Deng Xiaoping pointed out the basic characteristics of socialist literature and art, which can be summarized into the following: Taking the communist ideology as the kernel of our ideology; the portrayal of the images of pioneers of the new period who are our new heroes; the training of socialist new men; the need for realistically reflecting the nature of, and the historical trend of development, social life; the need for attaining a high standard of artistic quality; and the need for paying attention to the social effects of works of literature and art. This is the orientation of socialist literature and art which we must adhere to, and this is the banner of socialist literature and art which we must hold high. Contrary to this, some comrades preach that the Western modern school should be the orientation of development of our socialist literature and art. They claim that "'modern tendencies' (that is, "modern school"--author's note) will invariably appear, either today or tomorrow, and either among this generation or the next generation of young people." Some comrades even put our country's four modernizations on an equal basis with Western literature and art of the modern school. They hold that if China wants to achieve economic modernization, it must also necessarily have a modern school of literature and art. Some other comrades advocate a "revolution" for turning our literature into a modern school. These views are erroneous, in both theory and practice, because they constitute an ideological obstacle to our effort of holding high the banner of socialist literature and art.

Modernization and the modern school are two different things. The modern school movement of Western literature and art is not directly or necessarily linked to the development of modern material production in the West. What it reflects is the degeneration of the modern capitalist system. What we must now achieve is socialist modernization with Chinese characteristics. To be compatible with this requirement, our literature and art can only follow the socialist road and must not follow the road of the Western modern school.

We hold high the banner of Marxism-Leninism-Mao Zedong Thought and the banner of socialist literature and art, but this does not mean that we preclude taking foreign literature and art for our reference or that we categorically negate Western literature and art of the modern school. However, as Lu Xun put it, "when we take over what we need we must use our brains and insight." That is, we must carry out analysis and appraisal according to Marxism. Only thus can we boldly take over what should be taken over and resolutely discard what we must discard, so that the taking of foreign literature and art as our reference can really enhance our building of socialist literature and art with Chinese style and grandeur.

THE NOTION 'COEXISTENCE AND COPROSPERITY' IS INAPPROPRIATE

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 31-32

[Article by Zi Wen [1311 5113]]

[Text] When discussing the party's policy of "letting a hundred flowers blossom and a hundred schools of thought contend," some comrades suggest that there can be "coexistence and coprosperity" for various schools of philosophy and social sciences, and hold that this will "greatly contribute to the development of scientific theory and promote the progress of practice." I hold that this understanding of the party's policy of "letting a hundred flowers blossom and a hundred schools of thought contend" is one-sided and incorrect.

The "double hundred" policy formulated by Comrade Mao Zedong for our party is for promoting artistic development and scientific progress, and for promoting the prosperity of our socialist culture. It is a policy of a fundamental nature, and at the same time, also a policy of a protracted nature. We must always uphold it, and there must not be the slightest vacillation. Since the smashing of the "gang of four," our party has resolutely brought order out of chaos, eliminated the cultural dictatorship practiced by the Lin Biao-Jiang Qing counterrevolutionary cliques to trample on the "double hundred" policy of the party, and enabled the "double hundred" policy to be genuinely implemented. At the same time, our party has also clearly pointed out that the "double hundred" policy is established on the premise of the four basic principles, and is essentially a Marxist policy. We definitely cannot distort it into something that can be separated from any principle, write what we want to write, propagate what we want to propagate, and express what we want to express, and there also cannot be criticism or interference from anybody. The notion of "coexistence and coprosperity" is this kind of distortion of the "double hundred" policy. According to this kind of notion, there can be "coexistence and coprosperity" for things in the domain of philosophy and social sciences regardless of whether they are correct or incorrect, truth or fallacy, and even regardless of whether they uphold Marxism or oppose Marxism. Is there still any demarcation line of principle between the proletariat and the bourgeoisie, and between socialism and capitalism? Are there still the four basic principles?

As everyone knows, philosophy and social sciences belong to social ideology. They are different from natural science, and have a class nature. Among the various theoretical standpoints or schools in this domain, apart from some more correct as well as defective mistakes of differences in general, there is still a struggle between Marxism and anti-Marxism, and there can be no "coexistence and coprosperity" between these diametrically opposed and conflicting standpoints and schools. For example, we uphold the thesis of taking Marxism as guidance. Can there be "coexistence and coprosperity" between this and the "Marxism is outmoded" theory? Can there be "coexistence and coprosperity" between our thesis that communism is not only a theoretical system but also actual action and the "communism is a dim illusion" theory? Can there be "coexistence and coprosperity" between our standpoint on the need to adhere to the principle of remuneration according to labor and the so-called standpoint of "labor according to remuneration" and "everything in terms of money"? Obviously no.

The comrades who uphold the notion of "coexistence and coprosperity" advocate "it would be better to spend more time in repeated discussions." This of course is correct. Comrade Mao Zedong long ago said: "Questions of right and wrong in the arts and sciences should be settled through free discussion in artistic and scientific circles" and "should not be settled in an oversimple manner." ("Correct Handling of Contradictions Among the People") This means we advocate "opening wide." However, we cannot forget that the "double hundred" policy of the party is filled with ideas of revolutionary dialectics, and cannot be simply interpreted as "opening wide." The "opening wide" we advocate is not to weaken the leading position of Marxism in the ideological sphere, but on the contrary, precisely to strengthen its leading position. The "opening wide" we advocate must contribute to the unity of people of various nationalities throughout the country, socialist construction, the consolidation of people's democratic dictatorship, democratic centralism and party leadership, and the international unity of socialism as well as all peace-loving people in the world. We must criticize those sham, bad, and ugly things that are detrimental to and in violation of the four basic principles, and we definitely cannot allow them to spread unchecked. We must advocate correct things and oppose incorrect things. Based on the standpoint of "coexistence and coprosperity," there is no longer this kind of demarcation. Has this not become bourgeois liberalization?

For the sake of correctly implementing the "double hundred" policy of the party, we must also conscientiously develop criticism and self-criticism. Criticism means mutual criticism among the comrades, and self-criticism means criticism of oneself, or self-examination. These two aspects are an interdependent dialectical relationship, and neither should be overemphasized at the expense of the other. Criticism should strive to convince people by reasoning, and move them by kindness, so as to more effectively arouse the other party to carry out self-criticism. Self-criticism should be plain and sincere, uphold the truth, and correct mistakes. Only by developing criticism and self-criticism in a practical and realistic manner can everybody obtain good enlightenment. However, the comrades who advocate "coexistence and coprosperity" only mention "criticism and counter criticism,"

and "countercriticism and counter-countercriticism" without mentioning the carrying out of self-criticism. Actually, can they correctly implement the "double hundred" policy without carrying out repeated criticism? This warrants careful consideration. Our purpose in advocating "letting a hundred flowers blossom and a hundred schools of thought contend" is for the sake of using genuine, good, and beautiful things to overcome sham, bad, and ugly things, so as to enable socialist science and culture to rapidly forge ahead in a healthy manner. If we allow these erroneous things, including standpoints opposing the four basic principles, to "countercriticize" and "counter-countercriticize," and only permit them to open wide but not permit Marxist struggle, is there still the Marxist policy of "letting a hundred flowers blossom and a hundred schools of thought contend"?

Comrade Deng Xiaoping said: "We must always uphold the policy of 'letting a hundred flowers blossom and a hundred schools of thought contend.' However, this does not mean to say that letting a hundred flowers blossom and a hundred schools of thought contend can be allowed to be detrimental to the overall situation of stability and unity. If we say that letting a hundred flowers blossom and a hundred schools of thought contend can disregard stability and unity, this will be a misunderstanding and misuse of this policy. Therefore, our upholding of stability and unity, and upholding of the four basic principles, are completely identical to upholding the 'double hundred' policy." ("Selected Works of Deng Xiaoping," p 220) We should correctly understand and implement in an all-round manner the "double hundred" policy of the party in this way.

CSO: 4004/70

REFORM THE STRUCTURE OF SECONDARY EDUCATION AND DEVELOP VOCATIONAL AND TECHNICAL EDUCATION

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 33-36

[Article by the Political Research Office of the Liaoning Provincial CPC Committee and the Liaoning Provincial Education Department]

[Text] Reforming the structure of secondary education and organizing various kinds of secondary level technical and vocational schools is an important task involving the shifting of unitary and ordinary secondary education toward a combination of ordinary secondary education and vocational and technical education and changing education from involving only upward movement through school classes to the training of labor resources so as to meet the demands of socialist modernized construction.

Since 1979 education in Liaoning has been involved in the implementation of the central authorities principles of readjusting, restructuring, consolidating and improving, and in doing so the distribution of secondary schools has been reorganized while the scale of development of ordinary senior middle schools has been controlled. At the same time many kinds of secondary level technical and vocational schools have been set up in accordance with the readjustments and reforms to the national economy and the demands of social development. Today technical and vocational education has increased from representing 2 percent of senior middle school education throughout the province in 1976 to 39 percent, while initial moves have been made to correct the irrational unitary structure of secondary education created as a result of the 10 years of turmoil. Practice proves that reforms to secondary education structure and development of vocational and technical education plays an important and vital role in the overall implementation of the party's educational policies, in improving the quality of the labor force and solving problems connected with youth employment and entry into high school for young people, as well as in the socialist material and spiritual civilizations.

Reforming the Structure of Secondary Education Is an Urgent Demand of Modernized Construction

Socialist modernized construction not only requires a large number of specialists talented in many different spheres, it also requires large

numbers of capable workers equipped with a certain amount of scientific and cultural knowledge and ability. Practice in China's economic construction proves that there must be suitable ratios between the various levels of technical workers and between technical workers and ordinary workers before there can be smooth implementation of production construction. At present the structure of the labor force in our province is not ideal, there are too few university students and specialized secondary school students, and even fewer technical secondary school students and the result is that some engineers have to work as technical workers and are not able to use themselves fully, or, conversely, ordinary workers earn their living as trained workers or even as technical personnel, and thus product quality cannot be ensured and this sometimes causes damage to advanced production machinery and creates serious economic losses. As a result it is vital that we develop technical and vocational education and train a large amount of skilled reserve labor and primary and secondary level technical and management talent.

Before the "Cultural Revolution" there was considerable development of secondary technical and vocational education as a result of directives from the party Central Committee and the proposals put forward by Comrade Liu Shaoqi concerning "the two labor systems and the two education systems." By the end of 1965 there were 168,000 students in senior middle school education, 57 percent of whom were in secondary technical and vocational education and 43 percent of whom were in normal senior middle school education. This basically met the needs of economic and social development at that time. The many kinds of vocational schools and agricultural secondary schools trained large numbers of useful talents in many areas for socialist construction and they all put themselves to very good use on a variety of front lines. However, during the 10 years of internal disorder, Lin Biao, Jiang Qing, and their counterrevolutionary clique wiped out vocational and technical secondary schools as being "products of the revisionist line," all this with the accusation that such things were part of the bourgeois double-track system. The result was that there was blind and uncontained development of normal senior middle schools and serious dislocations occurred within education, and hence a serious and sharp contradiction emerged between the multifarious demands for talent on the part of national economic and cultural construction and the unitary nature of the structure of senior middle school education. According to statistics, by the end of 1976 there were only 28,600 students in secondary technical and vocational schools, a mere 2 percent of the total number of senior middle school students in the province. Furthermore, the number of ordinary secondary school graduates who were able to go to university every year was very small and the vast majority required employment. Because these secondary school students lacked vocational and technical training, they turned out to be very unsuitable once they had assumed their work positions and this thus affected the technological structure of the work force and improvements in labor productivity. As economic construction developed, this contradiction became more obvious. If reforms were not carried out in secondary school education quickly, then the progress of the four modernizations might be adversely affected.

Adopt Diversified Means of Organizing Schools According to the Needs of Economic Reforms

At present penetrating changes are taking place in the economic sphere in China and these changes are presenting secondary school education with new topics to handle and new tasks to perform. Reforms to the structure of secondary school education are only correct in their direction when they reflect the needs of overall economic and social development and when they become an integral part of the overall planning of social development, coordinated with labor planning. Hence the development of vocational and technical training must aim at producing talent and specialists.

In order to get to grips with the training of talent we must first of all organize and set up specialist undertakings in accordance with reality. In every town and region in our province, comrades from every level of the economic, educational, labor, and planning sectors are making thorough investigations of the economic and educational situation in their area as well as the trends in economic readjustments and reforms taking place and in so doing they have uncovered the requirements that economic and social development has for a labor reserve. On this basis they have stipulated the direction, scale, distribution, and speed of development in technical and vocational education and have drawn up plans linked up with state economic plans. Take for example the development of rural secondary vocational schools. As a result of the implementation and spread of such principles and policies as the contract responsibility system with payment linked to output and other, similar systems, the vast majority of peasants have made new demands for developing rural secondary vocational and technical education so as to improve labor productivity and economic results. In order to meet these demands the province has been training people in the production of food and industrial crops and at the same time has been paying attention to increasing and expanding vital specialized undertakings such as construction work, brigade enterprises, and animal husbandry. In addition, suitable readjustments have been made to such specialized undertakings as agricultural machinery and technology, while technological talent and management talent have been trained for the overall economic development of the rural areas. The introduction of specialized vocational secondary schools in the urban areas has mainly been directed at commercial, catering, service, and maintenance industries, labor intensive industries, and so on. As a result of readjustments, specialization in heavy industry in secondary vocational schools in the urban areas in the province was suitably reduced, while the handling of such industries as catering, commerce, services, and maintenance doubled, and vocational courses dealing with enterprise management and accounting increased by one-fourth. Today there are more than 180 different specialized courses available in secondary technical and vocational schools in both urban and rural areas throughout the province.

The setting up of such specialized courses in secondary vocational schools in all rural areas took into account the principle of suiting measures to local conditions and thus the present relationship between the demand for qualified and trained people in production and that in long-term construction has been correctly handled. The mountainous eastern area of our

province has very little workable land and thus the specialized courses set up in the secondary vocational schools in the villages in this area were chosen on the basis of the principle of "ensuring overall development with forestry as the most important." Thus great efforts are being made to train people in such areas as forestry, fruit growing, pesticides, insects, bees, fishing, animal husbandry, and various processing and service industries, so as to create a strong construction team for this mountainous region.

China is an enormous country and economic development is very unbalanced and the productive forces exist at very different levels throughout the country with correspondingly different forms and varieties of the system of ownership. Every front line of socialist construction and every sector of the national economy urgently requires all kinds of specialized personnel and high quality labor resources. Hence reforms to the structure of secondary education and development of technical and vocational education means that we must "keep both our feet on the ground" and must adopt many different ways and methods of organizing such schooling. In order to ensure that vocational and technical education satisfies this complex and wide demand for talented and trained personnel, it is vital to mobilize action in all areas and to activate enthusiasm for this work everywhere. By doing so not only will we help the development of technical and vocational education and ensure that people study for the purpose of applying what they have learned and of using their talents to the utmost, in addition it will help us understand the various economic and teaching personnel problems that are met in the development of technical and vocational education.

In the reforms to the structure of secondary education and in the development of technical and vocational education we must ensure that schools are set up both by the state and also by various sectors, enterprises, factories, and rural production brigades and we must also uphold the principle of education for full-time workers and part-time work, part-time study. Liaoning is one of China's heavy industrial bases and there are many large enterprises and many old enterprises and they and the province in general possess a solid material foundation and an exhaustive list of specialist sectors and hence also a considerable number of engineers and technicians. These conditions are very good for setting up vocational and technical schools. As long as we liberate our ideas and develop these advantages in the province on the basis of suiting measures to local conditions, then we can expand the road for schooling and speed up the development of vocational and technical education. Hence over the last few years the province and the party committees in all towns and districts have been helping the various sectors and the various enterprises in the province to understand that investments in education are productive and strategic investments and thus, on the basis of their needs and potential, we have promoted active construction of vocational and technical education, and good results have already been achieved. Today, of the 276 vocational schools in the urban areas throughout the province, 48 (or 17 percent) were set up by the education authorities, 61 (or 22 percent) were set up jointly by the education authorities and other sectors, and 167 (or 61 percent) were set up by various business and trade sectors.

Integrate Reforms to the Structure of Secondary Education With Reforms to the Labor System

Integrating the reforms to the structure of secondary education with reforms to the labor system and ensuring full implementation of selective labor employment represents the key to successfully organizing technical and vocational education. Practice tells us that reforms to the structure of secondary education set up the necessary conditions for reforms to the labor system. Reforms to the labor system promote development of vocational and technical education. If we do not implement policies of selective employment, then it is very difficult to develop technical and vocational education, and even it is possible, it would be very difficult to consolidate. Hence as reforms to the structure of secondary education begin, the provincial government has been encouraging young people to get involved and promoting the spirit of developing one's intellect, and thus it has clearly stated that graduates of vocational technical schools will not be allocated jobs by the state, they will be selectively employed. Within the labor plans issued by the state, all kinds of businesses and enterprises who require workers must first of all select and employ from the ranks of specialist technical and vocational graduates. It has also stated that those graduates who are selectively employed are exempt from apprenticeship, rather they do 1 year's on-the-job probation, after which their job positions and levels are fixed. As for those with outstanding technical or practical knowledge, exceptions can be made so as to encourage exemplary behavior and levels. At the same time, the development of labor employment education must seek to overcome such erroneous ideas as "emphasizing the whole people, ignoring the collective, and disdain for the individual." We must encourage students to make practical use of the specialized and technical knowledge they have acquired and to voluntarily arrange employment or seek jobs on their own.

The policy of selective labor employment has greatly inspired the masses of students to work harder and with greater enthusiasm. Some people, when they are in ordinary secondary school, have no hopes for moving up and thus feel there is no future for them, because they lack any basic schooling. Once they enter vocational schools, their direction becomes clearer, they pick up and they achieve great things in their studies. The heads of most families say that as soon as their children enter vocational school they make progress. Over the last 3 years more than 40,000 students have graduated from vocational secondary schools in urban areas in our province, of whom 27 percent were then selectively employed in enterprises under ownership by the whole people, while the majority were allocated to collective enterprises and a few found their own jobs. Reflected in terms of the manpower, these students have proved to be the best batch of new workers over the last few years. Some graduates who found their own jobs received social recommendations and some were praised as being advanced individual workers.

Rectify Views Concerning the Organization of Schools, Improve the Quality of Education

To ensure the healthy development of technical and vocational education and train morally and intellectually developed labor resources suited to the

needs of socialist modernization, we must improve the understanding of leaders at all levels about the reforms to the structure of secondary education, rectify views concerning the organization of schools, and adopt measures to improve the quality of education. In order to do this we must get to grips with work in the following few areas:

1. Improve understanding and rectify the way schools are organized. The guiding principles involved in organizing schooling are extremely important factors in determining whether or not secondary vocational schools can consolidate and develop on the right track. From the very beginning our province integrated reality and stressed the importance of secondary vocational education and schools in various sectors in the province and among the masses of teachers and those working in education. It was constantly stressed and explained that secondary vocational schools were a pressing and urgent requirement for China's socialist modernized construction and that it represents an integral part of education in China and as such cannot be left out. It should not be considered as a temporary "contingency plan." The work involved in secondary vocational education is glorious and all views which ignore or treat lightly secondary vocational and technical education are incorrect. At the same time it was also clearly pointed out that secondary vocational schools are not ordinary secondary schools and hence in such vocational schools it is even more important that there be no one-sided striving for upward grading. Nor should any ordinary secondary schools be set up as vocational schools, or rather as "fake vocational schools." The aim of teaching in secondary vocational schools is to produce high quality lower- and middle-level technicians, management personnel, and large numbers of well-educated labor resources equipped with technical knowledge. All work in the schools must submit to this overall aim. Hence we cannot organize and set up these vocational schools in the same way as ordinary schools are set up.

2. Get to grips with the construction of teaching staff, teaching material, and practical study bases. The key to successfully organizing secondary vocational schools is to have a group of qualified teaching staff. The construction of teaching staff in our province is mainly done in the following three ways: the running of 2-year specialist teaching courses or short-term training courses and the organization in factories training courses in specialist subjects; selection by all relevant sectors and enterprises of technical personnel to be sent to do part-time courses; and the dispatching of between 20 and 30 percent of each year's agricultural college graduates to work as teachers in rural vocational secondary schools.

Once the teachers are available, the important question is the teaching material. The quality of teaching material directly affects the quality of the schools. Most of the secondary vocational schools in our province are new and they lack good teaching material. Hence all relevant departments and sectors pay a great deal of attention to the work of editing and writing teaching material. In the province today we have already edited and finished teaching material for courses in cultural foundations and vocational morals. Each area designs, edits, and writes teaching material on the basis of its own requirements and thus in Dalian 15 different courses

have been written, including those dealing with communications and traffic, machinery, sewing, and cooking.

Good organization of practical study bases represents an integration of teaching, practical study, and scientific activities in secondary vocational schools and it is a necessary precondition for improving the quality of teaching. Over the last 2 years the towns and regions of our province have taken out regional financial loans of around 5 million yuan to be mainly used for the construction of experimental laboratories and practical study locations. Today secondary vocational schools throughout both rural and urban areas in our province have more than 500 practical study locations and many schools have integrated teaching, practical study and social services and thus students work half the day and study half the day, or other such work-study programs are used and this has greatly improved the basic theoretical standards and practical abilities of the students.

3. Great efforts are being made to develop teaching research activities and improve the quality of teaching. The majority of secondary vocational schools are new and the teachers working in them have been newly transferred there, while the teaching material is also new. In view of this situation we must actively develop educational research activities, for this is extremely important for ensuring the quality of teaching. In order to achieve this end the provincial educational institute has established a vocational education research department and throughout the province about 13 central educational research offices have been set up dealing with electronics, sewing, fruit trees, kindergarten teaching, accounting, construction, and so on. In addition, specialized schools have been organized to arrange and develop educational research activities in similar specialist areas. Teaching institutes in all towns and areas have established specialist bodies or have appointed special technical personnel to carry out educational research work, which frequently involves meetings to exchange views on educational experiences, and this has promoted improvements in the quality of teaching. Very recently secondary vocational and technical educational research committees have also been set up in the province so as to strengthen theoretical research and promote development in the field of education.

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RECOMMENDING TWO SERIES OF BOOKLETS ON HISTORY

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 37-40

[Article by Fu Xuancong [0265 3872 3827] and Feng Huimin [7458 1920 3046]]

[Text] In recent years there has been considerable development in the work of spreading historical knowledge. Among the literature designed for disseminating historical knowledge among the masses, "Booklets on Chinese History" published by the Zhonghua Publishing House and "Booklets on Foreign History" published by the Commercial Printing Press have had a widespread influence on readers.

In the beginning these two series of booklets were conceived, edited, and published by the famous historian Wu Han. From 1958 to today, despite the long halt in publishing during the 10 years of chaos, these two series of booklets have continued to be published thanks to the constant hard work of the editors and publishers, and they have in addition become more complete and improved. More than 100 booklets have been published in the "Booklets on Chinese History" series and 255 different ones have been published in the "Booklets on Foreign History" series. They have all played an important role in educating the masses in patriotism and historical materialism. In this new era of history, it is particularly important to teach the masses about history and to make use of the pioneering spirit of workers in both Chinese and foreign history, advanced personages in history, advanced deeds and achievements, and patriotic traditions to stimulate the lofty sense of mission and dedication of the people, thereby making great contributions toward socialist modernization. In this sense, these two series of booklets can without doubt play an extremely important role.

In the winter of 1959, after the first several tens of booklets in the "Booklets on Chinese History" series had first appeared, Comrade Wu Han made a call in the preface to his historical work "Deng Xia Ji" [Collection Under the Lamp] saying: "Might I make a request to theoreticians, academics, artists, and all kinds of specialists, that outside your work positions and in addition to your written works, you might find some extra time to write some things of a more general nature for your children, your youth, and your cadres?... I make this request of you as a father of two small children."

Following in the wake of Wu Han, the famous scholar Comrade Chen Hansheng, chief editor of the Commercial Printing Press publication "Booklets on Foreign History," also said: Today, although some young students are very bright, their depth of knowledge is very shallow; they do not for example know who Galilei was, what the Eiffel Tower is, what Egyptian mummies are, and their knowledge of world history is very poor. Recently he wrote a letter of reply to a comrade in the central authorities, saying these two series of booklets "will open up the world outlook of young people, increase their knowledge, help them carry out historical materialism and patriotism, and will be of benefit in their moral upbringing and consciousness." He expressed with great enthusiasm that although today he was 87 years old, the work he had done in editing the series of booklets "was his meager contribution to spreading historical knowledge among the masses of young people."

These honest words embody a deep sense of emotion toward the great and long history of our motherland and human civilization and it also embodies a deep sense of empathy and responsibility toward the masses of people.

We work in the editing and publishing of the series "Booklets on Chinese History" and through the many years of our work we have come to understand how to write and edit these kinds of booklets and this is very important in disseminating historical knowledge.

First of all, one of the important functions of these booklets is to spread historical and cultural knowledge about the Chinese race among the masses and young people, as well as carry out patriotic education. Over recent years, in view of the open-door policy practiced in China, a tendency to blindly praise foreign culture has emerged among some people, particularly young people. Of course, our work is linked to our attempts to resist and overcome the negative influence of corruptive bourgeois ideologies and ideas, but we should also say that another important aim is to fill the vast lack of knowledge about Chinese culture and Chinese history. For example, in one college, the specialist courses had nothing to do with classes in Tang and Song poetry, but once such classes had been arranged, unexpected results were seen. Once the students had finished this course in poetry they were inspired with patriotism and a sense of pride for the Chinese race. They now know that in the world, apart from Tolstoy, Hugo, and Hemingway, in the very earliest history of their own motherland there were such greats as Li Bai, Du Fu, Bai Juyi, Lu You, and so on, and that there were many famous works written very early on in Chinese history. This was a revelation to us, who apart from studying the classics, should make efforts to introduce the rich cultural heritage of our motherland to the masses and to young people by means of popular, moving, accurate, and beautifully written works. We should introduce the outstanding artists, writers, and workers which have appeared through the long history of our country, so that people may understand that there is a vast treasure house to be found within the culture of our nation and race. Thus, they will be able to compare Chinese history and culture favorably with that of the rest of the world and they will broaden their world view, increase their knowledge, and improve their cultural training and aesthetic tastes and they will come to know that not

everything from abroad is good and everything Chinese is bad. All of this will be very useful in fostering patriotic thinking, increasing love for the motherland and the Chinese race, improving moral emotions, and enriching people's spiritual and cultural lives. Lenin once said that only by enriching one's mind with the total wealth of human knowledge can one become a communist. Under certain conditions knowledge can be transformed into consciousness and moral character. The dissemination of accurate historical knowledge can deepen young people's knowledge about the history of the motherland and inspire them to fervently love the motherland.

Secondly, China has a long history and a glorious culture and together this history and culture offer an enormous field for writing and editing these kinds of booklets and disseminating historical knowledge. Comrade Mao Zedong said: "In the history of the civilization of the Chinese race there is developed agriculture and handicraft industries, many great thinkers, scientists, inventors, politicians, militarists, and artists, a rich cultural record." "During the long period of feudal society in China a glorious ancient culture was created." The people of history led varied and colorful lives, and carried out active struggles and our glorious motherland with its mountains, rivers, lakes, and seas is a crystallization of the intelligence and wisdom of the various nationalities in China and an embodiment of our glorious civilization, and the great creations of the outstanding and glorious personages in our Chinese history can ensure that through the work of disseminating history to the masses, we may draw sustenance and nourishment from the rich history of China and at the same time broaden our field of vision and open up our minds.

Originally the "Booklets on Chinese History" series included 300 different topics, covering culture before the Shang Dynasty, historical figures, historical events, peasant uprisings, famous battles, economic and cultural topics, famous historical towns, and famous historical sites and relics. The famous historical figures include politicians, militarists, thinkers, scientists, artists, and so on. The famous towns and famous historical sites and places include Changan, Luoyang, and Beijing, as well as such beautiful places as Hangzhou and Guilin. In addition, there are five famous mountains of China and such crystallizations of the combined talent and wisdom of the nationalities of China such as the Dunhuang Caves, the Jiangnan gardens, the simple Zhaozhou bridge, and the ceramic army in the Qin tombs in Xian. The "Booklets on Chinese History" are written in simple form and abstract the complex and rich historical content into the limited space available and provide simple, straightforward explanations and details about various ancient economic, and cultural events and major inventions. For example, such topics as "The History of Paper," "The History of Printing," "The History of Silk," "The History of Food," "The History of Mathematics," "The History of Calligraphy" and so on are written in a simple explanatory form. In editing these booklets attempts have been made to draw on our predecessors' achievements in academic research and the booklets also reflect contemporary levels of academic research. The historical accounts are accurate and the vocabulary is simple. Topics dealing with historical figures, events, and some specialized areas have required some more detailed information and are told in more of a story-type manner, aiming at suiting

both refined and popular tastes. These booklets, which vary in their content and somewhat in their style, depending on the topic, but which are all written in a lively way, reflect very successfully the several thousand years of Chinese history, and some basic aspects of China's ancient cultural traditions, and they represent a first attempt in China to do such a thing.

Thirdly, in writing these booklets we have relied on experts and integrated the results of their research with the work of dissemination. Comrade Deng Xiaoping said: "At the same time as building a high degree of material civilization, we must improve the scientific and cultural standards of the peoples of all nationalities and develop a rich and multifarious cultural life and also construct a high degree of socialist spiritual civilization." ("Selected Works of Deng Xiaoping," p 180) In order to suit the demands of socialist spiritual civilization, historians must do improvement and dissemination work. Over the last 30 years, while there has been development in China's educational program, the cultural standards of the people are not very high. On the basis of investigations carried out in 1979 involving 20 million workers in industry and commerce, over 80 percent of them had school or cultural standards of below junior middle school level. The cultural standards of peasants are even lower. Those working in the area of history must proceed from this point when writing books and articles, examine various historical problems, and carry out historical education among the people.

At the start of the publication of the "Booklets" almost all of the editors were famous experts in historical research and they were very enthusiastic and responsible in organizing, proofreading, writing, and editing the material. The selected writers whose work appears in the "Booklets" are very often experts in the field or are working in one particular area of historical research. After the "Cultural Revolution," while the editorial committee was not reestablished, the tradition whereby experts wrote articles and pieces for the "Booklets" continued. Over recent years almost all the writers selected for the "Booklets" have been young or middle-aged history experts working in higher education or research institutes. All the subjects on which they write have undergone lengthy research. A few of the "Booklets" consist of only about 10,000 words while most of them are no more than 20,000 or 30,000 words. It is not easy to introduce historical facts and events to readers in such a limited space, especially some rather more complex historical events or personages, and to do so in a simple way, at the same time explaining rather profound ideas and ensuring that the readers understand. It would have been impossible without a firm expert basis and expert skills. This is particularly true of some specialized historical topics which demand that the writer has a systematic knowledge of the field and the ability to express the essence of the topic. For example, in the cases of Wang Guoding's "The History of Food," Pan Hongxuan's "The History of Bridges," Li Yan and Du Shiran's "The History of Mathematics," Pan Jiezi's "The History of Painting," and Zhang Xiumin's "The History of Printing," it is almost impossible to say whether they are booklets of a general nature or whether they are detailed and abridged scholastic works. The several booklets to appear over the last few years outlining the famous poets of ancient China are also outstanding works. They have all been warmly received by readers.

In terms of the entirety of historical science, it is of course true that the more works of academic value there are, the better, but at the moment there are not many works of this nature, in fact there are far too few. The writing of scholastic works of a high standard does in itself help the work of dissemination. Similarly, introducing research results to the masses by means of general writing such as this is an item of work which we cannot allow to be ignored, and such work can achieve results which technical and expert works cannot.

At present the "Booklets on Chinese History" and "Booklets on Foreign History" and other similar kinds of general historical books are fairly short in length and are cheap and are thus suited to the purchasing power of the average reader and hence demand from the masses is considerable. But in the view of some comrades working in circulation sectors, they represent very small profits, while formalities involved are a problem and hence they are unwilling to process too many orders or do much selling, resulting in an inability to satisfy the pressing demands of the readers. Socialist publication work is primarily designed to serve the aim of satisfying the demands of the masses. Every year there are probably not more than about 100 kinds of popular books dealing with politics or other areas of knowledge which the masses want to read and thus printing of these kinds of books should be stepped up a bit to satisfy their needs and demands. This is an important mass concept in the world of publishing and circulation. We hope that there will be close links between the comrades in the circulation sectors and the masses so that these comrades may understand the ideas and feelings of the masses and their urgent demands and thus with a revolutionary spirit draw up a new book circulation system designed to come up to the demands of socialist modernized construction, thereby carrying out circulation work a little better.

At the same time we hope that experts and those working in editorial and publishing sectors pay attention to the work of dissemination and they should not regard these kinds of booklets as "little playthings" and thus give them no attention. In actual fact, a small book of 10,000 or 20,000 words requires between 1 and 2 years' hard work on the part of editors and writers to develop from the stage of topic selection, writing, organization of proofs, expert appraisal of proofs, word by word revision of proofs, polishing to finalization and completed copy, and in general this process often has to be repeated three to five times. We must make great efforts to train and improve writers and editors in the work of dissemination and we must fully evaluate and validate the enthusiasm and initiative of these comrades in serving socialist construction by disseminating historical knowledge, while in addition creating necessary conditions so that all actual problems within this kind of work may be solved. We should encourage an untiring and firm spirit of serving the masses in writers and editors and further improve the quality of material designed for the dissemination of historical knowledge and publish more and better works for the masses and work hard to offer our people the very best.

CSO: 4004/70

THE GUANGZHOU PEASANTS' MOVEMENT LECTURE CENTER

Beijing RED FLAG in Chinese No 6, 16 Mar 84 p 40

["Brief introduction" to picture on front cover by Jian [0313]]

[Text] The Guangzhou Peasants' Movement Lecture Center (photograph on front cover) was a school in which the peasants' movement cadres were trained during the first revolutionary civil war in our country. The lecture center was established in July 1924, twice changed its address, and conducted six training courses successively. Peng Pai, Ruan Xiaoxian, Tan Zhitang, and others were, respectively, its directors for the first five courses. The students on the first two courses were all from Guangdong. Later the area of recruitment was gradually extended. On the fifth course, there were already students from eight provinces, including Hunan, Hubei, Jiangxi, Fujian, and Anhui. On the sixth course (beginning in May 1926), Mao Zedong took over the job of running the lecture center, and the scope for enrollment of new students was extended to 20 provinces and regions in the country. The lecture center trained approximately 800 peasants' movement cadres in all, of whom 300-odd were trained on the sixth course.

The education of the lecture center was aimed at training "people of talent to guide the peasants' movement" and "fighters who are able to charge and shatter enemy positions." Most of the teachers whom the center employed were communists and progressive personages. Mao Zedong, Zhou Enlai, Peng Pai, Xiao Chun, Qu Qiubai, Tan Pingshan, Yun Daiying, and Li Lisan all gave lectures at the lecture center. During the first training course, Sun Yat-sen and Liao Zhongkai also made speeches to the students.

The curriculum of the lecture center included questions related to Chinese peasants, military movements, staff and workers' movements, the revolutionary history of the Chinese nation, and such Chinese social problems as political and economic issues. In addition, the lecture center also attached great importance to organizing its students to take part in investigation and carrying out military training. After graduation, the majority of students went back to various areas and were engaged in the peasants' movement, quite a lot of them becoming the leadership and nucleus of the revolutionary movement.

CSO: 4004/73

GUIDANCE MATERIAL ON STUDYING THE DOCUMENTS OF THE 2D PLENARY SESSION OF THE
12TH CPC CENTRAL COMMITTEE--EDITED BY THE RED FLAG THEORETICAL EDUCATION
EDITORIAL OFFICE

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 41-47

[Text] Maintaining a High Degree of Ideological and Political Unity of the
Whole Party Is the Basic Condition for Winning Victory

(By Wang Fubang [3769 2591 6721])

To unite our thinking and further realize a high degree of ideological and political unity of the whole party is an important task of party rectification. What we mean by a high degree of ideological and political unity is to unite our thinking and deeds on the basis of the fundamental Marxist principles and the party's guiding principles and lines, and that no party member is allowed to deviate from these fundamental principles, guiding principles, and lines and go one's way. The party Central Committee is the core of the whole party's unity, therefore, the party's organizations at all levels and all party members must maintain political unity with the central authorities. This is the concise expression of the whole party's ideological and political unity.

It is stipulated in the general program of the party constitution that: "To uphold the socialist road, uphold the people's democratic dictatorship, uphold party leadership, uphold Marxism-Leninism-Mao Zedong Thought, and concentrate all our energy to carry out socialist modernization is the political basis of the whole party's unity." The party's line, principles, and basic policies since the 3d Plenary Session of the 11th CPC Central Committee are the products of integrating the four basic principles with the real situation in the present historical circumstances and have been proved correct through practice. Thus, in order to maintain a high degree of ideological and political unity with the central authorities, we must uphold the four basic principles, resolutely implement the party's line, principles, and policies, and always bear in mind the target of struggle proposed at the 12th NPC and the various tasks (quadrupling gross production value, promoting the two civilizations, and the three great tasks from the eighties to the nineties). We must also closely link the various tasks of the local districts, local departments, and local units with the party's general line and principles.

Why do we say that maintaining a high degree of ideological and political unity is the basic condition for winning victory in revolution and modernization?

Only by maintaining a high degree of ideological and political unity can the whole party have a united will, common ideals, and targets of struggle, and have a common program of action, and can the party keep the ranks in good order and maintain their pace. As early as in the period of the democratic revolution, Comrade Mao Zedong repeatedly stressed that only by maintaining our pace could we win victory. At present, our party is big and has 40 million party members. It shoulders tougher and more complicated tasks than before and it is now more important for the whole party to maintain ideological unity and keep in pace. If such unity is absent and if all the party members work according to their own personal will, the party will slacken and lose its combat power.

Only by maintaining a high degree of ideological and political unity can there be strong unity and can the whole party become as united as one. The party's unity also means its life. However, unity is not unprincipled; it can only be achieved on the basis of a common guiding ideology and common ideological and political lines. Otherwise, there will not be common goals, common will, or common language, and there certainly will not be a real Marxist unity. Erroneous "leftist" and rightist trends sabotage coherence and certainly hinder unity; factionalism sabotages coherence as well as unity. Only if we struggle against such ideology and deeds and maintain a high degree of ideological and political unity can we be able to safeguard the party's unity.

We must maintain a high degree of ideological and political unity in order to guarantee the smooth implementation of the party's line, principles, and policies. The correct line, principles, and policies are the party's basic method in leading the masses to reform the objective world and fulfill its own historical mission. Their implementation must depend on the simultaneous and spontaneous efforts of the whole party. Various erroneous thinking or tendencies among some party members arise as a result of the inevitable reflection of the social class contradictions and contradictions among old and new things inside the party; the wide range of the party members' theoretical and political level also accounts for the constant ideological and political inconsistency inside the party. All this will distort and hinder the implementation of the correct line, principles, and policies. The above-mentioned situation becomes more prominent during historical turning points. Only if we adopt the weapon of criticism and self-criticism, launch active ideological struggles and incessantly overcome such inconsistency can the party's line, principles, and policies be properly implemented and can they bring into play their enormous force of reforming the objective world.

The entire history of our party has fully proved the extreme importance of uniting ideology and maintaining a high degree of ideological and political unity. During the democratic revolution, and after the Zunyi meeting, our party established the proper leadership of the party Central Committee

headed by Comrade Mao Zedong. However, the remnant influence of Wang Ming's "leftist" dogmatism and such sinister trends as subjectivism, factionalism, and stereotyped party writing greatly hindered the implementation of the party's correct line. Thanks to Comrade Mao Zedong, who led the whole party to make strenuous efforts, and after the Yanan rectification movement in particular, the party succeeded in achieving unprecedented ideological and political unity. This laid a solid foundation for winning the ultimate victory in the war of resistance against Japan and in winning a thorough victory in the new democratic revolution. In the early years of the founding of the country, the party Central Committee put forth the general line for the transitional period, and attention had been paid to preventing the erroneous "leftist" and rightist trends from the very beginning. As a consequence of the party members' conscientious study and discussions and their ideological unity, socialist industrialization and the socialist reform of the private ownership of the means of production gained brilliant victories in a comparatively short time.

After the 3d Plenary Session of the 11th CPC Central Committee, our party once again formulated the correct ideological line, political line, and organizational line, which laid a firm foundation for uniting the ideology of the whole party. However, the deep-rooted pernicious influence of Lin Biao and the "gang of four," the long-term influence of the erroneous "leftist" ideology, and the emergence of bourgeois liberalism seriously hindered the party's high degree of ideological and political unity. In order to deal with such a situation, the party Central Committee promptly adopted a series of important measures to turn chaos into order and unite ideology. These measures included putting forth the proposal of emancipating ideology, launching discussions on the criterion for truth, criticizing the "two whatevers," smashing the "leftist" trammels and rigid thinking, the proposal of upholding the four basic principles and opposing bourgeois liberalism, and the proposal of strengthening party leadership in the ideological front, and ending the state of laxity. The "Resolution on Certain Historical Problems of the Party Since the Founding of the PRC" adopted during the 6th Plenary Session of the 11th CPC Central Committee has, in particular, carried out a scientific analysis of a series of important issues and drawn a correct conclusion. Our party has corrected the "leftist" mistakes, opposed the rightist trend, and cleared, to a large extent, the ideological confusions inside the party by adopting these significant measures. As a consequence, our party was able to achieve a great historical turn and created conditions for promoting a new situation in socialist modernization. We can say that the history of the party since the third plenary session is the history of incessantly overcoming the erroneous trends and struggling for a high degree of ideological and political unity. With regard to the various localities and units, where the party organizations and the party members spontaneously maintain political unity with the party Central Committee, the work there will be smooth and a new situation will appear.

Some comrades have insufficient knowledge of this significant history of our party and lack awareness in maintaining political unity with the party Central Committee. Some of them continue to distort the four basic principles with the "leftist" ideology and boycott the line, principles, and

the fundamental policies formulated since the 3d Plenary Session of the 11th CPC Central Committee. Some even feign compliance or openly resist them. Some doubt and negate the four basic principles from the rightist viewpoint, deviate from the party's line, principles and fundamental policies formulated since the 3d Plenary Session of the 11th CPC Central Committee, and advocate bourgeois liberalism. The dissemination of the various corrupt bourgeois ideas and other ideas of the exploiting class, and the dissemination of the doubts on socialism, the socialist cause, and leadership of the Communist Party reflect such erroneous trends in the ideological front. All this means promoting spiritual pollution. Some people indiscriminately, blindly, and uncritically worship and "import" certain Western bourgeois ideas which specifically and openly propagate anti-Marxist and antisocialist ideas on the questions of humanism and alienation. All such "leftist" and rightist trends seriously affect a high degree of ideological and political unity within the party and must be overcome without fail.

The central authorities have decided to attach first priority to uniting the ideology of all tasks in party rectification in order to deal with the erroneous "leftist" and rightist ideas which still exist inside the party. All four missions of this party rectification are very important and must be accomplished, and uniting ideology is the prerequisite for promoting party rectification and fulfilling the other three tasks. One of the important factors accounting for the sinister party work style is that some party members are ideologically confused, their revolutionary ideals and confidence have wavered, and their revolutionary determination has slackened and individualism has grown. Only by uniting ideology and solving the problem of ideological impurities can these people enhance their awareness of rectifying party work style. The various phenomena of disorganization and loose discipline inside the party are closely related to ideological impurities. Also, the party's political discipline requires each party organization and party member to maintain political unity with the party Central Committee. This is the main criterion to judge the discipline of the party organizations and party members. Thus, uniting ideology is the significant guarantee for strengthening discipline and is also its main content. United ideology is also the primary requirement for purifying organizations. Only by solving the problem of maintaining political unity with the party Central Committee can we have a sober understanding and a high degree of awareness in purifying organizations and eliminating the "three kinds of people" so that we can carry out thorough but not exaggerated investigation. Of course, as soon as we fulfill the mission of rectifying work style, strengthening discipline, and purifying organizations, the mission of uniting ideology will also be promoted, and this will provide a realistic guarantee for maintaining a high degree of ideological and political unity.

Strengthening Discipline Is an Important Guarantee for Increasing the Party's Fighting Power

(By Wang Yuru [3769 3768 1172])

Party discipline is a characteristic of political life and normal deed which is commonly observed by party organizations at all levels and all party

members. It also means all kinds of regulations inside the party. It includes organizational discipline, political discipline, the masses' discipline, security discipline, and so on. The party's discipline is formulated in accordance with the party's political program and the principle of democratic centralism and in accordance with the revolutionary and construction needs. It realizes the basic interests of the party and must be resolutely implemented to the letter. Since the founding of our party, the past several party constitutions have included observing party discipline as the basic requirement for joining the party. However, this fine tradition of attaching importance to discipline was seriously sabotaged by Lin Biao and the "gang of four." During the 10 years of upheaval, party discipline was abolished and up to now has not yet been completely restored. The question of going astray from democratic centralism, loose discipline, and the phenomenon of disorganization are still very serious among a large number of party organizations and party members. Organizational life is incomplete in many of the party organizations, which are unable to launch criticism and self-criticism or to firmly implement party discipline. All this undermines the party's image and weakens the party's fighting power. Therefore, it is absolutely necessary to treat strengthening discipline as an important mission in this party rectification.

Why do we say that strengthening discipline is the significant guarantee for reinforcing the fighting power?

It is because, first, discipline is the significant guarantee for consolidating the party organizations and promoting party unity, which enables the whole party to have unity in action and to maintain the pace. According to Lenin's doctrine on party building, the party is not only the advanced and conscientious force of the working class, but also the organizational force of the working class. Party discipline is the indispensable means for consolidating the party organizations. Only by enforcing iron discipline to guarantee that the party becomes a well-organized entirety, will it have a united will, united deeds, and a strong fighting power. The correctness of Lenin's ideology on party building has also been proved by experiences. As far as our party's experience is concerned, it is necessary to seriously observe the party's organizational and political discipline in order to safeguard and consolidate party unity. Organizational discipline mainly means that the individual party members be subordinate to party organizations, the minority be subordinate to the majority, the organizations at lower levels be subordinate to those at higher levels, and all party organizations and all party members be subordinate to the party congress and the CPC Central Committee. Political discipline primarily requires that each party organization and each party member maintain political unity with the CPC Central Committee. It is impossible for a big party like ours, with 40 million party members, to be united as 1 person, or to efficiently lead the modernization cause and carry out struggle under complicated circumstances without strict organizational and political discipline. Therefore, the new party constitution clearly stipulates that party members must safeguard party unity, resolutely oppose factionalism, oppose all activities of groups and cliques, and oppose the practice of feigning compliance, and oppose all plots. When party members violate these regulations, they violate party discipline and will be subject to party disciplinary action.

Second, discipline is the important guarantee for implementing the party's line, principles, and policies. In order to lead the people in winning a victory in the revolution and construction, our party must not only formulate the correct line, principles, and policies and make various correct decisions, but even more important, the party must implement them in actual practice. If not bound by discipline, some party organizations and party members will do as they please with regard to the implementation of the party's decisions. Thus, the party will be unable to implement its line, principles, and policies or fulfill its mission. Therefore, party organizations at all levels and each party member must resolutely implement decisions of the higher levels, in particular, the decisions of the central authorities, in accordance with stipulations in the party constitution. They are violating party discipline if they refuse to do so. However, stressing the observance of discipline does not mean that party members are forbidden to air differing views. When party members have differing views, they can be put forth to the relevant party organizations through the stipulated procedure. When the views are not accepted by the party organizations, they can reserve them, but in the meantime, they must obey and implement the party's decisions and not openly publicize different views. Only by so doing, can we forcefully guarantee the implementation of the party's line, principles, and policies and decisions.

Third, discipline is the important guarantee for strengthening the ties between the party and the masses. To maintain close ties with the masses is a fine tradition of our party, and is also an important factor accounting for our party's strong fighting power. In order to maintain close ties with the masses, the party primarily depends on the formulation of the line, principles, and policies which cater to the interests of the masses. In the meantime, all the party members must also safeguard the interests of the masses in actual practice and set good examples for the masses in all aspects. This of course depends on the awareness of the party members, but there must also be the ties of discipline. In the past, our party and the forces under the leadership of our party strictly observed the three great disciplines and the "eight attentions" which played an important role in maintaining close ties with the masses and winning their trust. We must still observe this discipline in the future and make higher demands. The reason for this is that when the party is in power, various sinister ideas and work styles of shaking off the masses grow easily inside the party, which will also easily lead to the corrupt phenomena of seeking privileges through one's official power and through severe bureaucratism, and so, strict discipline is required in order to struggle against these phenomena. During the "Cultural Revolution," Lin Biao and the "gang of four" treaded on party rules and regulations and abolished party discipline, giving rise to various widespread sinister trends, which seriously sabotaged the relationship between the party and the masses. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has started anew to rectify discipline, step up disciplinary inspection work, and take disciplinary action against party members who have seriously undermined the masses' interests, so that the party work style has taken a turn for the better and the relationship between the party and the masses has improved. We should note that a number of party members still ignore party rules and regulations

and deliberately sabotage the party's prestige. In order to realize a fundamental turn for the better in party work style, we must further strengthen education on discipline and be strict in party discipline.

Some comrades make discipline antagonistic to freedom, holding that there is no freedom when there is discipline. It will be detrimental to the strengthening of discipline if such an erroneous concept remains unclarified. Discipline is coercive, which all party members and party organizations must unconditionally and strictly observe to the letter. We must bear responsibility if we violate discipline. However, party discipline is specified for the fundamental interests of the party and the people and it thus plays the role of protecting the party and the people (including individual party members). Individuals are free within the sphere of discipline, and "free" activities that violate discipline not only undermine the interests of the party and the people but are disadvantageous to individuals as well. Some party members violate discipline for such personal privileges as seeking privileges through their official power. They might obtain certain privileges in the short term, but since they are divorced from the masses and practice a corrupt party work style, they will finally be abandoned by the masses and suffer disciplinary punishment if they stick to their malpractice and do not reform. In the final analysis, they are unable to enjoy personal freedom and interests. As a Communist Party member, we must voluntarily obey party discipline from the first day that we join the party and consequently we should not feel imprisoned with regard to observing party discipline. Comrade Chen Yun said: "A firm revolutionist views discipline as freedom." ("Selected Works of Chen Yun," p 130) He also said: "Our discipline only binds those nonproletarian things which hinder the revolution, in the same manner as swimming skills keep swimmers from drowning. A real swimmer is free in the water and a real revolutionist is also free in the disciplined revolutionary movement." (Ibid., p 198) This shows that to a real Communist Party member, party discipline and one's freedom is not in conflict but is united.

Strengthening discipline requires that equality for everyone is ensured before discipline. All party members have the same political status inside the party, and are different only in the duty they perform; there is no distinction between superiority and inferiority, and they must all observe discipline. Since our country has been deeply influenced by feudalism, class concept and concept of the patriarchal system are deep-rooted in the minds of certain people. Such ideology will certainly be reflected inside the party and where observing and enforcing discipline is concerned. Stalin once pointed out: "If we proclaim one kind of party rules and regulations to the leaders and another kind of party rules and regulations to the 'populace' inside the party, we are not a party and there is no party discipline." ("Complete Works of Stalin," Vol 11, p 278) Therefore, in order to ensure that party discipline becomes iron discipline, everyone must abide by it and there cannot be privileged party members. In view of this, the new party constitution clearly states: "Put into practice the principle of equality for everyone before discipline," and it is laid down in Article 8 that "privileged party members who do not take part in the party's organizational life and who do not accept supervision of the masses inside and

outside the party are forbidden." This bears significance in strengthening party discipline.

Besides the Three Impurities, Many Aspects of the Party Are Still Incompatible With the New Situation and New Tasks It Faces

(By Lu Xianfu [4151 0341 4395])

Our party is confronted with the new historical mission of promoting socialist modernization. This is a glorious and great, but tough, task. It has made higher demands of each of our party members and party cadres. The main reason for promoting party rectification is that there are severe impurities existing in ideology, work style, and organization inside the party, and that many aspects of the party are incompatible with the new situation and the new tasks it faces. This can be seen mainly in the following:

1. The theoretical level and knowledge of the policies of some party cadres is insufficient. The level of Marxist-Leninist theories and the understanding of policies of the party Central Committee is very high, and is able to integrate the general principles of Marxism-Leninism with the actual situation of China's revolution and construction and formulate a correct line, principles, and policies. A large number of comrades in our party have a relatively high theoretical level. However, as far as the whole party is concerned, it is true that the theoretical level and the understanding of the policies of a number of cadres is rather low and is incompatible with the demands of modernization. Some even lack fundamental theoretical knowledge. Since the late fifties, there was a frequent emergence of political movements and the systematic education launched for the cadres on Marxist theory has been insufficient; this kind of education was even halted during the 10 years of upheaval. Not being fully briefed on Marxist theory, many party members and cadres adopted some erroneous "leftist" and rightist mistakes and the influence of this on them has not been completely eradicated. Therefore, when confronted with complicated and new situations and questions, they usually cannot tell what is right or wrong; they lack the ability to analyze theories and judge questions and there is a notable blindness in their work. Some comrades lag behind the present situation and stick to old principles, are not good at integrating the general principles of Marxism-Leninism-Mao Zedong Thought with the actual situation of modernization, and fail to open up a new situation for a long time. Some are insensitive to the prominent political and theoretical problems, cannot distinguish erroneous trends, and are unable to handle the problems. Some have subjective and one-sided views and are prone to going to extremes, and they easily deviate in the course of implementing the party's principles and policies. This situation is disadvantageous to strengthening leadership over the four modernizations. It seems extremely essential, through party rectification, to carry out general and thorough education on Marxism inside the party and continue to arrange for cadres and party members to seriously study the basic work of Marxism after party rectification.

2. The political quality of some members is incompatible. Apart from the above-mentioned theoretical cultivation, political quality primarily means a relatively strong cultivation of the party spirit, which can set good examples in implementing the party's line, principles, and policies. At present, our party has 40 million members. Both the number of party members and its proportion of the country's total population has greatly increased when compared to the initial stage of the founding of the country. However, we should see that a certain number of party members lack the arduous training of the revolutionary struggle, particularly those party members who joined the party during the "Great Cultural Revolution," and lack strict examination and education. Among them, except for a small number of the "three kinds of people" and those who sabotage and oppose the party, the nature of the majority of the party members is good. Yet, there are many party members whose ideological awareness is rather low and whose cultivation of party spirit is insufficient. They do not pose high demands on themselves, they lack strong organizational discipline, and they are unable to set good examples for the masses. Some party members do not know how to be a qualified party member because they lack training of life inside the party and do not have much ability to distinguish political right from wrong. Having gone through the 10 years of upheaval, some old party members are obsessed with negative things, they forget to various extents the fine traditions of the party, and they think less of the great goals of communism and think more for themselves. In view of this, this party rectification thus requires that all the party members, no matter whether they are new or old, spontaneously accept education, make efforts in promoting communist awareness, and enhance the party spirit so that they will all become qualified party members and strive to become fine party members and give full play to the exemplary vanguard role.

3. Some leadership systems and other systems are incompatible. In 1980 Comrade Deng Xiaoping pointed out that the party's and the state's present system of leadership, organization, and work were still incompatible with the modernization cause. The existing problems include overconcentration of power, an excessive number of concurrent posts and deputy posts, an excessive number of government departments, unspecified duties, vague distinction between the party and the government, and replacing the government with the party, and so on. These faults constitute one after which gives rise to bureaucratism. Consequently, giving play to the superiority of the socialist system is seriously affected and the development of the modernization cause is hindered. Over the past few years, the party Central Committee has adopted a series of important measures in order to reform the leading organizations and the cadre system and to form a force of revolutionary, young, educated and professional cadres. Up to the present, readjustment of the leadership groups at provincial and prefectural levels has been basically completed. This is another success since the completion of the first stage of reform of the central party and government organizations. Consequently, there has been improvement in the situation of the party and government organizations at and above county level, where there once was an excessive number of organizations, and enlarged leadership groups with elderly members. However, in view of the overall situation, bureaucratism existing in the party and government organizations at and above the county

level has not been fundamentally eliminated. Streamlining of organizations at the county level has not been completed. An enormous amount of work has to be done in order to solve the problem of how the party can exercise correct and effective leadership over state and social life, further perfect the party's democratic centralism and the system of collective leadership, and perfect the systems of election, appointment, inspection, supervision, and retirement of cadres. Therefore, eliminating ideological obstructions, vigorously promoting work in reforming the leadership system and other systems which are incompatible with the modernization cause, setting up and perfecting various regulations and systems, including the system of personal responsibility of the cadres in order to further strengthen and improve party leadership, is the indispensable content of this party rectification.

4. Certain work methods are incompatible. The tasks of socialist modernization are very complicated and tough. We are faced with a great deal of contradictions and difficulties and must promptly find solutions to numerous problems. With each advance that we make in socialist modernization, we are confronted with new problems. We will not be able to suit the needs of modernization if we do not study these new problems, learn new things, or probe new ways. However, some districts and some leading organizations still stick to their old practice and lack new leadership method and work method which suit the needs of the new period. They are not proceeding from reality, seriously carry out investigation and research, or summing up new experiences, but are used to copying things from others and are "obsessed with articles and documents and occupied with meetings," and are content with common leadership practices. Therefore, their work is always average, without modification, and cannot open up a new situation. Due to long-term historical reasons, the phenomenon of muddling in party and government is still prominent. Some comrades who are engaged in the work of the party committee fail to concentrate on managing party affairs, taking charge of the party's line, principles, and policies, or strengthening ideological and political work, but are interested in managing administrative matters as in the past and are used to solving problems by means of administrative orders. Comrade Deng Xiaoping said: "When we say improving party leadership, the most important thing of all is to strengthen ideological and political work." ("Selected Works of Deng Xiaoping," p 324) Yet, when confronted with a new situation and the new tasks of the four modernizations, many comrades are still at a loss, as far as strengthening ideological and political work is concerned. Therefore, in order to suit the demands for the four modernizations, vigorously improving the work method is also an urgent problem which must be solved in party rectification.

The above-mentioned problems of course do not exist in each organization and each party member, but they are common inside the party. Although some problems are being solved at the moment, they are still far from being basically settled. It is necessary that we, during this party rectification, make efforts to find a solution to the three impurities and simultaneously improve these situations, which are incompatible with the modernization cause. Only by so doing can our party improve its fighting power to a remarkable extent and become a strong core in leading socialist modernization.

CSO: 4004/70

WHY IS IT WRONG TO PUBLICIZE THE IDEA 'RUNNING THE GOVERNMENT BY DOING NOTHING THAT GOES AGAINST NATURE' IN THE QUESTION REGARDING THE PARTY'S LEADERSHIP OVER LITERATURE AND ART?

Beijing RED FLAG in Chinese No 6, 16 Mar 84 pp 47-48

[Article by He Wangxian [0149 2598 6343]]

[Text] Regarding the issue of party leadership over literature and art, some comrades once advocated the idea of "running the government by doing nothing that goes against nature," holding that only when those at the higher level "run the government by doing nothing that goes against nature" will the literature and art workers be able to "develop their abilities to the full," "achieve great successes." Despite the subjective will of comrades who hold this view, objectively speaking, they are setting literature and art work against party leadership, bringing about evil influences.

"Running the government by doing nothing that goes against nature" was originally the political ideology of the Taoist school and is the exploiting class' skill of domination, which is of no inheritable value. It is wrong to adopt this passive ideology which publicizes "running the government by doing nothing that goes against nature" in our party's leadership over literature and art.

Literature and art work is a major component of our party's total socialist cause, it shoulders the great task of educating the people with communist ideology in the struggle to realize socialist modernization and, in particular, in the course of promoting socialist spiritual civilization. Thus, party leadership over literature and art can only be strengthened and not weakened, improved and not abolished. Upholding the banner of Marxism and socialism, adhering to the direction of literature and art serving the people and socialism, and implementing the principles of letting a hundred flowers bloom, weeding the old to bring forth the new, and making foreign things serve China and the past serve the present are the line, principles, and policies that our party must adhere to in exercising leadership over literature and art. We must incessantly eliminate "left" and right interference in this respect. Not speaking of long ago, but looking at the situation over the past few years, the party has made a lot of effort and done a great deal of work in leading the literature and art circles to carry out struggles on two fronts. It has, in accordance with the spirit of the

3d Plenary Session of the 11th CPC Central Committee, brought order out of chaos, corrected erroneous "leftist" mistakes in the guiding ideology, implemented the party's policies for literature and art, encouraged creation and launched criticism and commentaries. All this has revived our literature and art and created a lively situation. When our literature and art was corrupted by foreign bourgeois ideas during its development and when bourgeois liberalism emerged, it was also the party which promptly called upon us to uphold the four basic principles, oppose bourgeois liberalism, and eliminate spiritual pollution, with the objective of providing guarantees for the wholesome development and prosperity of socialist literature and art. Both past history and present practice prove the necessity of depending on strong party leadership in order to overcome various erroneous ideas in the struggle on two fronts and to proceed victoriously along the socialist path. An important question has existed in our literature and art work over the past few years and this has just been pointed out by the party Central Committee: laxity in leadership and the condition of being afraid to criticize or struggle against bourgeois liberalism. The advocacy of "running the government by doing nothing that goes against nature" can only hasten the development of this sinister trend and is detrimental to improving and strengthening party leadership. Thus, it encounters the criticism and opposition of all literature and art workers.

The principle of the proletarian ruling party leading literature and art was laid down in the famous work of Lenin published in 1905 called "Party Organizations and Party Publications." He pointed out that all writing, including literature and art, "should become part of the general proletarian cause" and "should also become a component of the organized, planned, and united work of the social democratic party." Comrade Mao Zedong also pointed out in his "Speech at the Yanan Forum on Literature and Art" that the party's literature and art work had been given a firm place in the entire revolutionary work of the party. This means that as part of the party's entire revolutionary cause, proletarian literature and art must be subject to party leadership, and we should have no doubt about this. Some comrades look at questions from the point of view of bourgeois liberalism, assuming that literature and art will be confined when party leadership is strengthened and that literature and art will develop freely only when "running the government by doing nothing that goes against nature" is promoted, as in the capitalist countries. They do not understand that although literature and art seems to be a case of "running the government by doing nothing that goes against nature" in the capitalist countries, it is bound to come under the control of the bourgeois government, and it appears to enjoy absolute freedom, whereas it is bound to depend on the financial support of the bourgeoisie. An example is the surprise in the Western press that contemporary modern art has become the "official art." When our comrades propose "running the government by doing nothing that goes against nature," superficially, it seems that they only want to improve party leadership over literature and art, but as a matter of fact, their goal is to ask the party to take its hands off literature and art and to adopt a laissez-faire attitude so that literature and art can shake off party leadership. The proposal of this idea is clearly a manifestation of the trend of bourgeois liberalism in the literature and art field in the past

few years. It violates the basic principle of Marxism-Leninism-Mao Zedong Thought that the party should lead literature and art both in practice and in theory.

We must uphold the principle of party leadership over literature and art but we must also incessantly improve the method of leadership. The objective of improvement is certainly to strengthen party leadership and there is a difference in principle from "running government by doing nothing that goes against nature." To show respect for the special laws governing literature and art is of great importance in improving party leadership over literature and art. We must admit that there were "leftist" mistakes in the exercise of leadership over literature and art in the past; the special laws governing literature and art were neglected, literature and art work was done in the same way as other routine party work, and complicated questions on literature and art were solved by using simplified administrative orders. Comrade Deng Xiaoping has made a comprehensive summation of past experience in this respect and has clearly pointed out that party leadership over literature and art work must "help writers and artists create conditions to achieve flourishing literature and art and improve the standard of literature and art in accordance with the characteristics and the law of development of literature and art." Our literature and art work has made remarkable achievements since the 3d Plenary Session of the 11th CPC Central Committee, and this cannot be separated from the efforts of the party committees at all levels in showing respect for the laws governing literature and art and in improving and strengthening party leadership, and is absolutely not the result of "running government by doing nothing that goes against nature."

CSO: 4004/70

'CHECKS' ARE WELCOME

Beijing RED FLAG in Chinese No 6, 16 Mar 84 inside back cover

[Article by Wen Shan [2429 1472]]

[Text] The blossoms of spiritual civilization are blooming everywhere in socialist China. Following the deeds of Zhang Hua, who sacrificed himself in saving an old peasant, more than 100 students of the Fourth Army Medical College and other people disregarded their lives to save a dozen tourists who were in a very critical moment when they were rolling down from the almost vertical steps that reach the "thousand-feet cliff" of Huashan. They have all thereby demonstrated a high morality that is imbued with communist ideology.

Why is it that so many young people of excellent deeds have emerged one after another from this medical college? An important reason is that this college has paid much attention to both ideological and political work.

A student by the name of Liu Li wrote this passage when she was making a report on her ideological situation: "They hoped that young people would be able to carry through to the end the cause which the former had defined as correct during the protracted revolution. But the young people were not satisfied with such a 'conclusion' and consequently, because of curiosity, we checked this conclusion and this has made the older generation become impatient." Is it right to "check" what has been considered by the older generation as correct in practice and to "check" their words against their deeds? It is no doubt right. It is because generally speaking, people's understanding will be raised in the process of "checking." The young people who joined the ranks of the revolution in the 1930's and 1940's also have now become part of the older generation. They "checked" the words and deeds of the KMT in social practice and the words and deeds of the CPC in social practice and "checked" Marxism against the reality of China. And finally they chose the road of following the CPC. Consequently, they have a strong belief and many have gloriously devoted their lives to realizing this belief. They fought side by side with the people across the country and eventually they created an independent new China. On the contrary, it is not good to believe whatever one is told, without having to rack one's brain to "check" these words. Therefore we must welcome such "checks."

Our conclusion, derived from the practice of protracted evolution is to be confident that Marxist truth and communism will at last be realized. We also hope that young people will be able to share this understanding with us. But we must understand that the new situations that have emerged in our lives have given rise to a series of new theoretical questions. Young people have every reason to demand satisfactory theoretical answers to these questions. The advantages of the political and theoretical courses of the medical college include proceeding from being concerned with students' vague understanding in the way of providing them with systematic explanation and letting them "check" the explanation.

The style of the CPC was seriously damaged during the 10 years of internal disorder. "Judge people by their deeds, not just by their words." It is imperative for young people to have a theoretical understanding of how to treat some negative phenomena correctly; but it is still more important for educators to "check" through their own deeds. The educators of the college have stood the test of "checks." We can imagine the feelings of the students when they witness several veteran leaders of the college, who have experienced years of the history of the revolution, carrying out their work tirelessly and with their offices placed on the 5th floor, which is the highest. The cadres that live together with the students always get up earlier and go to bed later than students. During the hot summer season, they carry out drilling in good military formation under scorching sun; they have no time to do their household chores and they do not have holidays. In order to make up for their deficiencies, some middle-aged cadres with heavier responsibilities have attended evening college and they have spared no effort to improve their knowledge. All this has a tremendous educational power for the students.

It is only natural that through "checks," the students have accepted the conclusions reached by their veteran teachers and used the theory they have learned in practice. And consequently it is only natural that the college has nurtured such students as Zhang Hua and many others like him.

The "checks" are being carried out not only in the college but in every corner of society. To a certain extent, party rectification can also be termed as a kind of "checking." We must be confident that the young people of today are seeking truth and we must place our hopes in them. The CPC and our country can stand such "checks."

CSO: 4004/70

RECOMMENDING 'CONCISE READER ON POLITICAL ECONOMY (ON SOCIALISM)'

Beijing RED FLAG in Chinese No 6, 16 Mar 84 outside back cover

["Book review" by Cheng Shaopei [4453 1421 3099]]

[Text] The "Concise Reader on Political Economy (on Socialism)" is compiled and written by Wu Guanghui and other comrades and published by the Chinese Youth Publishing House. The features of this book include:

First, in analyzing problems, the writers have persisted in Marxist basic principle and absorbed the achievements that have been made over the past few years in the study of economic theory. They are also daring in probing new questions. Basing themselves on the principle that practice is the only criterion for seeking truth and on the basis of studying the experience and history of China, they have expounded the law of the emergence, development, and movement of the socialist relations of production and put forth their own views on certain major theoretical questions of the political economy on socialism. For example, in expounding socialist ownership, they have not only explained the ownership of the means of production but have also expounded such aspects as the forms of combination between laborers and the means of production, the nature and features of labor, and the distribution of industrial consumer goods. In expounding that socialist economy is a planned economy, they have not merely proceeded from the concept of the law of the planned and proportionate development. Nor have they merely explained the law itself. They have systematically analyzed how the process of the whole social economic movement (including production, exchange, distribution and consumption) develops according to planning and quotas. Such an explanation is fresh to readers. The book has also clearly answered certain mistaken opinions in society that doubted and even denied the socialist society in China. For example, some people have said that China has not entered into socialist society because at the present stage, a monolithic ownership is yet to be formed. The writers have clearly pointed out that such a view is wrong and contradictory to reality. The book says: "If the social ownership imagined by Marx and Engels is considered to be advanced socialist public ownership, then, relatively speaking, the socialist ownership in China at the present stage is underdeveloped socialist public ownership. But between these two ownerships there is only a difference in the level of development and not in nature, because both are socialist."

Second, the book has explained from the point of combining theory with reality, certain theoretical and political questions that have been raised in economic life in China since the 3d Plenary Session of the 11th CPC Central Committee. It has outstandingly expounded the theoretical grounds of the CPC's line, principles, and policies since the session. For example, according to the law that production relations must accord with the level of productive forces, the book has pointed out the objective necessity for China at its present stage to develop various forms of economy, with state economy in the leading position. According to the principle of socialist public ownership and distribution according to work, it has expounded the socialist nature of the system of contracted responsibilities with payment linked to output that has been introduced in rural areas. On the basis of the ideology that social economic relations must first of all be shown in interest, it expounded the relations of economic interest between central government, localities, and enterprises that have existed within the economy with the ownership by the whole people, the nature of state enterprises as relatively independent economic organizations, and the necessity of expanding the decisionmaking powers of enterprises. In addition, the writers have also resorted to the principle of Marxist political economics to analyze the question of whether allowing the development of the existence of laborer individual ownership will give rise to capitalism. All these will enlighten people to liberate their thinking and distinguish socialism from capitalism and consequently make them gain a deeper theoretical understanding of the correctness of the CPC's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee.

Third, viewed from philosophical structure, this book has proceeded from analyzing the specific process of economic movement to making conclusions. This method is different from the normal practice of making conclusions through exposition of law. The whole book has a clear-cut main idea while all the chapters are closely linked with each other. Such editing has made it easier for readers to grasp the philosophical relations between chapters and sections.

It is a popular book, with outstanding main points and vivid explanations and is therefore suitable for cadres and young people.

But it also has defects. For example, the theoretical exposition of such questions as the mutual relations between planned economy and regulation by market mechanism and the role of such economic levers as tax and interest is not profound enough.

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