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No 21, 1962

This serial publication contains translations of articles from the Chinese-language periodical Hung Ch'i (Red Flag), No 21, 1962. Complete bibliographic information accompanies each article.

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THE HEROIC CUBAN PEOPLE WILL WIN

Following is a translation of an editorial in the Chinese-language periodical, Hung Ch'i (Red Flag), Peiping, No. 21, 1962, pages 1-3.

Recently, US imperialism has again displayed its hideous features before the peoples of the entire world in its new aggressive actions towards Cuba. The Kennedy government has adopted a series of measures in preparation for war, ready to launch a sudden attack on the people of Cuba at any moment.

Since the day of victory of the Cuban people's revolution, US imperialism has been regarding Cuba as a thorn in the eye. Under the leadership of their great leader and national hero, Fidel Castro, and through long and arduous struggles, the heroic Cuban people overthrew the reactionary Batista political power and put an end to the dark rule of the running dogs of US imperialism. In the struggles to consolidate the fruits of the revolution and further the revolutionary enterprise, by their own desire, the Cuban people have carried out land reform, eliminated the large estate farm system, laid the foundation for the development of the nation's independent economy, proceeded on the road of socialist development, and founded the first socialist nation in Latin America. The Cuban revolution has estab-

lished an extraordinarily bright example to the peoples of Latin American nations and of the whole world in their fight for independence, democracy, and socialism. The heaven and earth moving changes on the soil of Cuba have caused all the people in the world to rejoice and US imperialism and its running dogs to tremble with fear. US imperialism lines up all the most reactionary and darkest forces in Latin America to pursue a series of economic blockade, subversion and sabotage, down to military attack. Why do US imperialism and its running dogs hate the Cuban people and detest the Cuban revolution to such an extent? It naturally is not because of Cuba's threat to US security as advocated by the Kennedy government. What they fear is revolution. Exactly as stated in the "Second Havana Declaration," "everything is due to fear. It is not the fear of the Cuban revolution; it is the fear of the Latin American revolution." To US imperialism and all reactionary factions, the power of a revolutionary people is more fearful than any weapon. This is the true reason behind the desire of US imperialism to strangle the Cuban revolution.

The people who are brave to fight and brave to win are undefeatable. The revolutionary Cuban republic cannot be strangled. The heroic Cuban people have matured and grown through a long period of armed struggles and the steeling of revolutionary fire. During the most difficult years against the dark rule of Batista, the Cuban revolutionary people once owned only seven rifles, but Fidel Castro and his fighting partners followed the correct revolutionary line,

closely relied on the large masses, adhered to the policy of fighting counter-revolutionary arms with revolutionary arms, united all possible domestic and international strengths, and isolated the enemy of the revolution to the maximum. Thus, the strength of the people's revolution was gradually built up in the struggles, the troops of Batista, equipped with modernized US weapons, finally routed, and the reactionary political power supported by US imperialism overthrown. After the victory of the revolution, the Cuban revolutionary government, headed by Fidel Castro, united the people of the entire nation, practiced total arming, conducted pinpointing struggles against US imperialism by relying mainly on its own strengths, and time and again smashed the destructive actions and attacks of US imperialism. The three years of victorious struggles of the Cuban people have shown that no one can stop the Cuban people from electing the road of socialism by their own will, nor their advance on this road.

What strengths should oppressed nations and peoples depend on for liberation, and what strengths for defense of the fruits of revolution, constitute an important problem of principle. The answer of Marxist-Leninism is: The people can only depend on their own strengths for liberation. Only by the maximum enlightening of the people's awareness, and bringing to full light the people's : inexhaustible wisdom, will revolutionary victory be obtained, revolutionary fruits defended, and revolutionary enterprises furthered. The heroic Cuban people are doing exactly so; they use their own great

masses to pursue revolutionary struggles, again proving the irrefutable truth of Marxist-Leninism.

From the revolutionary struggle experiences of themselves and other Latin American peoples, the Cuban people, in the "Second Havana Declaration," write: "The development of history and the progress of mankind will not and cannot be halted. The force of the people for progress -- the true creator of history -- is stronger than the will and terrorism of the governing oligarchy." Each US imperialist intervention and aggression only further incite the high revolutionary determination of the Cuban people and the sympathy of the peoples of Latin America and the whole world for the Cuban revolution. Before the united and determined great force of the people, US imperialism has time and again suffered defeat. Though it may feel that the entire Latin America should be under its control, and though it flaunts its armed might before the peoples of Cuba and Latin America and indulge in insane provocations, the Latin American peoples and the Cuban people, not US imperialism, are the ones to decide the destiny of Latin America and Cuba. Those truly powerful are absolutely not the decadent and reactionary imperialists, but the newly arisen and progressive revolutionary people. Imperialism and all reactionary factions are, at the very core, paper tigers.

In furthering its aggression and war policies, US imperialism always employ, alternatively or simultaneously, military pressure and political deceit, to use Kennedy's own words, "with an arrow in one

hand and an olive branch in the other." Towards such a vicious and foxy enemy as US imperialism, a high degree of vigilance must be maintained and struggles firmly pursued. Only by faith in the great strength of the masses and reliance on the masses for revolutionary struggles will one not become intimidated by US imperialist military pressure or deluded by its deceitful words. Thus do the Cuban people, under the leadership of Premier Fidel Castro, pursue their unrelenting struggles against US imperialism courageously and vigilantly.

In face of the new US imperialist attack, Premier Castro immediately declared the entire nation to be in a state of war preparedness and issued the fighting call to all Cuban people: US blockades, resist it! US attacks, defeat it! When Kennedy persisted with military pressures on Cuba and attempted, at the same time, to interfere in Cuba's independence and sovereignty through the United Nations, the Cuban government published the declaration, over the signature of Premier Fidel Castro, to defend Cuba's independence and sovereignty, pointing out gravely: Unless the US adopts measures to end its economic blockade, quit its subversive activities, abandon pirate attacks, stop the violation of Cuba's air and sea space, and relinquish its Guantamo naval base and return it to Cuba, Kennedy's so-called guarantee of non-invasion of Cuba is non-existent. When commenting on Kennedy's so-called guarantee of non-invasion, the Cuban Vice Premier and Armed Forces Forces Commander, Raul Castro,

said: "The memory of our people is not bad at all. They remember the similar noble words of imperialism prior to the Playa Giron invasion by mercenaries." He also said: "The Cuban people must maintain a higher vigilance than ever before." The adoption of this standpoint by the Cuban revolutionary government and the Cuban people is absolutely righteous, absolutely necessary, and absolutely correct.

The courageous struggles of the Cuban people are not isolated. Friends of the Cuban people are found all over the world. They have the support of the powerful socialist camp, the support of all Latin American peoples, and the support of all peace-loving and righteous peoples and nations of Asia, Africa, and the whole world. The 650 million people of China are the most loyal and reliable fighting friends of Cuba. We will always stand alongside the brotherly Cuban people and take all possible steps in all aspects to support Cuba. The Cuban revolutionary enterprise has won a series of glorious victories. We firmly believe that the Cuban people, under the support of the peoples of the whole world, and relying on their own courageous and stubborn struggles, will be able to smash the military blockade and belligerent provocations of US imperialism and win greater victories in their revolutionary enterprise. The great and free Cuban republic will stand high on the western hemisphere forever!



Ying Tsoo
American
System

- 1 肯尼迪的“非进攻性”武器 英箱2
- 3 — 总统先生，什么才属于运入古巴的非进攻性武器？
- 4 — 这两件。

- 1. Kennedy's "non-offensive" weapons
- 2. Ying Tsoo (5391 7290)
- 3. Dr. President, what are the non-offensive weapons which may be shipped into Cuba?
- 4. These two items.

RAISE HIGH THE BANNER OF MAO TSE-TUNG'S IDEOLOGY
FOR BETTER SOCIALIST COMMERCE

Following is a translation of an article by Yao I-lin (1202 0181 2651) in the Chinese-language periodical, Hung Ch'i (Red Flag), Peiping, No. 21, 1962, pages 4 - 11/

I

Socialist commerce work is an important front in socialism construction. The Party Central and Comrade Mao Tse-tung have always been giving serious attention to it. At the recent Tenth Central General Assembly of the Eighth Party Congress, while making resolutions on the further consolidation of the collective economy of the rural people's commune and the development of agricultural production, a resolution concerning commerce was passed. This resolution summed up the experiences of our socialist commerce work of the past ten and more years, explained more systematically the policies and plans of the Party Central concerning commerce in the light of the new conditions, and made clear provisions on the various important principles in commerce work. Correctly implementing the resolution of the Party Central on commerce work, pushing forward agricultural and industrial production and the development of the entire national econo-

my, and gradually improving the people's living standards are the arduous and yet glorious tasks of all commerce workers.

"Develop economy and guarantee supply" is the general policy of our economic and finance work and also the basic starting point of commerce work.

As early as twenty years ago, during the difficult years of the anti-Japanese war, Comrade Mao Tse-tung had already proposed the general policy of "develop economy and guarantee supply." At that time, all the liberated areas firmly implemented this general policy, overcame extremely serious difficulties, developed the economy, and guaranteed the supply of the revolutionary war. After the liberation of the entire country, Comrade Mao Tse-tung further proposed the policy of "developing production, prospering economy, urban-rural mutual assistance, and internal-external circulation," the general line of the socialist revolution and that of socialist construction, the principle of the correct handling of the people's internal conflicts, the policy of agriculture as foundation and industry as leader in the development of the national economy, the road for the realization of agricultural collectivization and agricultural mechanization, the various policies to establish and consolidate the collective economy of the rural people's commune, and, starting from the 600 million population, the policies of comprehensive planning and over-all consideration, suitable arranging, and consideration of the interests of the state, the collective, and the individual, the correct employment

of the price pattern, and the introduction of the equal value exchange and distribution according to labor and many other important economic principles. After practicing them for more than ten years, especially since 1958, the general policy of "develop economy and guarantee supply" has been further enriched in contents. The development of history has fully proved that the Marxist-Leninist universal truth and the party's general line combining China's revolution and practical construction are absolutely correct and that Mao Tse-tung's ideology is undefeatable everywhere.

Comrade Mao Tse-tung says: "Though the quality of finance policies will affect the economy, economy determines finance. Financial difficulties cannot be solved without an economic foundation, nor financial plentifulness attained without economic development." ("The Economic and Financial Problems of the Anti-Japanese Period," Selected Works of Mao Tse-tung, page 893, volume 3, People's Publishing House, 1953, 2nd edition). Comrade Mao Tse-tung thus accurately expounds the relationship between economy and finance. This interpretation is just as applicable to the relationship between production and commerce. Production determines distribution and circulation; it is the foundation of distribution and circulation. Only when agricultural and industrial productions are solidly developed, thus increasing the output of food grain, cotton, and all kinds of agricultural products, the production of all kinds of daily need industrial articles, and the quantity of production means, will supply

be increased, and the ever growing needs of all sides gradually satisfied. In another aspect, distribution and circulation also exercise an important influence on production. Commerce is the bridge between agriculture and industry and between production and consumption. To develop the socialist industrial and agricultural production and improve the people's living standards gradually, this bridge is indispensable. Good commerce work, in other words, a well-built bridge, will accelerate the development of industrial and agricultural production and the improvement of the people's living standards. Improper commerce work, or, a bridge not properly built, will hamper them. Commerce work is not passive or negative, but active and conative. It will be erroneous if the important effect of commerce on industrial and agricultural^{production} and the people's living standards is neglected and problems of commerce are regarded in an isolated manner and studied within the narrow confines of commerce itself.

The acceleration of the consolidation of the socialist popular ownership economy and the collective ownership economy is an extremely important task in socialist commerce.

Agriculture is the foundation for the development of the national economy. The development of economy must begin with agriculture. As early as 1945, in "On a Coalition Government," Comrade Mao Tse-tung pointed out: "Farmers constitute the host of China's industrial market. Only they can supply abundant grain and raw material

and absorb the maximum industrial products." (Selected Works of Mao Tse-tung, page 1078, volume 3). In 1957, he again pointed out: "As ours is a large agricultural nation and more than 80% of the population is rural, only when the development of industry is carried out simultaneously with the development of agriculture will there be raw material and market for industry and funds for the building of a strong heavy industry. We all know that light industry is closely related to agriculture. Without agriculture, there will be no light industry. The fact that heavy industry needs agriculture as its important outlet has not been made clear to the people. However, with the gradual development of agricultural technical reform, the gradual modernization of agriculture, and the ever increasing supply of machineries, fertilizers, water conservation constructions, electric power constructions, transportation constructions, and civil fuel and building material to agriculture, the fact that heavy industry needs agriculture as its important market will be more easily comprehended." (Concerning the Correct Handling of the Internal Conflicts of the People, page 37, People's Publishing House, 1957 edition). Comrade Mao Tse-tung tells us clearly that both heavy and light industries must regard the rural village as the principal market. The speed of development of industry and other economic enterprises is mainly determined by the amount of commercial grain and industrial raw material which can be supplied, the amount of labor which can be spared, and the amount of industrial articles which can

be bought, by agriculture. The official report of the Tenth Central General Assembly of the Eighth Party Congress points out the urgent current task of our people: Implement the general policy of agriculture as foundation and industry as leader in the development of the national economy and place agricultural development in the foremost position. When formulating plans and adopting measures, our state planning, industrial, communication-transportation, commerce, finance-currency, scientific-technical, and cultural-educational departments must consider support to agriculture and support to the collective economy of the people's commune first. It will be wrong if commerce work neglects the farmer problem, if it fails to place the acceleration of agricultural production development and the consolidation of the collective economy in the foremost position, or to organize the rural market -- the largest domestic market.

Of course, without the full development of industry, it will also be impossible to equip our agriculture gradually with modernized technical facilities on the foundation of collectivization. National industrialization and agricultural modernization are inseparable. Comrade Mao Tse-tung says: "Without industry, there will be no solid national defense, no welfare of the people, and no national wealth and strength." ("On a Coalition Government," op. cit., page 1081, volume 3). The party policy is the simultaneous development of industry and agriculture. Agriculture and industry, under the planned guidance of the state, mutually accelerate each other.

This mutual acceleration, in many aspects, is realized through commerce. Commerce work must serve both agricultural and industrial production, and its task in these two directions are closely related and unseverable. It will also be wrong if the acceleration of industrial production development is neglected in commerce work.

Only through the correct handling of the relationship between commerce and agriculture and between commerce and industry, the greater display of the active productive and creative spirit of the worker and farmer masses through commerce work, and the activating of the urban-rural economy, will the economic alliance between the worker class and the farmers be strengthened.

In order to enable commerce work to accelerate the development of socialist industrial and agricultural production and the consolidation of the popular and collective ownership systems, the class struggle problem must be correctly handled. In the entire historical period of socialist reform and socialism construction, there exist the conflicts between the socialist and capitalist ways and the conflicts between the proletariat and the bourgeoisie. Class struggles exist in agriculture, in commerce, and in other fields. They exist before the basic completion of the socialist reform and will remain thereafter for a long period to come. In commerce, while we must struggle against speculative phenomena in society and the self-generating capitalist force, we must also struggle against corrupt and thieving elements within the ranks of commerce and against bour-

geois thinking. Such struggles will be repeated over and over again. We must pay constant attention to this problem and solve it correctly according to party policies, in order to guarantee the exchange and distribution of commodities according to socialist principles.

For more than ten years, under the guidance of the Party Central and Comrade Mao Tse-tung, commerce work has been following the principle of "develop economy and guarantee supply" and producing major results. For better progress of our commerce work, the Tenth Central General Assembly of the Eighth Party Congress summed up the experiences of commerce work of the past ten and more years, reiterated and further elucidated Comrade Mao Tse-tung's basic principle of "develop economy and guarantee supply," and stressed the importance of the general policy of agriculture as foundation and industry as leader in the development of the national economy, thus further clarifying the direction of commerce work. We should take the resolution of the Tenth Central General Assembly as our mirror, as the compass in our work, conscientiously improve our work, and greatly elevate our country's socialist commerce work.

II

With the principle of "develop economy and guarantee supply" as the starting point, the main task of commerce is: Accelerate the development of agricultural and industrial production, advance the consolidation of the popular and collective ownership economies, organize the supply of consumer goods, and gradually improve the living

conditions of urban and rural population.

The central link of properly conducted commerce work is the correct handling of the relationship between commerce and agriculture, i. e., the correct handling of the relationship between the state and the farmer in the economic aspect, and, facing the rural village, the acceleration of the development of agricultural production and the consolidation of the rural collective economy. Only when the relationship with the farmer is well adjusted will service to industrial production and urban supply work be carried out. In regard to the relationship with the farmer, problems in regard to commodity supplies to the farmer and commodity purchases from him must be correctly solved.

In the manufacture and supply of agricultural production means, the varieties must be up to the specifications, the quality good, the price reasonable, and the delivery prompt. Thus, it requires the joint effort of planning, industrial, commercial, communication-transportation, and agricultural departments, for the proper arranging, expert manufacturing, and prompt delivery of such production means. Attention must be given to both the organized supply of farm machineries, irrigation machineries, chemical fertilizers, and insecticides, and that of medium and small bamboo, wood, iron, and leather farm implements and plough animals. While the volume of supply must be increased, effort must be made to make the varieties and specifications better adjusted to the different needs of farmers in differ-

ent areas under different conditions. We must compile past experiences in order to obtain greater practical results.

In the requisitioned purchasing of farm products, the interests of the state, the collective, and the individual must all be given consideration. Purchasing tasks must be suitable, the prices rational, and the method adjusted to the concrete conditions of different products and areas.

In regulating the purchasing tasks of grain, cotton, oil, and important supplementary agricultural products, the actual conditions of agricultural production must be kept in view, both assuring the normal needs of the city and industry and commensurate with the capacity of the farmer. In other words, consideration must be given to the general interest of the national economic development and the farmer's long range interest on the one hand, and to the farmer's current interest on the other, so that his life will be gradually improved on the foundation of production development.

In the purchasing of different kinds of agricultural products, the state should adopt separately the methods of controlled purchasing, allocated purchasing, and negotiated purchasing, combine the farmer's duty towards the state and his free will, and closely coordinate economic and political work. Serious attention must be paid to the economic method, and the combined purchase and sale contract system expanded. Meanwhile, the socialist education of farmers must be solidly conducted and political leadership adhered to. Whether it

is controlled, allocated, or negotiated purchasing, the farmer must be consulted, the mass line adhered to, and commandism and simple administrative measures avoided.

The method of purchasing agricultural products and supplying industrial articles must be favorable to the consolidation of the collective commune economy. When units of collective economy deliver supplementary agricultural products to the state, they should receive favorable treatment in regard to the industrial products to be acquired by them, so that the volume of industrial products acquired by them from the state will increase yearly. When they deliver principal products, such as grain, cotton, and oil, to the state, the industrial products thus exchanged should be commensurately more than those exchanged with supplementary agricultural products.

When correctly handling the relationship between commerce and agriculture, commerce work must also correctly handle the relationship between commerce and industry and accelerate the development of industrial production. Here, the problems of the supply of raw material and material to industry and the purchase of industrial products must be properly solved.

Aside from the portion directly allocated by the state, the production means required by our industrial enterprises are supplied by commercial departments. According to the state's unified plans and based on the proper completion of the purchasing of supplementary agricultural products, commerce departments must properly handle the

supply of industrial raw material and material and strive to obtain promptly reasonably priced, up to specification, and quality raw material and material for industrial units. According to state plans, commerce departments must gradually establish a fixed supply relationship with industrial production units, sign contracts, and proceed strictly according to the contract.

The consumer goods produced by industrial enterprises and a portion of the production means are purchased by commerce departments. Commerce departments must actively and promptly conduct the purchase and sale of industrial articles and pay the cost promptly according to the list prices of the state in support of industrial production. Meanwhile, quality inspection must be strictly enforced, and the price must be in accordance with the quality. If purchasing is not active and prompt, the circulation of industrial enterprise funds will be obstructed and the normal progress of production affected. If quality inspection is not enforced, it will tend to make certain enterprises concentrate in the simple pursuit of volume without attention on quality, thus causing loss to the state and the people and detrimental to industrial production and the entire national economy.

Socialist industry and socialist commerce must mutually accelerate and mutually supervise, supervision being for the purpose of greater acceleration. Commerce departments must fully understand the market conditions of the various areas and seasons and the demands of

consumers and inform industrial departments promptly and concretely. They must actively assist the latter to arrange production plans properly, elevate the quality of products, and increase the varieties and styles according to consumer demands and objective conditions. They must closely cooperate and be jointly responsible to production and to the market.

Under the socialist system, commerce serves the people. The goal of production development is to satisfy the people's daily growing needs, and the distribution and exchange of commodities are necessary for this purpose. While vigorously accelerating the development of agricultural and industrial production, commerce departments must properly handle the supply of urban and rural consumer goods.

Since the founding of the People's Republic of China, the party and the government have always been, on the foundation of developing production, struggling for the guarantee of the people's basic needs and the gradual improvement of their living standards. In socialist reform and socialism construction, even when certain temporary difficulties are encountered, all possibilities are exhausted to guarantee the basic needs of the people and maintain the price stability of basic living means. This point shows the superiority of the socialist system.

Not long ago, due to the three-year consecutive severe natural disasters and defects and errors in our work, market supply was affected. Since the Ninth Central General Assembly of the Eighth

Party Congress in 1961, the entire party has been implementing the policy of readjusting, consolidating, fulfilling, and elevating the national economy, reenforcing the agricultural front, and thoroughly carrying out the series of party policies on the rural people's commune, and evident results have been obtained. In regard to the condition of the national economy, last year was somewhat better than the year before, and this year will be somewhat better than the last. On the basis of the increase in agricultural production and many daily need industrial articles, market supply conditions are a little better than before.

In commerce work, the supply and distribution of the people's daily need consumer goods must be favorable to the realization of the principle of distribution according to labor in order to encourage the people to enhance their labor production rate; meanwhile, the indispensable needs of each and every individual must be guaranteed. Appropriate consideration must be given to those working in high space, high heat, and underground, pregnant women, children, sick people, families of those overseas, and others requiring attention. In commodity supplying, the supply of basic necessities must be taken care of first, while commodities should be abundant and colorful to satisfy the different demands. The method of commodity supply must be convenient to the people and the different needs of consumers satisfied within all possibilities.

III

To complete the foregoing tasks in our commerce work, the unified and planned nature of our socialist domestic market must be further strengthened, and state operated commerce must be made the principal leading force, with cooperative commerce as its effective assistant, and market trading its necessary supplement, in order to develop the effect of the three kinds of commerce as the channels of circulation.

State commerce consists of the two links of wholesale and retail. The relationship between the two should be mutual service to each other. The transacting of the wholesale business with retailers should be both planned and flexible and the system of combining planned distribution and selective commodity purchase practiced. Meanwhile, retail units, within a specific sphere, should be permitted to deal directly with production units, in order to reduce commodity circulation links.

Cooperative commerce is a collective ownership economy; it is another form of socialist commerce besides state commerce and an effective assistant to the latter. Our collective ownership agriculture and collective ownership handicraft have been in existence for a long time, and the collective ownership commerce must also develop its necessary effect in the future. The denial or under-estimation of the necessity of cooperative commerce and the inadequate development of its effect are not compatible with objective demands.

As cooperative commerce is an effective assistant to state commerce, its tasks are two-fold. On the one hand, it shoulders the purchase and sale tasks entrusted by the state, i. e., purchasing important agricultural products according to the state's unified plans and list prices and supplying agricultural production means and the farmers' basic living means. On the other hand, it conducts the self-operated business of the supply and marketing cooperative, i.e., beyond the tasks entrusted by the state, the supply and marketing cooperative flexibly conducts transactions on certain native products, handicraft products, and important agricultural products left in the hands of the farmer after the completion of sales tasks to the state. The supply and marketing cooperative must attend to the tasks entrusted by the state before its own, guaranteeing the completion of state tasks while actively and appropriately developing its own business. The deployment of the self-operated business of the cooperative must benefit the socialist commerce in the rural village, the guidance of market trading, and the struggle against speculative and opportune elements. State commerce must strengthen its guidance of, and assistance to, cooperative commerce. Industry, handicraft, communication-transportation, banking, and taxation departments must also actively support the development of the supply and marketing cooperative through their own work.

Market trading is the necessary supplement to state and cooperative commerce. When . . . agriculture is still under the collec-

tive ownership system, and when the rural village still retains the system of land reserved for the commune member's own use and family supplementary enterprise, market trading is where the farmers exchange and balance their surpluses and shortages and it satisfies an objective need.

Market trading also has its two-fold quality. On the one hand, it produces the active effect of accelerating the development of supplementary agricultural production and activating the rural economy. On the other hand, it has the negative effect of conflicting with the planned market and breeding opportunism. We must utilize its active effect and curb its negative effect, and "control without strangling while activate without confusing." To attain this goal, effective economic measures must be adopted, coupled with correct administrative control and extensive political education. In other words, under the guidance and assistance of state commerce, the supply and marketing cooperative must be organized to actively participate in market trading, deploy self-operated business, absorb and distribute commodities, and stabilize prices. By regulating the sphere of activities, introducing merchant and peddler registration, prohibiting speculations, and collecting taxes according to regulations, the necessary administrative control must be exercised. Propaganda and education work must be conducted towards units and individuals participating in market trading and the farmer and staff and worker masses, so that they will obey government policies and decrees

and engage only in legitimate trading activities.

In regard to the internal relationship of the socialist commerce, the principle of unified guidance and management by levels must be correctly implemented. The commerce work of the entire nation must follow the unified policies of the central government and the unified plans of the state. Meanwhile, the active nature of local areas must be developed, and certain specific powers granted to the areas. Only when the two aspects are properly combined will the unified socialist market be properly strengthened, production effectively accelerated, and the needs of the people guaranteed.

IV

While correctly solving the problems of the policies, tasks, and circulating channels of the socialist commerce, the problems of improving the operation and management and strengthening the rank and file of commerce within the commerce departments must also be solved.

All departments and units of socialist commerce must conscientiously improve their operation and management according to the socialist principle of service to production and to the people's life, properly handle commodity purchasing, selling, transferring, and storing, diligently elevate the quality of service, minimize commodity loss and damage, accelerate fund circulation, reduce operation links, lower commodity circulating expenses, and make rational profits, in order to supply the market with comparatively inexpensive goods and the state with comparatively large reserves. To carry out the fore-

going, commerce departments and units must conscientiously practice the business accounting system, improve their financial measures, economize on expenses and disbursements, and eliminate squandering. Operation links must be rationally arranged, adopting the most economical and rational commodity circulation lines. Commodity safekeeping and protection work must be conscientiously carried out and losses due to mildewing and rotting reduced. The business hours and operation method must be convenient to the people, commercial retail stations rationally established, and handy business patterns, such as pushcarts and carrying-pole peddling in streets and alleys and delivery to the door, appropriately adopted. Consumer supervision must be accepted and work ceaselessly improved according to the reasonable opinions of consumers. State retail enterprises should hold scheduled consumer representatives meetings. The supply and market cooperative should hold scheduled board of directors meetings, supervisors meetings, and commune membership representatives conferences. The manager responsibility system, under the guidance of the party commissioner, must be conscientiously enforced within the commercial enterprise, and the system of "two-participate one-improve" (cadres participating in labor, staff and workers participating in management, and improve the operation and management) or the "three-participate one-improve" (by adding residents participating in supervision) practiced, in order to combine the leadership and the masses. Political and ideological education of staff and workers must be

strengthened, concern shown over their welfare and health, and rational wage and encouragement systems introduced, in order to activate their positive spirit. The labor emulation movement must be launched among commercial staff and workers, technical innovation and technical revolution encouraged, and labor efficiency enhanced. The operation and management experiences of our socialist commerce must be constantly compiled, new methods and new styles in socialist commerce operation and management suitable to the needs of urban and rural population created, our rational traditional operation methods studied, inherited, and brought to full light, the quality of service improved, and the level of operation elevated.

To complete the tremendous commerce tasks in the socialist revolution and socialism construction, a socialist commerce army with a political awareness and expert technical skills is required. After more than ten years of training and steeling, the rank and file of our socialist commerce are daily growing. At present, the greater majority of the several millions of commerce workers in the entire nation are working diligently for the socialism construction cause. However, there is still a considerable distance between the conditions of the commerce strengths and the tremendous tasks shouldered by commerce work. There still exist within certain enterprise units, especially certain basic level enterprises, the phenomena of weak structure, inadequate backbone, low business level, and impure organization, and certain bourgeois ideologies and styles. The continued

rehabilitation and strengthening of the commerce rank and file from the aspects of personnel structure and ideology and style constitute an important item of organizational construction task on the commerce front.

The strengthening of party guidance is the basic guarantee for the proper handling of the socialist commerce work. Commercial enterprises are spread over the entire nation, its organs scattered, its rank and file large, and it is closely connected with industrial and agricultural production and the masses. The strong leadership of party commissioners of all levels must be relied upon to enable the several millions of commerce workers to conscientiously implement party policies, conduct their work under the guidance of the Mao Tse-tung ideology, and establish the good trend of serving production and the people diligently. The achievements of commerce work in the past were acquired under such guidance. For greater achievements hereafter, we must rely mainly on an even stronger guidance of party commissioners of all levels. Our comrades working on the commerce front must raise high the bright banner of the Mao Tse-tung ideology, raise high the banners of the socialism construction general line, the great leap forward, and the people's commune, and, under the guidance of the Party Central and party commissioners of all levels, strengthen the political, production, and mass viewpoints, study politics, business, and culture, and learn to do business and operate socialist commerce. We must further establish the humble and careful

work style of serving the people wholeheartedly and seeking the truth through the facts, and perform our work diligently and actively.

We must firmly implement the resolution of the Tenth Central General Assembly of the Eighth Party Congress concerning commerce work, carry out the principle of "develop economy and guarantee supply" of Comrade Mao Tse-tung in all aspects of commerce work, and make commerce produce a greater and greater effect in its service to agricultural production, industrial production, and the people's living.

ON THE PROBLEM OF RESERVE AND CONSUMPTION

Following is a translation of an article by Yang Po (2799 3134) in the Chinese-language periodical, Hung Ch'i (Red Flag), Peiping, No. 21, 1962, pages 12-20/

Some time ago, our economic scholars discussed the problem of the distribution of our national income between reserve and consumption. During their discussions, many problems worthy of further studies were proposed, such as, the relationship between the reserve and consumption distribution and production, the basis for the formation of the ratio between reserve and consumption, the necessity to decide beforehand the minimum and maximum limits of reserve and consumption funds, the necessity of a higher rate of growth of reserve compared with that of consumption, the method of determining the rational distribution ratios within the reserve and consumption funds, and so on. In this article, I am not prepared to look into all the foregoing problems, but will only discuss some personal views in regard to some.

I

The problem of reserve and consumption is an important matter connected with the national construction and the people's living. Under the socialist system, the relationship between reserve and con-

sumption, basically speaking, is unified. The goal of accumulating a reserve is to accelerate the national construction, the development of production, and the improvement of the people's life on the foundation of production development. However, there are also conflicts between reserve and consumption. In order to ceaselessly and rapidly expand reproduction, it becomes necessary to set aside an appropriate portion from the national income for reserve, and such setting aside will correspondingly reduce the consumption fund for the improvement of the people's living. On the other hand, if the reserve fund is too low, it will reduce the speed of national construction and production development. Hence, we must correctly handle the problem of the relationship between reserve and consumption.

When studying the problem of the distribution between reserve and consumption, the production problem must first be considered. Production determines distribution. This is a basic theme of the Marxist-Leninist theory of reproduction. Comrade Mao Tse-tung once pointed out that "develop economy and guarantee supply" is the general policy of our economic and finance work. Developing economy consists mainly of developing agricultural and industrial production; guaranteeing supply involves the gradual satisfying of the need for production means in agricultural and industrial development and of the ceaselessly growing needs for consumer goods by urban and rural populations on the foundation of production development and through distribution and exchange. When we study the problem of the dis-

tribution of national income between reserve and consumption, we must start out from the basic principle of "develop economy and guarantee supply."

Practice shows that when distributing the annual national income, the amount of reserve, the amount of consumption, and the speed of growth of the two are primarily determined by the structural ratio between, and the rate of growth of, the production of production means and that of consumption means (omitting here the foreign trade factor). In other words, the distribution ratio between, and the rate of growth of, reserve and consumption are basically restricted and determined by the structural ratio between, and rate of growth of, production means and consumption means, and not by mere convenience.

National income, in form of value, is the value created by the laborers of each and every material production department within a specific period, and, in form of material, ^{it} is that portion of material products representing the new value created by such laborers. While the process of distribution and re-distribution of the national income is the process of the movement of the value form, it is also that of the material form, and finally, be it the reserve portion or the consumption portion, they are represented by a specific quantity of material products. In form of actual matters, reserve fund consists mainly of production means (also some consumption means), and consumption fund of consumption means. When studying the distribution between reserve and consumption, we must study not only the

movement process of their value form but also that of their material form, as the true representation of both the reserve and consumption funds must be guaranteed by corresponding material products. Marx said: "When a portion of the value of products is re-converted into capital and the other portion is consumed by the individuals of the capitalist and worker classes, such condition will form a kind of movement within the product value resulting from the total capital. This movement is not only the compensation of value but also the replacement of material, and is limited by not only the ratios among the various values of the social products, but also their use values and material forms." (On Capital, page 485, volume 2, People's Publishing House, 1953 edition). What Marx analyzed here is the condition of the capitalist society, but the principle is equally applicable to the socialist society.

In our national economy planning, the total reserve should correspond with the production and living means required for its realization. If the two do not correspond, the reserve will not be able to be realized according to the plan. Concretely, when we determine the annual capital construction funds and items, if we do not appropriately arrange the production and supply of production means for the purpose, such as building materials, machineries, and equipment, required in the various concrete construction items and the entire capital construction investment, or, though the arrangement is made, the varieties, specifications, and quality are not up to stan-

dard, the planned capital construction plan will not be completed according to schedule. Similarly, when determining the annual capital construction scale, if the increased consumption means required by the staff and workers due to the expansion of the construction scale, or if the production and supply of corresponding consumption means, are not given consideration, the realization of the capital construction plan will also encounter difficulties. Expanded reproduction requires not only additional production means but also consumption means. In our national economy planning, the arrangement of the total consumption fund must correspond with the production means required for the realization of such consumption fund. If the two do not correspond, the consumption plan will not be satisfactorily completed. To increase consumption, it is even more necessary to increase the production of corresponding and required consumption means. Without developing the production of consumption means, the increase in consumption will lack the reliable material basis. It can thus be seen that the distribution ratio between, and the growth rate of, reserve and consumption are primarily determined by the structural ratio between, and the growth rate of, the production of production means and that of consumption means. Only when the production of production means and that of consumption means both increase will the reserve be increased and consumption enhanced.

According to the above interpretation, it can be said that the distribution between reserve and distribution must be arranged in a

planned and proportionate manner on the foundation of a planned and proportionate production development. To develop production in a planned and proportionate manner, concretely, it means the planned and proportionate development of agriculture, light industry, and heavy industry. Agriculture and light industry basically produce consumption means (agriculture also produces a considerably large portion of production means, such as, cotton, tobacco, and other industrial raw materials; however, after light industrial processing, these are expended for the people's living consumption), whereas heavy industry mainly produces production means. The material form of reserve fund is mainly composed of heavy industrial articles, while that of consumption fund of agricultural and light industrial products. Hence, the proper handling of the distribution relationship between reserve and consumption, from the production angle, involves the proper handling of the mutual relationship among agricultural, light industrial, and heavy industrial productions. Only when the latter is properly handled will the expanded reproduction of the entire society be developed at high speed, and reserve and consumption increased. The general policy of agriculture as foundation and industry as leader in the development of the national economy and the instruction of agriculture, light industry, and heavy industry as the order of arrangement of the national economy proposed and given by Comrade Mao Tse-tung are the standards which must be followed in our handling of the mutual relationship between industry and agriculture,

and the basic starting point in solving the distribution problem between reserve and consumption.

II

We have discussed above the arrangement of the distribution between reserve and consumption on the foundation of production development. It will be wrong to work on the problem of distribution apart from production. However, the reaction of distribution on the socialist reproduction absolutely cannot be neglected. As a matter of fact, the proper handling of the distribution between reserve and consumption will accelerate production development, and the improper handling will obstruct it. I feel that, in the study of the problem of distribution between the two, the emphasis should be on how to distribute in order to accelerate the development of production.

How should the distribution between reserve and consumption be arranged in order to benefit the acceleration of production development? In 1957, when discussing the distribution problem of the agricultural production cooperative, Comrade Mao Tse-tung pointed out: "In the distribution problem, we must consider the interests of the state, the collective, and the individual. The relationship among state taxation income, cooperative reserve, and the farmer's individual income must be properly handled, and attention constantly given to the conflicts therein. The state needs a reserve, and so does the cooperative, but neither should be excessive. We must enable the farmer, in normal years, under the situation of production increase, to increase his individual income gradually each year."

(Concerning the Correct Handling of the Internal Conflicts in the People, page 18, People's Publishing House, 1957 edition). The thorough implementation of this principle proposed by Comrade Mao Tse-tung will benefit both the rapid development of industrial and agricultural production and national construction and the assurance of the gradual improvement of the people's living. This principle is applicable to both the rural people's commune income distribution and the national income distribution.

According to the principle of consideration of the interests of the state, the collective, and the individual, when concretely arranging reserve and consumption, the required consumption portion, connected with the people's food, clothing, use, and lodging, must first be arranged before considering reserve and construction. Will placing consumption, or the people's living, before reserve and construction hamper the development of production or the speed of construction? It will not. The proper arranging of the living of more than 600 million people, placing reserve increase on the foundation of production development and gradual improvement of the people's life, will activate the positive productive and creative spirit of the large urban and rural population, and hence, benefit production development, reserve increase, and national construction. If consumption is not first well arranged, and reserve increase is arbitrarily emphasized on in an isolated manner, it will hamper the positive productive and creative spirit of the masses, thus detrimental to

production development and reserve increase. Of course, if consumption is arbitrarily increased and so arranged in an isolated manner, without attention on the necessary and possible reserve, it will also hurt production development, thus detrimental to national construction, and, at the very bottom, detrimental to the gradual improvement of the people's living. In practical work, we must be able to select the most appropriate distribution between reserve and consumption beneficial to both the reserve increase of the state and collective economies and the gradual elevation of consumption, and to both the acceleration of industrial and agricultural production development and the gradual improvement of the people's living.

What, then, is the appropriate ratio between reserve and consumption? What, then, is the appropriate rate of growth of reserve and consumption? The answer to these problems, I feel, cannot be provided simply and mechanically by mathematical formulas. Every one knows that all objective matters are ceaselessly developing and changing and that the proportionate relationships among the various items of the national economy, including the proportionate relationship between reserve and consumption, also cannot remain fixed and immutable. Production ceaselessly develops and needs ceaseless changes, and, corresponding thereto, the distribution ratio between, and the rate of growth of, reserve and consumption also ceaselessly change. Concrete arrangement of the distribution ratio between, and the rate of growth of, reserve and consumption each year can only be

based on the current practical conditions of production and needs and the balancing conditions between reserve and consumption funds and production and consumption means, and it will be impossible and improper to decide on a fixed and immutable ratio and rate.

To expand reproduction ceaselessly, there definitely must be a reserve each year. However, when we make concrete arrangements as to the amount of reserve, we must consider all sides, including all the conditions directly related to this problem. Our principal considerations include the people's consumption level of the previous planned period, the possible increase of labor production rate in the current planned period, the need and possible increase of consumption funds, the effect of reserve arrangement on the gradual improvement of the people's living, the compatibility between the amount of reserve so arranged and the production level of production and consumption means of the planned period, the effect of the reserve arrangement and reserve employment of the current planned period on the following planned period, and the possibility of the continued increase of both reserve and consumption. With these considerations as the premiss, I agree with the suggestion of some comrades that, in order to facilitate the rational arrangement of the distribution ratio between reserve and consumption, it is necessary to determine the minimum limit of consumption when distributing the national income. The standard for the determination of this minimum should be as follows: The per capita consumption quota of the current period

should be no lower than the previous period on the foundation of production development and national income increase. In the actual annual distribution of the national income, the minimum consumption fund so computed should first be set aside. Then, according to the increase of labor production rate, the consumption fund should be suitably increased (the increase in consumption should be lower than the increase in labor production rate). Thereafter, the reserve is arranged according to the amount of available national income. Of course, such arrangements must be balanced with the available production and consumption means, and a margin of safety retained within all possibilities in order to store up an appropriate quantity of production and consumption means. The ratio between reserve and consumption thus formed will, in general, be compatible with the demand of the objective pattern.

I feel that the way to determine whether the reserve rate is too high or too low is not by percentage, but mainly by examining whether the necessary consumption is reduced by the amount of reserve, or whether the necessary and possible reserve is reduced by increasing the consumption. Generally speaking, as long as the increase in reserve does not affect the rational increase of consumption, the distribution will be basically appropriate and rational. However, if the reserve is arranged at the expense of the necessary consumption, thus affecting the gradual increase of consumption, it will not be appropriate or rational, and a prompt readjustment of the proportion-

ate relationship between the two must be effected.

To facilitate the readjusting of the annual distribution ratio between reserve and consumption, after giving consideration to all aspects, I feel that, under the condition of our country, the following problem must be noted when distributing between reserve and consumption. In years of good harvests, it is necessary^{to} control appropriately the excessive increase of consumption, and a greater reserve and resource saving should be accumulated to prepare for bad years. In bad years, special attention must be given to the proper arrangement of consumption, and the increase in reserve must be appropriately controlled.

Some comrades feel that, in order to realize expanded reproduction smoothly under the condition of ceaseless technical improvement and to assure the preferential increase of the output of production means, it is necessary to have a higher rate of reserve increase than that of consumption increase, and they say that this is the "objective demand of the law of reproduction." I am doubtful of this view.

For the smooth realization of expanded reproduction, it is proper and necessary to assure a higher rate of growth of the output of production means than that of consumption means. However, this absolutely does not mean that the preferential growth of the output of production means implies the preferential growth of reserve fund, nor that only by the preferential growth of reserve fund will

expanded reproduction be realized. Though there is a close relationship between the rate of growth of the output of production means and that of reserve fund, they are not one and the same. We all know that the various kinds of production means produced each year are actually expended for two purposes. The main purpose is to compensate for the material consumed in the production of the products (including production and consumption means), and the other purpose is to set aside a reserve for expanded reproduction. With the ceaseless expansion of the society's production scale and the ceaseless elevation of the technical level, the portion for compensation will become greater and greater, and its percentage among the total production means of the year may gradually increase. Hence, the rate of growth of the production means available as reserve each year may become slower than that of the output of the total production means. In other words, the preferential increase of the output of production means will not necessarily imply the preferential growth of the reserve fund. This is one aspect of the problem. The other aspect is that, as long as a portion of the annual national income is put aside as reserve, then, regardless of the amount, or the percentage, it will assure the further expansion of the scale of social production on the existing basis, except that, when the reserve fund is larger, the scale of expanded reproduction may also be larger, and vice versa. It is absolutely incorrect to say that only when the rate of growth of the reserve fund is greater than that of consumption fund will ex-

panded reproduction be realized.

According to the above analysis, I feel that, under the socialist system, with the ceaseless increase of the gross national income, it is possible and proper for the gross reserve fund to increase gradually. During a specific period under specific conditions in the socialist construction, it is possible and necessary that the rate of growth of the reserve fund appropriately surpasses that of the consumption fund. During this period, the general tendency of the amount of the reserve fund will gradually enhance. However, it will be improper if one feels that the rate of growth of the reserve fund must always surpass that of the consumption fund, or that it is the objective law, a principle which must be followed when handling the distribution between reserve and consumption.

III

As stated above, the distribution between, and the rate of growth of, reserve and consumption funds are restricted by the structural ratio between, and the rate of growth of, the output of production and consumption means. However, the mode of distribution and employment of reserve and consumption funds, especially the reserve fund, will have a great bearing on the changes of the structural ratio and the speed of the growth of the output of production and consumption means -- even a determinative influence according to a certain specific significance. This is especially true when regarded over a comparatively long period of time. For example, if we wish to

develop the output of production, it will be difficult if we do not allocate the required investment and undertake the required capital constructions appropriate for the purpose. Similarly, the same holds true with the output of consumption means. This reaction of distribution on production cannot be ignored. Practical economic life shows that the changes of the structural ratio and the rate of growth of the two great classifications of production and consumption means are restricted by the distribution ratio between reserve and consumption funds in the national income and by those of the investments in the various departments of the national economy. Hence, the correct handling of the distribution and employment problems of the reserve and consumption funds is an extremely important condition in the acceleration of the planned and proportionate development of the national economy.

How should the reserve fund be employed in order to benefit even more the planned, proportionate, and rapid development of the entire national economy? The most basic point is to rationally arrange the investment ratio among agriculture, light industry, and heavy industry according to the general policy of agriculture as foundation and industry as leader in the development of the national economy proposed by Comrade Mao Tse-tung. Under the present situation in our country, the percentage of agricultural investments among the total investments for national economic constructions, including industrial, transportation, and scientific research investments di-

rectly serving agriculture, should be appropriately increased. It is necessary for this portion of investments, within a specific period of time, to occupy a more important position than other investments. Only thus will our agricultural technical reform be more rapidly realized and agricultural production more rapidly developed, and it will become possible for the entire national economy to develop continuously and rapidly on the foundation of the daily growing agriculture.

If the national economic construction fund is allocated according to the order of agriculture, light industry, and heavy industry, placing agriculture in the foremost position, will the development of industry, especially heavy industry, be hampered? The answer is that it will not only not hamper the development of industry but even benefit it. Comrade Mao Tse-tung said long ago: "As ours is a large agricultural nation and more than 80% of our population rural, the development of industry must be simultaneous with that of agriculture before industry will have its raw material and market and be able to accumulate greater funds for the building of a strong and great heavy industry. Every one knows that light industry and agriculture have a very close relationship. Without agriculture, there will be no light industry. The fact that heavy industry needs agriculture as its important outlet has not been made clear to the people. However, with the gradual development of agricultural technical reform, the gradual modernization of agriculture, and the daily

increasing supply of machineries, fertilizers, water conservation constructions, electric power constructions, transportation constructions, and civil fuel and building material to agriculture, the fact that heavy industry needs agriculture as its important market will be more easily comprehended. During the second and third five-year plan periods, if our agriculture can make greater developments, so that light industry will make corresponding greater developments, it will benefit the entire national economy. With the development of agriculture and light industry, heavy industry will have its market and funds and develop more rapidly. In this way, though the rate of industrialization may seem to be somewhat slowed down, actually it is not, or it may even be sped up somewhat." (Concerning the Correct Handling of the Internal Conflicts in the People, page 37). Practice shows that the better the mutual relationship among agriculture, light industry, and heavy industry is handled, the faster will be the rate of growth of expanded reproduction, and that the improper handling of the said relationship will make it impossible to realize expanded reproduction according to plans. The arranging of our national economy planning must be based on the instructions of Comrade Mao Tse-tung in order to accelerate the planned and proportionate development of agriculture, light industry, and heavy industry and the progress of expanded reproduction through the rational reserve fund distribution to, and employment by, the three departments.

When agriculture is placed in the foremost position in the al-

location of national economic construction fund, it does ^{not} mean that agriculture will always occupy the largest percentage in the gross national investment hereafter, or that the percentage of investment in industry, especially heavy industry, will be greatly reduced. The order of agriculture, light industry, and heavy industry cannot simply be considered as implemented when the percentage of investment in agriculture and light industry is greater and that in heavy industry smaller; or, vice versa, nor can it be considered as not implemented if the percentage of investment in heavy industry is greater and that in agriculture and light industry smaller. There is no doubt that, when allocating investments under this policy, the percentage of investment in agriculture will grow. However, even so, the percentage of heavy industrial investment to carry out agricultural technical reform, such as agricultural production machineries, water conservation machineries, chemical fertilizers, electric power, modern transportation tools, and insecticides, are credited to heavy industry and expended by it. Meanwhile, to increase the production of such agricultural production means, the investment in heavy industries, such as coal, nonferrous metals, iron and steel, and basic chemical, must be correspondingly increased. I feel that the principal indication of whether the order of agriculture, light industry, and heavy industry has been followed is not the superficial percentage of investment in heavy industry, but the direction of the actual employment of the investment. In fact, the employment of heavy in-

dustrial investment may be approached from two different angles. One approach is to employ the investment for the sole service to heavy industry itself, with the emphasis on satisfying the needs of heavy industry and neglecting service to agriculture; the other is to serve agriculture, satisfying the needs of agriculture first while also those of heavy industry itself. The two different approaches will produce two different kinds of result on agricultural and heavy industrial development. The former does not take agriculture as the principal market; its result will be unfavorable to agricultural technical reform and agricultural production development, and it may even hamper the healthy development of heavy industry itself. The latter uses agriculture as the principal market; it will benefit agricultural technical reform and agricultural production development, and, at the very bottom, the development of heavy industry. At present, only/^{when} heavy industry follows the demands of the "Resolution concerning the Further Consolidation of the Collective Commune Economy and the Development of Agricultural Production" of the Tenth Central General Assembly of the Eighth Party Congress, firmly shifts its work on to the track of agriculture as foundation, and give first attention to serving agricultural technical reform, will our agriculture develop more rapidly, and it may then be possible for heavy industry to become better developed under the new situation.

IV

In the annual distribution of the national income, the propor-

tionate relationship between production means reserve and consumption means reserve and that between fixed assets reserve and liquid assets reserve in the entire reserve fund must be rationally arranged.

Expanded reproduction requires not only additional production means but also additional consumption means. For example, when a certain industrial enterprise produces ten million yuan's worth of products and plans on fifteen million yuan's worth next year, the production means, such as machineries, equipment, raw material, material, and fuel, necessary for the production of the additional five million yuan's worth of products must be provided, and the consumption means for the food, clothing, use, and living required by the existing and new staff and workers furnished. The expanded reproduction of an enterprise is thus, and so is the expanded reproduction of one department or the entire society. Hence, when determining the gross annual reserve, the proportionate relationship between production means and consumption means reserves must be concretely and rationally arranged according to the requirements of the expanded reproduction plan. It is, naturally, erroneous to pay attention to consumption means reserve only while neglecting production means reserve. On the other hand, it will also be erroneous to concentrate on production means reserve alone while neglecting consumption means reserve, as this will also produce an unfavorable effect on expanded reproduction.

When talking about the requirements for expanded reproduction,

some comrades often emphasize only on the importance of additional production means but ignore that of additional consumption means. This is one-sided. Marx said: "To acquire a reserve, the people must convert a part of the surplus products into capital. Short of a miracle, what can be converted into capital is limited to things which can be employed in the labor process (production means) and things upon which the laborer depends to maintain his existence (consumption means). Hence, a part of the annual surplus labor must be used for the production of additional production and living means" (On Capital, page 726, volume 1, People's Publishing House, 1953 edition). Under the socialist system, the category of "capital" no longer exists. However, for expanded reproduction, reserve is still required, both that of production means and that of consumption means. With only a production means reserve, without the proportionate consumption means reserve, it will be impossible to guarantee the normal progress of social expanded reproduction. Under the present situation in our country, as agricultural production (the greater portion of consumption means being supplied by agriculture) is greatly affected by natural conditions and the year to year output is not stable, a greater attention must be given to the consumption means reserve, and a larger saving of consumption means must be gradually effected, in order to assure the normal progress of expanded social reproduction.

The structure of the reserve fund is composed of the two parts

of fixed asset reserve (mainly for capital construction and investment) and liquid asset reserve (raw material, material, fuel, and living need articles). A sustained expanded reproduction requires the planned undertaking of capital construction and addition of new fixed assets. For example, the early realization of our agricultural technical reform and rapid development of agricultural production will require the construction of new plants producing the necessary agricultural machineries, chemical fertilizers, and insecticides, the building of a specific quantity of water conservation engineering works and facilities according to the needs of the areas, and so on. Similarly, to expand reproduction, a corresponding amount of circulating asset reserve must be maintained. With the expansion of the production scale and the addition of the working personnel, the quantity of reserve of raw material, material, fuel, parts, and other production means must be increased correspondingly, and so does that of consumption means required for daily living. Hence, when determining the annual gross reserve, the proportionate relationship between the reserves of fixed and liquid assets must be concretely and rationally arranged. The neglect of either the reserve of fixed assets or that of liquid assets, or the improper ratio between the two, will produce an unfavorable influence on the normal progress of expanded reproduction. If the reserve of liquid assets, especially that for production, is excessive, it will cause the stagnation of raw material, material, and funds, thus affecting the speed of cons-

truction. On the other hand, if the reserve of fixed assets is excessive, if too great a quantity of the various kinds of material is tied up for capital constructions, at the expense of materials required for production, it will hamper the full development of the existing production capacity and become equally detrimental to expanded reproduction. Generally speaking, the production means turned out annually must first satisfy the reproduction needs of existing enterprises (including the addition of necessary production turnover warehousing) before applied to the most urgent capital constructions. In other words, the distribution and employment of production means must follow the principle of production first and capital construction next.

With some comrades, the moment expanded reproduction is mentioned, they immediately think of capital construction and feel that it calls for the building of new industrial and mining enterprises. I feel that this view is not quite right. As a matter of fact, with some departments and some enterprises, even if no capital construction for expanded reproduction is undertaken within a specific period of time, as long as concrete and effective measures are adopted, the potentialities of the existing production capacity fully explored, the active productive and creative spirit of the staff and worker masses better activated, and the labor productivity elevated, the production scale will be able to be further expanded. In recent years, our capital construction has made great developments, building large

numbers of industrial and mining enterprises and water conservation works. Under this condition, based on the policy of readjusting, consolidating, reenforcing, and elevating proposed by the Party Central for nation-wide expanded reproduction, it is necessary, within a specific period of time, to reduce appropriately new capital constructions and fully develop the effect of the fixed and liquid assets already accumulated, in order to complete the set-forming and evening up of the industrial and mining enterprises and water conservation works which have already been built, or basically built, so that they will develop the proper effect of their production capacity and engineering efficiency.

The strict enforcement of frugality and full consideration of reserve, especially the economic results of the accumulation of fixed assets, constitute an important problem in our handling of the distribution and employment of reserve funds. The goal of accumulating a reserve is to expand reproduction, and the speed of reproduction expansion is not only determined by the amount of reserve fund but also by the propriety of the distribution and employment of such fund -- whether the maximum economic result can be so obtained. The policy of diligent and thrifty building of the nation, diligent and thrifty operation of the enterprise, and diligent and thrifty undertaking of all matters must be fully implemented in the employment of reserve fund, especially the portion for capital construction, and full attention must be given to the economic result of the invest-

ment. The employment of each sum and the arranging of each construction item must be carefully scrutinized and studied beforehand, and many different proposals thereon must be made for the purpose of repetitious comparing, striving for the maximum economic result with the minimum manpower, material, and fund. Only thus will the socialist requirement of quantity, speed, quality, and frugality be satisfied.

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In the socialism construction period, the conflict between reserve and consumption will remain for a long time to come. Comrade Mao Tse-tung says: "In the popular ownership economy and the collective ownership economy, the problem of the distribution between reserve and consumption is a complicated one and cannot be solved entirely rationally all at once..... We formulate an economic plan every year to arrange the proper ratio between the two, aiming at a balance between production and need. Balance means the temporary and relative unification of the conflict. At the end of the year, as a whole, this balance is upset by the struggles of the conflict, the unification is changed, the balance becomes unbalance, unification turns into disunification, and it becomes necessary to effect once more the balance and unification for the following year. This is the superiority of our planned economy." (Concerning the Correct Handling of the Internal Conflicts in the People, page 12).

The conflict between reserve and consumption in the socialist

society is basically different from that in the capitalist society. The opposing nature of the conflict between reserve and consumption in the capitalist society is due to the ceaseless concentration of social wealth in the hands of the minority exploiters so that the rich becomes richer and the poor poorer. On the contrary, in the socialist society, the conflict between reserve and consumption is not opposed to each other. It is the internal conflict in the people. This is the conflict between the people's long range and current interests, and between the collective and individual interests. Upon realizing the conflict, we will be able to readjust the condition ceaselessly by proper planning and solve it gradually. We must fully utilize the superiority of the socialist planned economy, arrange the distribution between reserve and consumption in a planned and proportionate manner on the basis of the planned and proportionate development of production, and accelerate the high speed development of the socialist construction through such rational distribution and ceaseless solution.

MODERN REVISIONISM FOLLOWS THE DECADENT BOURGEOISIE
IN LITERATURE

Following is a translation of an article by Li Shu-chih (7812 1659 0037) in the Chinese-language periodical, Hung Ch'i (Red Flag), Peiping, No. 21, 1962, pages 21 - 26/

In the sphere of literature, modern revisionists often employs all kinds of means to advocate "honest writing," saying that it is the "central principle" of aesthetics. With this "principle," they criticize literary works on the people's revolutionary struggles, revolutionary faith, and communist ideology, considering them "dishonest." Under cover of this "principle," they applaud "idealistic" writings on bourgeois humanism, pacifism, and the happy life of abundance and family. According to their way of thinking, only these are "honest" works, and, as long as they are "honest," they are good. Just what kind of merchandise is this "honest writing" theory is worthy of our examination.

Generally speaking, literary creation requires true emotions and genuine feelings. The writer should faithfully reflect the life and times, ^{and} truly depict the things believed in by him through his own observation, experience, and analysis. He must not write about

things which he does not believe in hypocritically and arbitrarily. He must "express the emotions with words," and must not "fabricate emotions for the sake of writing." There has never been any doubt on this point. The revolutionary writer especially detests and despises hypocritical literature. "Righteous anger makes a poet." Righteous anger, which is a strong emotion similar to passionate love, is indispensable to the literary writer in his creative work.

However, it is one thing to require true emotions and genuine feelings in creation, but another when it comes to the contents and the quality of such true emotions and genuine feelings. Any writer will distinguish the right and wrong, good and bad, and beautiful and ugly from their own class standpoint, liking certain things and disliking others. Here, there is the problem of the class quality.

Gorki said: "The literary writer is the eye, ear, and mouth-piece of the class. He may not have realized it, but he is the organs and senses of the class." Every literary writer is engaged in creative work according to the standpoint and thinking and emotion of his class, singing the song of the class and struggling for it. His honesty also possesses the class standpoint. The proletarian writer faithfully expresses the thinking and emotion of the proletariat on the proletarian standpoint and viewpoint. The bourgeois writer, with the bourgeois standpoint, spreads the thinking and emotion of the bourgeois class. Here, there is only the individual concrete honesty, but not the abstract common "honesty." The advocacy of

bourgeois political theorists that Tolstoy is the "public conscience" and "great conscience" had long been relegated by Lenin as "empty verbiage" and "lies purposely spread by liberals." If "public conscience" is a mere verbiage and lie, then, the abstract discussion of using "honest writing" as the standard to evaluate the quality of writing cannot be any better than verbiage or lie. As far as the counter-revolutionary writer is concerned, his counter-revolutionary writing may well be the product of his "honest writing," but, can the revolutionary people and revolutionary writers thus consider it good? It can thus be seen that the viewpoint that, as long as a piece of writing is honest, it is good, is untenable. The evaluation of the quality of writing must be by class and political standards.

Why do modern revisionist writers dabble with the lie that honesty makes good writing? We must know that what they consider "honesty" is, in substance, the "honesty" of the bourgeoisie. If we do not examine the honest class content and take the quality of honesty alone, then, their work naturally will have the *raison d'etre*. Exactly because of the conflict between their bourgeois ideological standpoint and the interest of the revolutionary people, they always attempt to conceal the class essence of their consciousness and pretend that their writing is "of the people" and "of all mankind." In order to propagandize bourgeois humanism and pacifism in their literary writing, they take the misfortunes of death, unseverable love, and even the love between class enemies and declare them the "perma-

ment themes" intimately felt by and stimulating all people. To eulogize bourgeois liberalism, they say things such as "the inclination towards freedom is the special human characteristic." To propagandize the supremacy of "individual happiness," they depict the feelings and emotions of people when seeking individual happiness and say that they are worthy of sympathy and that any "obstacle" to individual happiness is "cruelty." To deny class and class struggle, they advocate that, in social life, what is important is not the class conflict, but the conflict between "animality" and "humanity." They ask that writing should emphasize on the universal "humanity," and "not be excessively entangled by class struggles." To sell recklessly the corrupt and decadent bourgeois merchandise, they nobly say that the chaste avoidance of the courageous depicting of sex and the beauty of the human body indicates neglect of the principal themes in the essence of man. It is not hard to see that they arbitrarily call the set of decadent bourgeois merchandise as something "of mankind," or super-class. In the depth of their mind, there is definitely a large amount of bourgeois matters which must break out of the confines in order to occupy extensive grounds; therefore, they enthusiastically advocate "honest writing" in order to cover up the bourgeois essence in their consciousness. This point is doubtlessly one of the "profound" goals of "honest writing."

Modern revisionists regard bourgeois matters as "honest," and attribute such "honesty" as that "of mankind." Hence, while self-

styling themselves as being "honest," they brand those writers of a different ideological view and adhering to the proletarian standpoint as being dishonest. An old Chinese saying goes: "Measure the thinking of the princely man with the mind of the mean man." Towards writers adhering to the proletarian viewpoint, modern revisionists measure the thinking of the proletariat with the bourgeois mind. Anything not in conformity with their ideological standpoint, they consider dishonest. When proletarian writers enthusiastically eulogize progressive matters and the revolutionary heroes of the new proletarian era while sharply criticizing and condemning decadent and corrupt matters, the "honest writing" theorists, with their bourgeois pessimism and twisted psychology, decide that it is dishonest, that it does not come from the heart of the writer, and that it is hypocritical! It is only honest when writing sympathetically about fallen women, profligates, nihilists, and abnormal personalities dissociated from society as they do! When, from the logic of the people's life and the logic of the character of the figures, proletarian writers depict vividly the great emotions of communism, "honest writing" theorists, with their bourgeois empty, base, and decadent psychology, surmise that the proletarian writers are dishonest, that they write with the "tinted glasses" of "dogmatism," and that they do not depict what is deep in their heart! Only their wild advocacy of individualism, liberalism, freedom, equality, and philanthropy is honest! The adoption of such measures by modern revisionists in the sphere of li-

terature, very apparently, is for the purpose of strangling the development of proletarian literature and leading proletarian literary writers astray. They say to the proletarian writer: Do you wish to write "honestly?" Then, do not wear the "tinted glasses" of Marxism. The Marxist ideology is not the "words from your heart." If you do not abandon the Marxist ideology and utter the "words of the heart," you will inevitably fall into the abyss of "hypocritical writing!" This is another "profound" goal of the "honest writing" theorists of modern revisionism.

The proletarian revolutionary literature is the most honest literature in the world today. Different from all exploiting classes, the proletariat openly declares that its own consciousness (including literature and art) has the class and party quality and that it is an expression of the basic interest of the proletariat. The interest of the proletariat is unified with the direction of social development and with the basic interest of the laboring people; therefore, the proletariat can best uncover the truth and essence of life and has no need to conceal the class substance of its consciousness. The proletarian revolutionary literature is the tool of class struggle to educate and unite the people and attack and eliminate the enemy. In writing about what they like, hate, praise, or opposed to, the attitude of the revolutionary writer is extraordinarily clear, powerful, and firm. Such clear and firm party quality and inclination constitute the honesty of the revolutionary writer, and cannot be blunted even

for one moment. What Lenin repeatedly teaches us in the Party Organization and Party Literature is the party principle in literature. The target of attack of "honest writing" dabbled in by modern revisionists is the party quality of such proletarian revolutionary literature, aiming at turning the proletarian literature into bourgeois literature.

The proletarian revolutionary literature seeks the unification of the revolutionary inclination and artistic honesty. As stated by Comrade Mao Tse-tung, it is opposed to both the kind of writing with the wrong political viewpoint and the so-called "motto and slogan" tendency in writing with the right political viewpoint but without artistic strength. What the revolutionary writer seeks is the depiction of typical universal and yet individual personalities through the true description of social life. He starts from the proletarian standpoint and expresses and clarifies the social ideal, powerful loves and hates, and definite approvals or disapprovals, in order to influence the reader, induce him to reflect on life, elevate his awareness, stimulate his struggle against reactionary classes and irrational social systems and for the realization of the beautiful revolutionary ideal, and rouse his love for the true, the good, and the beautiful, and his hate for the false, the evil, and the ugly. There is no doubt that the revolutionary writer will be able to express the fresh and powerful revolutionary thinking and revolutionary emotions in a daily more perfect artistic form through his effort. However,

this will necessitate a long effort and an arduous process, and many difficulties will be encountered:

In the creative process, the revolutionary writer may encounter the difficulty of unfamiliarity with new matters and new personalities; hence, at times, his work may not be as life-like and he may not be able to create flesh and blood typical personalities. The modern revisionists seize upon this difficulty and attack, accusing him of dishonesty. However, basically it is not a problem of honesty or dishonesty. When the writing is not sufficiently life-like, many times it is merely due to the lack of life experience and profundity in observation, feeling, and thinking of the writer, or his immaturity in artistic skill. As for the creation of typical personalities, it is even more difficult. In the history of literature, the creative process of a type of personalities frequently was only completed after the effort of several generations of writers. At the beginning, many writers would write about one type of personalities from many angles, gradually advancing from crude to fine, from shallow to deep, and from simple to rich. The depiction of such personalities would be gradually perfected, and subsequent writers would have the foundation to develop fully their own talent and successfully create a typical personality. The revolutionary proletarian writer attempts to depict the various types of new personalities in the new society, which have never existed in human history or literature heretofore. To accomplish this brand new pioneering work, an arduous effort is,

of course, called for. One cannot say that, just because the writer has not succeeded in creating a typical personality, he is dishonest. By the same token, nor can one say that, as long as he is honest, he will be able to create typical personalities. This principle is very clear. As the difficulty of the writer is his lack of familiarity with new matters, the correct direction of his effort is to penetrate the masses and life itself. Lenin once pointed out to Gorki that the writer must go to the village and the factory, in order to "directly observe the worker and the peasant, the new matters of nine-tenths of Russia's population," so as to understand "how they employ a new pattern to build life." However, modern revisionists wish to lead the writer to the opposite direction. Their advocacy of "honest writing" attempts to lead the writer in search of "inner honesty." If their words are followed, the writer will grow further and further away from reality, and confine himself more and more into the individual inner world, running into a dead-end alley in creation. Therefore, the "honest writing" advocated by modern revisionists is most harmful to the writer.

The revolutionary writer should see that the enthusiastic eulogy of new personalities, depicting their struggles, expressing the revolutionary theme, reflecting the main stream of the socialist real life, and portraying the progressive forces of the era, is the true honesty of the revolutionary. He must not lose his bearing just because he encounters the difficulties of unfamiliarity with life and

immaturity in artistic technique. The proletarian revolutionary literature gradually grows and matures through the proletarian writer's firm adherence to the proletarian revolutionary direction and his ceaselessly struggles in studying, creating, enriching his life experience, and elevating his artistic skill. When proletarian literature first appeared, it was widely accused by the bourgeoisie as "infantile," "hypocritical," and so on. If, because of such accusations, our predecessors abandoned their effort in the portrayal of heroic proletarian figures and proletarian thinking and emotions, and, for the purpose of "honest writing," capitulated to the bourgeois literature, which, after all, had had a long time to mature and hence, was much finer artistically, and if they shifted to the beaten track of portraying bourgeois heroes and expressing bourgeois thinking and emotions, then the proletarian literature of today would not have such a powerful tradition. Today, we must . . . follow our great forerunners in the proletarian literary history and march forward in our struggles without deviation.

The revolutionary writer does not stop on the surface of life. He starts out from real life, and, through image creation and artistic generalization, he expresses the principle of life more concentratedly and more powerfully, so that the life reflected in his writing is even more noble and profound than in real life. This is again being attacked as "dishonest." This attack apparently starts out from bourgeois objectivism and naturalism. In fact, literary creation

selects and purifies the instances in life which have a universal meaning, typifies them, and reflects thus the essence of life. It is a more penetrating reflection of reality, but not incompatible with reality. What really beguile the masses are the fabrications of modern revisionists. Are they not actively advocating the literature without central figures or story but merely recording the small ordinary incidents and the aimless petty phenomena in life to conceal the main stream and distort the principle of life?

Among the ranks of revolutionary writers, there are some who are still in the process of thought reform and class standpoint conversion. They possess a certain amount of revolutionary awareness and revolutionary emotions while retaining in the depth of their soul a petty bourgeois kingdom. Or, in their mind, a "see-saw battle" is still being waged between the proletarian and bourgeois ideologies. They have not yet completed the task of the thorough conversion of their thinking and emotions into those of the proletariat. In other words, there is the conflict between the new and old ideologies within them. It is even more likely that such writers will encounter difficulties when depicting new matters. Modern revisionists wish to utilize such difficulties to halt the advance of such writers. While these writers are actively studying Marxism, overcoming the old and non-proletarian ideology, and establishing the new and proletarian ideology, modern revisionists come forward and tell them that they "must not use the old class category to answer problems," that they

must break out of the confines of "dogmatism," that they must write about their "own life philosophy," that the new ideology is "hypocritical" and not worth writing about but the old ideology is "honest," and that they should follow the old way and write about the old ideology "honestly!" Clearly, this kind of "honest writing" theory conceals within it the evil intention of denying ideological reform and misleading the writers.

In the sphere of literature, even more than in the sphere of politics, modern revisionists recklessly propagandize breaking out of the dogmatic "confines." After breaking out of the "confines," just what kind of merchandise is the "personal life philosophy" as advocated by them? As stated above, some declare that their ideal and belief are a happy life, a family, and a life without the worry of food and clothing. Here, the Marxist "dogmatic confinement" has certainly been broken, and they have certainly expressed their "life philosophy" "courageously," which is the philosophy of the bourgeois market middleman. According to them, only by shaking free of Marxism will there be literary "honesty," while with Marxism, there will necessarily be formularization and generalization in creative work.

The proletarian revolutionary literature is firmly opposed to formularization and generalization. Marx and Engels had long proposed that writing must be Shakespeareanized and that the inclination must be expressed in the situation and circumstances and through the character of the personalities. Comrade Mao Tse-tung always tells

us that the revolutionary writer must study Marxism -- the living Marxism of practical mass life and mass struggles, not the superficial Marxism. In studying Marxism, the revolutionary writer must reform his own thinking and emotions, turning Marxism into his own flesh and blood, and observing the world, the society, and literature and art with the Marxist standpoint, viewpoint, and method, but must not write Marxist lectures in his literary work. He must plunge into the flames of mass struggles, the only widest and richest creative source, in order to observe, experience, study, and analyze all the vivid life and struggle patterns of all the people and the class. Then, under the guidance of the Marxist world philosophy and through his own observation, analysis, and experience, he will gradually form his own views, acquire his own sensitivity, and establish his own contemplation of the truth. He will then enter into the creative process. He does not divorce himself from social life and the masses or use the method of generalization and diagramming to engage in creative work mechanically.

The glorious achievement of the proletarian literature has irrefutably proved that it is a literature most honest and most loyal to reality. The honesty advocated by the proletarian revolutionary writer is to reflect reality, reflect the objective truth, reflect the struggles of the masses in creating history, sing the praise of socialism and communism, and express the revolutionary determination and revolutionary ideal of the masses. Standing on the Marxist stand-

point and understanding life with the Marxist world philosophy will help the writer to uncover the truth of life courageously, express the noblest and greatest proletarian revolutionary emotions vividly in art, utter the determination and desires of the masses, and reflect the struggles of the masses in creating history. To say that it is impossible to maintain artistic honesty with the Marxist world philosophy is an absurdity fabricated by those regarding Marxism with enmity.

Finally, it will do no harm to discuss whether the modern revisionist literary theory can lead the writer to write honestly. Modern revisionism, in fact, does not want socialism, but capitalism, though it declares itself on the side of socialism. Though announcing their adherence to the proletarian standpoint, modern revisionists are, in fact, inclined towards the imitation of the corrupt and decadent imperialist culture. Though they have, in fact, abandoned the revolutionary truth of Marxist-Leninism as "dogma," they wish the people to believe that their "theory" is a development of Marxist-Leninism. Hence, they often hedge behind their words, putting on an act and afraid to say what is in the bottom of their heart. They seek the reactionary and decadent culture of imperialism and call it the search for the "modern international style." They call their desertion of the superior tradition of revolutionary literature as "innovation" and "testing." From the rotten and old "literary theory" of the bourgeoisie, they discover the argument that "a man's writing

is the baring of his soul and his self-expression" and call it a new discovery as the excuse for their own decadence. Hence, one must say that the modern revisionist literary theory is an extremely dishonest one. It can only serve to create confusion among the writers. Under this theory, writers can only utter a whole lot of nonsense incomprehensible even to themselves. Were the modern revisionist literary theory truly honest, it should throw away all camouflages and concealment and admit that ^{it} is merely an echo of the modern capitalist theory. The "honesty" advocated by it is the same as that advocated by modern capitalist literary theory, consisting merely of self-expression, inner soul exposure, escape from reality, distorting of truths, slander of socialism, embellishment of capitalism, and expression of the individualist, liberalist, and nihilist "complicated inner soul," "forlorn mind," and "wild and confused emotions." The modern revisionist literary theory is in substance the subjective idealist literary theory of the decadent bourgeoisie.

It does not hurt for those who have been deceived by the modern revisionist ideology to take a look at the reactionary literary thinking of the imperialist bourgeoisie which has reached the "supreme state" by rejecting all "dogmatic" confines and advocating inner "honesty." For example, artistic "theorists" of the Freudian school once deployed the following argument along the line of their logic: Honest literary creations are determined by inner honesty; inner honesty is determined by the stimulation of the subconscious;

any reasoning confines the subconscious, and therefore, it is only possible to express the world honestly in creative work when thinking does not directly affect the subconscious; hence, it becomes necessary to depict the world as seen in a dream in order to write honestly; however, as there is still some consciousness even in a state of delirium, the artist must depict the world with the senses of the demented. When this stage is reached, it can be said that the artist is finally successful in being "honest," that all "dogmatic" confines have been cleared away, and that he can now freely engage in the creation of miracles of "beauty!" The "honest writing" theory advocated by modern revisionism is of the same vein as the "literary theory" of such reactionary bourgeoisie. As it follows the subjective idealist literary theory, it becomes inevitable that it falls into the thoroughly reactionary mud hole. This point is worthy of our contemplation.

By this time, it should be apparent just what kind of merchandise is the "honest writing" dabbled in by modern revisionists. When they loudly sing the praise of "honest writing" and protest against "hypocrisy," their purpose is, apparently, not to solve the needs of creation. They wish to pave the way for their own desertion of Marxism and spreading of revisionism. Meanwhile, by accusing Marxist writers of "hypocrisy," they attempt to lure such writers to abandon the great ideological weapon of Marxism and sing the praise of revisionism "honestly." However, this is mere hallucination. The large

masses and proletarian writers will not be deceived!

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TEACHING MISCELLANY

-- on Building the Spirit of Bravery in Children

[Following is a translation of an article by Kan
Feng (2413 1496) in the Chinese-language periodical,
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pages 27 - 31]

Comrades engaged in education work and parents often encounter the following problem: How to make the children correctly comprehend courage and build their spirit of bravery. Some inexperienced junior middle and elementary school teachers are frequently troubled by this problem. One moment, the children fight, another moment, they climb trees and walls, then, they ride on the window sills on top floors, or, they wave sticks in the athletic field to wage battles... Aggravated and exhausted by such antics, some teachers and parents adopt certain incorrect methods and attitudes towards the children, negatively restricting their activities and requiring them to walk slowly and speak softly. They consider that these are the standards of good conduct in children. Is it correct? I do not think so.

Nowadays the children attending elementary and junior middle schools are generally between seven and eight to thirteen and fourteen years of age, when they are developing fastest and most mis-

chievous. That they are mischievous at this stage is not an incidental phenomenon but has its source in the physiological and psychological characteristics. They have so much extra energy that they are unhappy to remain still for one moment. Their curiosity is insatiable, wishing to know everything, touch everything, and try everything, and their little mind is full of all kinds of questions, wanting to know the why and the wherefore of all. The more they are suppressed, the more active they become. There is a child's world in one broken tile, one pile of sand, and a mud puddle. They especially prefer heroic figures and adventure stories and wish to become a brave man themselves. Hence, in the depth of their heart, there is the desire to show off their bravery. However, due to their tender age and inexperience, they are unable to distinguish between courage and foolhardiness, ingenuity and adventure, and liveliness and recklessness, and often take meaningless daredevil, adventurous, and mischievous activities as bravery.

Are these characteristics of children bad? A good education worker and parent must penetrate the psychological world of the child, understand his special characteristics, and guide him according to the circumstances. Why couldn't his curiosity be guided to the search for knowledge, his surplus energy to studying and working, and his desire to be brave the building of his spirit of bravery? The serious duty of our education workers and parents is to enlighten the children in education and guide them on to the right track.



Here, I wish to discuss how to build the child's spirit of bravery and correct his erroneous views of bravery. To a child, just what is bravery? How should the child be made to understand bravery and build up the spirit of bravery?

First, the child's upright character must be built up. The distinction between good and bad, right and wrong, and love and hate is the important manifestation of an upright character and the beginning of the building of the spirit of bravery. Powerful love and hate are the foundation of courageous conduct. Though the child does not yet understand class struggle at his age, he knows that there are both good and bad people in real life. When he watches a movie or a play, or reads a book, he will invariably ask which one is the bad man and which the good. To teach him to distinguish between good and bad men, we must tell him what kind of people are good and what kind bad, and what conduct good and what bad. We must teach him ^{to} love the good men and hate the bad, and to wish to do the good deeds and be brave in struggling against all kinds of bad men and bad conduct. By educating the child with concrete facts and fiction, the class and class struggle concept is gradually instilled into him. As he grows older and as his knowledge of class struggle increases, the quality of hating the bad and following the good will be gradually combined with his political awareness, so that he will feel a limitless love for the people and the revolutionary cause and a limitless hatred towards the enemy. Thus, his revolutionary firmness and revo-

lutionary bearing will be formed.

In practical life, we must build up the child's spirit of unity and friendliness and his feeling of righteousness in helping the weak and small and resisting the strong and cruel. We must educate him on the collective concept and mutual assistance and teach him to struggle firmly against bad conducts. When handling fighting among the children, the teacher must distinguish between self-defense and aggression. The tendency in some children to attack and take advantage of others is not inborn, nor the tendency of being cowardly and weak. Such qualities come from their educational and living environment. Hence, it is necessary to control and educate those who like to attack or take advantage of other children, and make them realize that it is shameful to take advantage of the small and weak, but brave to resist the strong and cruel and help the small and weak. The more simple and cowardly children must be taught not to cry when others take advantage of them, but must report the conditions to teachers and parents and take self-defensive steps when necessary. A child possessing a strong feeling of righteousness will grow up to understand the class struggle and become a firm revolutionary. He will love his comrades and treat them with equality, help them sincerely, and never try to gain at their expense. He will feel more concerned over the masses than over himself. He will be ready to sacrifice his own life for the revolutionary cause when necessary.

Next, the child's spirit of fearlessness and bravery in overcoming difficulties must be built up. As the child has the desire to show off his bravery, he should be educated patiently, so that he will know that foolhardiness, such as climbing high walls, is not bravery, but that true bravery is in studying conscientiously and in being unafraid of all the difficulties in studying and in life. His energy must be directed towards studying and overcoming the difficulties.

What are the difficulties in studying? When a child encounters a difficult problem in his studies, he should work it out himself, and he must not copy from others. He must concentrate in his studies and not be tempted by outside interests. He must not feel bored over his studies. He must be ready to answer the questions put to him by his teachers. All these require that the child possess a firm determination and a spirit to overcome difficulties. With the gradual expansion of his knowledge, he will encounter more difficulties. He must be made to understand that knowledge is only acquired after overcoming the difficulties. If the child's spirit of fearlessness towards difficulties is built up in his youth, he will grow up into an adult with a brave and stubborn revolutionary quality. He will not be discouraged by difficulties, nor lose his bearing in storms. He will be able to advance in tortuous struggles. "The hero of the generation is seen in his childhood." Are not the many great proletarian revolutionary warriors so?

Our children are fortunate to grow up in the new society. Today is better than yesterday, and tomorrow will be even better. However, this does not mean that the child does not have any difficulties. As far as the child is concerned, it is not without difficulty that he has to manage his own life independently, participate in the necessary household duties, and complete the tasks assigned him by the collective or the parents. Furthermore, parents and education workers must not feel that good arrangements have been made for the child's future, and that, since we have overthrown the old society, routed imperialism, constructed socialism, and overcome all difficulties in the world, the child will live in a worry-free paradise when he grows up, just like the way we make up a comfortable bed every night for him to sleep in. The truth of life is not so. The glorious achievements of our revolutionary and construction enterprises are acquired through ceaseless struggles against difficulties. As long as we advance, there will be difficulties. The socialist and communist revolutionary and construction enterprises require our long and arduous toiling. The struggles against imperialism and in support of oppressed peoples and nations call for our great effort. The struggles against Nature are also endless. Such great responsibilities on our shoulders will have to be passed on to our reinforcements. The blossoms of happiness must withstand wind and frost and undergo rain and dew. Only when the child is trained not to be afraid of difficulties in his studies will he be not afraid of the

tortuous routes when he climbs the summit of science in his later years. Only when he is trained to overcome all difficulties bravely in his youth will he be able to obey the need of the country and proceed to where it is most difficult. A person afraid of difficulties and hardships will often waver on the road of revolution. Therefore, to train the child to be unafraid of difficulties and hardships is an important subject towards the steeling of his revolutionary determination.

Thirdly, the quality of honesty must be built up in the child. He must be trained to be frank, honest, positive, and brave in admitting and correcting mistakes, and not to tell lies. These constitute another important content of the spirit of bravery in the child.

The proverb says: "No tumbling, no growth." In the growth period, it is unavoidable that the child should do wrong things and make mistakes. Hence, the problem here is not to ask that he make no mistake, but to know how to handle mistakes and be brave in admitting and correcting mistakes. A child thinks that refusing to admit a mistake is brave. Therefore, he must be taught that the refusal to admit a mistake is, instead of being brave, cowardly. Some teachers and parents are afraid to hurt the child's "self-respect," and look for excuses for the child's mistakes. Others think such mistakes are not significant and do not pursue the matter. Thus, the child's mistakes are not only not corrected, but encouraged. Such

attitude of teachers and parents really harm the child. Children are rather simple, and they have a great plasticity. If the child is taught to be brave in admitting and correcting mistakes, he will have the qualities of frankness and honesty. In the future, when he grows up, he will be able to maintain the greatest revolutionary courage and struggle for the truth. He will become an advanced revolutionary warrior to reform the world and reform himself in the process.

In building the spirit of bravery in the child, we must be good at guiding according to the circumstances. The same applies to ideological education and other problems. Guiding according to the circumstances is a dialectic materialist method. In education it means to start from the child's characteristics and practical conditions, follow his interest, preference, and development tendency, gradually guide his positive spirit and energy to the correct direction, and enable him to develop fully his wisdom and talent. Some education workers and parents often make two types of errors in their education method. One type is the disability to "follow the circumstances" of the child, and the child is placed under excessive restrictions. As a reaction, he may take a defensive attitude and ignore the teachers and parents altogether. The other type is the failure to guide the child at all, and the child is left to do what he pleases. Both methods are wrong. I feel that only guiding according to the circumstances is a good method to educate the child. We must open a wider road and obtain more concrete experiences in this respect.

ON WATER AND SOIL CONSERVATION IN THE
YELLOW RIVER VALLEY

[Following is a translation of an article by Chao Ming-fu (6392 2494 3940) in the Chinese-language periodical, Hung Ch'i (Red Flag), Peiping, No. 21, 1962, pages 30 - 32/

Water and soil conservation in the Yellow River Valley is the key problem in eliminating the water harms of the Yellow River and building up its water conservancy and the basic measure in developing mountain area agricultural production. Since the liberation, under the guidance of the party and the people's government, water and soil conservation work has been deployed systematically. After a long term effort, especially since the two large scale water and soil conservation work high tides launched after agricultural cooperativization and communization, great achievements have been made in this work. Water and soil conservation measures have been introduced over large areas, data and experiences accumulated through practice and scientific research, and the various elements and development patterns of water and soil loss preliminarily comprehended and mastered, thus laying the foundation for the work hereafter.

The Conditions and Reasons for Water and Soil Loss

The soil and water loss in the middle portion of the Yellow River is the main source of the floods and deposits of the Yellow River and the serious factor which makes it unfavorable to the development of mountain area production in this area. In regard to the extent of water and soil loss, aggravated by the rising and falling terrain, the criss-crossing gullies, the loose and exposed earth, and the rather concentrated rain storms, it is most serious in the yellow-earth hill and gully area of northern Shensi and western Shansi. Meanwhile, this is an agricultural area with a rather heavy concentration of population, and the cultivation index is as high as 30 to 60%. Hence, it is a crucial area for water and soil conservation work. Next are the yellow-earth high plateau and gully area and the hill and gully area along the Wei River valley in eastern Shensi and other regions where the water and soil loss is comparatively serious. The loss in other regions is less acute.

Water and soil loss is the great obstacle to agricultural development in the Yellow River valley. Soil is the most basic matter in agricultural production, while water and fertilizer are the important elements for production increase. With the loss of water and fertilizer in large volumes, the fertility of the soil declines more and more. According to chemical analysis, each ton of top soil carried away contains .8 to 1.5 kilograms of nitrogen, 1.5 kilograms of phosphorus, and 20 kilograms of potassium. Meanwhile, due to the scanty yet concentrated rainfall and the large volumes of water and

soil loss by run-off, droughts occur frequently in this area. According to historical record, during the 268-year reign of the Ch'ing dynasty, droughts in the Yellow River valley occurred 201 times.

Not only water and soil loss affects the development of agriculture in the middle portion of the river, but large volumes of mud and sand are carried into the river, forming deposits in the lower stream river bed and mid stream reservoirs, thus lowering the flood resistancy and shortening the useful life of reservoirs.

The study and mastering of the reasons and patterns of water and soil loss have an extremely important bearing on the comprehensive and thorough control of the loss. The greater such knowledge, the more effective will be our water and soil conservation work. Investigation and study and scientific experimentation of many years have proved that water and soil loss by run-off results from natural and social elements.

In regard to the natural elements, water and soil loss comes from water erosion of the surface of the earth. Water is a moving power, and the soil is the object of its erosion. The extent of water and soil loss varies with different types of soil, terrain, and vegetation. Meanwhile, water, which is the motive force causing erosion, is closely connected with climatic conditions.

The effect of rainfall on water and soil loss is mainly through the rain drops striking the earth surface and the flowing and washing of the little trickles. Though the rainfall is comparatively scanty

in the middle portion of the Yellow River valley, and the annual amount is between 250 to 600 millimeters; 60% of it is concentrated in the flood period, mostly in form of rain storms. The effect of rainfall on water and soil loss is directly related to rain storms. The stronger the rain storm, the more serious will be the loss. According to the observation of the Sui-te water and soil conservation scientific experimental station of Shensi province conducted at Nan-yao-kou, the rain storm on 8 August 1956 totalled 36.7 millimeters, at an average intensity of .32 millimeter per minute, and the volume of water loss per square kilometer was 29,651 cubic meters and soil loss 21,256 tons; whereas in 1957, when there was no rain storm, the total rainfall of the year was 342.8 millimeters, and the water loss per square kilometer was only 186 cubic meters and soil loss 48 tons. Though the rainfall in 1957 was 8.3 times greater than the former, the water loss of the former was 185.4 times greater and soil 441.8 times greater than the latter. The data collected from observation by the T'ien-shui water and soil conservation scientific experimental station in Kansu province show that, when the soil is rather damp, if the rainfall intensity is .4 millimeter per minute, trickles will form on the surface of the ground after five minutes. Hence, rainfall, especially when in form of rain storms, is an important element causing water and soil loss.

Along the middle portion of the Yellow River, aside from a part of the area where base cliffs are exposed, most of the area is covered

with yellow-earth. The characteristics of the yellow-earth is the perpendicular grain, the smooth and even texture, loose structure, and large pores. It is mainly composed of powdery soil, and it has comparatively little clay and organic contents. It contains between 60 and 70% of powdery grain, 10 to 20% of clay, and only .02 to 1.98% of organic matters. Hence, it lacks adhesiveness and its water storage capacity is low. Meanwhile, surface water permeates along the perpendicular grain, easily causing cave-in, landsliding, and collapsing. Though it has the characteristic of being porous, and the pore rate generally reaches 40 to 50%, due to its loose structure, it is lacking in water stabilizing adhesiveness but rich in carbonates, as high as 10 to 15%, easily soluble in water. The moment there is a heavy rain, the top soil will rapidly turn into mud, greatly reducing the permeating capacity and enhancing surface trickles and soil loss. Therefore, the yellow-earth is a factor causing water and soil loss.

Generally speaking, the terrain of the middle portion of the Yellow River is composed of slopes and gullies. The extent of water and soil loss on slopes is closely connected with the grade, length, and form of the slope. Where the lengths are identical, within the scope of a certain angle (for example, within 40°), the steeper the slope, the more the soil is washed away. Where the angles are identical, within the scope of a certain length (for example, within 50 meters), the longer the slope, the more the soil is washed away.

Where the angles and lengths are identical, concave slopes suffer more than convex slopes. According to the observation of the T'ien-shui experimental station, the soil loss of cultivated slopes at an angle of $17^{\circ} 30'$ is 4.9 times that of slopes of $4^{\circ} 1'$. Where the angles are the same, cultivated slopes at a length of 40 meters suffer 41.6% more soil loss than slopes of 10 meters long. In regard to the water and soil loss in gully areas, the greater the density of the gullies, the more the ground surface will be cut up and the water and soil loss more serious. Where the gullies are deep, their sides will be unstable, and the soil will frequently collapse, slide, and be washed away. The banks of the gullies will continue to expand. It can thus be seen that water and soil loss is directly connected with a broken and piecemeal terrain, composed of rising and falling hills and criss-crossing gullies.

Vegetation covering has the effect of blocking and storing surface trickles, reducing the speed of flow, and building the soil's erosion resistancy. The reasons are: (1) Vegetation covering and the crowns of trees can receive rain, so that surface soil is protected from the direct pounding of rain drops. (2) The surface covering of annual plants and broken twigs and fallen leaves increases the coarseness of the surface, reduces the speed of flow of surface trickles, and lowers the washing capacity of the water. (3) The root system of plants consolidates the soil and improves its structure, enhances its permeation capacity, and raises its erosion

resistance. According to the observation of the Hsi-feng water and soil conservation scientific experimental station of Kansu province conducted at the Tzu-wu-ling forest area, at Pao-tzu-kou in the forest area, there was no soil loss during three of the five years, and, for the remaining two years, the annual soil erosion volume was .2 ton per square kilometer; whereas the annual soil loss due to erosion at Wei-chia-kou where there was no forestry reached 1,088 to 2,600 tons per square kilometer. As to the speed of flow of water, on 20 September 1959, the rainfall at the Wang-chia River valley in a forested area was 85.7 millimeters, the hung-feng-mo figure per square kilometer 2,322 litres per second, and the flow rate .58 meter per second. At Pan-ch'iao where there was no forestry, though the rainfall was only 73.4 millimeters, the hung-feng-mo figure reached 19,077 litres per second and the speed of water flow 2.19 meters per second, which were 7.2 and 2.7 times respectively greater than those of the Wang-chia River valley in the forested area.

In regard to the social element, the social activities of mankind may aggravate water and soil loss. Long time ago, the middle portion of the Yellow River valley was not treeless, and many areas were covered with forests and grassy plains. Due to the long term plundering and war destructions by the reactionary ruling class in the past, the forestry was destroyed, and there are few natural forests standing today. According to a survey of 1954, forested areas occupied only around .05% of the total area of the Yellow River val-

ley. Some areas in the middle portion of the river have the habit of crude cultivation, tilling slopes without discrimination, and coupling reclamation with abandoning. Such activities also exercise an influence on water and soil loss. The experiment of the Li-shih water and soil conservation scientific experimental station of Shansi province has proved that the annual water loss per mou is 2.7 cubic meters and soil loss .7 ton in cultivated slopes of 25° , while the annual water loss per mou of abandoned ground of the same angle is 11.7 cubic meters and soil loss 2 tons, 4.4 and 2.9 times respectively higher than the cultivated slopes. In addition, irrational pasturing is closely connected with water and soil loss. The foregoing shows that the irrational utilization of natural resources will directly cause water and soil loss.

Rational utilization of natural resources and control of water and soil loss were impossible under the feudal social system of the past. Even in capitalist nations where agricultural science is more advanced, due to the limitless plundering of natural resources by agricultural capitalists, water and soil loss is very serious. For example, in the US, the area suffering water and soil loss occupies more than 50% of all the land in the country. Though the US government established the water and soil conservation bureau in 1935, attempting to control it, for the ten-year period between 1935 and 1945, not only water and soil loss was not controlled, but an additional 25 million hectares became untillable. Its bourgeois special-

ists had no choice but to attribute it to the "necessity of Nature and permanent immutable pattern." Only under the socialist system can natural resources be rationally utilized and water and soil loss gradually controlled.

Measures of Water and Soil Conservation

After the liberation, for the purpose of controlling the Yellow River and developing mountain area production, water and soil conservation work was extensively launched in the middle portion of the river. After such a struggle process, not only the experiences of the farming masses in fighting water and soil loss were gathered, but many new experiences accumulated. Engineering measures consist of ladder fields, ground channels, swamp land embanking, flooding, gully head protection, gully side channeling, and so on, and ladder fields, soil channels, swamp land embanking, and flooding are the most effective in blocking and storing surface streams and preventing washing, and constitute the important basic agricultural construction in mountain areas. The mou output of water level ladder field and embanked land is generally at 100 catties or more, which is 50% more than slope fields, and the mou output of some embanked land reaches 200 to 300 catties. The farmers are very pleased and enthusiastic. However, when building ladder and embanked fields, it is necessary to adopt measures for the flood prevention and water displacing of embanked land and top soil preservation, additional organic fertilizing, and accelerating soil maturing of ladder fields, for

otherwise, the output may decrease. In regard to biological means, the principal measure is closing off the mountain to build the forest, the cultivation of all kinds of water and soil conservation forests, the extensive planting of pasture grass, and the addition of ground covering, in order to effect water and soil conservation and develop forest and livestock production. The kinds of trees and shrubberies most suitable are ash-trees, small-leaf poplars, dry willows, Hopeh poplars, ning-t'iao, ts'u willow, and the most suitable pasture grass are ts'ao-mu-hsu, purple-blossom lucerne, su-tan grass, and sha-hao, the most popular being the purpose-blossom lucerns.

In expanding the above measures, as the natural and economic conditions of the different areas are different, the concrete methods of control adopted are also different. In hill and gully areas where water and soil loss is more serious, the method of the three-line defense of slope surface, branch gully, and dry gully is more effective. For example, in Chiu-yuan-kou, Sui-te hsien, Shensi province, the building of ladder fields and channels on slopes is combined with afforestation and grass planting. In Chih-mao-kou, swamp land embanking is adopted to control gully erosion, turning barren land into fertile fields. Large scale dry gully swamp embanking is built to block off mud and sand and store water therein. Good results were obtained. In this area, the total grain output in 1960 was 35% higher than 1959, and the mud and sand blocked off in seven years

was 69% of the total volume washed away.

The introduction of the above water and ^{soil} conservation measures over large areas has proved that water and soil conservation is the basic means to develop mountain area production. As it involves agricultural, forest, livestock, and hydrologic work, the planning must be comprehensive, so that the work of all sides are organically coordinated. The greater portion of the areas along the middle portion of the Yellow River are mountain areas suitable for cultivation. This is especially true with Shensi, Kansu, and Shansi, where the water and soil loss is more serious. Ever since ancient times, these regions have been agricultural with rather heavy concentrations of population, and the serious water and soil loss directly endangers agricultural production. Meanwhile, the vast northwest plains possess large numbers of wild mountains and slopes, providing all kinds of favorable conditions for the development of forest and livestock production. Hence, the construction policy hereafter is the general development of agriculture, forestry, livestock, and supplementary enterprises, with the emphasis on agriculture. This is the direction of water and soil conservation work. However, in the past, the views in regard to this direction were not unanimous. Some comrades felt that large quantities of land should be left untilled and returned to forestry and pasture. Looking at it now, we find that this will not only be incompatible with the demand of developing agriculture and increasing grain production, but also not entirely

suitable to the conditions of the northwest. However, if we only emphasize on agriculture, at the expense of pasturing, which will, in turn, crowd out forestry, or if agriculture is developed directly at the expense of forestry, it will also bring grave dangers. To utilize the land rationally, conserve water and soil effectively, and develop production, over-all arrangement must be made concerning the land for agricultural, forest, and pasturing uses, the various items of water and soil conservation measures correctly coordinated, agriculture, forestry, pasturing, and water conservation work closely combined, and the mountain areas built up by the gradual opening and utilizing of mountain area resources.

Water and soil loss is caused by many elements, and these elements mutually influence and restrict each other. For comprehensive and thorough water and soil conservation, combined measures must be adopted, and it will be unthinkable to imagine that one kind of measures will solve the problem. In the past, there was also the argument of whether the emphasis of control should be on engineering or biological measures. Those advocating biological measures argued that, as the principal reason for water and soil loss was due to the lack of vegetation covering, afforestation and grass planting, in order to increase ground covering, constituted the basic means. Those advocating engineering measures felt that rain storms and the terrain constituted the main reason for water and soil loss, and that engineering measures, such as the building of ladder fields, ground chan-

nels, and embankments, constituted the basic means of control. Both views were not sufficiently comprehensive. Experience shows that, in the northwest, where water and soil loss is more serious and where the climate is dry, if biological measures were relied upon alone, without water storing and soil conserving engineering works, the mud and sand of agricultural and non-productive land occupying around 50% of the land area could not be controlled, and vegetation would not grow and develop. With engineering measures, water will be stored and soil conserved, thus creating conditions for the growth of vegetation. On the other hand, if engineering measures were relied upon alone, without the simultaneous adoption of biological measures, land suitable for afforestation and grass would not be fully utilized, and the development of mountain areas would be affected. Hence, the two must be combined. Afforestation and grass planting will increase ground covering and engineering measures will change the terrain. Both are basic measures, and neither can be overlooked. Only when the two types of measures are combined will soil erosion by rain storms be reduced or avoided, gullies and slopes consolidated, and water and soil loss effectively controlled. Meanwhile, such measures will also serve to change the agricultural climate of the areas, improve soil structure, and benefit the development of agriculture, forestry, and livestock industry.

In the process of water and soil loss control, there was also the argument of whether the slopes or the gullies should be controlled.

Those advocating control of slopes felt that, as surface erosion was the source of water and soil loss and gully erosion the after effect, the former should come first. Those advocating the control of gullies felt that, as gully erosion was extremely serious, and, unless controlled, slope control would not be stable, and as large volumes of mud and sand came from the gullies, gully engineering was of primary importance. Both views saw only one side of the problem. Slope erosion and gully erosion are two sides of the same problem, each possessing various natural elements causing water and soil loss. We must know that, mud and sand flow into the gullies due to surface erosion, thus causing gully erosion. When gully erosion develops to a certain extent, it affects the stability of the surface. From the point of view of control, surface control will create the condition for gully control, while vice versa, gully control will create the condition for surface control. From the production point of view, the surface is the principal area for agricultural production, and all kinds of field work must be well handled in order to create conditions for agricultural production. However, the gullies can also be converted into fertile farmland, and it will expand and consolidate agricultural area and control mud and sand effectively. Keeping the mud and sand in tilled gullies is not only one of the basic measures to control the river but an important step for the development of agricultural production. Hence, both must be controlled according to the condition of the area, and this is entirely compatible with

water and soil conservation and production development.

Further Water and Soil Conservation Work

Water and soil conservation is a great and arduous task in Nature reform. In order to control water and soil loss comprehensively and thoroughly, Comrade Mao Tse-tung's guiding thought of treating the enemy with contempt strategically but with respect tactically must be followed to engage in a long-term unrelenting struggle.

While we must see the difficulties in our advance, we must also realize the favorable conditions; while we must start from existing conditions, we must consider the future. At present, simultaneous with the adoption of positive and effective measures, maintenance and building of existing engineering facilities and forests and pasture grass land, repair of engineering works destroyed or damaged by water flow and mud, expansion of the planting of forests and grass land, and full development of the efficiencies of water and soil conservation, we must, based on the availability of manpower and material, formulate water and soil conservation plans and realize them according to a schedule.

According to crucial-spot surveys in northern Shensi and western Shansi, several million mou of wilderness have been cultivated in the recent year or two. For example, the cultivation index of the Ta-pien-kou and Er-chuang-k'e production brigades of Yen-an jumped from the original 22% to 76.7%. Such newly cultivated wilderness consists mainly of steep slopes of 25° or more, some as much as 60°.

As the various production brigades conducted wilderness reclamation individually, soil and water conservation work was not well coordinated with reclamation, and there was some destruction^{of}/original forestry and pasturing. We feel that, in areas where the population is great and cultivated area small, and where the conditions are favorable, some wilderness reclamation, in order to enlarge the area of cultivation, is necessary. However, unplanned reclamation, especially on steep slopes and destroying forestry and grass land, will bring detrimental after effect. First of all, it will aggravate the water and soil loss. According to the survey of the Sui-te experimental station at Chiu-yuan-kou conducted after the rain storm of 1 August 1961, the loss of dirt per mou on newly cultivated slopes of 32 to 38° inclination was 20 tons, which was 1.6 times higher than that of the original uncultivated ground, 4.5^{times}/higher than that of the lucerne field, and 5.9 times higher than that of forest areas. Next, it intensifies the conflict among agriculture, forestry, and pasturing. According to surveys of crucial production brigades at Li-shih, Chung-yang, Lin, and Hsi hsien in Shansi, due to wilderness reclamation, pasturing slopes were reduced by around 50%, affecting the development of forestry and pasturing.

In water and soil loss areas in the middle portion of the Yellow River, the increase of unit area output should be the basic policy in agricultural production development. The existing basic farm land is the headquarters of grain production, and both the area and

the output already occupy a major position, with great production increase potentialities. With the addition of a considerable quantity of ladder fields, channels, embanked land, and water land, many favorable conditions have been created for production increase. The Hsing-tien-kou experimental farm at Sui-te has improved its unit area output greatly in recent years resulting from the proper water and soil conservation work. Wilderness reclamation is something else. Though the soil is more fertile in newly reclaimed land and the output comparatively high, due to the lack of water and soil conservation measures, water and soil loss is serious, the fertility of the soil disappears rapidly, and the output will reduce each year. According to a survey, in newly reclaimed slopes, generally the first year mou output is between 80 and 100 catties, that of the second year between 50 and 60 catties, that of the third year only between 20 and 30 catties, and the land has to be abandoned the fourth year. On some steep slopes, even the first year output cannot be guaranteed. Meanwhile, the down flow of mud and sand threatens the safety of the lower Yellow River. Therefore, improper wilderness reclamation must be firmly controlled, while the existing land engineering works must be well maintained in order to bring out their full effect and increase the unit area output.

To accomplish this, propaganda and education work must be vigorously launched and the importance of water and soil conservation and the detrimental after effect of improper wilderness reclamation

and destruction of forestry and grass demonstrated by typical examples to the people. The people must be taught to consider the future as well as the present, and the long-range and general as well as the temporary and local. At the same time, all the related policies and regulations of the Party Central and the State Council must be thoroughly implemented, and wilderness reclamation must not be pursued at the expense of water and soil conservation, forestry, grassy plains, water works, and communications. It must be under an overall planning and by a proper procedure. Departments concerned must make appropriate restrictions on the area of reclamation, and must not adopt the attitude of laissez-faire.

The strengthening of the maintenance and protection work on existing water and soil conservation facilities has an important significance on . . . consolidating the achievements and advancing water and soil conservation work. Water and soil conservation work has made great achievements, especially since the great leap forward, with the general and large area expansion of the various measures. However, the maintenance and protection work in some areas has not been kept up with the need, nor the efficiency of the facilities fully developed. For this reason, the principle of continuous control must be firmly implemented and attention given maintenance, protection, and management work. Engineering works . . . which have been damaged or destroyed (especially ladder fields, ground channels, embanked land, and water land) must be repaired and raised, and protec-

tion and building of forestry and grassy land strengthened.

Similar to other kinds of work, in water and soil conservation work, typical models must first be created, and thereafter, according to the importance, gradually expanded. The water and soil conservation work in the middle portion of the Yellow River has been gradually expanded and developed from the models of Kansu's Teng-chia-kou, Shansi's Ta-ch'uan-shan, and Shensi's Chiu-yuan-kou. Especially in recent years, crucial special districts and hsien and many communes have made control models according to the characteristics of the area, thus greatly stimulating the faith of the masses in building up mountain areas, and turning water and soil conservation work into an extensive mass movement. They should be assisted to compile such model control experiences and supported in the continuation of such work, so that these models, whether at present or in the future, will serve as examples in water and soil conservation work.

Water and soil conservation is a new science. Without scientific studies, there will be no scientific basis. Water and soil loss is caused by many factors, and the measures of control are combined. However, how to be economical and rational, what will be the after effect, how to raise the work efficiency, how to be adjusted to mountain area agricultural technical reform, what effect will there be on changes in river hydrology, and so on, are all subjects of further study. To raise the scientific technical level and to make the work more solid and effective, scientific research

work must be strengthened hereafter, and water and soil loss patterns and preventive and control measures further studied.

Water and soil conservation work must depend on the masses. Apart from the masses, it will be impossible to complete this arduous and difficult task. It must be started from the the development of mountain area production and the people's current production and living needs. Slack agricultural seasons should be utilized for the necessary manpower, and measures which will easily produce an effect in the current year adopted. Thus, the positive spirit of the masses to pursue water and soil conservation work will be further activated. As the area of Yellow River valley is large and the economic and natural conditions of the different areas vary greatly, the various measures must be adjusted to the particular area and combined with production, in order to gain practical result.

At present, the situation in the rural village is good, and there are many favorable conditions. Water and soil conservation work has already penetrated the people's mind. After experiences are compiled, the direction of the work will become further clarified, and the understanding more unanimous. By further strengthening guidance and firmly implementing the party policy of agriculture as foundation in the development of the national economy, our effort, after a certain period of time, will bring a new appearance to water and soil conservation work. New contributions to the consolidation of the collective commune economy and development of agricultural

production will be made and the natural appearance of the Yellow River further transformed.

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1944
The following is a list of the names of the persons who were members of the Board of Directors of the American Red Cross during the year 1944.

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