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China Report

RED FLAG

No. 16, 16 August 1980



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26 November 1980

CHINA REPORT RED FLAG

No. 16, 16 August 1980

Translation of the semimonthly theoretical journal of the Central Committee of the Chinese Communist Party published in Beijing.

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THE YOUNG PINE IS STRONG AND STRAIGHT

Beijing RED FLAG in Chinese No 16, 16 Aug 80 inside front cover

[Woodcut by Wang Wei [3769 3555]]



CSO: 4004

SERIOUSLY SOLVE NEW PROBLEMS CONFRONTING ORGANIZATIONAL WORK

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 2-9

[Article by Song Renqiong [1345 0117 4522]]

[Text] Since the smashing of the "gang of four," particularly since the end of 1977, the organizational front has been more lively and our work has yielded good results. Although we have done a great deal of work, it has been basically in the nature of readjustment and turning chaos into order. Over the past years our efforts have been directed primarily at solving problems left over by history. This is necessary, because we should not leave the problems unsolved. Moreover, we should continue to solve problems which have not been successfully solved. However, we still do not have an overall plan for organizational work to meet the needs of the general task of the new period. From now on we must make unremitting efforts to solve new problems, so that organizational work can suit the urgent needs of the four modernizations.

The New Problems Confronting Organizational Work

Many new problems and new situations confront us. Which is the most fundamental? The most fundamental new situation is that our country has entered a new historical stage. The most fundamental task during this new period is to unswervingly realize the modernization of agriculture, industry, national defense and science and technology. While achieving a high degree of material civilization, we must also achieve spiritual civilization. While improving and perfecting the socialist economic system, we must also improve and perfect the socialist political system. This is an unprecedented new task which will cause profound changes in various areas. Therefore, we must make corresponding changes in our ideology, work style and work methods in order to meet the development and changes of the objective situation.

The organizational line has always served the political line and insured its realization. If the question of the organizational line is not properly solved, the political line will not be implemented. This is why, as soon as the party Central Committee has decided its political line, it takes on the question of organizational line. Whether we can implement the party's political, ideological and organizational lines has much to do with whether we have done a good job of our organizational work. We must fully understand the position and role of organizational work in the four modernizations. We must enhance our consciousness,

strengthen our sense of responsibility and enthusiastically and creatively accomplish the glorious task which history has entrusted to us.

The four modernizations require a large number of leading cadres who know their trades well and cadres who have professional knowledge and capability and are in their prime. However, our present cadres cannot meet this need. The present 18 million cadres make up a reliable hard core and are the precious asset of our party and state. Without this core we would neither have achieved the success of revolution and construction nor have smoothly shifted our party's work focus. However, as historical conditions and tasks change, the weakness of our contingent of cadres has been exposed. The chief expression of its weakness is its irrational organization. We have too many cadres who lack professional knowledge and capability. We have too few cadres who possess professional knowledge and capability. The average academic standard of the cadres is too low. We have too few middle-aged and young cadres in leading groups at all levels. This is a very dominant conflict confronting us. If this problem remains unsolved, realization of the four modernizations will be hopeless.

After the victory of the October Revolution in the Soviet Union, when Lenin was leading the Bolshevik Party in vigorously restoring the national economy and achieving socialist construction, he repeatedly stressed that large numbers of new personnel should be trained. He clearly pointed out: "All management work requires special skill. Some people can be the most competent revolutionaries or agitators, but they cannot be management personnel. All those who are familiar with real life and have rich experiences know that to do management work one must know his trade well, know all the conditions of production, know advanced modern production techniques and possess scientific knowledge. These are the requirements that we should by all means meet." ("Collected Works of Lenin," Vol 30, p 394) However, economic construction and training of new personnel were severely undermined by the war. The Soviet Union began its socialist industrialization in 1926. In the face of the new construction task, Stalin attached great importance to selecting and training people talented in economic construction. He stressed again and again: "We now need new commanding cadres for industry--capable directors of mills and factories, competent executives of trusts, efficient trade managers, intelligent planners of industrial development. We now have to create new regimental, brigade, divisional and corps commanders for economy and industry. Without such people we will not be able to advance one step." ("Collected Works of Stalin," Vol 8, p 126) Through their efforts they greatly increased the number of people engaged in economic construction and greatly promoted the technical reform of economic construction and development of production in the Soviet Union during the first and second five-year plans. During the early period of the First Five-Year Plan in China, Comrade Mao Zedong told the entire party: "To build socialism the working class must have its own army of technical cadres and of professors, teachers, scientists, journalists, writers, artists and Marxist theorists." ("Situation in the Summer of 1957") The task of building this vast army should have been accomplished within 10 to 15 years. However, due to the mistakes in our work, and particularly due to the 10 years of sabotage by Lin Biao and the "gang of four," the historic task of socialist economic work and training new people has been held up. This is a problem we should have solved long ago. It has now become our new problem. We should waste no more time.

What are the new problems confronting organizational work on our way to achieving the four modernizations? Judging from the current situation, the following are the new problems:

How should we build an army of cadres who firmly follow the socialist road, have professional knowledge and capability and are in their prime?

How should we organize and build leading groups according to the requirements of professionalization, rejuvenation and competence?

How should we select and train our successors and insure the continuity of the party's line, principles and policies?

How should we reform the present irrational cadre system in accordance with the demands of the four modernizations?

How should we reeducate and train cadres on a large scale?

How should we reeducate party members, improve the quality of party members and rectify the party organization?

How should we improve the system and methods of party leadership and raise the level of leadership?

It is not easy to solve these new problems. It requires resolve and a series of reforms. If we do not conduct reforms in our ideological work and system, we will not be able to do away with the conventions and break new ground and will thus be unable to fundamentally bring about a new situation in organizational work.

Readjust the Leading Groups in Accordance With the Principle of Doing Three Things Simultaneously

For more than 3 years we have readjusted the leading groups at all levels, particularly leading groups in the various ministries and commissions of the Central Committee and State Council, as well as the leading groups of various provincial, municipal and autonomous region party committees. Such readjustment is necessary and effective. However, the general situation of leading groups is not satisfactory. This problem should be properly solved in the coming 2 or 3 years.

The following phenomena show that the leading groups are not satisfactory: The average age of the chief leaders in leading groups at all levels is too high, the number of cadres is too large, their academic standards are too low, the number of cadres who know their professions and management is too small, and the leading groups of some prefectural and county factories and mills have not been readjusted. To fundamentally change the above situation by transferring only one or two cadres will not do. We must adopt the method of "doing three things simultaneously." That is, we must promote a large number of outstanding middle-aged and young cadres to the leading groups, properly settle the old and weak comrades who cannot continue working and transfer some incompetent cadres to

other posts. We should plan these three tasks as a whole and should not neglect any of them.

The first task is to boldly promote a large number of outstanding cadres who are in their prime, who firmly follow the party's line, and who have professional knowledge and capability to leading groups of various areas and levels.

The 11th party congress and the 3d and 5th plenary sessions discussed the question of training and promoting new people. Since last year the Central Committee has repeatedly stressed that we should seriously consider and solve this question. It has also clearly stated the principles, policies and methods to solve this question. This is an important strategic decision by the party Central Committee. The Organization Department of the Central Committee has held two forums on promoting outstanding middle-aged and young people and on implementing the spirit of the directives issued by the Central Committee. Party committees at all levels have also done a great deal of work. However, all this is just a beginning. There is still much to do to meet the demands of the Central Committee and to improve our work, our methods and, most important of all, our ideology.

All party members, particularly leading cadres at all levels, must enhance their consciousness and strengthen their sense of urgency in selecting and training successors. Our comrades, particularly old comrades, must take the selection and training of successors as an important matter which has a great bearing on the destiny of the party and state. They must stand higher, see farther and think deeper. Some comrades think that young people are immature and incompetent. Thus, they are not willing to promote young people to leading posts. We must bear in mind that most of our middle-aged and young cadres have 10-30 years of experience. They are good or at least fairly good. Immature cadres must undergo a process before they become mature. They must be trained by the party in practical work. We old comrades can recall how we ourselves became mature. Were we not appointed secretaries of county, prefectural or provincial party committees or leaders of a regiment, division or army when we were 20, 30 or 40?

At that time the party organizations placed much confidence in us. Why can we not place confidence in the young cadres we ourselves brought up? Selecting and training trustworthy successors while the old comrades are still living and in good health is a basic way to help us overcome our lack of confidence in the young people. Some people think that successors emerge automatically. When the minister has left, the bureau chief will succeed him; when the bureau chief has gone, the section chief will replace him. Thus, they think it unnecessary to select a successor. Other comrades say that although they are not young they are still strong and able to work for some time, and they think it unnecessary to be anxious about the question of successors. They agree to solve it slowly. These views are wrong. We must have a sense of urgency about the question of successors and must not tarry. We must adopt proper methods and grasp our work firmly. Otherwise, the task will be laid aside and neglected again. Comrades who participated in the first and second revolutionary civil wars are about 70 now; others who participated in the anti-Japanese war are 50 or 60. To carry through to the end the cause pioneered by our old revolutionaries and to shoulder the heavy task of the four modernizations, we need a large number of successors. We must successfully achieve this urgent strategic task. We must act without any selfish considerations, but must keep the party's interests in mind, help the party

organizations to enthusiastically support a large number of outstanding middle-aged and young people and promote them to leading posts. This is the most glorious and important historic task of the old comrades and an important contribution to the four modernizations.

We must select successors step by step in a planned way. The departments and commissions of various Central Committee and state organs, as well as the party committees of various provinces, municipalities and autonomous regions, must draw up a plan in the light of their actual conditions, set the requirements to gradually professionalize, rejuvenate and upgrade the proficiency of leading groups and adopt some basic measures to realize these requirements. While formulating and carrying out these plans, we must persist in the collective leadership of the party committee and follow the mass line. We have had many bitter lessons on the question of selecting successors. One of them is the appointment of successors by individuals. This runs counter to the principle of collective leadership of the party committee and is a reflection of the pernicious influence of feudalism. Practice has proved that this is a failure. Now we should neither allow individuals to appoint successors nor choose only a few people. We must select a group or a strata of people and then choose from the first, second and third men in command. In so doing we will have rich human resources and will gain the initiative. Some places have not done a good job of selecting successors. One of the reasons is that they have adopted the wrong method, making the selection on a small scale and in secret. They are not bold in following the mass line. We must change this method. Who understands the cadres most? The higher level leading departments or the basic-level masses? It is undeniable that the higher level authorities understand the cadres. However, the masses know the cadres best. Cadres live among the masses. Their words and deeds are observed by the masses. We must be bold in allowing the masses to comment on and recommend outstanding cadres and in listening to the opinions of the masses in various areas. On this basis the organization department can carefully observe and the party committee can collectively discuss the matter, gather the correct opinions and make the decision.

To select and train cadres on a large scale is an important measure to build up successors. At present there are quite a number of people who lack knowledge of their professions and modern management. Blindness and limitations exist in their work, and they cannot meet the demands of the four modernizations. The cadres themselves should not be held responsible for these shortcomings, which have been caused by the continuous political shifts, particularly by the sabotage of Lin Biao and the "gang of four" in the past. The basic method to overcome these shortcomings is to create conditions to help the cadres study and make improvements. In the early 1950's our party organized cadres in various ways to study culture, theories, professions, science and technology and built up a vast army of Red and expert personnel. This was the first upsurge of restudying since the founding of the PRC. Now we must start another large-scale upsurge of restudying to rapidly train more people. To solve this problem we must be willing to spend money and make efforts; we must use every possible means to open all avenues for people of talent; we must reform the content of study, pay attention to the practical results of study and stress the promotion of the cadres' professional level and management ability. Only when the general level of the cadres is raised can we have a solid foundation for selecting successors.

The second task is to properly arrange for a number of old and weak comrades who have made contributions to the party and people to withdraw to the second or third line.

Our old comrades have braved untold dangers and struggled hard in the protracted revolutionary struggles and construction. They have made tremendous contributions to the party and people and accumulated rich experiences. They are a precious asset of our country. These old comrades not only were, but still are, the chief leaders on whom we should depend to achieve the four modernizations. We must create a good social tendency in which old comrades are respected. We should not harbor any resentment against old comrades. Young comrades must be modest and prudent, sincerely emulate the older generation, try their best to gain the help of old comrades, respect their opinions and learn from their good thinking, work style and experiences. They must enhance their capability, improve their skills and cooperate with the old comrades to advance together.

Proper arrangements must be made for the old and weak comrades who can no longer do regular work. The general principle is that we must show great respect for them in political affairs and give consideration to them in their daily life. Experiences in various places show that as long as we are resolute and have correct thinking we can employ many methods. We must continue to sum up and accumulate experiences in this aspect and solve this problem by improving the methods, systems, work and social tendency.

We must understand that our cadres and leading groups, as in other matters, are continuously replaced by new ones, so that they are always full of vigor and vitality. Some old comrades have become old and weak and lack energy. This is an objective fact independent of human will. Under these circumstances, it is possible to ask the old comrades to devise strategies in a command tent, but it will be difficult to ask them to continue their work day and night. We must relieve these old comrades of the heavy workload, so that they can think about matters of prime importance and do something suitable for them and within their ability. This shows that the party not only cares for and trusts them, but also tries to give fuller play to their role. This is a matter of greatest significance. In this respect, some old comrades of various provinces, municipalities, autonomous regions and various departments of the Central Committee have set a good example for us. Their consciousness is worth commending and emulating.

The third task is to transfer the unsuccessful cadres to other suitable posts so that they can play their role.

Some cadres have failed in their present positions after more than 3 years of testing. To properly transfer them is an important measure to strengthen the fighting effectiveness of the leading groups. We must specifically analyze the unsuccessful cadres and deal with them in different ways. The unsuccessful cadres we have mentioned do not include factional elements and elements who indulged in beating, smashing and looting under Lin Biao and the "gang of four," whom we should try to eliminate as quickly as possible. There are two kinds of unsuccessful cadres: The first are those who are still boycotting the party's line, principles and policies because their minds have been poisoned and their ideological and political lines are not correct. These people will be regarded as unsuccessful even if they are capable. The second kind are those who have political

integrity but low ability. They are incompetent and cannot cope with their duties. The masses do not want them. Both kinds of unsuccessful cadres should not remain in their original positions and should be properly transferred. We can transfer them to other units or lower levels or send them off to study. No matter which method is adopted, we must do a good job of ideological work, so that they can take up their new posts happily and play their role in a better way. We must sincerely help them continue to make progress. This is beneficial to the party's cause and to the cadres concerned.

Further Emancipate Our Minds and Foster a New View of Recruitment

Since the smashing of the "gang of four," the Central Committee has continuously stressed the emancipation of the mind and seeking truth from facts. While turning chaos into order, we have broken away from the restrictions of old conventions, and our minds have been emancipated step by step. However, generally speaking the emancipation of the mind is still quite inadequate, and some conventions which should have been done away with have not been.

We must admit that there are many conventions in cadre work. For example, we have laid undue emphasis on the seniority of cadres and have neglected their ability. We have paid attention to worker and peasant cadres but have overlooked intellectuals. We have paid attention to their class origin and their performance in the past but have ignored their present performance and future development. We have not held a correct view of political integrity and ability. We have either emphasized political integrity and neglected ability or have selected leading cadres only from party or government departments and ignored the use of professional and technical personnel.

We must hold a historical and dialectical view to judge what are conventions and what are not. Some matters can be progressive under certain historical conditions. However, they can be backward under others. If we stick to old concepts and conventions rather than change our ideas according to historical conditions, these old concepts and conventions will become a force of habit which binds our hands and feet and hinders the development of our cause. Only when we have done away with the conventional force of habit can we advance rapidly.

First, how should we deal with the seniority and capability of cadres?

A cadre's seniority is the record of his revolutionary history. A long revolutionary history is an honor and deserves respect. To a certain extent, seniority reflects people's practical experience. Generally speaking, when one is more senior one has more experience. However, this is not an absolute rule. We should not think that all senior people are capable. This is because each person has his own situation, makes different efforts and possesses different capabilities. Senior members have been tested for a long time and have accumulated more experience and may therefore be more able. However, their ability is not the result of their seniority but of their efforts. If we do not hold this view, we will not be able to explain why some very senior members are not as capable as the junior ones. Therefore, we must not judge a cadre only by his seniority. We must also take his actual standard of work into consideration. However, when some comrades are assessing or appointing cadres, they often place undue emphasis on the cadres' seniority and neglect their capability. They only mention these

cadres' experience and seldom consider their standards of work. We must be resolute in breaking with this convention. No matter what we do, we must be competent and have real skill. This is a minimum requirement. How can we do without genuine learning and ability, professional knowledge and knowledge of management, particularly when we are trying to achieve the four modernizations? Therefore, when appointing cadres in the future we must take into consideration their seniority as well as their competence. We must boldly promote and use those comrades who have a good political performance, ability and high standards of work despite their lack of experience. It is unwise to put comrades who have low ability and low standards of work in leading posts simply because of their seniority.

The idea of stressing seniority and neglecting ability, that is, of determining rank by seniority, is very common among leading cadres and ordinary cadres and in the party and in society. Although the appointment of an old cadre may arouse discussion, it can easily be accepted by people. The appointment of a middle-aged or young cadre may arouse even wider discussion. People often say that middle-aged or young cadres are unable to control the whole situation and are not dependable because they are inexperienced. Appointment is often according to "seniority" rather than "on merit." If we do not change the criterion for appointing cadres, we will not be able to promote the capable, promising and outstanding cadres in their prime, and the new will not be able to supersede the old. We must resolutely and thoroughly overcome the outworn concepts and firmly foster the new concept of appointing people. Only then will there be hope for our cause.

Second, how should we deal with worker-peasant cadres and intellectual cadres?

A considerable number of our cadres are of worker or peasant origin. During the revolutionary war years we had only very few intellectual cadres but many worker-peasant cadres. This was decided by the historical conditions at that time. Under the party's leadership, the worker-peasant cadres and intellectual cadres cooperated and made concerted efforts to achieve victories in revolution and construction. Our central task at present is to realize the four modernizations, and this will be impossible if we do not have a vast army of cadres who possess cultural and professional knowledge. Since the founding of the PRC we have trained a large number of intellectuals. Most of them have become cadres. However, only a small number of them have been admitted to the leading groups. Therefore, in selecting leading cadres we must pay attention to their academic standards. When recruiting cadres not engaged in production we must also carefully check their academic standards. Where can we find such cadres in the future? We must look for them among the young graduates of colleges, technical schools or middle schools and in accordance with the requirements for cadres. We must choose those who have attained a certain academic standard and must not choose workers or peasants who have a low academic standard. Some cadres have never been to college, but they work hard and have attained a fairly high academic standard and acquired knowledge of one or more professions. The party organization should attach great importance to giving full play to their role and must promote to leading posts those who are in their prime and are able to assume leadership.

Promoting cadres of high academic standards rather than peasants or workers of low academic standards does not run counter to the party's class line. We must bear in mind that the class situation in our country has undergone a drastic change and that most intellectuals have become part of the working class. All socialist workers, peasants and intellectuals are masters of our country and society, as well as the principal force of the four modernizations. It is wrong to regard promoting peasants and workers as implementing the party's class line and promoting intellectuals as violating the party's class line. Some people regard only peasants and workers but not intellectuals as our own people. They pay attention to the practical experience of workers and peasants but neglect the intellectuals' professional knowledge and their position and role in the four modernizations. This is an outmoded notion which reflects the subjective and one-sided way of thinking and should be eliminated.

Third, how should we treat cadres' past and present performance?

Talking about how to judge cadres, Comrade Mao Zedong said: "We must not confine our judgment to a short period or a simple incident in a cadre's life, but should consider his life and work as a whole." ("Role of the Chinese Communist Party") When judging cadres, some comrades only pay attention to the cadres' past performance and ignore their present performance and future development. This is wrong.

Should we take cadres' past performance into consideration? Yes, we should. We should not consider their performance over a short period or a simple incident apart from its historical context. However, should we stress their past or present performance? To pay attention to present performance is our party's consistent policy and an important principle of cadre work. If we do not properly solve this problem in ideology and practice, we will not be able to correctly implement the party's cadre line. To stress present performance we must pay attention to the cadres' performance since the smashing of the "gang of four" and see whether they firmly support the party's line, principles and policies, whether they are loyal to the party's line, whether their ideological style is upright and whether they are enthusiastic in making contributions to the four modernizations. Some cadres were suppressed during the "Great Cultural Revolution." Since the smashing of the "gang of four" they have been vigorous and broadminded and have worked industriously. This should be appreciated. We must put such people in important positions. Some cadres made mistakes during the "Great Cultural Revolution" or in their past. They have made self-criticism and corrected the mistakes. Others have some ordinary problems and have made a summation. These people have performed well since the smashing of the "gang of four." We should trust them and should promote those who deserve to be promoted. Those cadres who performed satisfactorily in the past but not in the present should not be put in important positions.

Fourth, how should we correctly understand and grasp the criterion of possessing both ability and political integrity?

It has always been the criterion of our party's cadres that they should possess both ability and political integrity. There can be no misunderstanding about this. The question is how to understand and grasp this criterion. It needs further clarification.

Ability and political integrity mean different things in different historical periods. During the war years an important expression of political integrity was resolve to fight against the KMT and the Japanese imperialists and to struggle against the landlords. At that time, ability meant leading the army to fight, carrying out the land reform and supporting the frontline. During the four modernizations the criterion of cadres--to possess ability and political integrity--has other meanings. To be specific, cadres should persist in the four basic principles, resolutely implement the party's line, principles and policies, adopt correct ideology and work style and possess professional proficiency, ability to organize and lead, genuine knowledge and practical skills. These are the requirements of the party's cadres under new historical conditions. We must adopt an all-sided rather than one-sided approach in understanding and grasping this criterion. Some comrades regard the mediocre and unambitious cadres who attempt nothing and accomplish nothing, who always say yes and never voice an opinion, as cadres with "political integrity." On the other hand, they regard those enthusiastic and responsible cadres who think independently, possess ability and are bold in voicing their opinions as arrogant and proud and lacking in "political integrity." This is wrong.

Ability and political integrity make up an entity. They cannot be separated, nor should one be overemphasized at the expense of the other. We must pay attention to both. We must stress the criterion of firmly following the party's political and ideological lines. The phenomena of neglecting the line in judging cadres and neglecting the maintenance of political purity among leading groups at all levels must arouse our serious concern. We must not admit to the leading groups those people whose ideological line is incorrect, who are not loyal to the party, who for a long time have been skeptical and resentful toward the party's line, principles and policies, have stuck to factionalism, violated state law and party discipline and acted willfully and have not seriously corrected their mistakes. Therefore, while stressing ability in selecting and appointing cadres, we must simultaneously stress political integrity. Whatever we do, we must have the necessary ability. Otherwise we will fail. This deserves our attention.

Fifth, how should we treat cadres' all-round experience in leadership and professional proficiency?

A problem which deserves our attention is that in selecting cadres we have placed undue emphasis on the cadres' all-round experience in leadership and have neglected their professional proficiency. As a result, we tend to be shortsighted and select the cadres from a limited number of people. Many talented people have been stifled, and there are not enough professional personnel in the leading groups.

Is it good to have all-round experience in leadership? Of course it is. Moreover, it is very precious. Leading cadres, particularly the chief leaders of party and government, must have all-round experience. In the future we will still need successors who have all-round experience. However, such cadres are rare. We can choose them from only a small number of secretaries of county and prefectural party committees. It is difficult to discover the large numbers of professionals in the areas of science and technology, culture and education, medical and health work, and communications and finance. To meet the needs of the four modernizations, we should select a large number of cadres who have professional knowledge

and ability. It is right to demand that they possess certain organizational and leadership ability. However, it is impractical to demand that all of them possess all-round leadership experience. Such experience is accumulated gradually in practice. If we do not allow them to assume all-round leadership, how can they accumulate such experience? If we do not entrust them with heavy responsibilities, they cannot become capable personnel. The party Central Committee demands that we organize leading groups according to the requirements of professional proficiency and gradually place professionals in the leading posts of various establishments and enterprises and party committees at all levels. Under the influence of the slogan "the laymen lead the professionals," for many years we have failed to pay attention to promoting professional cadres to the leading groups. There are only a few cadres who know their professions and management. This has caused great difficulties in our work. We must resolutely change this situation. Laymen must make efforts to become professionals. Leading groups with no professionals must recruit some. When we stress professional proficiency in organizing leading groups, it does not mean that all members of the leading groups should be replaced by experts. It means that we should have a certain number of professionals who have organizational and leadership ability in the leading groups. From the 1950's to the 1960's we trained millions of cadres who graduated from universities or technical schools. They are now in their prime of life--in their forties or fifties. They now have an opportunity to make contributions to the four modernizations. Many of them have relatively high organizational and leadership ability. This shows that we have rich human resources for selecting and promoting cadres. As long as we broaden our vision and break away from the conventions of seeking personnel from party and government cadres, we will be able to discover and select a large number of outstanding successors.

On the whole, the key to correctly implementing the organizational line during the new period and to further creating a new situation for organizational work lies in the following two things: one is further emancipating the mind and correcting the ideological line; the other is reforming the irrational cadre system.

To persist in the correct ideology of cadre work, it is imperative that we treat cadres in a realistic way. Whether a cadre is good or not should be judged by his actual performance rather than by impressions, prejudice or feelings of gratitude or resentment. A cadre is good if his performance is good. A cadre is not good if his performance is not. We must reflect the actual performance of the cadres as it is and should not indulge in idealism. We must specifically analyze and realistically reflect cadres' merits and shortcomings and should not add any other subjective remarks. All things, including cadres, are developing and changing. Some cadres were in their prime and full of vigor in the past but have now become old and weak, with their ability falling short of their wishes. Some performed well in the past but now are not so good. Some were not very able in the past but have made very rapid improvement and have become experts in certain fields. However, some of our comrades are not good at judging people amid their progress and changes. They judge people from a static and absolute viewpoint. They think that when a cadre is good he is absolutely good. When a cadre is not good he is absolutely bad. When they see some achievements they think that everything is good. When they see some shortcomings they think that all is a mess. It seems that once cadres have shortcomings they are no longer good cadres; some comrades think

that cadres should never make mistakes, otherwise they will "never rise up again." These comrades think that cadres who were good in the past must be good at present, while those who were bad in the past must be bad at present. There are other comrades who neglect the role played by the middle-aged and young cadres once they give full play to the role of old cadres; who regard old cadres as a hindrance once they select and promote middle-aged and young cadres; who neglect cadres' abilities once their attention is drawn to cadres' political performance; who neglect cadres' performance as a whole once they stress cadres' academic standards. All these viewpoints are metaphysical. How can we correctly implement the party's cadre line and cadre policy in the new period without correcting the ideological line and the metaphysical viewpoints?

It is essential that we enthusiastically and properly reform the irrational cadre system in order to implement the organizational line in the new period. Practice has proved that cadres' lifetime tenure, the cadres' readiness to be officials rather than common people, their readiness to accept higher posts rather than lower posts, the practice of "What I say goes," the patriarchal system and over-centralized power and some other practices have brought many disadvantages and caused great harm. These have become obstacles on our road to achieving a lively political situation and complete democracy and to building an army of cadres that suits the needs of the new period. We must "destroy the old and establish the new" cadre system, adopt practicable measures and gradually reform the irrational cadre system. We need to continuously study, explore and sum up our experiences in practice. We do believe that in the process of the four modernizations we will be able to properly solve these problems and strengthen our party organization, particularly our cadre contingent, through the efforts of the comrades of the entire party.

CSO: 4004

BE MORE CONSCIOUS IN OPPOSING PRIVILEGES

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 10-14

[Article by Shen Baoxiang [3088 1405 4382]]

[Text] Leading cadres at all levels must "accept the supervision of the party and the masses. No one is allowed to seek privileges." This is one of the important stipulations of the "Guiding Principles for Inner-Party Political Life" passed by the 5th plenary session of the 11th party Central Committee. Making such a stipulation on inner-party life certainly grasped one of the outstanding current questions in party style. It reflected a strong desire of the whole party and the broad masses of people.

I

Comrade Deng Xiaoping pointed out in his report on "The Present Situation and Our Tasks": "Privilege-seeking not only exists among some senior cadres but is common at all levels and in all departments. In short, some of our cadres have become overlords." Some people think that after they occupy a leading position they are superior to other people, that they are special and can be above the party organizations and the masses, disregard rules and regulations, party discipline and state laws, abuse their powers and do whatever they please. Aside from what they get from distribution according to work, they often seek various kinds of special treatment and privileges for themselves and their family and relatives outside of the normal requirements of their work (but often using the requirements of their work as a pretext). This privilege-seeking not only harms and destroys the cadres themselves and corrupts their children, but also corrodes the body of our party and state power and corrupts social morality.

Following the announcement of the Central Committee's regulations on pay and living conditions of senior cadres, and particularly after the announcement and implementation of the Guiding Principles for Inner-Party Political Life, the broad masses of cadres have enthusiastically responded and consciously done things according to regulations. The wind of privilege-seeking has begun to be rectified. However, we must also see that the understanding of this question among various persons has not been totally uniform. In some places, actions have been taken rather slowly. Some people have had various complaints, and some are still brazenly seeking privileges. Facts have shown that it will still take a great deal of effort to really solve this problem.

Why should Communist Party members not seek privileges? The principle is not abstruse. However, each Communist Party member, particularly leading cadres of the party, must have a thoroughly clear understanding of this question ideologically and consciously start with himself.

Privilege-seeking for cadres is incompatible with the nature of the Communist Party. Marx said: "The struggle for the emancipation of the working classes means a struggle, not for class privileges and monopolies, but for equal rights and duties and the abolition of all class rule." ("Selected Works of Marx and Engels," Vol 2, p 136) The sacred duty of a communist is to struggle for the final emancipation of the proletariat and the broad masses of oppressed and exploited people and the achievement of communism. Serving the people wholeheartedly, being the first to suffer hardships and the last to enjoy comfort and being "the first to worry and the last to enjoy"--such is the fine tradition of our party. A revolutionary's material life should be improved only on the basis of the development of production and should conform to improvements in the masses' livelihood. It is absolutely impermissible for him to seek personal privileges in excess of the limitations of prevailing material conditions, in disregard of the people's hardships or even in a manner harmful to or contravening the interests of the masses. Comrade Liu Shaoqi pointed out in his book "How To Be a Good Communist" that communists "are absolutely opposed to privileges of any kind for anyone, consider it impermissible to think in terms of privileges for themselves, and would deem it unthinkable, and indeed a disgrace, to occupy a privileged position among the people." In short, whether or not one seeks privileges is the manifestation of the presence or absence and the purity or impurity of the party spirit.

Privilege-seeking by cadres is also incompatible with the socialist political system. The Marxist theory of the state pointed out that under the socialist system civil servants of the state are public servants of the people. They are "responsible servants of the society itself." ("Selected Works of Marx and Engels," Vol 2, p 439) They must diligently and conscientiously dedicate themselves to the management of the affairs of the state and to working for the interests of the people. They must accept the supervision of the people and must not enjoy any special privileges. This is precisely one of the distinguishing marks of the new type of state under the dictatorship of the proletariat. All those civil servants of the state of the exploiting classes are, in essence, overlords who oppress the people. They are the rulers of the people and are people who enjoy privileges. Therefore, whether or not our cadres seek privileges as civil servants of the state is a matter of principle which bears on the question of what type of political system we wish to maintain.

Privilege-seeking among cadres also runs counter to the requirements of building the four modernizations. In our country the precondition for achieving the four modernizations is that the whole party must have the revolutionary spirit of pioneering through arduous effort. Our cadres, particularly our leading cadres, must set themselves as examples and be leaders in engaging in arduous struggle, caring for the hardships of the people and actively solving the difficulties of the masses. We must see that, under present circumstances wherein material conditions are relatively poor, privilege-seeking among leading cadres will make them even more divorced from the masses. Therefore, to strengthen and improve the leadership of the party and carry on the fine work style of arduous struggle and

close contact with the masses, we must overcome unhealthy tendencies such as privilege-seeking.

In short, privilege-seeking, to a Communist Party member, particularly to a Communist Party member occupying a leading position, is not a minor issue in daily life or an ordinary question of work style, but an important matter of principle. We must take a clear stand and allow no ambiguity on this question. Any argument in defense of privilege-seeking is untenable.

II

Why does the phenomenon of some cadres seeking privileges emerge in a state under the dictatorship of the proletariat and the leadership of the Communist Party? And how do we prevent and overcome this phenomenon?

Marx and Engels had long foreseen that, after the destruction of the old state machinery and the establishment of the state under the dictatorship of the proletariat, measures had to be taken to prevent civil servants from seeking high positions and amassing wealth and from transforming themselves from public servants of society into masters of society. Experience in practice during the 30 years since the founding of the People's Republic has proved how brilliant and profound were these thoughts contained in the Marxist theory of the state. Engels said: "What was the characteristic attribute of the former state? Society had created its own organs to look after its common interests, originally through the simple division of labor. But these organs, at whose head was the state power, in the course of time and in pursuance of their own special interests, had transformed themselves from the servants of society into the masters of society." ("Selected Works of Marx and Engels," Vol 2, p 334) This characteristic attribute of the former state was clearly manifested in the feudal political power and semicolonial and semifeudal political system in our history. In the feudal society of our country, the bureaucratic system with strict designations of rank formed a huge political superstructure in feudal society. Under this system, officials of different ranks had legally designated political and economic privileges. Even the color, material and style of clothing, number of rooms, area and decoration of their residences and the specifications of the sedan chairs they rode were strictly prescribed according to rank. "Overstepping the limits of one's rank" was not allowed. (In reality, officials of every rank had always employed all possible means to gain more privileges.) Under such a system, enjoyment of privileges according to rank designation among feudal bureaucrats was considered a matter of course. "Once a person became an official, all his family and relatives rose in position." "Wives were conferred honorary titles, sons were appointed to office and even ancestors were glorified." Those things were considered a matter of course. This phenomenon continued until the modern period. Although the revolution of 1911 led by Dr Sun Yat-sen toppled the feudal monarchy and established the republican system, it did not touch the foundation of feudal rule. Chiang Kai-shek inherited these norms in practice, although he changed the form. The organs of state power of our People's Republic were established on the basis of the total destruction of the reactionary state machinery. However, the pernicious influence of the old state and the filth of the old bureaucracy could not be totally cleaned out in one stroke. They are bound to be reflected in the state machinery of the dictatorship of the proletariat. After the founding of the People's Republic we paid adequate attention to the assault

of bourgeois thinking and behavior on the organs of state power and engaged in resolute struggle. We were able to achieve remarkable results. But we neglected the corruption of feudal thinking, and this explains the evident traces of feudalism in quite a number of our institutions. Under such circumstances, "even proletarian functionaries inevitably will be 'bureaucratized' to a certain extent." ("Selected Works of Lenin," Vol 3, p 271) This is an important historical reason for the wind of privilege-seeking among cadres.

Looking at this question from another angle, we can see that our country had been one where small production was very widespread. Even now the influence of small production is serious. Many of the cadres of our party originally were small producers. Many of them had been proletarianized in the furnace of revolution, but many of them have not seriously remolded their world view and still have marks of the small producer in varying degrees. When small producers were in the position of the oppressed and the exploited, they advocated equality. However, once they themselves became the holders of power and their position changed, their previous small-proprietor mentality made their lust grow constantly. In such a situation, the concept of rank in feudal society and the privilege-seeking mentality began to affect their thinking. Some cadres do not know the difference between being a revolutionary and being an official, and they invert the positions of master and civil servant. They feel that their behavior must conform to certain norms so that they will look like leaders. In daily life they take diligence and frugality to be stinginess and hard work and simplicity to be shabbiness. They take pride in luxury and enjoy comfort.

The reason for the prevalence of privilege-seeking among cadres can also be found in our own institutions. Since the founding of new China we have built an unwieldy political superstructure. A large number of cadres have assumed leadership positions at all levels, and a whole network of cadre systems and other related systems has gradually been formed. Practice has shown that our system has many defects. Due to the actual existence in practice of the system of lifetime tenure for cadres, resulting in inability of party members and the masses to exercise their right of election, supervision and impeachment, objective conditions have been created for cadres to place themselves in a privileged position above the masses and for some people to seek privileges. The ranking system of cadres is essentially not something foreign. But in the process of actual execution there has been a great deal of feudalistic flavor. Actually, classification into ranks is already expressed in the wage system through implementation of the system of distribution according to work or the designation of pay according to the amount and quality of work. This wage system with specific rankings is a form of distribution according to work. Here the differences in rank concern only the pay received for labor. However, for a long time we have regarded the ranks of cadres as the most important basis for appointments and the most important gauge for the enjoyment of various political and economic privileges. Thus, ranks have actually become a form of political status. Furthermore, in some places, unauthorized appreciation of privileges for higher ranking cadres has been constantly effected. This has cemented the link between higher ranks and the enjoyment of privileges. Some people who have been seriously influenced by feudal thinking even look at their higher rankings as feudal positions of nobility and as a basis for asking for all kinds of privileges. They look at privilege-seeking as a matter of course.

III

We have to recognize the harm of privilege-seeking, appropriately analyze the root cause of this unhealthy tendency and clarify some mistaken points of view before we can consciously adopt correct policies and take measures to solve this problem well. Some views on the question of privilege-seeking among cadres are obviously wrong and need to be clarified.

One view holds that privilege-seeking among cadres is a product of the socialist system and therefore cannot be overcome. Those who hold this view are clear neither on the essential difference between the socialist system and the exploitative system nor on the real meaning of privileges. Historically, privileges came with the system of private ownership and the formation of social classes. The exploiting classes were also the privileged classes. Engels said: "A surplus of the product of labor over and above the costs of subsistence of the labor, and the formation and expansion of a social production and reserve fund out of this surplus--these were and these are the basis of all social, political and intellectual progress. Historically, up to now this fund has been the possession of a privileged class, on which, along with this possession, political supremacy and intellectual leadership also devolved." ("Anti-Duhring," p 191) The privilege of the exploiting class mainly pertains to the right to appropriate surplus value, political supremacy and intellectual leadership. Generally speaking, it pertains to rights of property and management. In all states ruled by the exploiting classes, whether state or slave society, the state under feudalism or the bourgeois republic which claims to be the most democratic, state organs all serve to maintain the privileges of the exploiting class. Government officials in these states are both agents of the exploiting class and a special stratum in this class; they are both the defenders of the privileges of the exploiting class and the beneficiaries of these privileges. As Lenin pointed out: "The bureaucracy represents a special category of persons who specialize in the work of administration and occupy a privileged position as compared with the people." ("Collected Works of Lenin," Vol 2, p 290) Enjoyment of privileges among government officials is not only an inherent and common phenomenon in the feudal state but also an inherent and common phenomenon in the bourgeois state. The two differ only in the scope of privileges and the forms these privileges take. In the feudal state, privileges were blatantly designated according to rank. These privileges could be clearly observed at one glance. Although the bourgeois class abolished the feudal rank system, it did not abolish privileges. Instead, it seeks its own privileges under the guise of equality. It "combined all the feudal privileges and political monopoly through the ages into one big money privilege and big monopoly right" ("Collected Works of Marx and Engels," Vol 2, p 647) and substituted money privilege for feudal rank privileges and hereditary privileges. Although some government officials of the bourgeois class do not enjoy obvious privileges as the feudal bureaucrats did, if we look at the essence of the matter we see that they still constitute a special category of persons within the bourgeois class who occupy a privileged position before the people. They not only serve to maintain the privileges of the bourgeoisie (in this respect, their diligence and efficiency is usually much superior to that of the feudal bureaucrats), but are themselves beneficiaries of these privileges. Economically, aside from partaking in the surplus value of the bourgeois class, they can also appropriate, in the form of salaries, things that the bourgeoisie cannot acquire in the form of profits, interest and rent. Politically, although their power is supervised and

restricted to a certain degree, this does not change their privileged position as masters of society. Some people think that government officials in capitalist countries do not enjoy privileges. This is because they only look at the surface and not at the substance.

In our country, due to the elimination of the system of exploitation, the social cause of the system under which some people appropriate the fruits of labor of others has been totally uprooted. Our government represents the interests of the people. Government organs and state personnel have been entrusted with the duty of serving the people. That is to say, we have eliminated the privileged class in the old society and all the privileges that class enjoyed. The wind of privilege-seeking among some of our cadres neither is an inherent phenomenon in the socialist system itself nor does it reflect the nature of our organs of political power. It is a mark left behind by the old society. If only we adopt correct policies and measures, privilege-seeking among cadres can be overcome. After all, those who are keen on seeking privileges constitute only a very small minority among our cadres. If we consider the organs of leadership of our party and government to be the same as bureaucratic organs in the old society and regard our cadres as a privileged class simply because there are some cadres who seek privileges, that would be tantamount to overshadowing the important by the trivial and taking the part to be the whole. If we proceed from this kind of viewpoint, the struggle against privilege-seeking will be led in an erroneous direction.

Another view holds that the discussions among the masses concerning privilege-seeking are directed against the veteran cadres. People who hold this view therefore reject these discussions. This is also improper. The broad masses of people have never equated privilege-seeking with veteran cadres. The moving deeds of Premier Zhou and other revolutionaries of the older generation in terms of strict self-discipline, hard work and simplicity and their refusal to seek privileges are universally acclaimed among our people. Many old comrades who are still alive are living examples of setting strict demands on oneself and refraining from seeking privileges. They have thus won the respect and trust of the broad masses of people. This is an obvious fact. However, it cannot be denied that within our contingent of cadres there is indeed a small number of people who have indulged in privilege-seeking to a detestable extent. Some of these cadres had earned the heartfelt sympathy of the masses when they were persecuted by Lin Biao, the "gang of four" and Kang Sheng. After the smashing of the "gang of four" and after these cadres had returned to their work positions, the masses had great expectations of them. But they did not devote the major part of their energies to building the four modernizations. Instead, they haggle incessantly over questions concerning their living quarters, cars and other material things and dedicate their time and energy to seeking special treatment for their families and relatives in terms of appointments, enrollment in institutions of higher learning, promotions and travel abroad. Such actions on their part have greatly disappointed the masses and have been the subject of widespread discussions. This is not surprising.

We must know that the reason the masses criticize and censure some comrades who seek privileges is that they want these comrades to share their weal and woe and build the four modernizations with them with one heart and one mind in order to build our country into a great socialist power as soon as possible. Although

these criticisms are sometimes harsh or even strongly worded, they are essentially offered out of concern for our cadres and love of our party. This is diametrically different from the criminal activities of the "gang of four" in the past in attacking the veteran cadres under the pretext of opposing privilege-seeking. We must not confuse the two. As to the target of criticism, we must make concrete analyses. There is nothing wrong with criticizing someone and pointing out his shortcomings to help him improve when a campaign to rectify unhealthy tendencies is underway and if he has indeed sought privileges. Those concerned must change their attitudes and consciously accept the supervision of the masses.

IV

The campaign against privilege-seeking is a serious and arduous struggle. We must do long-term, painstaking work. In solving this problem we must be both firm and consistent. The policy of "legislation first; education first; strict observance of laws; strict prosecution of violations of the law; strict implementation of laws" set by the party Central Committee is a serious, firm and consistent policy. We must seriously implement it.

On the one hand we must improve our system. That is to say, we must seriously reform our cadre system from the angles of cleansing it of the pernicious influence of feudalism, building the ruling party and building the state power of the dictatorship of the proletariat and in accordance with the principles of the Paris Commune in order to completely abolish, in a specific, systematic way, the seeking after honor, status, power and comfort and make positions in party and state organs really become "'honorable' through profitless positions."
("Selected Works of Lenin," Vol 3, p 238)

On the other hand, we must strengthen ideological education among cadres at all levels. Particular attention must be paid to eliminating the influence of feudal thinking and the small-producer mentality. The heightening of consciousness in rectifying the tendency of privilege-seeking is the most fundamental thing. As for people who violate rules and discipline and engage in privilege-seeking, they must be criticized and educated. The principle of strict prosecution of violations of laws and strict implementation of laws must be firmly observed, and punishments must be levied in serious cases involving violations of party discipline and state laws. We must have a correct understanding of and correctly implement the policy of learning from past mistakes to avoid future ones and curing the illness to save the patient. It is only by learning from past mistakes that we can avoid future ones and only by curing the illness that we can save the patient. Learning from past mistakes includes levying the necessary punishments and sanctions. If we equate this policy with unprincipled leniency, it would be tantamount to vulgarizing the policy. In that manner we would not be able to strictly enforce the laws and discipline, would not be able to bring into full play the educational value of past errors and much less really cure the illness to save the patient. Objectively, such a method even has the effect of tolerating and conniving with unlawful acts.

A TALK BASED ON GIVING GREATER DECISION-MAKING POWER TO ENTERPRISES IN SICHUAN---
A TENTATIVE DISCUSSION OF PROBLEMS IN REFORMING THE ECONOMIC SYSTEM

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 15-21

[Article by Xiong Fu [3574 1788]]

[Text] Not long ago we visited a trial point in Sichuan to investigate and acquaint ourselves with the situation of giving greater decisionmaking power to enterprises and to study its experience in reforming the economic system. We noticed that, although economic reform has just begun in Sichuan, a marked change has already taken place in its economic life. In the course of the reform, some new conditions and problems have also appeared. This year Sichuan will also gain new and encouraging breakthroughs in the study and solution of these new problems.

I. Reform Is Imperative

In the past, industrial production in Sichuan, as in the rest of the country, lacked vigor. In particular, on entering the period of readjustment, many of the enterprises were faced with even greater difficulties. However, since greater decisionmaking power was given to the enterprises, conditions have changed greatly.

Take the Chengdu measuring and cutting tool factory, for example. In the past, the manpower, finance, materials, production, supply and marketing of this factory were all arranged by higher authority. On the one hand, like the "emperor's daughter who need not worry about finding a mate," it was not troubled by such problems as overstocking or whether the goods were suitable, because everything was taken care of by material and supply departments, and this cultivated a serious attitude of dependence in the enterprise. On the other hand, "it made no difference whether work was good or bad," as all profits were handed in and losses were subsidized by the state. The quality of management in the enterprise had no bearing on the interests of the enterprise or individual workers, and this greatly inhibited the cadres' and masses' enthusiasm. For a long time such problems as extravagance and waste, lax discipline, showing up for work but not exerting oneself and low labor productivity could not be solved in the factory. In 1979 the Sichuan Provincial CCP Committee decided to use the measuring and cutting tool factory as a test of "giving greater decisionmaking power." The methods used for this were: The enterprise has the right to submit or retain profits, the right to raise funds itself for expanded reproduction, the right to submit or retain more depreciation of fixed assets, the right of production outside the plan, the right of marketing part of its own products, and the right to determine rewards and

punishments. In this way the factory has more leeway to carry out production activities independently, and the state of enterprise management has been transformed.

In 1979, because the national economy had started on the period of readjustment, the planned task handed by the upper level to the measuring and cutting tool factory was greatly reduced, and insufficient production tasks became an outstanding problem. The leading members of the factory suggested that in order to stimulate the enterprise they must tap marketing. They grasped production on the one hand and marketing on the other and persisted in determining production based on marketing. They sent people to cover a greater part of China, carried out investigations, and gathered information on market supply conditions and consumer demands regarding product variety, standards and prices. Based on this, they kept on improving product quality and standards and developed and produced new products. They also extensively sent out advertisements, mailed order forms and set up market outlets in Beijing, Shanghai, Guangzhou and Chengdu to actively break into the market. They improved their service attitude and conscientiously went in for "retail business." They even welcomed the patronage of individual small customers and tried their best to satisfy them. As a result, besides fulfilling the state target last year, this factory also arranged production tasks amounting to more than 18 million yuan through regulation by market mechanism. The output of this factory in 1979 increased by 26.93 percent over that of 1978. Output value increased by 28.9 percent, and labor productivity among all workers increased by 19.5 percent. The factory also handed in the full quota of profit to the state, and that was an improvement over the shortfall of previous years. In short, all targets reached their best level since the founding of the factory.

For the sake of obtaining the best economic results in production, the measuring and cutting tool factory has energetically grasped reorganization and management within the enterprise. It has set up a comprehensive, independent economic accounting system with the workshop as the unit. The main contents are: The workshop has compensable use of the fixed assets and liquid capital of the factory and must therefore carry out a thorough inventory of its equipment and stock and set up a complete set of accounts. The workshop must sign contracts with the factory and other related workshops and laboratories. The workshop or laboratory concerned must assume economic responsibility for the quantity, variety, cost, capital and profit of any product not meeting the conditions of the contract. If it overfulfills the contract, it will be given a premium. Under the logical premise of fulfilling the planned task handed down by the factory, the workshop has the right to accept processing orders from outside units or produce new products to increase its income. The workshop may draw a certain portion of the overall profit as its production development fund. The workshop or laboratory may make its own decision regarding the specific method of distributing its award funds. Since the implementation of these methods, the economic results have been very remarkable. A new situation of "everybody doing a good job and managing money matters" has appeared in the factory. The factory has improved the upkeep of equipment, worked hard to economize in the use of liquid capital and devised means to lower costs, increase output and improve quality. Consequently, compared with 1978, the fixed assets of the factory increased by 31.19 percent in 1979, the utilization rate of liquid capital for every 100 yuan of output value fell by 7.4 percent, and the rate of equipment in good working order has risen by 2.7 percent.

The transformation in the measuring and cutting tool factory is a microcosm of the "greater decisionmaking power" trial points in Sichuan. This example will enable us to see clearly that Sichuan's method in "giving greater decisionmaking power" is to give the enterprises certain power to make their own decisions, so that they may take part in the production and circulation activities of society on their own initiative, and to allow them to link the quality of management with the material interests of the workers and greatly arouse the enthusiasm of the workers to show concern for the management of their own enterprise. In this way, the enterprise will be "stimulated." To what extent the power of the enterprises to make their own decisions will eventually be increased still requires further exploration in both theory and practice. The rights and benefits given the enterprises by existing trial points in Sichuan are still not enough. They still cannot enable the enterprises to become relatively independent organizations uniting the production workers to work in concert and shoulder the responsibility of commodity production for the whole of society, or to play their role in production and circulation with complete independence. Some comrades have proposed that enterprises should develop in the direction of assuming sole responsibility for profits and losses. Judging from the practice in Sichuan, this proposal makes sense, because this method will enable the rights, responsibilities and benefits to be highly unified, give play to the strongpoint of "independent management," avoid the shortcoming of "eating from the same big pot" and thus enable the enterprises and the workers to give play to their enthusiasm to the fullest possible extent. This will be of benefit to all existing departments and regions with their own system to radically reform their economic management system.

II. Production and Circulation

A frequent apparent shortcoming of the existing economic management system is the artificial severing of the organic relations between production and circulation. The state controls the circulation channels of the means of production and means of livelihood by way of material supply departments and commercial departments to control the production of the enterprises. There are two problems here which have not been properly solved. One is the setting up of an administrative division and system based on the channels of material supply and commerce that, in many ways, run counter to rational economic principles. For example, all the iron alloy needed by the Chengdu seamless steel pipe plant could, in fact, be supplied by the Emei iron alloy plant in the vicinity of Chengdu, but the department in charge ordered it from Shenyang instead. The Deyang firebrick factory about 100 li from Chengdu is in a position to supply the seamless steel pipe plant, but the unit designated by the department in charge to supply this plant is actually in Jiaozuo, Henan. The same thing happens in commerce. For example, Jianyang is situated near Chengdu, but since it is administratively under the Neijiang Prefecture it cannot directly supply goods to Chengdu. The goods can only be sent from the second-grade distribution center in Neijiang about 1,000 li from Chengdu. Moreover, the goods of Neijiang are also supplied by Chengdu. In this way, the circulation of goods must go from Chengdu to Neijiang and then be brought back from Neijiang to Jianyang. This irrational circulation of materials and commerce only increases the burden of the enterprises and the state. There is still another problem: There are also great discrepancies in the planned transfer and planned purchase and marketing of products. Take the Chengdu seamless steel pipe plant, for example. According to a notice from the material supply department, seamless steel pipe has become a product in excessive supply, and the plant must

place fewer orders for goods and reduce production. However, there are actually many localities and units urgently in need of steel pipe which could not get an allocation. Because such problems in the sphere of circulation have not been properly solved, state control at times has become a restriction on the development of production.

The method of "greater decisionmaking power" trial points in Sichuan has given the enterprises some power so that they can break the above-mentioned restrictions to a certain extent. However, even if the enterprises are all responsible for their own profits and losses and can extensively develop cross-relations among themselves, they still cannot evolve another set of independent channels of material supply and product marketing for every enterprise or between the enterprises. We must still reform and make full use of the original channels of materials and commerce. The fundamental problem lies in reforming the systems of materials and commerce so that the artificial severing of the link between production and circulation will no longer remain. The comrades of Sichuan have made valuable efforts in exploring and reforming these two systems. Reforming the existing systems of materials and commerce, developing diverse channels of circulation and adopting a diversified economy so that all the products of the whole of society (including products of the means of production) can enter the market as commodities will be an important content of the reform of our whole economic system. Naturally, we must be cautious, as this concerns the overall situation. However, there is no doubt that, whether in breaking the restrictions of administrative systems or establishing and developing economic centers at different administrative levels in the sphere of production and circulation, the use of economic measures and levers by the state through economic organization and legislation to carry out planned adjustment, control and supervision of the economic activities of the whole country will be the direction of our future efforts.

III. Competition and Integration

Socialist competition is essentially different from capitalist competition, and its primary objective is to enable production to better satisfy demand. Its principal method should be renovation and reform, practicing economy and tapping potentials, and its result should be one of encouraging mutual growth and increasing production. In short, socialist competition is not "big fish swallowing little fish," but a contest to produce the maximum and best social products with the minimum labor and time. Under the socialist system, this kind of competition is an economic fact that objectively exists. What exists in actual economic life is not the question of whether or not there is competition, but whether or not our economic system and policy allow the conscious carrying out of competition between the enterprises and whether we are actually protecting the advanced or protecting the backward by competition. By means of "giving greater decisionmaking power," Sichuan has discovered some useful experiences in this direction. The main products of the Ningjiang machine tool plant are small precision machine tools used by the watchmaking, electronics and instrument trades. Because of the excellent quality and low price of the products, they are welcomed by the customers. However, for the sake of enabling several plants of the same trade in the country to have "a share" of the work, the department concerned restricted the production of the Ningjiang machine tool plant. This obviously is a method of protecting the backward. Since "giving greater decisionmaking power" last year,

the department in charge has allowed the plant to accept unlimited orders. It has also stipulated that all the contracts of the plant will be included in the state plan and that the state will guarantee the supply of raw materials and also energetically support the plant in production and marketing. Therefore, the plant placed an advertisement in RENMIN RIBAO and as a result received orders for more than 1,000 sets of machine tools in 40 days. Following that, more orders were received. At present its order books for 1982 are almost full. In this way, four enterprises producing the same line of goods have had to change their production because of the competition. Actually, changing production is not a bad thing; since demand has already been satisfied, what is the use of keeping so many plants? What is wrong with using the equipment and materials of these extra plants to produce other products needed by society? At present the Ningjiang machine tool plant is actively breaking into the international market and preparing to take on the precision machine tool industry of the capitalist countries.

After production has developed to a certain extent by means of competition, the enterprises must develop toward coordination between specialized departments and therefore the formation of new productive forces. This condition will quite naturally give rise to the demand for integration. This is the only way in keeping with the history of production for the sake of socialized large-scale production. On the basis of "giving greater decisionmaking power," the tendency of integration between some trades and enterprises has already appeared in Sichuan. For example, on the basis of its own specialized reorganization, the Chongqing watch industry corporation has broken the demarcation lines between trades and affiliations, negotiated and signed various economic contracts with enterprises under collective ownership belonging to a dozen prefectures and counties as well as communes and production brigades, and also developed various forms of joint management. It appears that, on the present basis of giving the enterprises greater power to make their own decisions, breaking the demarcation lines between administrative divisions, administrative departments and affiliations and developing diversified integration based on economic divisions and economic methods with coordination between specialized departments as the point of departure are completely necessary. What merits emphasis is this: there must be certain conditions for the development from competition to integration. If the conditions are not ripe, we must not obstinately bring about integration. On this question we must particularly respect the wishes of the enterprises themselves. The enterprises are best qualified to determine whether or not they want integration and what kind of integration they want. Integration must be carried out under the principle of free choice and mutual benefit and cannot be enforced by administrative organs. We must advocate "free love" and oppose "parental order." Any integrated production organization should be a voluntary economic integration from the workers and not purely an administrative organization dependent on orders from above. In this kind of economic integration we should also practice the principle of equality and mutual benefit and exchange of equal value; otherwise, there will still be the danger of "eating from the same big pot."

IV. Regulation by Market Mechanism and by Planning Mechanism

The economic practice of 30 years has told us that, at the level of the development of productive forces at the present stage, it is very difficult to make a success of adjusting production and circulation by relying on the state plan alone, and we should bring the role of regulation by market mechanism fully into

play. The comrades in Sichuan said: In the past we thought that regulation by market mechanism was very difficult. Actually, so long as the policy is relaxed, it is not very difficult to make a success of it right away. The difficult part is how to properly combine regulation by planning mechanism with regulation by market mechanism and actively give play to the role of the latter under the guidance of the former on a long-term basis.

In the process of carrying out regulation by market mechanism, some problems have appeared in Sichuan because of the inability of guidance by the plans to catch up. If these problems are not solved, we will not be able to achieve the desired results in carrying out regulation by market mechanism. Let us put the stress here on the discussion of problems of blind production and duplicated construction. By means of regulation by market mechanism, the trial point enterprises of Sichuan have developed production and increased their private capital. Last year the private capital of 100 trial point enterprises totaled 150 million yuan, or more than the state investment in the light industry of the whole province. Apart from using this money to settle outstanding debts in livelihood and production accumulated over the years, the enterprises have also used some in expanded reproduction. At present most of the enterprises are still putting the stress on the former, but in the future they invariably will shift to the latter. This naturally is "glad tidings" to the enterprises. However, in the handling of their investment the enterprises are under a great limitation, which is that they can easily get out of line with "taking the whole country into account." We have come across such conditions in Sichuan. On the one hand, the leading member of an enterprise enthusiastically discussed plans for his own enterprise, the things he wanted to do and the amount of products he wanted to produce. When asked whether he had any certainty regarding raw materials, power and the marketing of products, he declared that there was no problem. However, on the other hand, the comrades of the economic leadership organs involved expressed concern over these problems. They held that if these enterprises became unduly inflated, it would not be in the interests of rational economic distribution in the province. The comrades concerned in the province said that if reform is fully carried out the enterprises will have at least several hundred million yuan of private capital. If the enterprises go all out for expanded reproduction, this will deal a very great blow to the comprehensive balance of the economy in materials, equipment and construction force and result in waste. Actually, this also conflicts with the readjustment policy of shortening the capital construction front of the whole country. Obviously this problem can only be solved by means of guidance by plan. Therefore, strengthening guidance by plan in regulation by market mechanism is very important in developing such regulation.

We have had experience in regulation by planning mechanism, and now we also have experience in regulation by market mechanism. This has enabled us to deeply appreciate the extreme correctness of the policy of combining these two regulations put forward by the party Central Committee. However, this is still a new and unknown field before us. How we can properly combine the two regulations, or how we can use such economic levers as prices, taxes and credits to guide the direction of development for the enterprises, has yet to be conscientiously explored in theory and practice by the economic work cadres as well as the leadership cadres.

As we have mentioned before, on the basis of extensive market research the Ningjiang machine tool plant has signed contracts with its customers, and its order books are full up to 1982. It has also received energetic support from the provincial and central departments concerned, and they stipulated that all its supply contracts will be included in the state plan. Does this method represent a direction in the reform of the planning system? In other words, first, the formulation of plans must be based on the market and must proceed from the needs of society, bring the initiative of the enterprise fully into play and be carried out from bottom to top. The state collects the plans of the enterprises and adds them to the important projects under its direct control before making a comprehensive balance. Only plans formulated in this manner can be established on a solid and reliable basis and play a practical guiding role in the enterprise. Secondly, plans of a directive nature should be greatly reduced. Economic leadership organs are further away from the frontline of production, and it is difficult even for plans formulated after careful consideration to avoid being divorced from reality or becoming blind commands. Transmitting more plans of a reference nature to the lower level will provide the enterprises with greater leeway to effectively overcome the defects mentioned above. However, plans of a reference nature can give rise to another problem, and that is, if the enterprise lacks an overall concept and becomes divorced from guidance by plan, this will also be harmful to the national economy as a whole. However, so long as we amplify economic legislation to strengthen supervision and master the use of such economic means as prices, taxes and credits to exercise control, problems in this direction can be solved. Naturally, the state must also transmit plans of an instructive nature regarding the construction of some major projects or problems that affect the overall relations of proportion and must conscientiously do a good job of investigation and study so that they will conform to objective laws. In this way our plans will be lively without being confused and unified without being rigid.

V. Independence and Unity

The main problem which commonly exists under the economic system currently in effect is that the independence of the enterprise has not been acknowledged. Therefore, a particular point of emphasis in the reform of the present system is to solve problems in this direction.

The independence of an enterprise stems from the fact that any enterprise is an integrated organization of productive laborers in joint labor. As an integrated labor organization, the enterprise must conscientiously implement the principle of distribution according to work and establish the legitimate interests of the workers. Not only must it closely associate the income of the workers with the quality of management in the enterprise in rules, regulations and policy, but it must also acknowledge the differences within the enterprise and give more remuneration to workers who overfulfill their labor quotas. In energetically popularizing fixed quotas with the workshop as the unit within the plant, the Ningjiang machine tool plant gives no bonus to any workshop that cannot fulfill its quota but gives more to those that can overfulfill theirs. Laboratories operate on the workpoint system, and those with more workpoints are given a higher bonus. The workshops or laboratories also carry out distribution based on individual contributions and operate on the quota or workpoint system. People with a small bonus get only 2 or 3 yuan a month, but people with a large bonus

can get 30 or 40 yuan a month. There are also people who get no bonus because of inability to fulfill quotas or because of serious violations of labor discipline. This method, which plays the role of encouraging the advanced and spurring on the backward, is worthy of promotion.

As an integrated labor organization, the enterprise must also establish the democratic right of the workers to manage the enterprise. This kind of right is expressed not only in political life but also in economic life. In the past, workers of many enterprises in Sichuan had no actual power to manage the enterprise. Now this has changed greatly. Many trial point enterprises are holding periodic workers conferences and setting up standing organs, and workers are playing an increasingly important role in enterprise management. This has not only materially aroused the workers' concern regarding the quality of enterprise management but also heightened their sense of responsibility as masters of their own affairs; moreover, this kind of concern is also transformed into long-term labor enthusiasm. Giving the enterprise greater power to make its own decisions eventually will also mean giving greater power to the workers of the enterprise and bring about democratic management of the enterprise.

As an integrated labor organization, the enterprise must also establish the rights of the laborers to receive education and take part in cultural activities. We must provide all kinds of material conditions so that the workers can be released from work to study scientific and cultural knowledge in their spare time, receive technical training, improve their technical level and engage in recreational and sports activities beneficial to their physical and mental well-being.

In short, our enterprises must conscientiously safeguard the various rights of the socialist workers so that they will all show concern for the future of the enterprise and the destiny of the country and become actual masters of the socialist enterprise.

Judging from the independence of the enterprise as a whole, the enterprise can only play an active role in socialist production and circulation in the capacity of a relatively independent commodity producer with corresponding power to make its own decisions in manpower, finance, materials, production, supply and marketing. The state must acknowledge the independent economic interests of the enterprise and the differences that exist in income as a consequence of the quality of management of each enterprise. Mutual ties between the enterprises must be established on the principle of exchange at equal value and equality and mutual benefit. Competition cannot mean benefiting oneself at the expense of others, and integration also should not be "one side swallowing up the other." Regardless of their size, all enterprises should respect the rights and interests of the other party. Only in this way can all the basic-level economic organizations of the whole country have vitality. Trial points for reforming the system in Sichuan and many parts of the country have conducted numerous explorations and obtained outstanding results in bringing the initiative of the workers and enterprises into play. However, there is still a great deal of work to be done in this direction, and we must continue to work hard and exert ourselves.

The question of unity also should not be neglected. It is rooted in economic life itself and completely conforms to the nature of socialist ownership and the

demand of large-scale socialized production. At present the power of the enterprise to make its own decisions has been gradually enlarged, but there still are many problems concerning the unity of the state with regard to guidance and the whole system of economic life which remain to be solved. These are bound to give rise to contradictions. Compared with the past, these contradictions have new characters and peculiarities. We not only must hold fast to the principles and policy of the socialist economy at the present stage but also must pay attention to the study of new conditions and the solution of new problems.

We should understand that the production and exchange activity of an individual or an enterprise is not an isolated action but a kind of social activity. For the sake of enabling the economic activity of the whole society to become a natural and organic relation able to function in a planned, proportionate and coordinated manner, we must have a unified center of command as well as various essential functional organs (including an arbitration organ) to unify planning and arrangements and carry out adjustments. At the same time, society must also set up enterprises for education, health, recreation and sports, scientific research, collective welfare and all kinds of social services and must organize internal and external social safeguards. This requires making necessary deductions from total social production to be used collectively by society in a unified manner. Enterprises must not go against this kind of unity. On the contrary, they must shoulder and perform their responsibilities in these directions, for this is the fundamental prerequisite for safeguarding the independence of the enterprise.

We should also see that the unity of socialist society at the present stage is collectively embodied by the activities of the state. Giving the enterprise greater power to make its own decisions has caused the enterprise's management to break away from the administration and supervision of the government. However, this does not mean that the economic leadership organs of the state will have nothing to do. On the contrary, this has set a higher demand on the function of the state-organized economy under the dictatorship of the proletariat. In other words, the state has to master the method of using economics based on economic laws to guide the development of the enterprise. In this sense, unity is also a very important subject, for it requires us to keep on exploring in theory and practice so that state guidance over economic life will become more scientific and perfect. This is one aspect. The other is that an enterprise assuming responsibility for its own profits and losses does not mean that the enterprise can dispense with state guidance. All enterprises must shoulder many of the duties and tasks of the state and share the portion of social deductions used collectively by the state. They must also consciously obey the pertinent policies and decrees of the state and listen to the correct instructions of the economic departments. Among the many "greater decisionmaking power" trial points in Sichuan, many economic leadership organs are changing their work style, carrying out work in accordance with the policy of "unified planning, coordination, service and supervision" put forward by the provincial CCP committee and intervening less in the administration of the enterprises. Many enterprises have also done a good job of correctly handling the relations between the individual, the enterprise and the state. For example, on the question of bonuses, the Ningjiang machine tool plant, although firmly insisting on rewarding labor above the quota, has also kept the size of bonuses to a certain level. It has also set a limit on the size of bonuses for every workshop and laboratory, and it has used money from previous profits retained by the enterprise to pay for the bonuses of the current

year and is not going in for "distributing and eating everything." This method of obeying the policies of the state and paying attention to others expresses the identity of independence and unity, namely, the former is subordinated to the latter.

The experience of "greater decisionmaking power" trial points in Sichuan has enabled us to clearly see that a very important reason why our economy was organized more rigidly in the past was that we did not consciously treat social products as commodities and did not consciously develop socialist commodity production.

From the angle of exchange between the two kinds of ownership, Stalin in his "Economic Problems of Socialism in the USSR" correctly pointed out that commodity production still existed in socialist society, and this played a very useful role in clarifying the ideological confusion of people at that time and in directing socialist economic work. This work by Stalin has a historical position that cannot be played down among the theses on socialist economic problems. However, at the same time he also made a mistake: namely, he held that the relations of commodities no longer existed in ownership by the whole people. He held that socialist commodities only included means of consumption. As means of production could only be transferred between enterprises under ownership by the whole people, they were therefore not commodities but only "products" possessing the shell of commodities. Even means of consumption could be distributed in a unified manner under planned purchase and exclusive marketing by the state and had no need of regulation by market mechanism. This theory was taken from the highly centralized economic practice of Soviet society at that time.

For a long time we indiscriminately copied the model of the Soviet economic system of Stalin's time and set up a highly centralized and insular type of economic management which became a system of its own: Capital construction is invested in from above, production plans are arranged from above, materials are allocated from above, products are transferred and marketed from above, profits are handed over from above, losses are subsidized from above and wages are paid according to instructions from above. This kind of system artificially severs the natural contacts between the enterprises and causes them to be completely isolated from the market and the customers. They cannot find out whether or not their products meet the needs of society, and even if they accidentally do find out they still cannot make any flexible response. We have not only set up this kind of system in enterprises under ownership by the whole people but also tried to make all the enterprises under collective ownership come over to this kind of system. We have not only restricted means of production from entering the market but also imposed many unnecessary restrictions on the production and circulation of means of consumption. Consequently, this kind of situation has developed: On the one hand, the enterprise loses its relatively independent position of commodity producer and therefore lacks vitality. On the other hand, as the economic leadership departments at various levels cannot be all-embracing and completely thorough in their work, they are far from able to help in most of the multitude of economic activities. In this way, how can economic development avoid becoming ossified? Therefore, to stimulate the economy, a fundamental problem is to emancipate the minds, completely disregard the fetters of old theory and develop socialist commodity economy in a conscious, comprehensive and planned manner. The "greater decisionmaking power" trial points in Sichuan are making efforts in this direction. The result of such efforts has definitely stimulated the economy and confirmed that the set of theories of the past is wrong and must be reformed.

TURN OUR COUNTRY'S PRODUCTION FROM A HEAVY STRUCTURE INTO A LIGHT STRUCTURE

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 22-27

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[Text] Judged in the light of the characteristics of our country's economy and technology, should we use a heavy production structure or a light production structure to develop our industry and agriculture? This problem is worth careful study, as it involves the balance between social production and social demand, as well as a suitable distribution of the social labor force (including means of production and labor force) between different production sectors. A correct understanding and proper handling of the problem are indeed vital. Here are a few initial views on some of the issues which I should like to offer to all for discussion and comments.

I

What is a light production structure and a heavy production structure? What kind of production structure did we develop in the past 30 years? What lessons could be drawn from it? A light production structure means that, in terms of the gross output value of our industry and agriculture, the proportion accounted for by agriculture and light industry as a group amounts to more than 60 percent, as compared with heavy industry, which accounts for less than 40 percent. A heavy production structure means that, in terms of the gross output value of our industry and agriculture, the proportion accounted for by heavy industry amounts to more than 40 percent, as compared with agriculture and light industry, which account for less than 60 percent. It must be pointed out that, since heavy industry turns out certain products for agriculture and light industry, just as the latter turn out certain products for the former, and since it is difficult to differentiate them precisely, we could not but follow the existing statistical gauge to assess the figures we used.

For 30 years, with policy priority resting squarely on developing heavy industry, the development of our agriculture and light industry has been oriented toward a heavy production structure. The production structure of agriculture and light industry as compared with that of heavy industry has changed from a ratio of 92.1:7.9 in 1949 to 57.7:42.3 in 1979. This reveals a 34.4-percent drop in the ratio of agriculture and light industry as compared with a 34.4-percent increase in the ratio for heavy industry, an annual average increase of a little over 1.2 percent. So a heavy production structure has taken shape in our industrial and agricultural production.

We have long believed that to steadily increase industrial and agricultural production and step by step improve the livelihood of the people we must give priority to the development of heavy industry, especially the steel industry, and hike the ratio of heavy industry in the gross output value of industry and agriculture. Invariably we have placed heavy industry in the topmost position since the inception of the First Five-Year Plan and have increased as much as possible capital accumulation and capital construction investments for heavy industry. During the First Five-Year Plan period, when our heavy industry was extremely weak, it was of course necessary to speed up its development and augment its ratio in the gross industrial and agricultural output value, even though we felt at a later period that heavy industry was unduly emphasized. Between 1958 and 1960 heavy industry continued to develop and increase in ratio, so much so that agriculture and light industry actually slipped. When this began to seriously disrupt the proportions in the national economy, heavy industry itself was forced to pull back to its original level. After 5 years of readjustment, 1961-1965, the national economy began to pick up gradually. But economic readjustment did not lead to ideological changes. So there was another attempt in 1966 to upgrade heavy industry. However, due to the Great Cultural Revolution, which disrupted planned economy, both production and construction became so sluggish that there was no room for further development of heavy industry. The new upsurge of heavy industry after 1970, compounded by the disruptive activities of the "gang of four," practically drove the proportions of the national economy into complete disarray. After the downfall of the "gang of four," due to our failure to realize the seriousness of the disruption and imbalance in our economy, agitation for heavy industry surfaced once more. This has brought on new problems and hardships.

Practice attests that, with conditions as they are in our country, undue emphasis on developing heavy industry and pushing for a heavy production structure is not as rational and profitable as people imagine. This may be illustrated by a comparative analysis of the ups and downs in the development of our national economy. That is to say, whenever the ratio of agriculture and light industry in the gross industrial and agricultural output value is comparatively large or increases instead of falling back, the national income grows faster, the people's livelihood improves, the rate of capital accumulation slows down, industrial and agricultural production speeds up and the general economic effectiveness becomes much higher. On the other hand, whenever the ratio of heavy industry in the gross industrial and agricultural output value rises too fast or too high, the growth of the national income slows down, the people's livelihood shows no improvement, if it doesn't worsen, the rate of capital accumulation increases sharply, industrial and agricultural production become sluggish and economic effectiveness deteriorates.

During the First Five-Year Plan period the average ratio for agriculture and light industry was 77.5 percent as compared with 22.5 percent for heavy industry. At that time the ratio for agriculture and light industry was in a more favorable position, even though that for heavy industry climbed rapidly. The pace of development thus was comparatively rapid, the people's livelihood showed marked improvement and economic effectiveness was quite rewarding. Our national income increased at an annual average of 8.9 percent, and state revenues showed an annual average increase of 11 percent. Industrial and agricultural production climbed 10.9 percent per annum, and newly acquired fixed assets accounted for an average

of 83.7 percent of the total capital construction investment, even though the average capital accumulation per annum was only 24.2 percent.

During the Second Five-Year Plan period, especially the first 3 years, the ratio for heavy industry rose as rapidly as that of agriculture and light industry had slipped, with a resulting serious loss of balance in the proportions of the national economy. At that time the ratio for heavy industry jumped to 43.1 percent (53.3 percent in 1960) from the 22.5 percent recorded during the First Five-Year Plan period. The ratio for agriculture and light industry dropped to 56.9 percent from the 77.5 percent achieved during the First Five-Year Plan period. Thus, national income dropped at an annual average rate of 3.1 percent, state revenues rose only 0.2 percent per annum and the people's livelihood went from bad to worse. As the rate of capital accumulation rose to a height of 30.8 percent, industrial and agricultural production increased only 0.6 percent per annum (agricultural output dropped at an annual average rate of 4.3 percent, and light industry output rose no more than 1.1 percent per annum). The national economy then faced tremendous difficulties. Facts show that a heavy production structure has brought on low speed, poor efficiency, inefficiency and even disaster, rather than high speed and high efficiency as people believed.

The industrial and agricultural production structure was thoroughly readjusted in 1962-1965 according to a program of "readjustment, consolidation, filling out and raising standards." The ratio for agriculture and light industry was readjusted to 63.5 percent per annum, as compared with the 56.9 percent recorded during the Second Five-Year Plan period, and that for heavy industry was scaled down from the 43.1 percent attained during the Second Five-Year Plan period to 36.5 percent. As the heavy production structure switched to a light production structure, the revival and development of the national economy during these years turned out to be much faster and better than anticipated. National income rose at an annual average rate of 14.5 percent, state revenues increased 15.7 percent per annum and the people's livelihood also showed marked improvement. With the average rate of capital accumulation dropping to 22.7 percent, industrial and agricultural output rose by 15.7 percent per annum, and industrial and agricultural labor productivity increased by 23.1 percent and 6.7 percent, respectively, a remarkable record for the national economy.

The average ratio for both agriculture and light industry during the Third Five-Year Plan period rose to 62 percent (27.2 percent for agriculture and 34.8 percent for light industry), while that for heavy industry was 38 percent. As the ratio for heavy industry climbed back during this period, the national income showed an increase of 8.4 percent per annum, state revenues increased by 7 percent per annum and the average rate of capital accumulation was 26.3 percent. The livelihood of the people, however, did not register any improvement, industrial and agricultural output rose only 9.6 percent per annum and economic effectiveness was not as good as that achieved during the period of readjustment (of course, the period of readjustment was a period of revival).

During the Fourth Five-Year Plan period the average ratio for both agriculture and light industry was 60.2 percent (29.9 percent for agriculture and 30.3 percent for light industry), and that for heavy industry was 39.8 percent. As compared with the Third Five-Year Plan period, the ratio for agriculture and light

industry slipped while that for heavy industry went up. This, coupled with disruptions and destructions by the "gang of four," seriously jeopardized the proportions of the national economy. Our national income rose only 7.8 percent per annum, state revenues increased no more than 4.2 percent and the people's livelihood suffered serious setbacks. As the rate of capital accumulation rose by 33 percent, industrial and agricultural output increased only 7.8 percent. The growth of the entire national economy became slower and economic efficiency worse still.

The downfall of the "gang of four" did not lead to instant readjustment of the national economy. Instead, the development of heavy industry accelerated to a ratio of 42.6 percent in 1978, bringing about more problems and hardships. Following its third plenum, the party Central Committee announced a program to readjust, restructure, consolidate and improve the national economy. Noticeable achievements were recorded in 1979 as readjustment of the production structure got under way.

II

Why did the fact that heavy industry in our country developed too fast at too high a ratio lead to a low rate of production and consumption, a high rate of capital accumulation and poor efficiency in our national economy? Why did the heavy production structure in our country cause so many problems for the national economy? The reasons are both numerous and complicated. The most important reasons are indiscriminate pursuit of speed, undue emphasis on heavy industry and unwarranted craving for a heavy production structure without due consideration of the real conditions in our country.

In a country such as ours, with a huge population, not enough arable land, backward science and technology and a low standard of living, it is difficult to launch a heavy production structure in a short time. When priority is unduly placed on developing heavy industry, it gives rise to a demand for more capital construction and a higher rate of capital accumulation. This is incompatible with the production level of our agriculture and light industry, our level of capital accumulation and the standard of living of our people. The ups and downs of our national economy in the past 30 years demonstrate that our country is not in a position, for the present at least, to bear the brunt of a heavy production structure. When this is done beyond the capabilities of our national economy, overdue liabilities are bound to bear more and more heavily on our people's livelihood, on production and construction, and difficulties of all kinds confronting the state are likely to multiply. The result of all these factors naturally leads to sluggishness, shrunken consumption, a high rate of accumulation and inefficiency, as is borne out by the following facts.

First, indiscriminate speed in increasing heavy industrial production at an excessive ratio is likely to slow down the development of agriculture and light industry. Since our agricultural production still depends mainly on manual labor, its productivity is very low. The contradiction between the ever-increasing need for commercial grain and industrial raw materials from agriculture on the one hand and the production of farm crops in general on the other is still unresolved and becoming more and more acute. The fixed agricultural assets of the agricultural collective economy in 1978 accounted for about 58 percent of the

total agricultural output that year. One farm laborer was able to support only about 3.5 persons at a low living standard. Thus, agriculture was far from being able to meet the demands of industrial development. Take grain, for example. Compared with what had been attained in 1953, grain production by 1978 had increased only 2.4 percent per annum. Our population increase for the same period was 2 percent, almost the same rate. So there was hardly anything left to improve the livelihood of the people. Moreover, even this increase in grain production was by no means dependable. While the annual increase in grain production exceeded in 14 out of a total of 26 years the rate of population increase, it trailed behind the population increase in the other 12 years (grain production was cut back in 5 of these 12 years), thus practically breaking even. Our light industry, which depends on agriculture for raw materials (equal to 70 percent of the total light industry's output value), still fluctuates with the ups and downs of agriculture and is unable to meet the needs of large-scale construction.

Second, when heavy industry develops too fast at an excessive ratio it is bound to draw on funds reserved for developing agriculture and light industry. Between 1950 and 1975 capital accumulated by our heavy industry was about 50 percent (including tax and profit) of that accumulated by agriculture and light industry. However, investments in heavy industry between 1952 and 1976 amounted to more than 74 percent of the total investment in agriculture, light industry and heavy industry. That is to say, one-third of the investments in heavy industry came from agriculture and light industry. As the demand for funds by heavy industry, which requires heavy investment and more time for turnovers and achieving results, kept increasing, while funds for agriculture and light industry, which require less investment and less time for turnovers and achieving results, became more and more uncertain, the sources of capital accumulation slipped rapidly. As a result, the state faces a paucity of devices to accumulate capital.

Third, when heavy industry develops too fast at an excessive ratio it is bound to cause shortages in energy and raw materials. Heavy industries such as metallurgy, chemical industry, machine making and building materials are heavy consumers of energy and raw materials. The amount of energy consumed by heavy industry since 1952 has been rising steadily, while that by light industry has been dropping. The amount consumed by heavy industry has gone up from 35.6 percent in 1952 to 57.3 percent, while that by light industry has slipped from 64.4 percent in 1952 to 42.7 percent. For every 100 million yuan worth of products, heavy industry consumes four times more energy and two times more electric power than light industry. In spite of the rapid development of energy production in our country in the 30 years since the founding of the People's Republic, averaging an annual increase of 10 percent, which is even higher than the 8.2-percent increase in the average gross output value of light industry for the same period, the rapidly growing and wasteful consumption of energy by heavy industries has left our energy production trailing behind demand, an acute problem confronting the development of our national economy. This shows that a heavy production structure such as this would be too taxing even if we had plentiful sources of fuel and energy.

Fourth, when heavy industry develops too fast at an excessive ratio both production and construction have to expand accordingly. This is too much for our

science and technology to match. With an annual steel production of 30 million tons, some countries could produce enough technical equipment both to satisfy domestic consumption and to export complete sets to other countries. But our country still depends on imports for large sophisticated equipment. This is a very big gap.

In summary, the existence and development of all things depend on certain conditions which man may create or change according to objective laws. But these conditions may not be created or changed at will in violation of these objective laws. This applies to giving priority to developing heavy industry and erecting a heavy production structure. If it is done too fast and excessively, haste will lead to both waste and unrewarding consequences.

III

Why does a speedy and high-ratio development of agriculture and light industry in our country lead to high speed and high efficiency in our national economy? One of the reasons is that the development of agriculture and light industry brings out our best qualities, agrees with the economic and technical capabilities of our country and leads to better cost efficiency.

We are an expansive and populous country with an abundant labor force and natural resources and the capability and advantages to develop agriculture and light industry. It has been proved more than once that intensive development of agriculture and light industry, which absorb a larger labor force, require less investment and involve a lower level of technology, would be conducive to better use of our favorable conditions and advantages. It would improve the people's livelihood sooner, increase capital accumulation more rapidly, foster a higher speed of development of our national economy in proper proportions and keep it more healthy, bouncing and efficient. There are many advantages once this is done. The following are some of the most noteworthy.

First, it provides vast employment opportunities and thus better use of our labor resources in developing social production. Agricultural products in our country are used mostly by the peasants as their own means of subsistence, and very little is sold as marketable commodities. The fact that only a small percentage of agricultural products circulates as marketable commodities has kept our light industry largely underdeveloped. That is why commodity production has been backward in our country, and it should be developed. Our population is close to 1 billion. To provide more job opportunities for a huge labor force awaiting employment, we must develop agriculture, forestry, animal husbandry, sideline productions and fishery, as well as joint ventures in industry, agriculture, commerce and transportation suitable for rural areas. All cities and towns should concentrate on developing the handicraft industry, light industry, the electronics industry and services. Thus, by adopting a production structure based on intensive use of labor instead of one that depends on intensive use of technology, we will be able to employ a huge labor force. This is conducive not only to productive development and a higher standard of living for the people but also to political stability and solidarity.

Second, it favors accumulation of capital. Statistics show that light industry as a whole contributes more to capital accumulation than heavy industry. In

1978, for example, contributions to capital accumulation per 100 yuan of investment by light industry were three times those by heavy industry, and light industry took 50 percent less time than heavy industry to recover the investment. Moreover, light industry turned every yuan in raw materials provided by agriculture into approximately 4 yuan in profit. Thus, well-developed agriculture and light industry may provide capital for heavy industry. Once this becomes possible, the capital accumulation rate does not have to be too high to secure the speedy development of heavy industry.

Third, it saves a tremendous amount of energy. A heavy production structure always entails a horrendous amount of energy consumption, which is aggravated by a higher level of technology. Of the energy now consumed by light industry, 6 million tons of standard fuel could be saved if the output value of light industry were raised by 1 percent. If the output value of agriculture and light industry were raised by 2 percent within the coming decade, by 1990 there would be a saving of 60 million tons of standard fuel as compared with current consumption. This means a saving of 10 billion yuan in capital construction investment.

Fourth, it helps improve the people's livelihood. Well-developed agriculture and light industry may help resolve, step by step, such urgent problems as food, clothing and other necessities and maintain balanced relations between the various sectors of the national economy. Past experience attests that, if our agricultural production increases about 4 percent per annum and our light industry increases its production by 8 percent or more per annum, the people's level of consumption can increase by 4-5 percent, and the wages of all staff and workers can be increased once every 5 years. By giving priority to developing heavy industry, as has been done for a long time, we unduly expanded the scope of capital construction and spread our forces so thin on a far-flung battlefield as to adversely affect the livelihood of the people.

In a word, we can bring out our superior qualities and achieve the best economic results if we intensify the development of our agriculture and light industry on the strength of the real conditions of our country. On the other hand, how are we going to achieve high-speed production, a high level of consumption, a low rate of capital accumulation and high efficiency if we overlook our strong points, fail to bring out our superior qualities and slow the development of agriculture and light industry, if heavy industry does very little to serve agriculture and light industry and if the people's livelihood does not improve while the capital accumulation rate remains high and inefficiency persists?

For a long time there has been a prevailing concept that the pace of development of agriculture and light industry depends on the pace of development of heavy industry. Consequently, the speedy development of agriculture and light industry requires the speedy development of heavy industry. This idea of resting the hope for speedy development of agriculture and light industry on heavy industry is obviously one-sided. Instead of depending completely on heavy industry, the development of agriculture and light industry now and for quite a long time to come depends mainly on party policy and a higher level of science and technology. The experience of the last 30 years demonstrates that the speedy development of heavy industry has not contributed much to the pace of development of agriculture and light industry. On the contrary, when heavy industry developed too fast, the development of agriculture and light industry slowed down.

IV

Such being the case, is the objective law of giving priority to the development of heavy industry in our country still valid? What kind of production structure do we need after all? The foremost justification for giving priority to the development of heavy industry is derived from a law that priority ought to go to production of the means of production. Lenin said: "The significance and usefulness of the law of a speedy increase of the means of production rest on the fact that substitution of manual labor by mechanical labor (meaning the advent of technology in the machine age) requires urgent development of 'the means of production which produce such real means of production' as coal and steel." ("Complete Works of Lenin," Vol 1, p 88) As our country is now at the historical stage of using mechanical labor to replace manual labor, we must observe the law of assigning priority to production of the means of production, a law which is still applicable. However, everything depends on the time, place and actual conditions. We must keep in mind the actual conditions in our country as a starting point for a balanced exploration of this objective law. First, the application of this law of assigning priority to the production of more means of production and the extent to which priority may be given to heavy industry rest first of all on our country's scientific and technological capabilities as well as our objective needs. As our country has a low level of scientific and technological capabilities and is just starting to substitute mechanical labor for manual labor, it will take a long time for us to achieve any noticeable results. Although all sectors of our national economy, especially agriculture, have an ever-increasing need for modern technical equipment, this need at present, due to certain factors, is limited, because the equipment we need is not absolutely indispensable. We must not be too demanding all at once or exaggerate certain needs just to give priority indiscriminately to the development of heavy industry. Second, any effort to increase production of the means of production should be matched by an appropriate increase in production of the means of consumption. The development of heavy industry must be accompanied by a comparable development of agriculture and light industry. Even though additional means of production are needed to expand reproduction, additional means of consumption are equally essential. It is an error to overemphasize one to the detriment of the other. Third, to intensify the development of heavy industry, generally speaking, means to keep increasing the ratio of heavy industry and to cut back that of agriculture and light industry. These comparative ratios should be responsive and flexible enough to allow state plans to readjust them within certain limits. Fourth, the existing situation is such that, due to indiscriminate development of heavy industry at such a fast pace and in such excessive ratios, the proportions of the national economy have become so distorted that progress is impossible unless readjustments are made. The way to achieve real readjustments is to cut back where there are excesses and substitute a light production structure for a heavy production structure which does not agree with our existing national capabilities. This means that we must proceed from the actual conditions in meeting the requirement of this objective law and yet not deny priority to heavy industry.

As changes in the production structure are usually brought about by various sectors of the economy growing at different rates, a readjustment of the heavy production structure requires a comparable readjustment in the rate of growth of the different sectors. So the following options are worth considering: First, increase the ratio of the growth of agriculture to about 28 percent from its 1978

ratio of 25.6 percent. Second, increase the ratio of the growth of light industry to more than 33 percent from its 1978 ratio of 31.8 percent. Third, cut back the growth of heavy industry to below 40 percent from its 1978 ratio of 42.6 percent. Fourth, readjust the internal structure of heavy industry by increasing the ratio of growth of those sectors of heavy industry which serve agriculture and light industry. This may keep the ratio between heavy industry on the one hand and agriculture and light industry on the other at 4:6 and bring about a switch from a heavy production structure to a light production structure which better suits a country like ours, where 80 percent of a huge population consists of peasants, and our production and construction level as well as the people's standard of living. Moreover, this may provide a solution to the contradiction between an inadequate supply of consumer goods and idling of facilities for producing more means of production, a contradiction which is affecting the development of our national economy.

Of course, we still need to develop heavy industry and will need a heavy production structure in the future. However, judging from both favorable and unfavorable experiences at home and abroad, the kind of heavy industry we need to develop should meet these criteria: First, it must be compatible with the level of our agriculture and light industry. Second, it must be adapted to the production requirements of agriculture and light industry. Third, it must fit the capital accumulation of our country. Fourth, it must be in keeping with our energy production and save energy. Fifth, it must fit our scientific and technological level. Sixth, it must improve, step by step, the people's living standard and ease employment pressure. This kind of heavy production structure would be compatible with the real conditions of our country, be conducive to the unfolding of our superior qualities and serve the realization of our country's four modernizations.

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CSO: 4004

A THEORIST OR A POLITICAL SWINDLER--ANALYZING KANG SHENG

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 28-32, 39

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[Text] History often pokes fun at man, even under the dictatorship of the proletariat, and history is sometimes reversed. Comrades who had been open and above-board and loyal to the people and the party were framed and treated unjustly; parasites and evil schemers who had sneaked into the revolutionary ranks were crowned with such laurels as "revolutionary" and "theoretician." Kang Sheng was one among the latter. During the 10 catastrophic years, he collaborated with Lin Biao and the "gang of four" to persecute the upright and loyal, committing heinous crimes. As the counterrevolutionary theories used by Lin Biao and the "gang of four" were of Kang Sheng's "invention," Kang Sheng was lauded as a "Marxist theoretician," and at one time it seemed that this was a final verdict on Kang Sheng as the lid was nailed to his coffin. However, history is written by the people. It is the people and only the people who are the fairest judges. Any reversal of cardinal issues of right and wrong will in the end be reversed by the people. Now it is time we tore the mask of a "Marxist theoretician" off Kang Sheng, laid bare his vicious and sordid intrigues, restored his true features as a political swindler and learned a lesson from it.

Conspirator Who Deliberately Molded Modern Blind Faith

In his comments on the Second International "theorist" and Italian Serrati, Lenin pointed out: "Speaking of Serrati, I can only compare him to a rotten egg. When it is broken, it cracks and emits a stinking odor." ("Selected Works of Lenin," Vol 4, p 601) This assessment is completely applicable to Kang Sheng. Kang Sheng's theories can also be likened to a bad egg giving out a stench that makes people think of speculators.

Marxism is the proletariat and laboring people's theoretical weapon for liberation. However, Lin Biao, Kang Sheng and their ilk dealt with it as if it were a rare commodity that could bring them fat profits. Did Lin Biao not openly declare that studying Chairman Mao's works was "a big moneymaking business"? To attain their aim they then went on to stage a deification farce in China in the middle of the 20th century. Kang Sheng was indeed a leading actor in this farcical performance. As early as 1958 he put forth this thesis: "Mao Zedong Thought is the pinnacle of Marxism-Leninism." That is to say, in his eyes Mao Zedong Thought was the highest stage of the development of Marxist-Leninist

truth. Obviously, it was Kang Sheng who invented the "theory of the pinnacle," because Lin Biao did not assert this until 2 years later. In 1959 Kang Sheng again proclaimed that Mao Zedong Thought was "the highest criterion" and "the last criterion" of Marxism. This amounted to saying that Mao Zedong Thought was not only the pinnacle of Marxism but also the criterion for testing Marxist truth. In 1960 Kang Sheng said that to study Marxism it was imperative to first study the chairman's works ahead of other Marxist-Leninist works. He called this method "letting preconceived ideas keep a strong hold." Later Lin Biao summed it up as the method of finding a "shortcut." Kang Sheng also hatched the fallacious thesis about the "three milestones," clamoring that Mao Zedong Thought is the "third milestone" in the history of Marxist development. They kicked up a din about it, turning a deaf ear to Comrade Mao Zedong's criticism of such theses.

Kang Sheng distorted and reversed the relationship between a leader and his political party as well as between a leader and the masses by putting the leader above the party and advocating unconditional loyalty of the people to the leader rather than loyalty of the leader to the people. When Comrade Tan Zhenlin stood up at a Political Bureau meeting in February 1967 to expose the conspiracy of Lin Biao, Kang Sheng and Jiang Qing to liquidate the party's leadership, Kang Sheng cursed between his teeth: "At this Political Bureau meeting Tan Zhenlin driveled about party leadership being ignored while the mass line is being given too much attention in the Great Cultural Revolution. This is metaphysics and very childish.... Chairman Mao is the leader of our party, and he is personally leading us in the Great Cultural Revolution. How can we say that there is no party leadership?" Kang Sheng's words completely distorted the concept of party leadership. The leadership of the party means the leadership of party organizations at all levels and not in the least the leadership of a single leader. This is commonsense about Marxism-Leninism. It is none other than Kang Sheng who went in for "metaphysics" on a big scale and uttered many ridiculous things.

Kang Sheng also showed keen interest in the practice of feudal emperors and kings of installing crown princes. He glibly advertised Lin Biao as "the most loyal" and "the most staunch" successor who had "constantly held aloft the banner." In designating Lin Biao as the "successor," the party constitution adopted by the Ninth CCP Congress directly contravened the Marxist political party's principles of organization. However, Kang Sheng shamelessly praised this specific provision, saying: "This is an event of vital importance concerning the future and destiny of our country as well as an event of vital importance concerning the future and destiny of world revolution." Such fulsome praise had been rare even in history. It seemed to mean that, with Lin Biao as the successor, China and the world were promised a bright future, and if Lin Biao was not designated as the successor, the world would slip into a dark abyss.

In collusion with Lin Biao, Kang Sheng made an all-out effort to deify the leader, not out of ignorance but with ulterior motives. They aimed at taking credit, winning favor, seeking awards and usurping party and state leadership. Both Kang Sheng and Lin Biao spent a lot of time studying feudal hierarchical politics and concluded that slavish flatterers would be doted on while upright men bold enough to remonstrate against wrongdoings would suffer. Hence, Lin Biao regarded "vigorously expressing support" for the leader and "most obediently following instructions" as the "general principle" guiding his actions. He wanted to "do what Engels did to Marx, Stalin to Lenin and Chiang Kai-shek to Sun Yat-sen." In

"aping the leader at every step," Lin Biao was aware that if he could "remain in favor" he "could then usurp the leadership of the country." Kang Sheng shared the same criminal ambition. In deifying the leader and vying with others for the lead in "holding high" and "following closely," Kang Sheng had an eye to reaching a high position. In advocating the theory of "the pinnacle," Kang Sheng meant to reach the "pinnacle" himself. Therefore, it will not be hard for people to understand the reason why Kang Sheng and his ilk paid no attention to Comrade Mao Zedong's criticisms of the fallacies of "the pinnacle," "propaganda with a great fanfare" and "the three milestones," constantly changed their tactics and drastically escalated the deification movement. Nevertheless, historical laws are independent of the subjective will of Kang Sheng and his ilk, who have now fallen from the pinnacle into the most sordid spot in history.

The Most Despicable Adulteration of Marxism-Leninism

In exposing the ruses of the Second International revisionists, Lenin pointed out: "To discredit a new political (not necessarily merely political) ideology and wreak havoc on it, the most effective way is to vulgarize it to the point where it is made to appear ridiculous under the pretext of safeguarding it." ("Selected Works of Lenin," Vol 4, p 217) Kang Sheng did precisely that. He flaunted the banner of "safeguarding" Marxism-Leninism to distort and tamper with Marxism-Leninism. In this respect, Kang Sheng resorted to even more abominable means than conspirators of earlier times had done.

The criticism of the "theory of productive forces" was Kang Sheng's "masterpiece," of which he was very proud. He used this to persecute revolutionary cadres and sabotage our socialist economic construction. During the 10 catastrophic years, he took pains to repeatedly rave about the "theory of productive forces," attacked it for being the theoretical basis of revisionism, and cited it as a yardstick for judging capitalist roaders. This "theory" was in fact Kang Sheng's own invention, but he covered up the truth and alleged that it came from Lenin. In this way, he appeared to be "safeguarding" Lenin's thinking and "holding high" Lenin's banner. Kang Sheng said: "What is the 'theory of productive forces'? According to this theory, before the development of productive forces reaches a specific level, it is impossible to realize socialism; some experience in capitalism is necessary before socialism can be brought about.... After gaining some experience under capitalism, people can then embark on the road to socialism. Lenin once waged a struggle against the Social Democrats, Trotsky and Bukharin over this theory." Kang Sheng even went a step further to sum up the "two-road struggle" within the party in this way: "It is a struggle over two choices for the proletariat after its seizure of political power—whether to greatly develop productive forces before embarking upon socialist construction, that is, to follow the capitalist road, or to immediately go ahead with socialist revolution and construction, that is, to embark on the socialist road." As a matter of fact, Kang Sheng's views had nothing to do with Lenin's thinking. First, Lenin always held that socialism could not be realized unless productive forces were developed to a certain extent. This has been an indisputable truth.

However, Kang Sheng completely denied that the successful realization of socialism is conditional on productive forces developing to a certain extent. His ideas about the "revolution" were divorced from objective material conditions and hence were ideas of a kind of sham revolution he himself had concocted. Second, the

debates between Lenin and the opportunists were focused upon whether socialist revolution could begin in a single country. At that time the opportunists opposed socialist revolution and the seizure of political power on the pretext that Russia was too backward economically. In our party there had never been any such debate. Who among all those slandered by Kang Sheng for being capitalist roaders was opposed to the seizure of political power or the establishment of the PRC? Third, Lenin held that after the founding of the state it was imperative to immediately shift the focus of the party's work to economic construction. Lenin said that this was the universal law governing socialist revolution. He observed: "In any socialist revolution, after the proletariat has fulfilled the task of seizing political power, along with fulfillment of the task of depriving exploiters of their means of exploitation and suppressing their opposition, the proletariat must give first priority to the fundamental task of creating a social economic system that is better than that in capitalist society. This fundamental task also means enhancing labor productivity." ("Selected Works of Lenin," Vol 3, p 509) On the contrary, Kang Sheng was opposed to "giving first priority" to enhancing labor productivity. Kang Sheng maintained that anyone who devoted himself to socialist economic construction was an advocate of the "theory of productive forces" and a "capitalist roader." If this were true, would Lenin not have become a "capitalist roader" upholding the "theory of productive forces"?

Classic writers of Marxism pointed out on many occasions that distribution according to work is the principle of distribution for socialism. However, Kang Sheng alleged that this was the principle of distribution for capitalism. Kang Sheng fabricated this fallacy but refused to confess the truth. Instead, he tried to use quotations from Marx and Lenin as his camouflage. Kang Sheng said: "Why can socialist plants engender capitalism? According to Lenin, socialist plants came from the capitalist society instead of dropping from the skies. In our plants, there still are bourgeois rights and the vestiges of bourgeois thinking. Concretely speaking, while their production is socialist by nature, their products are distributed according to the principle of exchange of equal values and the principle of distribution according to work.... Therefore in our plants production is socialist by nature, but the system of distribution embodies bourgeois rights. Lenin pointed out in chapter five of 'The State and Revolution' that this means a bourgeois state without the bourgeoisie."

Did Marx and Lenin say anything like "the production is socialist by nature but the system of distribution is capitalist"? No, never. Very much to the contrary, Marx and Lenin both maintained that the nature of distribution is determined by that of production. They held that distribution according to work is the socialist principle of distribution based on socialist public ownership of the means of production. It prevents the bourgeoisie from extracting surplus value. In this way, "exploitation of man by man has become impossible, because it is no longer possible for anyone to make means of production such as plants, machines and land his own property." "The socialist principle of 'he who does not work, neither shall he eat' has been realized, as has the socialist principle of 'giving the laborer a number of products equal to the amount of work he has done.'" ("Selected Works of Lenin," Vol 3, pp 251-252) However, as compared with the principle of distribution according to need, which will be applied during the advanced stage of communist society, the principle of distribution according to work still has its "defects" and "unequal" factors. It was precisely in this sense that Marx spoke of this principle as embodying bourgeois

rights. He pointed out that it represented the "vestiges" or "traces" the old capitalist society would inevitably leave behind in the new socialist society. However, Kang Sheng played up the significance of such "vestiges" or "traces" and alleged that these were the decisive factors that determined the nature of things, blurring the fundamental distinctions between the socialist system and the capitalist system. We would like to ask: Which brand of capitalism in the world can boast of having implemented the principle of distribution according to work? If the principle of distribution according to work is confused with the principle of extracting surplus value, could there be any superiority of socialism? And what good is there for people to work for socialism?

Puddling His Rubbish Under the Signboard of "Holding High"

Beginning in 1958, Kang Sheng made increasingly vigorous efforts to publicize Comrade Mao Zedong's contributions to the development of Marxism-Leninism. During the 10 catastrophic years, "development" simply became Kang Sheng's pet word. He talked like a record, ceaselessly and mechanically repeating this word. Upon closer examination, however, people discovered that something was wrong with Kang Sheng's words. Kang Sheng in fact was not publicizing the contributions made by Comrade Mao Zedong to the "development" of Marxism-Leninism but peddling his own wares by flaunting Comrade Mao Zedong's banner.

On the criteria for determining class status, Kang Sheng said on several occasions: "Classes are determined not only by the economic base but by political and ideological criteria as well. This is a great contribution made by Chairman Mao to Marxism-Leninism." He also said: "In the past, class status was determined according to definitions given by Lenin and by economic criteria. We overlooked the importance of Chairman Mao's idea that classes should also be determined by political and ideological criteria, which is a great contribution Chairman Mao made to the development of Marxism-Leninism." In fact, Comrade Mao Zedong did not make any contribution to such "development," nor did he say anything about "classes also being determined by political and ideological criteria." Both in the democratic revolution stage and in the socialist revolution stage, our party has insisted on putting into practice the materialist viewpoint of differentiating classes according to their economic status. The various regulations adopted by the party concerning the work of class designation have been eloquent proof of this. Therefore, the theory of determining class status by political and ideological criteria was completely Kang Sheng's own invention and out-and-out idealist stuff. In fabricating such a theory, Kang Sheng had his political motives: First, to provide a theoretical basis for their fallacious theory that "throughout the historical period of socialist society there are classes, class struggle and the danger of capitalist restoration." According to Kang Sheng's theory, classes are differentiated by political and ideological criteria. Therefore, in the stage of socialist revolution the exploiting classes are not passing away; instead, exploiting class elements will grow in number. Also according to Kang Sheng's theory, so long as exploiting class thinking exists, exploiting classes as a whole will exist forever. From this, Kang Sheng deduced that "throughout the historical period of socialist society there are classes, class struggle and the danger of capitalist restoration." His second motive was to concoct a theory about the existence of certain "classes" and create targets of attack. He believed that if their assertion that classes could be differentiated by political and ideological criteria was accepted as correct, they could

then create "class enemies" as targets of attack on accordance with such "political and ideological" criteria. The theories about the so-called "bourgeois elements within the party" and the "bourgeois intellectuals" and so on were all modeled on this subjective concept.

During the 10 years of political turmoil, Kang Sheng spoke more than once about how Chairman Mao developed the Marxist-Leninist theory of uninterrupted revolution and set forth the theory of continuing the revolution under the dictatorship of the proletariat. Once, when explaining the political report given at the ninth party congress, Kang Sheng said that in calling for "uninterrupted revolution" Marx and Lenin "mainly referred to the importance of continuing the revolution during the transitional stage from the democratic revolution to the socialist revolution." He alleged that "by stressing the importance of continuing revolution in the period from socialism to communism Chairman Mao developed Marx' theory about uninterrupted revolution." This is purely deceptive talk. Anyone who has read the works of Marx and Lenin understands that in Marx' book "Class Struggle in France, 1848-1850" there are some famous sayings, such as: "This socialism means declaring our intention to carry out uninterrupted revolution, namely, the class dictatorship by the proletariat. This dictatorship constitutes the inevitable transitional stage leading to the abolition of all class distinctions, the abolition of all relations of production arising from such distinctions, the abolition of all social relations suited to such relations of production and the transformation of all notions arising from such social relations." ("Selected Works of Marx and Engels," Vol 1, pp 479-480) Are the abolition or transformation of the four "alls" mentioned above by Marx not the very historical mission to be fulfilled during the socialist stage? How can we say that Marx' and Lenin's thoughts on uninterrupted revolution merely dealt with the transition from the democratic revolution to the socialist revolution? Moreover, Kang Sheng's theory about uninterrupted revolution under the dictatorship of the proletariat has nothing to do with the Marxist theory of uninterrupted revolution. The Marxist theory of uninterrupted revolution is aimed at the thorough emancipation of the proletariat, while the theory dished up by Kang Sheng and his ilk about uninterrupted revolution means "uninterruptedly" waging struggles against the proletariat and "uninterruptedly" engaging in conspiracies to seize power, that is, to subvert the dictatorship of the proletariat. The attempt made by Kang Sheng and his ilk to pass their own ideas off as a "major step forward in developing" Marxism can only be regarded as a malicious mocking challenge to Marxism.

Base and Apparent Sophistry

One of the important features of opportunists is their attempts to replace dialectics with sophism. Kang Sheng was an old hand at this game. What he means by dialectics was synonymous with sophism, but his sophism was even more sordid than that of his predecessors.

Lenin said: "The central point at issue is complete and extensive flexibility in the application of concepts that are capable of realizing the identity of opposites. This flexibility, if manipulated by subjective thinking, becomes eclecticism and sophism." ("Collected Works of Lenin," Vol 38, p 112) Kang Sheng made the flexibility of concepts serve his own subjective needs and substituted this flexibility for the equalitative qualification of concepts.

Socialism and capitalism are two essentially different concepts with certain overlapping factors between them; however, they are fundamentally different by nature and should not be lumped together. Kang Sheng portrayed socialism as capitalism on the grounds that there were certain "vestiges" and "traces" of capitalism in socialist society. After the fundamental fulfillment of the task of the socialist transformation of our industry and commerce, in our society there still were "vestiges" of class and class struggle. Kang Sheng, however, infinitely played up such vestiges and talked such nonsense as "Throughout the historical period of socialist society there always are classes and class struggle" in his effort to provide the theoretical basis for their conspiracies to usurp party and state power. Despite its shortcomings and problems of one kind or another, our party remains a great, glorious and correct party. Kang Sheng, however, by employing the methods of attacking a thing for a particular fault without considering the whole and of stubbornly adopting a one-sided view of things, fundamentally negated the proletarian character of our party, maligned it as being a "revisionist party" and even threatened to "rebuild" it. He labeled the great majority of our party cadres "capitalist roaders" and intended to bring about a "complete takeover" of political power "by the masses from top to bottom."

Sophists exaggerate the relativity of things, negate the qualitative qualification of things and blur the distinctions of things. In their eyes, there are no issues of right and wrong, truth and falsehood, or good and bad with regard to anything. To them, "this" can mean "that" and "that" "this." Crowning people with dunce caps, forcing them to carry placards with humiliating words written on them and parading them through the streets were indeed acts of violence that flouted the party and state laws. During the 10 catastrophic years, when Kang Sheng once was asked at the Central Party School whether according Comrade Lin Feng such treatment meant resorting to violence against him, Kang Sheng replied: "This is neither verbal struggle nor violence." His reply produced an immediate and "magical" effect throughout the country, and the practice of crowning people with dunce caps, forcing them to carry placards with humiliating words written on them and parading them through the streets as a means of struggle soon spread to every corner of the country, with those presiding over such violent incidents citing Kang Sheng's words as an "authoritative" explanation.

Lenin said: Sophistry means "grasping superficial similarities among things while deviating from the internal relations leading to changes in them." ("Collected Works of Lenin," Vol 21, p 99) This was precisely what Kang Sheng did. He grasped certain "superficial similarities" among things and lumped together things that did not have anything to do with each other. This was his usual way of reasoning. He once "criticized" the book "How To Be a Good Communist" by saying: "When talking about being 'loyal' and 'frank,' the book says that 'there is nothing we should hide from others.' If we followed these words, would it not mean telling Jiang Jieshi all our party's secrets?" It is very clear and indubitable that in the passage cited by Kang Sheng the book was advising comrades in our party organizations to be loyal and frank to the party. Nevertheless, Kang Sheng deliberately ignored this premise and arbitrarily mentioned our party organizations in the same breath with Jiang Jieshi, On the question of the "16-character" principle (or the principle of "studying theory, integrating theory with practice, raising political consciousness and enhancing

party spirit") that was implemented by the Central Party School in the teaching of Marxist theory, Kang Sheng at first supported this principle but later attacked it for being "supraclass." He asked: "Is the study of theory aimed at studying Marxist theory or revisionist theory? Does the integration of theory with practice mean the integration of theory with revolutionary practice or with counterrevolutionary practice? By raising political consciousness, do you mean the raising of Marxist-Leninist political consciousness or revisionist political consciousness?..." Is it not clear enough that Kang Sheng was capable of inventing any excuse for any act of incrimination he contemplated? Only those with an axe to grind could offer such clumsy and base "criticisms."

Undisguised Subjective Idealism

The theories advertised by Kang Sheng were not backed up by anything that existed in the subjective world but were the product of his subjective desire. In judging whether one was good or bad, Kang Sheng did not think it necessary to conduct any investigation, and he did not base any such judgment on actual facts but formed his judgments on his likes and dislikes. He often acted recklessly and arbitrarily and slapped political labels on people right and left. He would suddenly declare someone "a bad element" and even say: "I can tell from your appearance that you are a traitor," "I knew you were a traitor at first glance by drawing on my experiences over the past 40 years." Once Kang Sheng openly declared a comrade a "bad element" even before he got to know the comrade's name. Later the comrade was persecuted and died under this unjust charge. To incriminate Comrade Peng Zhen, Kang Sheng insisted on the concocted charge that Comrade Peng Zhen had intended to stage a coup. At a mass meeting held on 27 July 1966, Kang Sheng said: "In February 1966 the gang of counterrevolutionaries in Beijing headed by Peng Zhen made preparations for a coup! ... They planned to deploy a battalion of troops each in Beijing University and the People's University. This is absolutely true!" "To plan a coup"--what a frightfully serious matter! In declaring at the mass meeting that this, which actually had not happened at all, was an "absolutely true fact," Kang Sheng told a monstrous lie in broad daylight. He really found a wonderful use for the formula "perception means existence!"

One important manifestation of subjective idealism is voluntarism. Voluntarists infinitely exaggerate the role of will, maintaining that will is omnipotent. They claim that everything in the objective world is the product of subjective will. Kang Sheng once said: "What is a scientific experiment? To use a common expression, it means permitting people to be bold and mischievous under the guidance of Mao Zedong Thought." What an epoch-making "masterpiece"! Was it not a shameless slander against Mao Zedong Thought to speak of "being bold and mischievous" "under the guidance of Mao Zedong Thought"? In calling "bold and mischievous" actions a "scientific experiment," Kang Sheng laid bare his sordid soul. During the 10 catastrophic years, he committed all kinds of outrages and attempted to usurp party and state power, because he was being driven by his swelling personal will. In 1958 Kang Sheng said in a report: "Many young specialists in iron smelting have emerged from Luanchuan County in Henan Province. The youngest of them is only 8 years old. By blowing into a bamboo pole with its joints bored through like a blower, he is able to produce three to five catty of iron each time." He went on: "In Henan there is also a normal school now offering a superb crash course. It runs through a curriculum that would normally take 3 years to complete in 1 month's time, and in some cases the time can even be

shortened to 10 days. All its graduates pass the exams with satisfactory results." Maybe these were the kind of "scientific experiments" that Kang Sheng said young people who were "bold and mischievous" could do! Concoctions, however, can never become reality. This reminds us of the formula put forth by Hu Shi, which said: "Boldly advance hypotheses and carefully verify them." But Kang Sheng was even more clumsy in peddling such shoddy wares than Hu Shi had been!

On their march forward people must be educated not only by positive examples but also by negative ones. Sometimes education by negative example is more important and thorough. Teachers by negative example like Kang Sheng and other political or theoretical swindlers of that kind are not easy to come by. We must make earnest efforts to study the characteristics of swindlers like Kang Sheng, probe the pattern of their activities and the conditions that spawn such swindlers and draw all the useful lessons from such studies, so that the harmful effects of such swindlers can be minimized and their reappearance can be prevented.

CSO: 4004

THE ROLE OF ADULT EDUCATION IN SOCIALIST MODERNIZATION

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 33-37

[Article by Zang Boping [5258 0130 1627]]

[Text] In a discussion of the problems of adult education in the course of a recent Central Secretariat discussion of education work it was pointed out that the educational system should consider the educational problems of workers and peasants. Unless the education of the workers and peasants is intensified and unless there is culture, the modernization of industry and agriculture will be difficult to realize. When the workers and peasants have been educated and their cultural and scientific levels improved, it becomes possible to increase the labor productivity rate. This clearly demonstrates the position of adult education and the important role of the development of adult education.

Our party has a long tradition of paying serious attention to adult education. During the revolutionary war era, attention was paid to the development of cadre education, and all sorts of schools and training classes were established to train cadres in politics, economics, military affairs and technology. Among the worker, peasant and soldier masses in the revolutionary base areas, literacy and cultural campaigns were launched. Following the founding of new China, the Central Committee of the party and the State Council issued many decisions and directives pertaining to the task of adult education. In the 17 years preceding the Great Cultural Revolution, outstanding achievements were made in adult education work. For example, illiteracy was virtually eliminated from among workers and staff members, and the phenomenon of the peasantry as a sea of illiteracy was changed. All sorts of middle and primary schools for adults flourished, and higher education for adults also saw definite development. All in all, more than 4.4 million people were graduated from spare-time primary schools. Spare-time middle schools graduated more than 1.66 million people, and spare-time universities graduated more than 200,000 people. Many old cadres and grassroots cadres who had no opportunity to study during the revolutionary war era were able, through study, to grasp certain cultural knowledge and to play an active role in the development of production and the building of political authority. The party also adopted some special measures, such as the establishment of cultural cadre schools, political cadre schools and speeded-up middle schools for workers and peasants. It transferred cadres to institutions of higher education and sent them abroad for advanced studies, training a large number of experts in various fields. Most of them have become the backbone of today's work in building the four modernizations. During the period of the

rampage of Lin Biao and the "gang of four," adult education was struck a devastating blow, and for a long time it remained in a state of stagnation or semi-stagnation. Rural village illiteracy rose greatly once again, and the cultural level of workers and staff members was unable to increase as it should, thus causing severe damage. Once the "gang of four" was smashed, along with the general uprooting of chaos and a return to normalcy on the educational front came a gradual revival of adult education and some preliminary development. At the present time, educational organizations for workers and peasants at all echelons are gradually reviving. In some cities and industrial systems a teaching system is in the process of formation for worker study of culture, technology and management, and the number of people participating in study is constantly increasing. Quite a few vocational departments are operating cadre schools and short training classes in order to improve the professional levels of cadres responsible for management. According to 1979 statistics, students enrolled in institutions of higher learning for adult education nationwide numbered more than 1.72 million. Of these, 280,000 were broadcast television university students, and the number of students enrolled in correspondence courses run by institutions of higher learning, and as nighttime university students, already exceeds the number for the highest year prior to the Great Cultural Revolution. More than 6.1 million people are students in middle schools. Last year and this spring, 22 million farmers participated in illiteracy eradication and spare-time study. These accomplishments should be fully acknowledged.

Nevertheless, in our entire educational system, adult education has always been a weak link, and now, especially, it is a long way from being able to meet the requirements for the construction of the four modernizations. Socialist modernized construction endeavors in our country are now gradually proceeding along the track of sound development. We must further acknowledge the major significance of the development of adult education in a new historic period and vigorously intensify this task, so that it will be able to play a full role in the building of a modernized socialist power.

First of all, the intensification of adult education is an urgent need for the high-speed development of the national economy.

The central problem in the realization of the socialist four modernizations is constant and large-scale increases in the rate of labor productivity, so that society's productive forces can develop by leaps and bounds. Lenin said, "It is communism that uses a labor productivity rate created by the technologically advanced and voluntarily united workers that is higher than that of capitalism." ("Selected Works of Lenin," Vol 4, p 16) He particularly emphasized that "it is the rate of labor productivity that, in the final analysis, is the most important and principal thing assuring the victory of the socialist system." (Ibid.) Following the founding of new China, our country's rate of labor productivity showed a fairly great increase, and the speed of development of production was also quite rapid for a time. During the last 10 years, however, owing to the interference of Lin Biao and the "gang of four," the gap between ourselves and the capitalist nations has widened. This is a prominent problem, which we must solve.

Whether the rate of labor productivity is high or low depends on numerous factors. Marxists appreciate that people are the most dynamic factor among the

production forces. Of all the numerous factors influencing the rate of labor productivity, it is the quality of the labor force that plays the decisive role. This is just as Marx said. The technical level of the existing population is, from beginning to end, the prerequisite for all production, and it is thus also the principal repository of wealth. In modernized production a sufficient quantity of experts and workers possessed of a fair amount of scientific and cultural knowledge is necessary if science and technology is to be developed, scientific management instituted, the accomplishments of science and technology broadly applied to production units, effective use made of natural resources, the dependence of agricultural production on natural conditions reduced, and the disadvantageous effects of natural conditions overcome in order to take better advantage of the economic benefits of the means of production, etc. For these reasons, the world's economically advanced nations regard education as a major element in economic growth, pay extreme attention to education and term the education process a development of intellectual resources. The rapid post-World War II revival and development of the economies of some countries was inseparable from the development of educational endeavors.

One of the major reasons for our country's current low rate of labor productivity is that the cultural and technical level of the workers is unable to meet the needs of the development of production. According to surveys conducted in various regions, workers and staff members on the industrial front with a high degree of cultural training amount to only 3 to 5 percent. Those with a junior middle school cultural level total 70 to 80 percent, and about half the workers are not equipped with even the cultural foundation that workers at an elementary level should possess. Five percent of them are illiterate. In some industrially advanced countries such as the United States, 17.1 percent of all employees were technicians in 1970. The proportion of semiskilled and unskilled workers was very small, amounting to only 4.7 percent, while in our country the technical level of a majority of the workers is below grade 13, and the proportion of technicians in the work force stands at only 4 percent or so. In light industries it is even less than 1 percent. The low cultural and technical level of the peasantry is even more seriously glaring. Thirty percent of all able-bodied youths in rural villages are illiterate, and 40 percent have a primary school cultural level. Among the hundreds of millions of those engaged in agriculture, agricultural technicians account for something less than 200,000. The overwhelming majority of peasant technicians below the commune level do not understand modern agricultural science and technology, and most farm machinery operators have not achieved minimum cultural and technical requirements. The level of management of our industrial and agricultural production is also very low. According to surveys conducted by some provinces among industrial and transportation enterprises, only 22 percent of county agencies and of CCP committee secretaries and managers of industrial plants had professional knowledge. Less than 5 percent of party and government leadership cadres at all echelons responsible for agriculture had any specialized knowledge. It is just such a series of circumstances that prevent fullest use of existing technical equipment in industry and make it difficult to take in hand the introduction of advanced technology. Agricultural production still relies, to a substantial extent, on traditional experience and skills, and there are great difficulties in spreading modern agricultural techniques. Production accidents resulting from a lack of understanding of technology are numerous, and some even result in extremely serious consequences. Production efficiency is low, and a great amount of overstaffing exists.

Therefore, elevating the professional knowledge and management level of the broad masses of cadres and increasing the scientific and cultural levels of the broad masses of workers and peasants is truly a task that will brook no delay. Only by building the ranks of our workers and peasants into a work force possessed of both proletarian political conscientiousness and a decent scientific and cultural level that is able to master modern production techniques can we rouse ourselves to catch up with and, after a number of years of effort, surpass advanced world levels in the rate of labor productivity.

Second, the intensification of adult education suits the needs of rapid development of science and technology.

The development of modern science and technology is exceedingly rapid, bringing about a constant renewal of science and technology. According to some statistical data, new discoveries and new inventions in science and technology during the past 10 years have been greater than the total for the past 2,000 years. Furthermore, the development of modern science and technology has one distinct characteristic, namely, that for some science and technology the period of time between invention and actual application is much shorter than in the past. Electronic computers did not appear until the 1940's, yet they are in their fifth generation today. The basic configuration of current technical equipment changes about once every 7 or 8 years, and some of it is outdated in from 5 to 6 years. Such a constant rapid replacement of production technology means that some of the knowledge people have mastered becomes old and useless after a period of time. This raises a problem, namely, that every worker must constantly increase his cultural and technical level in order to be able to meet the needs of the development of production and work. Currently our country possesses a fair number of scientists and technicians, who had very few scientific and technical contacts during the 1970's, so their mastery of scientific and technical knowledge remains at the level of the 1950's or 1960's, and there is an urgent need for an augmentation and renewal of their scientific and technical knowledge. Vigorous development of adult education is an effective means to solve this problem.

More than 80 years ago Lenin pointed out, "No matter whether it is because teaching and education are divorced from productive labor or because productive labor is not taught and educated at the same time, the high degree of modern technical levels and the current state of scientific knowledge required cannot be attained." ("Collected Works of Lenin," Vol 2, p 413) This exposition by Lenin contains an important idea, namely, that the development of all educational endeavors should suit the needs of the development of the national economy. Not only should the quality of education and the efficiency of education in ordinary schools be suited to the rapid development of the modern economy and technology, but in the organization of labor for production as well there must be a constant improvement in the scientific and cultural levels of the workers. Today this exposition radiates the light of truth even more fully. One outstanding trend in the development of education in most countries of the modern world has been an advocacy of "lifelong education," with a constant expansion of the scope of adult education. Numerous countries have a complete system and methods for the training of workers and peasants and some countries have even promulgated pertinent laws. In 1978, three-fourths of the 2,900 institutions of higher education in

the United States operated adult education programs. In capitalist countries the objective of the capitalist class in developing adult education is to compete and to obtain greater profits or to seek employment more successfully. We want to build a modernized socialist power in which we should give greater play to the superiority of socialism and in which adult education work is intensified in a conscious and planned way to do better than the capitalist countries.

Third, the intensification of adult education is a major avenue for training specialists who are both Red and expert.

In a speech at the meeting commemorating the 30th anniversary of the founding of the Chinese People's Republic, Comrade Ye Jianying said: "The development of modern economic, cultural and political construction will require gradual changes in the organization of our cadre corps, a reduction in the number of general administrative cadres and a large increase in the number of specialized cadres in various trades and industries, as, for example, engineering technical cadres, agricultural and livestock technical cadres, economic management cadres, scientists, teachers, medical doctors, judges, lawyers, artists, etc." This is an important organizational guarantee in the realization of the construction of the four modernizations. One prominent current problem in our country's building of the four modernizations is the irrational composition of the cadres, with too few cadres possessing specialized knowledge and specialized skills. Most cadres in some specialized fields have received no systematic education in the specialty concerned. Henceforth we should use every means to train and improve existing cadres and help them, in accordance with the academic attainments required, to acquire mastery of specialized knowledge. Additionally, we should also select cadres from among intellectuals who have undergone various kinds of specialized education and, after a period of hard work, establish a huge cadre corps with specialized knowledge and capabilities that adheres to the socialist road in order to meet the needs of modernized construction.

To hasten the training of intellectuals possessed of specialized skills we must strive to do a good job of operating all kinds of full-time schools of higher learning, gradually expand their scope and pay attention to improving their quality. It is also necessary to institute general education and vocational technical training concurrently. Various forms of spare-time higher and secondary education (including release from production for on-the-job training) should be developed. The two educational systems and the two work systems advocated by Comrade Liu Shaoqi were correct and workable. We should make every effort to give people engaged in spare-time self-study whatever guidance they need, insofar as it is possible to do so, as well as to provide them opportunities to be examined in order to obtain certification of their schooling. Experience has demonstrated that this is one path for the training of specialists that will achieve greater, faster, better and more economical results, and a large group of cadres possessing specialized knowledge and abilities may emerge from this. The television university that is broadcast nationwide, the correspondence courses and night university courses operated by institutions of higher learning, the spare-time universities, the schools of higher learning for workers and staff members, and the teacher refresher institutes now have a student enrollment that already exceeds the number of students in ordinary institutions of higher learning, and they are continuing to grow. Future prospects are extremely vast.

Some comrades harbor doubts about the quality of these kinds of institutions of higher learning. This results from their lack of full understanding of the situation. Some years ago, during the time of the rampage of the "four pests," the "21 July" University and the "7 May" University, which were just slapped together, really had problems with their quality, which was not high. Every jurisdiction and every unit is now in the process of restructuring such institutions of higher education for workers and peasants in accordance with pertinent documents from the State Council. Still, it must be realized that a fairly large number of institutions of higher learning, when looked at in terms of their pre-Great Cultural Revolution graduates (these schools have not yet graduated any students in the several years that have passed since the smashing of the "gang of four"), have really trained a large number of qualified specialists. Most of the engineering graduates of spare-time universities are engaged in technical work, and a fair number of them have already become mainstay cadres. An overwhelming majority of students who graduated from correspondence courses given by institutes and colleges of finance and economics have become mainstay cadres in economic management in various units. Events have shown that the conscientious operation of various kinds of spare-time higher education courses have played a very great role in the training of specialists and in the promotion of reforms in the composition of the cadre corps. Formerly this category of schools enrolled students principally from among on-the-job employees, but henceforth, in order to meet the needs of four modernization construction and of study by intellectual youth, conditions must be actively created to expand the group from which enrollments are sought and to enroll for college those intellectual youth who have graduated from senior middle schools. More specialists must be trained, for in this way we will actively contribute to making our cadre corps younger and more specialized.

Of course, in the course of actual work it is also necessary to solve the relationship between the generalized and the improved. Currently, when the cultural level of the worker and peasant ranks is very low, vigorous efforts must first be made generally, with improvement being built on this foundation. We intend to develop adult higher education, but we intend even more to pay attention to the development of adult secondary education. To grasp this link both is necessary for current production and work and lays a solid foundation for the development of adult higher education.

Fourth, the intensification of adult education is a necessary measure for building a highly socialist cultural civilization.

Our building of socialist modernization is not limited solely to the modernization of industry, agriculture, national defense and science and technology; while we are building a highly material civilization it is also necessary to build a highly socialist cultural civilization, and while we are improving and perfecting the socialist economic system it is also necessary to improve and perfect the socialist political system. The development by leaps and bounds of society's production forces inevitably must require changes in many aspects in which the production relationships and the superstructure are not compatible with the development of production forces, as well as changes in all incompatible management methods, ways of acting and ways of thinking. Unless the scientific and cultural level of all the people is greatly improved, they will be unable to adapt to these changes and, on the contrary, may impede these changes. When, for

example, industrial plants institute worker participation in management or rural villages institute democratic operation of communes, workers and peasants should be able to understand and master the pertinent policies and rules and regulations in order to handle matters. We want to strengthen socialist democracy and perfect the socialist legal system, and if the people do not have certain political knowledge or legal knowledge, this will be difficult to carry out smoothly. In the past we were the one country in the world in which feudalism endured the longest, and the narrow outlook of feudal ideology and small-scale production seriously endangers our socialist endeavors. In order that people liberate themselves from their fetters it is necessary to spread widely Marxist theories and knowledge of the natural sciences. We want to develop a lofty, abundant and varied cultural life, for which possession by the people of certain cultural attainments is a necessary foundation. All of this is pertinent to the development of educational endeavors, and the burden that adult education bears for improving the scientific and cultural level of more than half the population has particularly great pertinence.

Our ultimate goal in the development of socialist modernized construction is the realization of the great ideals of communism. The realization of communism requires a gradual reduction in, leading to the elimination of, the innate differences between mental labor and physical labor. How can this be accomplished? Lin Biao and the "gang of four" noisily crowed that "the greater the knowledge the more reaction" and "better workers without culture" in vain attempts to lower the scientific and cultural level of the people in order to "reduce" their so-called differences. Facts long ago demonstrated that this is an ultraleftist reactionary line which destroys culture and which we must resolutely oppose. We should unswervingly carry out the Marxist line of maximum increase in the scientific and cultural level of the entire Chinese race, so that all the people become people who both understand politics and have culture and in whom mental labor and physical labor are combined. Just as Stalin said, "Only when the cultural and technical level of the working class has been raised to that of engineering technicians can the antagonism between mental labor and physical labor be eradicated." "And only in this way can the high rate of labor productivity and abundant consumer goods needed to begin the transition from socialism to communism be assured." ("Selected Works of Stalin," Vol 2, p 377) Seen in these terms, our intensification of adult education creates in concrete ways the conditions for the realization of communism even while we are building a socialist modernized power. This is an endeavor of far-reaching significance, and it is also a glorious duty that history has conferred upon us.

To summarize the above, the development of adult education endeavors can produce both immediate and far-reaching effects on our social economy, politics and culture, and it is a matter of importance that ramifies into all aspects of socialist modernized construction. We must smash the traditional view that general education is superior to adult education, cast aside the narrow viewpoint that education and output stand in opposition to each other, and vigorously intensify adult education work. The 5th Plenary Session of the 11th party Central Committee recommended that, in order to smoothly institute socialist modernized construction, no opportunities should be missed to decide on educational plans and educational systems commensurate with requirements for the development of the national economy. This was a major policy decision which was derived from a summarization of both foreign and domestic experiences. We intend to diligently

carry out this request of the Fifth Plenary Session and make adult education a major, integral part of the educational system and adhere to plans for educational endeavors so as to truly solve some of the major problems in the development of adult education. Various measures will be adopted to hasten completion of the historic task of eliminating illiteracy. Vigorous efforts will be made in rural villages to develop spare-time primary education and to achieve, prior to 1985, a universal junior middle school education for cadres employed in industrial and mining enterprises and above the commune level in rural villages. Active efforts will be made to give a specialized technical or senior middle school cultural education to those employees who already possess a junior middle school cultural level. Efforts will be made to do a good job of higher education for adults, with vigorous development of the broadcast television university, correspondence courses and nighttime university courses provided by institutions of higher learning, and spare-time universities, and a restructuring of employee universities in industrial plants and mines. To promote the development of adult education endeavors, policies will be formulated to help arouse enthusiasm for running schools and for studying, with some vigorous measures taken. For example, as a duty requirement, employee education will be one standard for evaluating the performance of enterprises, for which concrete requirements and a system will be provided. Every rural village commune will have to have a plan for the development of adult education. The running of correspondence courses and nighttime universities will be an important task of full-time higher education institutions, and these will be in line with plans for higher education endeavors and within the scope of institutions of higher learning. The educational system and the labor system will be combined with the cadre system. For workers and cadres, requirements for a certain degree of culture should be set on the basis of their technical level and duties, and there should be an increase in the selection and employment of workers and cadres on the basis of certain requirements for formal schooling. Some units and enterprises are already experimenting with this method, and pertinent units can proceed from a summarization of their experiences to the formulation of fairly complete policies and systems. As for how people are employed and the remuneration they receive, intense effort must be made to formulate practical methods and to implement the policy proposal contained in the "Government Work Report" delivered by Comrade Hua Guofeng at the Fifth National People's Congress providing for a level equivalent to that of college graduates, following testing and certification, for those who have carried out spare-time self-study, with entitlement to the same employment and the same pay, etc. Adult education has numerous ramifications, and it is an extremely arduous task requiring the serious attention of the entire party and the concern and support of all if it is to have any possibility of being done well. Our educational units should pay attention to coordinating with other units concerned in the vigorous development of this endeavor, which has such great importance, in order to promote the smooth development of socialist modernized construction.

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CSO: 4004

THE NOTION 'THERE IS NO PURE GOLD' AND OTHERS

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 38-39

[Article by Liang Change [2733 7022 1#94]]

[Text] Is there any pure gold? The answer is no. The notion that "there is no pure gold" has been firmly established. The highest gold purity is 99.9999 percent. So-called pure silver, pure copper and so forth are not 100-percent pure either. As for other products which are chemically purified, their purity is also subject to certain limits. This is also the case with "highly pure" and "ultra-pure" material such as monocrystalline silicon and others, because they contain some foreign matter. People have proved through practice that there is no 100-percent pure matter in the world.

This reminds me of the perfect man. Is there any supremely wise, all-round and perfect man in modern or ancient times, in China or elsewhere? The answer is negative, because "there is no such thing as a perfect man," as the saying goes. There is not a single person in the world who is completely immune from errors and shortcomings. Wen Tianxiang was a famous national hero in our country. However, before the invasion of the Yuan troops he was a pampered son of a wealthy family who "indulged himself freely with songs and women" and "led a life of luxury and dissipation." Commenting on the great poet Tao Yuanming, Lu Xun said: "He was a man of 'vigorous will' and a 'carefree and contented mind.' If you ask me to appraise him, I dare say that he was not a perfect man. Belittling or exaggerating his character is at variance with reality." ("The Second Collection of Essays Written in a Garret in the Quasi-Concession")

What Lu Xun said has enlightened us on the selection of talented people. At present, selecting qualified personnel is harder than ascending to heaven. It does not mean that there are no qualified personnel. The problem is that those responsible for selection frequently mistake defects for virtues. As a result, mediocre and incompetent people are very often selected. Men are bound to have shortcomings. What is the main criterion for judging candidates? In the "Romance of the Three Kingdoms" there is a story describing how Lu Su recommended Pang Tong to Sun Quan. Pang Tong, known as a "worthy fledgling phoenix," formerly was as famous as Zhuge Liang. After the death of Zhou Yu, Lu Su recommended Pang Tong to Sun Quan. Sun Quan flatly refused the recommendation, because Pang Tong was ugly, in addition to which Sun Quan did not think too highly of Zhou Yu. He wrongly thought that Pang Tong was a "pedant." Lu Su repeatedly made the recommendation, saying that the suggestion to use

"interlocking ropes" in the battle of "burning the Chibi cliff" was contributed by him, but to no avail. Although Pang Tong was later accepted by Liu Bei, he was initially assigned to work as a county magistrate of Lai Yang County for a considerable period of time because of his ugliness. Such an assignment was unworthy of his talents. Pang Tong eventually was promoted to be a deputy strategist after Liu Bei discovered his talents and was convinced by the letters of recommendation written by Lu Su and Zhuge Liang. This was a strange thing, indeed. The selection of talented people is different from that of sons-in-law. What was the use of taking ugliness into consideration? Although our selection of qualified personnel is not decided by candidates' looks (except in a few particular posts), do we not often base our assessment of people on superficial impressions and personal taste? Even a slovenly appearance and queer disposition may become an obstacle to the selection of talented personnel. Wang Chong said: "A big bowl of thick soup may sometimes taste insipid, and the most valuable treasure may have some flaws; coarse handicraft may have its good points, whereas exquisite craftsmanship may have some defects." ("On Balance—The Chapter on Self-Discipline") The practice of "being unable to see the forest for the trees" should be avoided. In the meantime, we should also avoid having our appreciation of a beautiful jade overshadowed by a single defect. If we allow virtues to be negated because of defects, real talent will be stifled. Chen Jingrun was not good at looking after himself or even at mixing socially with other people. However, he has an outstanding ability in the realm of abstract thought and has succeeded in picking the pearl on the crown of mathematics and scaling new heights. If we had not selected him because of his weak points, would that not have been tantamount to committing a crime? Bo Le said: When selecting a qualified person we should "concentrate on his virtues and forget his defects; we should attach importance to his internal spirit rather than to his outward appearance." We should bear these remarks in mind.

We, the selectors of talented personnel, should have a correct understanding of people's ability. We use cars to travel by land and ships to travel by sea. A cook uses a sharp knife instead of a wooden club to slice beef. When fishing we use a fishhook instead of a crane.... Different utensils have their own different functions. When utilizing a talented person we should give full play to his strong points. The utilization of utensils is the same as that of talented persons. Emperor Tai Zhong of the Tang dynasty was a man of insight. He had a good understanding of the delicate relations between the utilization of qualified personnel and utensils. He instructed his minister Feng Deyi to recommend capable and virtuous people. However, Feng Deyi was slow to react, saying, "It is not because I have not done my best but because talented personnel are hard to find now!" Emperor Tai Zhong said angrily: When our ancestors ruled their country, did they borrow talented personnel from other dynasties? He not only believed that talented personnel were readily available but also explicitly pointed out: "A gentleman uses qualified persons just as he deals with utensils. He is able to use them properly in accordance with their ability." What Emperor Tai Zhong said was completely correct. There is no such thing in this world as all-purpose apparatuses or all-round people. When selecting qualified personnel, some people only pay attention to geniuses and all-rounders. As a result, they often utter a sigh of grief, complaining that talented personnel are hard to find. In fact, it is their own fault, because nobody asks them to select perfect men. The socialist cause needs various kinds of talented people, just as a machine needs various kinds of components and spare parts to perform its various functions.

A high-quality machine should be equipped with excellent components and spare parts. Otherwise, it will not be able to work properly. This is not the case with talented persons. In other words, we should not impose the same standards and pattern on them. Some people may be generally more capable, while others may only be good at certain specialized tasks. If we judge the leadership ability of scientific and technical personnel by the standards of party committee secretaries or judge the vocational capability of a party committee secretary by the standards of scientific and technical personnel, it will be difficult for us to discover "qualified" personnel. Because people's time, energy and scope of practice are limited, they frequently have their "good qualities and weak points." To demand that all people be all-rounders is not in accordance with the ideas of materialist dialectics. The so-called "knowing one's subordinates well enough to assign them jobs commensurate with their abilities" means that when assigning a person to work we should take into account his good qualities and weak points. In other words, we should give full play to his good qualities and avoid his weak points. Some people have failed in this respect. They often gossip about people behind their backs, talking about their shortcomings in order to negate their good qualities and eventually negating the people altogether. How are they going to discover talented personnel like this?

During the reign of Emperor Wu Di of the Han dynasty more than 2,000 years ago, a person called Dong Fangshuo quoted in his "A Difficult Reply to My Guest" a famous saying: "When the water is extremely clean, no fish will be able to live there; if you always pick holes in people, nobody will be your disciple." In so doing he explained the theory that "we should only attach importance to people's integrity and forgive their minor defects and avoid being overcritical of them." From a different angle, he expressed the truth that "there is no such thing as pure gold or a perfect man." This shows that there is no absolutely pure thing in the world. If the water is too clean, containing no foreign substances or plankton, fish will not be able to live there. If we make excessive demands on people and always quibble about their mistakes and shortcomings, we will become divorced from the masses and become loners. This is also the case with the selection of talented personnel. If we persist in only seizing upon people's shortcomings and mistakes and one-sidedly seeking so-called "all-round" and "perfect" people, our efforts to select qualified personnel will never be successful.

CSO: 4004

THREE MISCELLANEOUS PIECES ON MUSIC

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 40-42

[Article by Li Ling [2621 0407]]

[Text] Some days ago the China Music Workers Association held a forum on songwriting and invited some performers to participate. Opinions were freely expressed and views preliminarily discussed.

On the issue of songwriting, people always observe, analyze, synthesize and judge from their own angles of contact and always more or less find their own views correct. Nevertheless, how things are must be determined by practice. Here I wish to discuss my superficial impressions after attending the forum.

1. Three Years of Bumper Harvest

Musical creation has undergone a long, tortuous course. During the cultural tyranny promoted by Jiang Qing's gang, the ideology of songwriting was disrupted, creative patterns and methods were destroyed and the songwriters were made the objects of dictatorship. For the few who were still creating, "you can't write what you wish to write; what she orders you to write, you must obey." They were "assigned work" like hired help.

After the collapse of the "gang of four," the songwriters rejoiced. Like other forms of art, songwriting prospered. Many paeans extolling the new victory and the musical scores of the Tiananmen poems expressed the aspirations of the people after the smashing of the "gang of four." Songs such as "Farewell to the Premier on the 10-Li-Long Street" embodied the people's fond memory of Comrade Zhou Enlai and aroused the sympathy of the masses throughout the country. Meanwhile, the forbidden area of depicting love was opened, and lyrics which were relatively popular with the masses were created. Satirical songs were expanded into the people's life. Humoresques such as "One, Three, Five, Seven, Eight" were relatively natural and unique. New attempts in vocal music were made, such as "Yin Lingzhi" by Wang Ming [3769 6802] in musical arias; "Offering the Red Heart in the 10,000-Li Long March" by Li Huanzhi [2621 3562 0037], "Spring Is Here" by Tian Feng [3944 0023] and "Sorrowful Recollections" by Situ Han [0674/1778 3352] in choral music; "Hainiang" by Zhang Rui [1728 3843] and "The Magnificent Wedding" by Lu Yuan [0712 6678] in musical drama.... In form and style they were rather creative and novel.

Many comrades among the songwriters made achievements. Shih Guangnan [2457 0342 0589] was relatively prolific. In the past 2 or 3 years he has written "A Song in Salute of Wine," "Deep Love in a White Feather," "Please Permit," "Premier Zhou, Where Are You?," "Offering the Most Beautiful Paeon to the Party" and "Danggui Song," a total of several dozen songs. From content to style these new works have their special characteristics, and the sentiments are relatively noble, popular with the masses yet not trying to curry favor. His "Tulufan's Grapes Are Ripe" has good depth and makes people ponder. Like Shih Guangnan, Wang Ming in his creative work tries hard to free himself from the stereotypes, and his songs are radiant in tone and style. His new work, "Yin Lingzhi," has its source in folk music "Wanwan Qiang," yet with a unique style it departs from the so-called folk chorus.

There are disputes over Lu Yuan, who has continuously created new songs. Some people feel that "Our Tomorrow Will Be Sweeter Than Honey" lacks solemnity because of the excessive use of "luowai" [colloquial exclamation used in ending a sentence]. I feel that, as a song in a film, it expresses the feelings of a group of young people in the concrete plot. Like the film song "Langgelang" it has its special background. Prolific yet not indiscriminate, Lu Yuan is a songwriter who has the courage to adhere to his own creative judgment. Like an ox he plows on untiringly regardless of the difficulties and toils incessantly on the soil of musical art. From his "Kalamayi's Song," "The Bright Moon of 15 August," "The Future of the Motherland Will Be More Beautiful," "Team Leader Tang's Hair-cut" and "Where Does the Old Vendor Come From?" to the selected songs in his recent "Our Life Is Full of Sunshine" and "The Magnificent Wedding," they are charming, novel and lively. Though plain and simple, "Kalamayi's Song" and "Recalling 2 Years Ago" express a deep sentiment. As songs which are popular with the masses in general, they may not be as majestic as some people would like them to be, but they serve as a solid meal to satisfy the hunger of the broad masses.

Lu Yuan is full of confidence in the new life. Frankly and enthusiastically, he extols all beautiful new things. Though once deceived and duped by the careerists, he has never lost courage but always fights stubbornly. Brushing off the dust on himself, he searches in all directions. He sincerely learns the folk art of the various minorities, assimilates the people's artistic nutrients and seeks the way to bring new life to national music. Like a bee he diligently looks for pollen everywhere, from the frontier, the central plains, the north and the south, flying back and forth untiringly and absorbing the honey drop by drop. Always concerned about the preferences of the broad masses, he toils silently. Perhaps he is not as elegant as the lark singing in the sky, but his songs are like those of the cuckoo which urge the people to cultivate the land promptly.

One should say that the musical creations of the past 3 years constitute a bumper harvest, and there is nothing bad which one can see.

II. On the 15 Songs

There are different views on the 15 "popular broadcast songs" jointly selected by the SONGS editorial department and the radio broadcasting station. Some comrades like the method of selection by the broad masses. Others prefer the method of combining the opinions of the masses, the experts, and the leaders, rather than

just accepting the vote of the masses. Still others have a negative attitude toward some of the 15 songs on the grounds of "undesirable tendency," etc.

In holding such relatively extensive mass activities it naturally is best to follow the "three-in-one combination" method. In the selection this time, some songs which are relatively high in ideological content, aspiration and artistry, such as "Thoughts Coming to My Mind" and "Tulufan's Grapes Are Ripe," failed to be included, which is regrettable. If the opinions of some experts and leaders had been obtained, the defects in this aspect might have been avoided.

Nevertheless, the 15 songs are basically good. Take "Velvet Flower," which some consider the most questionable, for instance: The words are: "There is a beautiful flower in the world. It is the bloom of youth, of hard bones and bursting forth, and dyed red with fresh blood. There is a heroic flower in the world. It is the splendor of youth. It carries the beloved to the high mountains and reflects the pink clouds from heaven to earth. Velvet flower! Velvet flower! Fragrance all along the road and covering the cliffs!" This is a very lyrical and poetic song. Its tone is not outstanding and intense, but it starts something new and sings about feelings deep in the heart. Fervor has its role, but the quiet revelation of "Velvet Flower" provides food for thought. I do not find in it any element of "yellow song." Permitting only one way in songwriting is incompatible with life, with its "myriad expressions of one kind of feeling." The broad masses understand the 15 songs, which reflect fairly well their desires and feelings and are relatively novel in style.

Naturally, the 15 songs have a few shortcomings and certain weaknesses in style. Such weaknesses require the careful consideration of the songwriters and the singers, and they must be remedied in future creations. As for the problem of style, I find it relatively more complex, and excessive rigidity is not desirable. The style of such folk songs as "Losing the Ring" and "Keeping Watch Over the Seedlings" is not particularly high. However, if they are popular with the masses, we should give our opinions on how to improve future creations or performances rather than negate them.

Next, the 15 songs have their special epochal background. Due to the influence of the cultural tyranny long exercised by Jiang Qing's gang, the masses lacked the capacity for musical discrimination, while we were very short of lyrical songs and creative experience. Thus, some people became interested in "popular songs." Many songwriters answered the appeal of the forum on songwriting in early 1979 and composed many new songs. Relatively strong in lyricism and superior in tone, these songs were popular with the masses, satisfying their need for lyrics and actually rendering a service by replacing and counteracting the effect of certain undesirable popular songs. Observed from this angle, the selection of the 15 songs has important significance.

III. Cultivating Seedlings and Hundred Schools of Thought Contending

In the past 3 years the songwriters, in creative themes, content, form and style, have made many explorations. An encouraging new atmosphere has emerged in symphonies, folk music, choral music, solo singing, solo performance, musical drama and dance drama. How to conduct meticulous and intensive studies and

analyses and how to introduce and improve them is the function and obligation of musical criticism.

The function of musical criticism consists of two aspects. One is to criticize the undesirable tendencies, pointing out the inadequacies and performing the work of trimming the branches and catching the bugs. The other, which is more important, is to contact the reality of creation and performance with a sharp sense of touch, meticulously and carefully discover the new sprouts with the spirit and enthusiasm of prospectors and cultivate and foster them, and help the readers intensify their comprehension and appreciation of the relatively good works. In the past we stressed the first aspect and were too simplistic. During the Great Cultural Revolution the Jiang Qing gang was even more peremptory and arbitrary, insanely chopping things down. In the past 2 or 3 years there has been some improvement in critical work, but the remnant poison has not been purged.

Good and creative things are not absent in our creation and performance. However, the masses temporarily may not be familiar with some creations, and even the writers and performers at times are unaware of them. Thus, our theoretical workers must expand their vision to search for, discover, cultivate and foster them.

In the course of exploring and creating, writers and performers may encounter difficulties or even failure, and things which fall short of the ideal may appear. It is a situation which no creator can avoid. The critics and the writers and performers must share the bitter and the sweet, rejoicing together and worrying together. Destroying a new sprout is easy, but fostering its growth requires great effort. The work is similar to the painstaking effort of a children's nurse in bringing up a child. Our music critics must possess such quality.

Enlivening musical criticism requires the conscientious implementation of the "double hundred" policy, which is a good means to bring prosperity to musical creation and the performing arts. Both criticism and countercriticism must be permitted. Currently the "double hundred" policy is not completely followed in music. At times there is a laissez-faire attitude and a fear to criticize; at other times there is running around in circles and summary action. In the 1930's critical work in our literary and art ranks was very lively. Lu Xun [7627 6598] criticized the comrades in the revolutionary ranks as well as all kinds of people, while many people also criticized him, and the arguments were very lively. Precisely because of the normal launching of criticism, many issues became ever more clarified, and the theoretical workers learned and improved.

As experience has proved, failing to implement the "double hundred" policy, conducting one-sided and arbitrary criticism and forbidding equal expression of views will create evil consequences. In 1952, "Feihu Mountain," which reflected the friendship between the peoples of China and Korea, was criticized for its "revisionist technique"; in 1954, "Returning From an Ocean Trip" was criticized for its problems in higher principles and direction, and He Luting's [6320 4845 3060] suggestion to strengthen technical studies was criticized for its "simple technical viewpoint"; in 1956, "The Nine-Nine Bright Sunny Day" was negated for damaging the army's morale by singing about love, and subsequently the academic views of Wang Lisan [3076 4539 0005] and Qian Renkang [6929 0088 1660] were

condemned; in 1964, Debussy and "revisionism in music" were criticized. Though the criticisms appeared to be very lively and just, everyone knows what the consequences were.

Emancipation of the mind must be continued. Though some of the remnant poison has been purged, the ghost of Jiang Qing's gang still emerges at times. Meanwhile, we also must not turn a blind eye to the existing defects and undesirable tendencies. We must deploy as much as possible the struggle between the two fronts, cultivating the good and criticizing the undesirable trends, and overlooking not even the symptoms.

6080

CSO: 4004

NEW DEVELOPMENTS IN CENTRALIZATION AND MONOPOLY IN POSTWAR CAPITALIST PRODUCTION

Beijing RED FLAG in Chinese No 16, 16 Aug 80 pp 43-48

[Article by Teng Weizao [3326 4850 3416] and Xiong Xingmei [3574 1840 5019]]

[Text]

I

In his article entitled "Imperialism, the Highest Stage of Capitalism," Lenin pointed out that, with the development to a certain stage of the concentration of production and the concentration of capital in consequence of capitalism's free competition, capitalism will spontaneously move toward monopoly, and it is monopoly that is the most solid foundation for imperialism. Lenin's most profound scientific dissection of monopoly capitalism has always been our theoretical guide in understanding the true nature of the imperialist economy. Since 1916, when Lenin wrote that article, until the present time, and particularly during the period since the conclusion of World War II, the centralization of production and of capital in the principal capitalist countries has developed further; the rule of monopoly capitalism has been further strengthened, and a series of new phenomena and new characteristics meriting attention have also appeared at the same time. These require our application of the basic theories of Lenin about imperialism and analysis and study in a search for truth through facts.

First, the process of centralization of production and capital has developed in an extremely unbalanced way. On the one hand, the actual strength of monopoly capitalism has steadily increased, and the ruling position of large monopoly companies in the major industrial sectors and in the entire economy has increasingly strengthened. On the other hand, nonmonopolized elements in the economy continue to exist, and medium and small enterprises also are developing in many sectors.

Following World War II, the development of the centralization of production and the centralization of capital was clearly manifested in the constant expansion of the scope of monopoly companies and the constant increase in the sums involved. Property of large monopoly enterprises in the United States was usually figured in the hundreds of millions of dollars. The first large company with assets of \$1 billion in the American manufacturing industry appeared in the early part of this century, but by 1960 the number had increased to 29 such companies. By 1977 they had increased to 194. Along with the further strengthening of the power of monopoly companies has come an unprecedented degree of control over

every sector of the economy. In the case of the automobile industry, for example, General Motors Corporation and three other large companies accounted for 97 percent of the total output of American automobiles in 1977. Toyota and three other large automobile companies had an output that was 68 percent of the total Japanese automobile output. In Italy the Fiat Motorcar Company's output of automobiles amounted to 84 percent of the national total.

It must be realized that in the process of centralization of production and centralization of capital the development of each sector of the economy is extraordinarily unbalanced. Following the war, as a result of changes in objective conditions in the development of production forces and the effects of other socioeconomic factors, simultaneous with the constant tendency toward largeness of enterprises was a definite development of medium and small enterprises in the principal capitalist nations, from which came a coexistence of large, medium and small enterprises, mutually linked together, mutually reinforcing and making the most of their own individual characteristics to form a situation of an interdependent economic network. In the United States, for example, enterprises with less than 100 employees increased steadily during the 30 years after the end of the war. Their proportion of the total number of enterprises remained fixed at around 89 percent. In sewing, shoe manufacturing, textiles, foods, lumber processing, printing and other light industries, as well as in retail sales, service industries and construction industries, the proportion of such enterprises was larger. In Japan, 90 percent of enterprises are nonmonopolistic economic elements in which medium and small enterprises account for more than 70 percent of the employees and 50 percent of industrial goods. From this it can be seen that one cannot simply understand the present process of centralization of production as being one in which monopoly enterprises of ever-increasing size control ever-larger amounts of products in every economic field. Nor can one deny that within the modern capitalist economy conditions exist for the existence and development of certain medium and small enterprises. In particular, numerous industrial sectors increasingly develop toward the specialization of production, with each enterprise being responsible only for the production or technological processing of certain parts, and large enterprises and medium and small enterprises form a coordinated network in which the latter are brought into the system for further production. This is better suited to the organization of production than simply expanding the size of the enterprise, and it both saves investment and reduces costs.

Second, as a result of monopoly capital's combining and merging and the diversification of operations, the centralization of capital has taken on a new form--conglomerate companies, which have attained widespread development.

In the process of its development, capitalism has gone through a total of three high-water periods in the centralization of capital. During the first high-water mark in the centralization of capital at the end of the 19th and beginning of the 20th centuries, monopoly enterprises adopted horizontal mergers for the most part, i.e., the merger of numerous enterprises from within a single sector. Vertical mergers were the principal merging method during the high-water mark of the centralization of capital during the 1920's. Lenin termed them "combines," meaning that enterprises belonging to different industrial units were combined into a large enterprise, principally with a processing or manufacturing unit combining with units with which it had been affiliated for raw materials,

transportation or sales. Following World War II, and particularly during the period from the mid-1950's to the late 1960's, monopoly capitalism set off the third high-water mark in mergers. This high-water mark not only far surpassed the scope of the previous two times but also was distinct in its form, namely, in that the proportions of horizontal mergers and vertical mergers strikingly declined, while conglomeration, by which is meant the merger of enterprises from different economic sectors with no organic relationship in professional functions, increased dramatically. Following this high-water mark in mergers, America's 200 largest companies each owned various kinds of enterprises from an average of 11 separate sectors. Numerous large monopoly companies instituted a diversification of operations to become conglomerate companies with multiple operations in industry, commerce, finance and service industries.

The widespread diversification of operations by large monopoly companies was an inevitable tendency in the development of centralization of production and the centralization of capital. When the accumulation and centralization of capital reached a very high degree in certain sectors until it formed oligopoly, leading to increasing difficulties in transforming excess value into capital, monopoly capital then wanted to surge into other sectors in order to assure high profits. Numerous monopoly companies thereupon penetrated other sectors (particularly developing industrial sectors or service industries) to establish new enterprises. With increasing frequency they used credit methods such as bank loans or bond issues to await their chance to swallow up existing enterprises in every sector. This state of affairs was particularly common throughout the United States during the 1960's. For example, Occidental Petroleum Company was only a small enterprise with a business volume of only \$3,000 in 1954, but following several large mergers it has now become a conglomerate company owning petroleum, chemical and other manufacturing industries, financial industries and service industries. In 1979 its business volume amounted to \$9.6 billion, and this year it jumped to 21st place in FORTUNE magazine's list of the 500 largest industrial companies.

Modern conglomerates differ from the traditional diversified business concerns. Though the various enterprises of the concerns were divided into numerous industrial units, there was also one main unit or a cluster of nuclear enterprises with a definite production or functional interrelationship. Conglomerates frequently have no principal unit or nuclear enterprise community; they are usually formed from the merger of diverse enterprises unrelated in their production or function to bring about a rapid increase in strength. During the late 1960's and early 1970's quite a few conglomerates had to undergo reorganization because of heavy debts incurred when business was not good or in order to engage in speculative activities, and conglomerates were at a low ebb for a time; nevertheless, despite intense competition, changes in technology with each passing day, and frequent crises throughout the Western world during the past several years, conglomerates have found it easy to raise and use capital, have the capability of making fairly full use of resources and the products of science and technology, do a rather good job of organizing cooperation and, particularly important, have the capability of using the operating characteristics of many units to spread risks and to strengthen competitive capabilities, so conglomerate companies today are still the most important channels for the accumulation and centralization of capital.

Third, the combination of bank monopoly capital and industrial and commercial monopoly capital deepens daily, and numerous new forms of combinations appear. The phenomenon of mutual infiltration of capital from monopoly financial groups formed by financial capital is fairly common.

As the strength of monopoly organizations in major capitalist countries steadily increased, an increasingly close linkage developed between bank monopoly capital and commercial monopoly capital, and a handful of financial oligarchs who controlled huge sums of financial capital controlled the economic life and political life of the country.

Following the war and after the high tide of bank mergers during the late 1950's and 1960, commercial banks, which are the nucleus of the huge American banking system, formed a gigantic monopoly banking organization. Using industrial and commercial monopoly enterprises' dependence on bank credit capital, and by seizing control over the stock power of large companies, they used the tactics of participation in formulations to bring under control, one after another, groups of monopoly enterprises. The main method for controlling stock was to use the huge amounts of trust funds and pension funds entrusted to the credit departments of commercial banks to buy up a certain amount of the company's stock, send in a trustee and take over control of that company. In 1967, data derived from a congressional investigation revealed that 49 of the largest banks in 10 large cities had 54 percent of the total amount of credit funds and they controlled more than 5 percent of the stock in 5,270 American companies (including 147 companies listed among the 500 largest companies in 1967). Because of the dispersal of the stock power of large companies, it was necessary to control only 5 percent or even less of the total amount of a company's stock to be able to control that company. More than 8,000 people in these 49 banks and more than 6,500 companies served as concurrent directors. Additionally, ever since the 1960's, American commercial banks had established numerous "single bank stockholding companies" and used them to buy shares in industrial and commercial companies. Monopoly banking organization could also circumvent legal restrictions on banks by using numerous pretexts, such as providing "automatic investment services" and "securities management services" to buy common stock on behalf of demand depositors, which means they had the stock giving them authority to elect directors, with the bank's actions in controlling industrial and commercial monopoly capital thus being legalized.

After the war, as banking capital and industrial capital linkage became increasingly close and varied, the power of the transbanking industry monopoly financial groups, which form the nucleus of the banks, also began to expand at an unprecedented rate. Each financial group both had its own individual sphere of control and continually developed toward diversity in its operation, using mutual infiltration to seize control within numerous enterprises. In 1974, of the 100 largest American industrial and mining companies, 35 were under the joint control of more than two financial bodies, which formed an intricate and mutually infiltrating control net.

Fourth, activities of monopoly capitalists have become increasingly internationalized with the rapid development of supranational enterprises.

After the war, while monopoly capital in every one of the Western capitalist countries was constantly increasing its power at home, it was also developing

constantly in the direction of internationalization. In this process of development, transnational companies played an extremely important role.

Transnational companies are the products of the high-speed development of monopoly capitalism. They are the main instrument whereby the major capitalist countries export capital and carry out foreign expansion. Most of them are set up by monopoly capital in one country using the parent company's country as a base. Only a minority are run jointly by monopoly capital from two or more countries. In order to engage in international production and marketing, these large monopoly enterprises set up branch organizations in numerous countries or regions or control sibling companies in the country or region to form an international monopoly organization. Beginning in the late 1950's, transnational companies from all the major capitalist countries, and particularly from the United States, achieved unprecedentedly rapid development.

The area of distribution of transnational companies constantly expands. Aside from expanding their operations into countries of the developing Third World, the supranational companies of the principal capitalist countries have demonstrated an increasing tendency toward mutual infiltration. For example, the proportion of private American investment in the total amount of direct private investment abroad in 1950 was 47 percent; by 1976 it had climbed to 74 percent. Each of the 177 largest transnational companies in the principal capitalist countries established its own sibling company networks in more than 20 countries.

The gigantic transnational companies have a so-called "global strategy," i.e., they take account of the overall welfare of the large company in making overall arrangements for the management of production of sibling companies and their branches in each place, the allocation and transfer of funds, and research and development. For example, on the basis of foreign raw materials, the labor force and the market situation, they will institute a specialized division of labor for each sibling company to organize a production line that transcends national boundaries, decide production sites and markets, raise capital where interest rates are low and pay taxes where tax rates are low. In this way, as compared with nonsupranational enterprises, they are able to utilize advantageous operating conditions to maintain competitive dominance.

As a result of the aforesaid characteristics of their operations, transnational companies have been able, to an ever-increasing extent during the past several years, to control the output, the trade and the finances of the capitalist world. During the early 1970's more than 7,000 supranational companies already controlled one-fifth of the gross national product of the capitalist world. The output value of their "international production" through direct investment abroad was \$330 billion, somewhat more than the total amount of exports from capitalist countries for the same period. Currently an overwhelming majority of the 10 largest companies controlling the 10 major industrial sectors of the capitalist world are supranational companies. Automobiles, petroleum, electronics, rubber tires, electronic computers--almost all these industries are monopolized by transnational companies. A large part of international trade is also controlled by supranational companies. The vast amounts of capital and the tremendous loan capacity possessed by the supranational companies is affecting the stability of international financial markets.

II

In the postwar process of centralization of production and the development of monopoly in the major capitalist countries, the emergence of the above-mentioned new phenomena and new characteristics had deep economic and social causes.

First of all, looked at in terms of the functioning of the inherent laws of monopoly capitalism, monopoly does not eliminate competition, but rather coexists with competition. After the war, among large monopoly companies and between monopoly enterprises and nonmonopoly enterprises, competition was extremely fierce. In addition to "the big fish eating the little fish," whereby large monopoly companies regularly swallowed up small companies, sometimes there were cases in which "the little fish ate the big fish," with small enterprises getting the upper hand over large enterprises. Thus, in one way, the fierce competition promoted the development of centralization of production and centralization of capital internal to each sector, a strengthening of the power of monopoly organizations and an increase in the degree of monopoly. In another way, the larger the size of monopoly enterprises, the greater the possibility of production capacity exceeding payment capacity requirements, thereby increasingly exacerbating problems in the market. Once the centralization of capital reached a certain point and profitable investment markets became increasingly narrow, monopoly companies frequently used annexation to transfer capital to other sectors, with the result that monopoly capital went in for widespread diversification, with large numbers of conglomerates appearing.

Under conditions in which monopoly and competition coexist, when the relatively narrow domestic markets approach saturation, the monopoly organizations must then contemplate the use of their own monopolistic competitive advantage and transfer capital abroad to seek a way out. The large accumulation and excessive centralization of monopoly capital in the postwar Western countries promoted the rapid development of the supranational companies. In some countries that were industrially advanced but where the territory was quite small, monopoly enterprises, limited by the capacity of the domestic market, vigorously infiltrated abroad. The amount of capital directly invested abroad by Switzerland approached that of West Germany to occupy the foremost position among the capitalist countries.

Secondly, the rapid postwar development of science and technology helped increase production efficiency and lower production costs. With their abundant capital resources, most of the large monopoly enterprises could put to use the products of the new science and technology in production or management, and this provided them with advantageous conditions for swallowing up medium and small enterprises.

Scientific and technical advances caused some new industrial sectors such as chemicals, electronic computers and atomic energy to keep springing up. In pursuit of high profits, monopoly capital, particularly monopoly capital in old industries that wanted to maintain their strength and avoid risks, hurriedly turned to the newly rising industries. In recent years a large American steel company has invested heavily in the chemical industry and in real estate, and a large petroleum company is trying to move into the electronic industry. America's

largest department store company, Sears, Roebuck and Company, put to use electronic computer technology and is now expanding into financial enterprises and infiltrating the banking field. The sphere of monopoly capitalist rule has become larger and its operations more widely diversified.

The development of new industries in the major capitalist countries also promoted direct overseas investment and the rapid development of supranational enterprises. Supranational companies frequently start with the use of new articles and new technology to elbow aside domestic competitors, after which investment abroad occupies the constantly expanding overseas market. Additionally, the modern communications, transportation and telecommunications equipment developed after the war made possible the worldwide internal integration of supranational companies to form a centralized organizational system and a flexible management system.

Further, the development of state monopoly capitalism in each of the principal capitalist countries played a major role in buttressing the power of monopoly capitalism domestically and in promoting its expansion abroad.*

After the war, state monopoly capitalism used all sorts of methods to create extremely favorable conditions for the development of private monopoly organizations. One example was state institution of directly capitalized industrial and mining enterprises which were "state owned" or "joint publicly and privately owned," when in fact most were leased without compensation to private monopoly organizations for operation. The state used budgeted funds for investment in road construction, railroads, harbors and such capital facilities. This not only provided certain needed material conditions for the development of monopolistic private enterprises, but at the same time also enlarged the market for the goods of monopolistic private enterprises. The state continually expanded procurement, particularly procurement of military equipment, thereby guaranteeing for private monopoly enterprises stable markets and high profits. Additionally, the state provided financial aid to monopoly organizations in the form of research funds, transferring possession of the results of the research to monopolistic enterprises, and accelerated depreciation of equipment, in a series of measures to promote the development of new industries. These measures did, in fact, also open new investment markets for monopoly enterprises in the older industries and enhanced their strength.

The state's increased intervention in the economy played a prominent role in giving impetus to the rapid development of the supranational companies. For example, not only did the aforementioned various support measures apply equally to the supranational companies, but the state also granted reduction or exemption of taxes on the overseas profits of supranational companies. The state gave support in the form of credits to meet the needs for capital of the supranational companies, and it made material guarantees to the supranational companies about the safety of their overseas investments. Additionally, the home government

*National monopoly capitalism is the most important characteristic in the development of postwar monopoly capitalism. Inasmuch as this "forum" already has a special article on this topic, the present article will discourse only slightly on it as an element in the strengthening of private monopolies.

signed various agreements with the governments of countries in which the supranational companies were located, and all kinds of international organizations were established to create favorable conditions for the expansion of supranational companies, etc.

III

Lenin said, "Even though monopolies have already taken shape and control several hundred millions in capital, they positively cannot refrain from penetrating every aspect of social life without regard for political systems or any other 'minute details.'" ("Selected Works of Lenin," Vol 2, p 779) A look at the postwar major capitalist nations shows that the centralization of production and the new development of monopoly, whether in Western Europe, North America or some other area, naturally produced a tremendous effect on every aspect of modern capitalist socioeconomics.

Because of the continuous growth for several decades of the power of monopoly capitalism, the extent of monopoly constantly increased, and, consequently, its control over the national economies was constantly strengthened. During the 1970's the 200 largest manufacturing companies controlled about three-fifths of the total capital of America's manufacturing industries, and 10 of the largest financial institutions owned 30 percent of the capital of all of America's companies. A Rockefeller financial institution controlled almost 100 large American monopoly companies, including commercial banks, investment companies, insurance companies and huge companies involved in petroleum, munitions, electronics, chemicals, metallurgy, automobiles, machine building, foodstuffs, textiles, pharmaceuticals, broadcasting and publishing, as well as the operation of railroads, aviation, commerce, real estate and public utilities. In addition, it also established all sorts of fund organizations, operated art centers, established scientific research organizations, published periodicals and books and set up schools and hospitals. One huge supranational company, International Telephone and Telegraph Corporation, owns more than 200 companies with a scope of operations that extends into all trades and industries and employs 400,000 people. An economist described its farflung business operations as follows: "An ordinary citizen could buy a house to live in from the International Telephone and Telegraph Corporation, live in its 'planned cooperative,' arrange for insurance on the property in its insurance department, travel around in a car it had rented out and put up in its hotels, buy bread and pastries from another one of its units, buy cigarettes and coffee from its food and beverage department and get a loan from its finance company. And if it were not in violation of the antitrust laws, he could watch television on the television network it owns." (John (Bulaier): "Economic Centralization: Organizations, Actions and Joint Policies," p 9, 1972) This is a classic picture of how monopoly capital went from certain monopoly industrial sectors during the postwar era to penetrate every corner of economic life and institute complete control.

The strengthening of monopoly control and the intensification of competition made the development of the capitalist economy even more unbalanced and unstable. Thousands and thousands of companies, large and small, were caught up in the foaming waves of reorganization and merger, some of them entering the ranks of the large monopoly companies in a single bound, while others were finally swallowed up or went out of business. In the 25 years between 1955 and 1979, 932 companies

appeared on the list of the 500 largest companies in America that FORTUNE magazine publishes once each year. Among the 500 that appeared on the first list in 1955, only slightly more than one-half (262 companies) were still on the list in 1979. The unbalanced development of every sector of the American economy was particularly notable. Development of basic industries and of industries with low earnings, such as textiles and railroads, became increasingly sluggish, but the pace of growth of new industries such as military industries, electronics, chemicals, and space navigation was quite rapid. Thus it was that the equipment of the basic industrial sector became obsolete and investment dried up, while there was frequently idle production capacity or a surfeit of investment in the new sector.

The development of state monopoly capital and the intimate linkage of monopoly capital and national governments, plus the expansion in disbursements of public funds and bank credits in the so-called federal regulation of the economy, played a definite role for a period of time in giving impetus to social production and in ameliorating and staving off economic crisis. However, with the passage of time the dosage of currency that every country poured into the economy through public finance and financial channels became increasingly large, while its impetus and stimulation of the economy gradually weakened. As a result, during the 1970's there was a general slowing of economic growth among all the Western countries, and prices kept going up in what was known as "stagflation." But the policies of retrenchment that these countries adopted to achieve the goal of curbing inflation not only were unable to solve the problem, but rather further promoted the development of "stagflation."

The centralization of capital and the development of monopolies also exposed the rottenness of capitalism and demonstrated the increasing separation between the ownership of functioning capital and its management. The development in recent years of monopoly companies on such a scale meant that the stockholders of a conglomerate frequently numbered 100,000. Inasmuch as power over all major issues in the operation of companies reposed in the hands of an extremely small number of directors and managers, stockholder meetings and even board meetings were a sham. This state of affairs provided a loophole for finance capital's stock control activities and for deception on the part of the companies' managers, opening wide a very convenient door for actions to dupe and control the masses of stockholders.

The postwar further development of the centralization of production and capital in the principal capitalist countries and the further strengthening of control by monopoly capital in no way changed the basic nature of capitalist production relationships, that is to say, the antagonism between capital and hired labor. All the new circumstances and new characteristics that had appeared also meant only the strengthening of an extremely small number of monopoly capitalists or financial oligarchs in their exploitation and looting of the workers in their own countries and abroad. The contradictions between monopoly capital and the proletariat and broad masses of working people, the contradictions between individual monopoly capital blocs, and the contradictions between developed capitalist nations and developing nations inevitably will become even sharper as basic contradictions between the social orientation of production and private capitalism, which are inherent in the capitalist system, intensify.

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CSO: 4004

METHOD OF LEADERSHIP MUST BE PRACTICAL

Beijing RED FLAG in Chinese No 16, 16 Aug 80 inside back cover

[Article by Mei Dongkui [2734 0392 7608]]

[Text] The leadership method of generalization and uniformity in agricultural production today remains fairly widespread and serious.

The leadership method of generalization is prominently manifested in formalism, in disregard of the practical effect. The directives of the superior level are copied and transmitted verbatim, from principle to principle. Those at the lower level are pressed to plant at planting time, to manage after planting and to harvest upon maturity. The importance of proper planting, managing and harvesting is discussed in a general way by means of telephonic meetings, broadcast meetings, on-site meetings, urgent notices and telegrams. The speeches, documents and telegrams are all stereotyped and can be used next year as well as this year. Instead of starting from the practical conditions, formalism is followed and the old framework jealously guarded. The computation of compensation linked with output, for instance, is recognized for the group but not for the individual, and there is no concrete analysis. As regards the bonus for excess output, 30 percent is permitted, but not 50 or 60 percent, without regard to the amount of the fixed quota. Any mention of contract work or contract output is considered a policy violation, without regard to the practical content. Any readjustment of the scale of a production team, regardless of the reason, is considered as disrupting the system of three-level ownership and the team as the foundation and is denied. The new conditions and new problems in agricultural production are not investigated, studied and solved. In some areas many people gather together to inspect, assess and compare. Riding around in automobiles, they cover several hundred kilometers a day, "flower viewing in a car," in name only, without solving any practical problem.

The method of uniformity is manifested in following one mold and one requirement, regardless of the time, place or conditions, acting by means of administrative orders. In disregard of the great differences in objective conditions, some counties and communes made uniform provisions for the planting areas for various crops, the time for seeding, the standard of fertilizing and the method of seedling care. Some counties, communes and production brigades even take unified actions, arbitrarily disrupting the normal production arrangements, such as issuing orders to plant trees on certain days and to repair roads on certain other days. Those at the lower level have no self-governing power at all and cannot control their own fate.

Deeply rooted in some areas, the leadership method of generalization and uniformity in agricultural production has become a force of habit. It violates the policy of developing agricultural production by starting from reality and adjusting to the locale and restricts the productive enthusiasm and creative spirit of the broad basic-level cadres and peasant masses, thereby blocking our effort to reinforce the leadership and make it compatible with objective reality.

The reasons for the leadership method of generalization and uniformity are many-sided, including incorrect ideological lines and one-sidedness in understanding, lack of business knowledge in operation and management and an irresponsible work attitude. The main problem today is the bureaucratic work attitude and work style. Failing to make intensive practical investigations and studies or to study the new experiences created by the masses, some of our leading comrades in agricultural production satisfy themselves with copying and forwarding verbatim, sitting in the office to issue orders, following formalism and acting according to set patterns.

The effective way to solve the problem of generalization and uniformity in leadership is to penetrate reality, investigate and study, carefully summarize the advanced experiences of the masses, uncover the new models, study the special characteristics and good points of one's particular area, promptly clarify the new conditions and unearth and solve the new problems. Only thus will agricultural production have a leadership compatible with reality. According to recent newspaper reports, many leading cadres have penetrated the front-line of agricultural production to investigate and study and to unearth and promptly solve the important problems involving policies. This is an excellent trend and should be vigorously encouraged.

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THEY TAKE WATER FROM THE SAME WELL

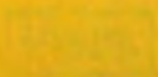
Beijing RED FLAG in Chinese No 16, 16 Aug 80 outside back cover

[Woodcut by Gu Yuan [0657 0337]]



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