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# China Report

RED FLAG

No. 4, 16 February 1981

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## CHINA REPORT

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No. 4, 16 February 1981

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

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## READJUSTMENT AND OVERALL BALANCE

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 2-6

[Special commentary by Wang Jiye [3769 4480 3142] and Wu Kaitai [0702 0418 3142]]

[Text]

I

Readjustment means restoring the proper proportion. Looking at the national economy as a whole, an important problem that reflects the present disproportion is that the proportion between accumulation and consumption funds is above and beyond our actual national income.

The causes of this problem are fairly complicated. The remote cause is that, owing to the "leftist" mistakes we made over the years, there is a disproportion in the national economy. The immediate cause is that while the anticipated goal of reducing capital construction investment in the course of readjustment has not yet been attained, the growth of consumption funds has been faster than expected. Here, we would like to concentrate on analyzing the immediate cause.

First, the task of readjustment should have been to reduce capital construction investment and cut down accumulated funds. However, owing to the people's poor understanding of the readjustment policy, we met with resistance in implementing this policy for some time in the past. As a result, we were unable to reduce the total amount of capital construction investments. In 1979, capital construction investments were estimated to be some 9 billion yuan less than in the previous year. However, as things turned out, instead of going down, the figure went up by more than 2 billion yuan. Of this, the portion of investments arranged by the state was the same as that in 1978, and very little reduction was made in 1980.

Second, the new problems caused by units experimenting with the reform of the economic management system in the overall balance have not been properly solved in good time. For example, after the introduction of the practices of profit-sharing and "eating from one's own pot," the portion of profits in the net income of state-owned enterprises to be turned over to the central financial departments is reduced. A portion of the net income is retained by the enterprises for their own use and a portion is turned over to the local authorities. In addition, the banks have extended their loan and credit transactions by

issuing intermediate and short-term loans for the purchase of equipment. In this way, only a portion of the country's capital construction investment is directly under the control of the central authorities. The remaining portion is placed at the disposal of the local authorities and enterprises. Since all localities want to increase their revenues and all enterprises want to increase their share of profits, they have a great enthusiasm for making investments. Over the past 2 years, funds raised by the local authorities and by enterprises themselves have increased at a very rapid rate. In 1979, the amount was 25 percent greater than in 1978. Its proportion of the total capital construction investments went up from 17.4 percent in 1978 to 21 percent in 1979. The percentage increased further in 1980. Because the reduction in investments arranged by the state was very small and self-raised funds continued to increase, total capital construction investments went up instead of down.

While total capital construction investments remained at a high level, the rate of consumption rose faster than expected. In 1979, the state raised the purchase prices of farm products and increased the wages and bonuses of workers. According to the original estimate, expenditures on these two items totaled approximately 10 billion yuan. In actual implementation, however, expenditures on subsidizing the price rise in farm products amounted to more than 8 billion yuan, 1.5 billion yuan over the budgeted figure of 6.5 billion yuan, owing to the big increase in the output of such products. Expenditures on subsidizing the increase in wages and bonuses amounted to more than 6 billion yuan, 2.5 billion yuan over the budgeted figure of 3.5 billion yuan. In 1980, consumption expenditures continued to grow.

Because the proportion of accumulation and consumption funds is above and beyond our actual national income, a large deficit has appeared. If we do not adopt effective measures to solve this problem and, instead, allow it to develop, we will inevitably be forced to issue more money. This would touch off a further increase in commodity prices and adversely affect the stability of the entire national economy. This is also bad for the people.

Therefore, we must make a prompt decision to carry out large-scale economic readjustment on the basis of strengthening the overall balance. In readjustment, the primary target at present is to strike a balance in finances, credits and materials.

## II

That the proportion of accumulation and consumption funds is above and beyond our actual national income is nothing new. This situation might arise under two circumstances. In the first instance, a country has an adverse trade balance and has to borrow from other countries. Thus, the usable amount of its national income (the amount of national income produced plus or minus the difference between exports and imports in foreign trade) will exceed the national income actually produced. If the trade deficits and loans are small and the country has the ability to repay, this is not a big problem. However, if a country has an adverse trade balance for years on end and does not have the ability to repay huge amounts of outstanding foreign debts, serious problems will arise. The

reason is that debts owed in the current year will have to be repaid out of the national income of the following years. As the debts multiply, a large portion of the national income will be spent on repaying the principal and interest in the following years. When a country is unable to make repayments, it has to seek new loans to cover old ones. We do not have such a problem yet. However, the experiences of other countries show that we must be on our guard. In the second instance, a country has normal economic relations with foreign countries. However, because of improper arrangements in the distribution and redistribution of the national economy, the total demand of accumulation and consumption grow above and beyond the supply of national income. In other words, there is an imbalance between the sum total of accumulation and consumption funds in the form of value and material supplies in the form of use value. Such a situation occurs because the form of value in the national income can operate relatively independently of its form of use value. In the initial distribution of the national income, the increase in wages and bonuses might surpass the growth of labor productivity. During redistribution, financial deficits might arise and imbalances in bank credits might appear. As a result, there will be shortages in market supplies and prices will go up. Judging from our country's present conditions, we have run up against this second situation.

This kind of imbalance has occurred before in the history of our economic construction. We have had some experience in avoiding such an imbalance. The mentality of being impatient for quick results in economic construction began to appear in 1956. In that year, capital construction investments went up too abruptly, too many credits were extended, and staff members and workers were given raises that were too big. As a result, expenditures and credits went up by nearly 3 billion yuan. Because the total demand of accumulation and consumption exceeded actual national income, shortages appeared in the supplies of the means of production and livelihood, and market commodity prices soared. Comrade Chen Yun, who was in charge of economic affairs at that time, promptly proposed the correct countermeasure. He maintained that, on the basis of launching a movement to increase production and practice economy, we should suitably reduce the scale of capital construction and arrange capital construction investments in a proper proportion to the supply of building materials. On the other hand, we should regulate the rate of growth of public purchasing power in a planned way and make it correspond to the supply of consumer goods. Comrade Chen Yun incisively analyzed the relationship between the three major balances, that is, the balances in finances, credits and materials. He pointed out: Under our system, provided that revenues and expenditures and bank credits are balanced, the supply and demand of social products on the whole (that is, as far as total output is concerned) will also be balanced. This analysis pointed out the key and essential means for striking a balance between the distribution of the total national income and the total output. This was an important contribution to the theory of overall balance and is still of practical significance.

At present, we must strike a balance between the total demand of accumulation and consumption and the total supply of national income. To do this, the basic method is still to concentrate on balancing finances, credits and materials (while paying greater attention to maintaining a balance in foreign exchange) and, on this basis, to maintain a proper balance between accumulation funds in the form of

value and those in the form of use value, and between consumption funds in the form of value and those in the form of use value.

### III

Accumulation funds in the form of value and materials for accumulation must be well balanced. The way to do this is to insure by way of accumulation that the amount of national income to be distributed in the form of value does not exceed its amount in the form of use value. Accumulation funds in the form of value expand beyond proportion and exceed the volume of materials supply mainly because the scale of capital construction has grown too large. Therefore, we must maintain a proper balance between investment for capital construction and materials that can be used for capital construction purposes.

In the past, investment for capital construction was basically appropriated from state revenues, and state revenues determined the size of the country's capital construction investments. By controlling state investments, the state financial departments could control the country's total capital construction investments (of course we had not fully achieved this goal in practice). However, things will change after we have reformed our economic system. The proportion of state investments will fall and funds raised by the localities and enterprises themselves and funds coming from bank credits will increase. Hence, the state financial departments can control only those investments arranged by the state. They have no control over total capital construction investments. Under such circumstances, in order to maintain a proper balance between capital construction investments and materials that can be used for capital construction purposes, we must have control over total state investments as well as capital construction investments from other channels. Here, it is particularly necessary to pay attention to the question of bank credits. In the past, credits played a very limited role, and a bank was no more than a center for receiving and paying out bills and settling accounts. As the reform of our economic system proceeds, credit will develop and the banks will gradually be given greater decisionmaking power in extending credits. Under such circumstances, even if revenues and expenditures are balanced and financial outlays are properly used, the over-issuing of bank credits will still result in oversized capital construction investments. Therefore, it becomes all the more important to maintain a balance between credit receipts and payments.

In order to control total capital construction investments, the state must give powerful and effective guidance. Capital construction investments from various channels must be incorporated into the planned total investment figures and balanced by the planning committees at various levels. Major capital construction projects should be determined by the state and assigned to the construction units concerned in the form of mandatory plans. The state should pay special attention to controlling the total amount of credits and foreign loans. While controlling total capital construction investments, the state should also give effective and planned guidance on where we should invest our capital construction funds. In order to decide on a correct orientation of investment, we must view things from the angle of overall national economic conditions, fully understand the needs of the whole country and striking an overall balance. The state



is the only one in a position to do this. The reason is that the state has the advantage of seeing things from a distance and is not restricted by local interests. Of course, the state's macroscopic policies might err, but we cannot, on this account, deny the necessity of letting the state control the direction of investment. We should strive to make the macroscopic policy-making process scientific, democratic and institutionalized and avoid letting any individual make decisions at will, in order to make as few mistakes in our work as possible. After making correct decisions on the question of investment orientation, the state should implement them. To do this, it is necessary to adopt a number of measures, one of which is to properly make use of various economic levers that are connected with the law of value. At the same time, a fairly large portion of the capital construction funds should be concentrated in the hands of the state. Thus, the state can control the total amount of investments and, proceeding from the interests of the whole, it can make investments in projects which require a lot of money and are needed by society but are not attractive to the enterprises, localities and banks. In this way, well-coordinated and rapid development of the national economy can be insured. Most enterprises, banks and localities are interested in projects which take a shorter time to complete and require less investment. They should be allowed to make their investments in such projects. In this respect, the state should mainly rely on the economic levers to give planned guidance on the orientation of investment.

How much construction funds should be concentrated in the hands of the state? On the whole, there are two views among Chinese economists at present. One view holds that 50 to 60 percent of total investments should be placed under the control of the central authorities. Another view favors raising the depreciation rate and letting the enterprises keep all the depreciation funds. In other words, the original funds (capital) are at the disposal of the enterprises and all new investments are centrally appropriated by the state. (Here, "new investments" refer to the portion of surplus product value used in expanded reproduction. This is different from the concept of capital construction investment. A part of capital construction investment comes from depreciation funds.) That is to say, simple reproduction carved out from the quantum of capital value is supervised by the enterprises, whereas expanded reproduction carved out from the quantum of capital value is supervised by the state. Some comrades hold that the second view, which only gives the enterprises the power to dispose of their depreciation funds but not the power to expand reproduction, is not conducive to encouraging the enterprises to take the initiative in making technical innovations and reforms and in adapting to market needs and changes. Actually, this is not the case. After the rate of depreciation is raised, the total amount of depreciation funds will increase. In being allowed to keep this portion of funds, the enterprises are actually being given greater financial power. They can make use of the depreciation funds to replace or renew old equipment. Moreover, it is impossible to confine the use of depreciation funds to simple reproduction alone. Under given conditions, such funds can also be used in expanded reproduction. Since the depreciation funds of enterprises must be deposited in banks, the banks can supervise and flexibly regulate their use. Of course, after the rate of depreciation is raised, production costs will increase and the profits made by the enterprises will decrease correspondingly. As a result, state revenues and investments will be reduced. This reduction is in fact a rectification of some

unreasonable economic phenomena of the past. For example, in the past we regarded depreciation funds, that is, "capital," as income and spent them mainly on making new investments, thus seriously overlooking the need to renovate the existing enterprises. If we act according to the second view, the long-standing and serious problem of not paying attention to the renovation of existing enterprises can be properly solved. The total amount of new investments actually controlled by the state is fairly close to the figure given in the first view. Of course, this will give rise to numerous concrete problems, which we must make a further effort to study and explore.

#### IV

Consumption funds in the form of value and the supply of consumer goods must be well balanced. At present, consumer goods produced by the Chinese peasants to meet their own needs do not have to go through commodity circulation channels. Hence, the question of striking a balance between the form of value and the form of use value does not arise. What requires balancing are consumption of funds that go through commodity circulation channels. In terms of the form of value, the constituents of this portion of consumption funds are: workers' cash income, peasants' earnings from the sale of farm and sideline products, and institutional purchases (excluding the portion of the peasants' cash income spent on purchasing the means of production). In the past, the total amount of workers' wages and the total amount of institutional purchases were directly controlled by the state. As the reform of our economic system proceeds, the enterprises will have a bigger say in matters concerning workers' wages, bonuses and collective welfare. By that time, it will be all the more necessary for us to pay attention to the planning and control of institutional purchases in order to strike a balance between such purchases and the supply of consumer goods. By maintaining a proper balance in this regard and keeping an eye on consumption funds, we can prevent the total demand of accumulation and consumption from growing beyond what our national income can supply.

Here, it is necessary to single out for discussion the question of keeping bonuses under control, from the angle of overall balance. Bonuses are actually rewards for above-quota labor, but this principle is often violated in practice. For the moment, let us forget about egalitarianism in the distribution of bonuses and just look at the total amount of bonuses. If we do not keep bonuses under control, it will be very difficult for us to get a precise grip on consumption funds as a whole. In the past, we set quantitative limits on bonuses (for example, an annual bonus should not exceed 2 months' wages), but it was not easy to carry them out. Even now some units are recklessly issuing bonuses under all sorts of pretexts. This makes it difficult to control the total amount of wages, including bonuses, and is an immediate factor in the growth of the total demand of accumulation and consumption above and beyond the supply of national income. Bonuses are linked with the portion of profits retained by the enterprises, and profits are a component of prices. Normally, an enterprise can only make more profits and issue more bonuses by raising its labor productivity and lowering its production cost. However, some enterprises went against this principle and achieved the goal of issuing more bonuses by imposing price hikes or by raising prices in a disguised form. Therefore, we maintain that we should uphold the

principle that bonuses are rewards for above-quota labor, and stress that such rewards can only be given after we have raised labor productivity and lowered production costs. In other words, bonuses should be directly linked with efforts to raise labor productivity, lower production costs, save raw materials and conserve energy. Only in this way can we block the road to securing bonuses by imposing price hikes or by raising prices in a disguised form and strike a balance between institutional purchases and the supply of commodities.

In order to insure the balance between institutional purchases and the supply of consumer goods, we should also pay attention to the growth of the peasants' purchasing power. The peasants' income from the sale of farm and sideline products might increase as a result of increased agricultural output or as a result of price hikes. It is not a terrible thing to have greater purchasing power owing to an increase in farm output. In fact, it is a good thing. What merits attention is the question of price hikes for farm products. In the past, the prices of farm products for a long time remained on the low side. This was unfavorable to developing agricultural production and improving the peasants' living standards. The efforts we have made to increase the purchase prices of farm products are absolutely necessary. However, we must take into consideration the supply of consumer goods before deciding on the extent of and steps for any further price hikes. The extent should not be too large and the steps should not be too hasty. The scope of negotiated prices should also be restricted. Otherwise, it will put too great a burden on state revenues and upset the balance between institutional purchases and the supply of consumer goods. Therefore, in raising the prices of farm products, we must pay attention to the requirements for an overall balance and must not look at problems from only one angle.

As long as we maintain a proper balance between the two forms of accumulation funds and between the two forms of consumption funds, we can prevent the total demand of accumulation and consumption from growing above and beyond the supply of national income. At present, numerous problems are awaiting solution in our endeavor to strike an overall balance in the national economy. Many of these problems are interrelated. We must make it our primary concern to prevent the total demand of accumulation and consumption from growing above and beyond the supply of national income, and properly arrange the proportions between various sectors around this balanced relationship.

## V

The key to preventing a loss of balance between the distribution and disposal of total national income and total national output lies in the correctness or incorrectness of economic decisions, which directly determine the general scale and ratio between accumulation and consumption. At the same time, attention should be paid to their impact on the economic system. From domestic and foreign experiences over the past few decades, we can see that, under the system of public ownership, different economic management systems had different impacts on economic decisions and in varying degrees led to different tendencies in economic decisions.

Under a centralized economic system, the power of making economic decisions rests with the state. Under such circumstances, special attention should be paid to guarding against impetuosity and the blind pursuit of high speed, high targets and a high rate of accumulation. If the rate of accumulation is too high, consumption is liable to lean toward the low side. This is unfavorable to arousing the workers' enthusiasm and developing the national economy. We have learned our lesson in this regard. Conversely, things will change if the power of making economic decision is completely delegated to the enterprises and economic organizations. For enterprises and other units directly engaged in production and business, the principal point of departure in decisionmaking is their own economic interests. They tend to aim more at increasing the income and material benefits of their own workers. In the distribution and disposal of income, they tend to favor increased consumption and reduced internal accumulation. Of course, this does not mean that the enterprises lack enthusiasm for making investments. In order to further increase their income, the enterprises will continue to add new investments. If they are too free to borrow credits and foreign loans, the demand of accumulation and the demand of consumption will swell simultaneously.

A completely decentralized economic system is not the orientation of our country's reform of the economic system. However, from the long-term point of view, we must also reform our highly centralized system and delegate the decision-making power to units directly engaged in production and business. In the process of gradually expanding the functions and powers of the enterprises, problems caused by decentralization that affect the overall balance will manifest themselves in varying degrees in actual economic life. Therefore, preventing the total demand of accumulation and consumption from growing above and beyond the supply of national income is not only an important task in our present endeavor to strike an overall balance, but also something we should always pay special attention to in our future efforts to maintain this balance. Only in this way can we insure the steady growth of the national economy and the smooth progress of our reform of the economic system.

CSO: 4004

CONTINUE TO ELIMINATE THE INFLUENCE OF LEFTIST ERRORS

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 7-11

[Article by Jing Dong [0079 2639]]

[Text] The work conference held by the party Central Committee in December last year decided on the important policy of further implementing economic readjustment and achieving further political stability and unity. This policy is completely suitable for the actual economic and political situation in our country at present and is a continuation and development of the series of principles and policies laid down since the 3d Plenary Session of the 11th CCP Central Committee. We must seriously study and comprehend the spirit of this central work conference and firmly implement this spirit in our work in various fields.

We communists take dialectical materialism and historical materialism as our world outlook. Dialectical materialism and historical materialism tell us that matters which objectively exist and the history of human society always develop according to their own inherent laws. This development is independent of subjective human will. People can know and apply objective laws but can never repudiate objective laws. Therefore, when we think about problems and do things, we must seek truth from facts and proceed from reality at all times. We must not disregard the objective conditions and do things according to our subjective wishes. Even with good intentions, doing things without considering the objective conditions and according to one's subjective wishes will result in setbacks. As Comrade Mao Zedong once said: "If a man wants to succeed in his work, that is, to achieve the anticipated results, he must bring his ideas into correspondence with the laws of the objective external world; if they do not correspond, he will fail in his practice." ("Selected Works of Mao Zedong," Vol 1, p 261)

For a long time, we have done many stupid things which were divorced from reality under the guidance of the erroneous "leftist" principle, and this brought about great damage to the party, to the country and to the people. This teaches us a very profound lesson. The greatest achievement of the 3d Plenary Session of the 11th Central Committee was that it stressed proceeding from reality in everything, rectified the ideological line and started to correct "leftist" errors in the past, putting work in various fields onto the right track. Thus, after more than 2 years of efforts, we have achieved remarkable results in both the economic and the political fields and developed a good situation which has seldom occurred since the founding of the republic. People can recall that right after the

smashing of the "gang of four," our country was in a condition of recovering from a serious illness. If the Third Plenary Session had not put forth the principle of emancipating the mind, of activating the thinking process, of seeking truth from facts, of uniting and looking forward; if it had not highly acclaimed discussing the issue of practice being the sole criterion on truth; if it had not decided that the work focus of the whole party was to be shifted to the building of socialist modernization; if it had not proposed overcoming a serious defect in our economic management system, that is, the overconcentration of power; if it had not put forth a series of policy and economic measures to develop agricultural production; if the eight-character principle of readjustment, restructuring, consolidation and improvement had not been put forth in time shortly after the Third Plenary Session: if it had not called for the strengthening of socialist democracy and the socialist legal system; if the great number of important questions left over from history, the questions of right and wrong concerning some prominent leaders and the cases of miscarriage of justice had not been investigated and resolved after the Third Plenary Session; if...in short, if it had not been for the line, principles and policies of the Third Plenary Session, how could we now have the very fine situation of political stability and unity, stable economic development and unprecedented lively ideology? Practice in the past 2 years or so shows that our party's line, principles and policies laid down since the Third Plenary Session totally conform with the actual situation in our country and fully reflect the people's wishes and demands.

However, the erroneous guiding principle of "leftism" has had us bound up for more than 20 years. The task of eliminating the influence of "leftist" errors is an arduous one. In order to make our subjective understanding more compatible with objective reality, we must still exert great efforts to eliminate the influence of "leftist" errors.

The central work conference decided that we must implement further readjustment in the economy. That means further rectifying "leftist" errors in economic work in the past. We all know that due to historical conditions before the liberation and due to the erroneous "leftist" principle implemented after the First Five-Year Plan, our national economy has always had the problem of disproportionate development. In addition, the 10 years of sabotage by Lin Biao and the "gang of four" brought about serious damage to the national economy. Furthermore, some unrealistic slogans that were put forth and some unrealistic things that were done in the first 2 years after the smashing of the "gang of four" led to imbalances in finance, credit, commodities and foreign exchange income and expenditure. Under such circumstances, the only thing to do is to seriously undertake readjustment, firmly stop projects which must be stopped and retrench construction projects to a sufficient extent in order to gain a firm foothold, to stabilize the overall situation and to regain the initiative to put the entire economy onto the right track of healthy growth. This is completely compatible with the general principle of rectifying leftist errors and proceeding from reality in everything laid down since the Third Plenary Session.

Achieving further political stability is also a longstanding principle since the Third Plenary Session. It should be remembered that from the late 1950's to the "Great Cultural Revolution," as a result of undue emphasis on grasping class

struggle and the thesis that grasping class struggle was relevant to all kinds of work, political campaigns came one after the other and a political situation of stability and unity could not be formed. Since the Third Plenary Session, our party has proceeded from reality, made a realistic analysis of the social conditions, arrived at the conclusion that although class struggle still exists, it is no longer the principal contradiction in our society, decided not to launch political campaigns anymore and also repeatedly stressed stability and unity. Thus, generally speaking, the political situation in our country is one of stability and unity. However, we must also know that there are still some elements of instability. For example, a handful of people who are bent on creating trouble have been discovered in some localities. They include remnants of the Lin Biao-Jiang Qing cliques who are attempting to use the methods used during the "Great Cultural Revolution" to instigate trouble. Some of them have distributed reactionary leaflets and expressed antiparty and antisocialist views; some of them control illegal organizations and publications and even join forces to spread absurdities such as a bureaucratic class exists in our country and to clamor for a second "Great Cultural Revolution." Moreover, these people's activities often receive the sympathy and support of some people who resent, oppose or who overtly obey but covertly disobey the party's line, principles and policies. There are three kinds of people in the leadership group who provide these people with a protective umbrella. They are those who built their career by rebelling under the leadership of Lin Biao and the "gang of four," those who are heavily influenced by factional thinking and those who heavily indulged in beating, smashing and looting. To achieve further political stability, we must firmly deal blows, disintegrate and demoralize the remnant forces of the Lin Biao-Jiang Qing counterrevolutionary cliques and elements who frenziedly conduct antisocialist activities and deal blows to and prevent all types of criminal activities and those activities which violate law and discipline. At the same time, we must conduct ideological education among the broad masses of party members and cadres and continue to eliminate the influence of leftist errors.

We say that the spirit of the recent central work conference is in conformity with the spirit of the Third Plenary Session. Thus, does this mean that we need not pay attention to other erroneous tendencies? Certainly not. We must know that the purpose of opposing and rectifying "leftist" errors is to do a better job in upholding the socialist road, in upholding the people's democratic dictatorship, that is, the dictatorship of the proletariat, in upholding the party's leadership and in upholding Marxism-Leninism-Mao Zedong Thought, to make our work more efficient and to gradually achieve socialist modernization. We must never correct one mistake only to commit another one. We must resolutely oppose and rectify all ideas and actions which run counter to the four basic principles.

Over the past 30 years or so, our party has attained great achievements in leading the people of the whole country to engage in socialist revolution and construction. Some people are not being truthful when saying that our party is devoid of any merit. People who say this are either ignorant or have ulterior motives. When we talk about the need to reform the leadership systems of the party and the state, to reorganize the leadership groups at various levels, to rectify unhealthy practices in the party, to oppose bureaucratism and privilege-seeking and so forth, it is for the purpose of upholding and strengthening the party's

leadership in order to meet the requirements for building socialist modernization. In a large country such as China, without the strong leadership of the Communist Party, the country will inevitably be split up and will not be able to achieve anything. Whether inside or outside the party, any tendency which attempts to weaken, get rid of, eliminate or oppose the party's leadership is wrong and impermissible. We must sternly criticize and educate people who are guilty of erroneous thinking and actions.

Comrade Mao Zedong was a great Marxist and a great leader of the whole party, of the entire army and of the people of all nationalities of the whole country. His contributions are the principal aspect while his errors are only a secondary aspect. Such an evaluation is completely realistic. If we do not assess him in this manner, then we are not taking the Marxist attitude of seeking truth from facts. We can talk about Comrade Mao Zedong's errors during his latter years but we must be faithful to facts. We must carry forward the many fine ideas of Comrade Mao Zedong and we must firmly and unswervingly take the ideas of Mao Zedong which have been proven to be correct through practice as the guiding thought of the party and the country and develop them in our practice. Otherwise, the image of our party and our country will be damaged; the prestige of the party and the socialist system will be damaged; the unity of the whole party, the whole army and people of various nationalities in the whole country will disintegrate.

Ours is a socialist country. We must persist on the socialist road. In the modern history of our country, some progressive people had attempted to seek the road of national salvation along the line of Western countries, but they all failed. Practice has showed that only socialism can save China. Over the past 30 years or so, earth-shaking changes have occurred in our country. Old China, which was semicolonial and semifeudal and economically and culturally backward, has been transformed into a socialist new China, which is independent and self-reliant and which has a relatively comprehensive industrial structure and national economic structure. This is a universally acknowledged fact. Under the leadership of our party, the 1 billion people are valiantly marching forward along the road of socialism. This is the overall situation in our country. This overall situation must not be shaken. The purpose of readjusting the national economy and reforming the management system is to fully mobilize the enthusiasm of all sectors, to fully demonstrate the superiority of the socialist system and to smoothly conduct the building of the four modernizations. We must never allow deviations from the socialist road and the sabotage of the socialist economy under various pretexts. We must unswervingly take the socialist road and consolidate and develop the socialist economy.

Comrade Mao Zedong said: "The combination of democracy for the people and dictatorship over the reactionaries is the people's democratic dictatorship." ("Selected Works of Mao Zedong," Vol IV, p 1, 412) [should be p 1, 364] In essence, the people's democratic dictatorship is the dictatorship of the proletariat. During the time Lin Biao and the "gang of four" were wreaking havoc, the people's democratic rights were seriously trampled upon. Thus, we have been stressing carrying out democracy and truly making the people masters of the country since the Third Plenary Session. At present, we have not done enough



in this aspect. We must continue our efforts. However, while continuing to carry out democracy and safeguarding the people's exercising of their democratic rights, we must also strengthen the unified leadership of the party and the state, strengthen the socialist legal system and strengthen the state machinery of the people's democratic dictatorship. We must resolutely oppose extreme democratization and the anarchistic tendency and firmly deal blows to all anti-party and antisocialist activities and to all types of criminal activities in order to maintain political stability and normal production order, work order and social order. Otherwise, not only will economic readjustment be difficult to implement, the people's democratic rights and even their right to live will be jeopardized.

In short, we must continue to oppose and rectify leftist errors while also paying attention to opposing and overcoming other erroneous tendencies that might actually emerge. Since the Third Plenary Session, the party has been doing this. Shortly after the Third Plenary Session was held, Comrade Deng Xiaoping gave an important speech on behalf of the party Central Committee, explicitly pointing out the necessity of upholding the four basic principles. This event is well-known to everyone. However, in our propaganda on the line, principles and policies of the Third Plenary Session, we did not actively, forcefully and convincingly propagandize the four basic principles. We did not sternly criticize and forcefully struggle against some erroneous ideas and tendencies which violate or even oppose the four basic principles. Two situations exist at present: first, some people think that while implementing the spirit of the Third Plenary Session, emancipating the mind and rectifying "leftist" errors, we need not pay attention to upholding the four basic principles; second, some people believe that in order to uphold the four basic principles, we cannot continue the emancipation of the mind and cannot oppose and rectify "leftist" errors. These comrades hold that the spirit of the Third Plenary Session has changed. Actually, this is a misunderstanding of the spirit of the Third Plenary Session and of the recent central work conference. Of course, bourgeois liberalization, extreme individualism, anarchism and all types of criminal activities hamper and destroy socialist construction. The recent central work conference stressed that we must adopt effective measures to struggle against these erroneous ideas and practices. This is absolutely necessary. However, generally speaking, we must still rectify "leftist" errors. Moreover, it is impossible to overcome these erroneous ideas and practices under the guidance of "leftist" thinking. We must be clear about this question ideologically. Otherwise, we will not be able to correctly comprehend the spirit of the central work conference and thus, will not be able to achieve the unity of the subjective and the objective and will develop shortcomings and commit errors in work.

Naturally, it is also not true to say that the spirit of the recent central work conference is no different from the spirit of the Third Plenary Session. By saying that the general principle of rectifying leftist errors and of everything proceeding from reality has not changed does not mean that the concrete work plans and every policy and measure adopted are the same. The objective world is developing and the people's understanding of the objective world is also developing. If the situation has changed and our understanding has developed, work plans must be tailored to suit the new situation and some concrete policies and measures

must be correspondingly readjusted and supplemented. This is absolutely normal and is quite necessary. For example, after more than 2 years of practice since the Third Plenary Session and with further exposure of the damage done by the erroneous "leftist" guiding principle, people have come to have a clearer understanding of the conditions in our country and a more profound sense of importance and urgency about further economic readjustment. Under such conditions, is it not proceeding from reality to slow down a bit the pace of reforming the economic structure and the economic system and to stress doing a good job in grasping economic readjustment for a time? Take another example. We have adopted many policies and measures in an attempt to enliven the economy. Now that the economy has been enlivened, in order to make it remain lively but not chaotic, we have put forth the task of strengthening management and restricting some economic activities which are harmful to the socialist economy and which adversely affect the market mechanism. Are these not necessary? This change represents a development and an improvement. Of course, it is not good for policies to be changing all the time. Such changes must be avoided. However, policy cannot also remain static. If the situation has changed while the policies and measures remain the same, it will result in stagnation and ossification. This contradicts the objective law of development of matter. We must adopt a developmental viewpoint in looking at problems and looking at the party's policy changes. We must not negate past policies without first doing an analysis just because some new policies are now being enforced. Since the Third Plenary Session, some comrades whose minds are ossified or semi-ossified have not totally agreed with and have not had a thorough understanding of the party's line, principles and policies. Since they see the party Central Committee adopting some policies and measures in view of the new situation, they say that those people in the party are wrong and are elements who want to settle old scores. These comrades' thinking and attitude are weird. With this kind of thinking and attitude, it will be impossible for them to correctly understand and implement the spirit of the central work conference. This is a situation which calls for serious attention.

At present, the people's thinking is very lively. A situation of liveliness and vitality which is unprecedented since the founding of the People's Republic has emerged. This is an important indication of the very fine political situation. At the same time, we must also see that among the various kinds of views and in various kinds of discussions, there are correct things and incorrect things. There seems to be some ideological confusion. However, on the whole, the most important question is still how to correctly understand the situation in our country and how to understand the party's line, principles and policies. Some people think that this ideological confusion was created by the emancipation of the mind. This is obviously wrong. Essentially, to emancipate the mind is to change the situation of theory being divorced from reality and of the subjective being separated from the objective and to make ideology conform with reality and the subjective conform with the objective. Practice is constantly developing. There is no limit to the emancipation of the mind. In this sense, we cannot say that the emancipation of the mind has been excessive. The discussion on practice as the sole criterion of truth has enabled people to break away from modern superstition, to be emancipated from the fetters of leftist errors--particularly the error of "two whatevers"--and to consider and solve problems in a down-to-earth manner. This has created a great motive force in our work on various

fronts. This is an undeniable fact. If we have to say that the people's ideological confusion is related to the emancipation of the mind, then, the main thing is that there are still some comrades whose minds are not emancipated enough. These comrades are heavily influenced by leftist errors. When thinking about problems and doing things, they cannot do without the old conventions. They are unable to proceed from reality and study the new situation and new problems. Thus, they lack a common language with the majority of the cadres and masses. This is one important reason for the so-called ideological confusion. On the other hand, some people have misconceptions about the emancipation of the mind and even distort it. For example, some people think that the emancipation of the mind can be divorced from the four basic principles. They even say that upholding the four basic principles will obstruct the emancipation of the mind. Some people think that if we want to carry out democracy, we cannot talk of centralization or the legal system. They claim that centralization and the legal system will hamper the carrying out of democracy. Some people think that to implement the "double hundred" principle, we cannot criticize erroneous things. They mistake justified criticism for wielding a big stick. Actually, all these run counter to the emancipation of the mind. On the surface, people with this viewpoint seem to be very "emancipated." In reality, their minds are under the rigid restriction of bourgeois and petty bourgeois liberalism, anarchism and extreme individualism. Some people have gone very far in this respect, to the extent of opposing the four basic principles. This amounts to equating the emancipation of the mind with bourgeois liberalism and to jeopardizing the implementation of the Third Plenary Session's line, principles and policies from another erroneous direction. To solve the problem of ideological confusion, we must strengthen ideological and political work among the broad masses of party members, cadres and masses to enable everyone to further emancipate their minds, to rectify their understanding of the party's line, principles and policies and to get rid of those erroneous things which run counter to the party's line, principles and policies.

It takes a lot of effort to be really able to proceed from reality in doing everything. Understanding the principle of everything proceeding from reality does not automatically mean that one is able to proceed from reality in doing things. Marxism-Leninism-Mao Zedong Thought tells us that people's understanding of the objective world cannot be divorced from practice. It is only through practice that people can verify truth and develop truth. Thus, to uphold the principle of everything proceeding from reality and of seeking truth from facts, we must engage in practice, go down among the masses, strengthen investigations and studies and constantly sum up experiences and lessons. When we say the long-standing erroneous guiding principles in our work were "leftist" errors, this is a conclusion derived from practical experiences. With so many years of painful practical experiences, we have finally come to see clearly the serious problems of guiding principles being divorced from reality. The policy of the recent central work conference was formulated on the basis of summing up the practical experiences of the past 2 years. To truly understand the Central Committee's policies, we must integrate them with the working conditions and the ideological situation in our respective areas, departments and units, seriously study and discuss relevant documents of the central work conference and do a good job in summing up our practical experiences. To make a realistic analysis of the

economic and political situation, we must fully affirm our achievements and consolidate results already gained on the one hand, and keep a sober mind, see the existing problems and seek solutions according to the requirements of the central work conference on the other. If we have a half-baked understanding of the actual situation, we will not be able to correctly understand and implement the Central Committee's principles.

At present, the whole party, whole army and people of all nationalities in the whole country are studying and implementing the spirit of the central work conference. This is the most important thing at present. Through studying and implementing the spirit of the central work conference, there will be a great uplifting in the thinking of all party comrades and a great improvement in their work style. They shall be able to truly seek truth from facts, proceed from reality in everything, guide their actions with the world outlook, dialectical materialism and historical materialism and lead the masses to work with one heart and one mind to accomplish the great mission of implementing further economic readjustment and achieving further political stability and unity, which is of paramount historical significance.

CSO: 4004

## GREATLY CARRY FORWARD THE SPIRIT OF THE REVOLUTIONARY WAR YEARS

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 12-16, 23

[Article by Gu Hanxiang [7357 3352 4382]]

[Text] In a very important speech made last December, Comrade Deng Xiaoping pointed out that in order to carry out socialist construction and realize the four modernizations, we must greatly carry forward the spirit of the revolutionary war years under the correct leadership of the CCP Central Committee so that it will become the main pillar of support for the spiritual civilization of the People's Republic of China. This call for such incisiveness and directness is of extremely great significance. However, for this call to strike chords in the hearts of the people and be translated into practical action will definitely require a great deal of penetrating and meticulous ideological and political work and the energetic development of active ideological struggle.

### 1. Is It Still Necessary To Carry Forward This Kind of Spirit at Present?

Once, an old comrade was telling us about the glorious tradition of our party and our army. When he got to the part about the style of plain living and hard struggle of the Yanan period, some people disdainfully commented: "Times are different now. Why are you always talking about these old things of the past?" "You old people have tasted hardship. Why must you still make us taste it!" In short, some people seem to think there is no longer any need for the revolutionary spirit of the war years. Therefore, there is also no further need to propagate or advocate it.

True, conditions have changed. Now the emphasis of work for the whole party has shifted to socialist modernization. However, is it true that we no longer need the spirit of the revolutionary war years? No! We not only greatly need it, but we must also greatly carry it forward.

In the process of leading the army and people to carry out the protracted and extremely difficult revolutionary war, our party has cultivated and tempered a kind of highly valuable spirit. This is outstandingly manifested by the revolutionary and death-defying spirit, the spirit of strict observance of discipline and self-sacrifice, the spirit of selflessness and placing the interests of others above one's own, the spirit of prevailing over all enemies and difficulties and

the spirit of maintaining revolutionary optimism and surmounting every difficulty to win victory. This lofty spirit is the coagulation of the wisdom, blood and sweat of the party, the army and the people and an heirloom our party and nation will always be proud of.

Greatly carrying forward the spirit of the revolutionary war years is not only the demand of the general task of the new period but also the indispensable substance for realizing this great task. At present, what we want to build is a strong modernized and highly democratic and civilized socialist society. This means we must not only realize the modernization of agriculture, industry, national defense as well as science and technology, but we must also realize a high degree of democracy and civilization. These three conditions are closely linked, and not a single condition can be dispensed with. A high degree of civilization not only refers to the popularization and the raising of standards of education and scientific culture but also to people having the stand and principle of communist ideology, ideal, morality and revolution and the comradely relations of genuine equality and mutual cooperation among people. The spirit of the revolutionary war years, which has been shaped under the guidance of Marxism-Leninism and Mao Zedong Thought, embodies the distinctive character of the proletariat and sparkles with the brilliance of communist ideology. It not only reflects the influence of the break from the former production relations or the molding of the essential qualities of new communist people divorced from all vulgar tastes, but it also reflects the standard of mutual relations established by people in their struggle for the common ideal and manifests the indomitable and all-conquering aspiration, moral integrity, vital energy and noble spirit of the Chinese nation. Our main demand for the building of socialist spiritual civilization is to develop the spirit of the revolutionary war years to a higher degree and give it a richer substance so that instead of being acquired by a handful of advanced elements, it can be gradually expanded to include the majority of people. This is an important characteristic of the road to China's socialist modernization and an important hallmark distinguishing it from the modernization of all capitalist countries. To realize the four modernizations, we must greatly increase productive forces. This means we must certainly also ask all sectors to alter production relations and superstructures not suited to the development of productive forces and change all the unsuitable forms of management, activity and thinking. Therefore this is an extensive and profound revolution. Following the increase of international contacts, the foreign bourgeoisie will invariably try to spread the influence of the capitalist way of life among us and export all kinds of rotten and decadent ideas to us. Moreover, those among our cadres and people with weak willpower will naturally be affected. Energetically propagating and carrying forth the spirit of the revolutionary war years is not only our effective weapon for struggling against the encroachment of all kinds of nonproletarian ideas, but also an essential measure for adjusting the superstructures to the development of the productive forces. If we do not give publicity to or perhaps even abandon this kind of spirit and allow various nonproletarian ideas to spread unchecked, then can our modernization still retain its socialist character? It is impossible to build socialism without spiritual civilization. We must adhere to the road which enables both material production and spiritual production to flourish simultaneously. Only in this way can we maintain the orientation of advance toward the

great socialist goal and make all people in the world who want revolution and progress look up to us.

Greatly carrying forward the spirit of the revolutionary war years is also our magic formula for surmounting various difficulties and obstacles on the course of advance and successfully building a strong socialist country. We communists have always attached great importance to the role of spiritual strength in revolution and construction. Idealism immeasurably exaggerates the role of spirit, and vulgar materialism negates the positive role of spirit. Our viewpoint is basically different. We maintain that spirit stems from matter and also has a great counteraction on matter. The socialist modernization we are going in for is an unprecedentedly great as well as arduous undertaking. We have now evolved an excellent political and economic situation seldom seen since the founding of the People's Republic. This is the most fundamental aspect. We also definitely have a great many difficulties. This is something we cannot ignore. Judging from the scope, depth and difficulty of the four modernizations, we can see that it will be impossible to advance unhindered on the road ahead and we will also encounter all kinds of difficulties and even suffer certain setbacks. Regardless of whether we are building or safeguarding the four modernizations, we must still work hard and assiduously tackle problems. We must endure hardship and exert ourselves. We must subordinate individual interests to the interests of the whole and must even shed blood and make sacrifices. What can we rely on to arouse and encourage the people to do this consciously? Can we do this by simply relying on the increase of material rewards without relying on the absorption of revolutionary spirit? Obviously we cannot. During the war of resistance against Japanese aggression we encountered great difficulties in supplying materials to the frontlines and the rear areas. If we had not relied on the guidance of Marxism-Leninism and Mao Zedong Thought at that time and if we had not relied on the spirit of wholeheartedly serving the people, the revolutionary and death-defying spirit, the spirit of hard struggle and self-reliance and the spirit of utter selflessness and self-sacrifice advocated by the party, could we have surmounted all difficulties, triumphed over the enemy and taken the easy road to victory? At that time, under the correct leadership of the party, didn't we also inherit and carry forward the spirit of the revolutionary war years, unite as one from top to bottom, pool the wisdom and efforts of everyone, trample the difficulties underfoot and advance with vigorous strides toward victory? In the revolution and construction of the future we must proceed from reality and use and carry forward still better this spirit of the revolutionary war years. Lenin called this proletarian quality of "patience, perseverance, determination and decisiveness and the ability to carry out repeated experiments and improvements," "the guarantee for the sure victory of the proletariat." Today we also have reason to say that carrying forward the spirit of the Chinese revolutionary war years is the guarantee for the sure victory of China's socialist modernization.

## 2. The Germs Corroding Revolutionary Spirit

The spirit of the revolutionary war years is an essential part of the new communist ideology and morality. In contrast, bourgeois individualism is the germ corroding and impairing the spirit of the revolutionary war years.

Some people feel that individualism, and ultraindividualism in particular, exists only among an extremely small handful of troublemakers and that there is nothing wrong with the cadres, and especially the leadership cadres, so there is no cause for alarm. However, facts are not so. Dialectical materialists must proceed from reality in studying problems and must not evade facts. As long as we use the Marxist analytical method to study complicated and confusing social phenomena and analyze the motive and purpose in the people's mutual activities, we will discover that ultraindividualism is growing and spreading and, moreover, has also not been effectively criticized in time.

What are the principal forms of ultraindividualism which at present hinder carrying forward the spirit of the revolutionary war years?

First, these people always proceed from personal interests in the study and handling of problems. They are influenced by old-fashioned selfish prejudices and dare not face truth squarely. For the sake of preserving the interests already obtained during the "Great Cultural Revolution," they openly or secretly hold fast to the standpoint of two "whatevers." This type of person invariably adopts the attitude of resisting and even opposing the correction of "leftist" mistakes by the party. They invariably use all kinds of excuses to delay or hold up the rehabilitation of false charges, wrong sentences and frameup cases. Consequently, even now, the thinking of these people is ossified. Apart from the reason of ideological understanding, another important factor is that their minds are filled with the ice cubes of egoism. How can people with this kind of mentality display the dauntless and indomitable spirit of struggle of the revolutionary war years to carry out the line of the party and win victory?

Second, these people ignore the interests of the state and people and care only for their own "material benefit" and enjoyment. At every turn they only do things that are to their benefit. In the assignment of work they are only willing to go to places where the pay is higher and conditions are better. Otherwise, they will not follow orders. They haggle over grade and treatment and refuse to make the slightest concession for the mere purpose of getting a promotion. As long as there are bribes and presents, some even ignore party discipline and state law. They use public office for private gain, feather their nests at public expense and even practice smuggling, graft, speculation and profiteering. Some have the effrontery to ignore personal integrity and state dignity and extract bribes from private businessmen. They bring humiliation to the nation, forfeit its sovereignty and make a laughing stock of themselves abroad. Just think, how is it possible for this type of person to speak of the spirit of wholeheartedly serving the people, selfless devotion to public duty and hard struggle of the revolutionary war years?

Third, they stop at nothing to seek power and use their power for private ends. The philosophy of "with power one can have everything" of Lin Biao and the "gang of four" finds a ready market among some of these people. They want both power and benefits. Therefore this type of person uses every means to fawn on his superiors in order to get a promotion. For the sake of fame and position, they can also steer with the wind, be nice to everybody, draw people over to their side and push out others. They even confound black and white and trump up false



charges against comrades. They are not ashamed to beg for office, and they pride themselves on their ability to use power for private ends. How vastly different is this from the spirit of seeking neither personal fame nor gain and sacrificing everything including one's own life for victory of the revolutionary war years?!

Fourth, they practice anarchism and obstruct stability and unity. They set emancipating the mind against the four guiding principles and regard the four guiding principles as an "inhibition." They negate the leadership of the party and form ties to establish independent organizations outside the leadership of the party. They believe in "the greater the disturbance, the greater the benefit, the smaller the disturbance, the smaller the benefit." They advocate students' strikes and workers' strikes at the slightest provocation. They yearn for bourgeois liberalization and want absolute democracy and freedom but not centralism and discipline. No matter how impressive these people may sound, there is a serious case of individualism in the inner recesses of their minds. Isn't this completely incompatible with the spirit of having ardent love for the party and the motherland, subordinating everything to the need of the party and strictly observing revolutionary discipline of the revolutionary war years?

In short, individualism is a despicable form of bourgeois ideology utterly incompatible with the spirit of the revolutionary war years. For the sake of seeking personal fame and gain, a person seriously afflicted by individualism may dissent from or clash with the party or even become antagonistic toward the party, oppose party leadership and make a major disturbance from a minor one. Or he may passively go slow in his work or lie down on the job. This type of person will inevitably lose his revolutionary ideal. He will pay no attention to social morality or will become despondent and dispirited. How can he still speak of the spirit of the revolutionary war years? Therefore individualism is the bane of the four modernizations and the germ destroying the revolutionary spirit of the people. Just as Lenin pointed out, we must as far as possible mobilize the masses to wage an unflagging struggle against the pernicious influence of this abominable tenet of "God helps those who help themselves." We must declare war on and take punitive action against it not just once or twice, but over and over again.

### 3. A Question Every Cadre Must Answer

Many people have praised the extreme correctness and goodness of restoring and carrying forward the spirit of the revolutionary war years! However, there are also many people who are skeptical about whether or not it can be restored and carried forward. Some have said: "This kind of spirit is good, but if the leadership cadres are not taking the lead, who is going to carry it forward?"

This is indeed a very serious question. Every cadre, and every leadership cadre in particular, has the responsibility of making his own answer. Should he set an example and lead the masses? Should he follow the main trend and be led by others? Or should he pretend not to hear and continue the unhealthy tendencies? This is the answer everyone must unavoidably make by his actions.

Objectively and impartially speaking, most of our cadres are good or comparatively good. They have made the effort and taken the lead in implementing the line, policies and principles of the party. Those who perform poorly are only a small handful. Some people feel that this is the "same old talk." If this is the "same old talk," then it is the "same old talk" seeking truth from facts cannot negate. After many upheavals in the decade of turmoil, our party and state have withstood the test and are now back once more on the road of steady progress. Most of the cadres are good or comparatively good. Is this not a decisive factor? Our present position is better than at any time since the founding of the People's Republic. Has this not been won by the resolute struggle of the masses led by the cadres under the leadership of the CCP Central Committee? In particular, the large number of old cadres who have been tempered in the flame of the revolutionary war and under difficult circumstances have not lost heart despite setbacks or demeaned themselves under attack, but have all along maintained the same zeal and spirit of the revolutionary war years. They may be old, but their aspiration has not diminished, and they are still leading the masses in the struggle for the four modernizations. They have proved by their action that they are mainstays in our socialist cause. Therefore it is obviously incorrect to make the generalization about leadership cadres "not taking the lead" in this or not "setting a good example" in that.

Our cadres come from the people, and their power is given by the people. Their only duty is to work for the interests of the people. Therefore our cadres are basically different from the officials of capitalist countries who hire themselves out to capital and work for the capitalists. The people have the right to supervise our leadership cadres and make irrefutable demands on the cadres to take the lead in implementing the line, policies and principles of the party. There is no denying that the spirit of the revolutionary war years has now weakened, faded or even disappeared among a considerable portion of the cadres. Leadership cadres are definitely the key to restoring and carrying forward this spirit and popularizing it among all the people and young people. Only by earnestly practicing what they preach and taking the lead in carrying forward this spirit can the leadership cadres have the right to propagate to the masses and criticize unhealthy tendencies. There is an example which affords room for thought. In the study and propaganda of "Guiding Principles for Inner-Party Political Life," a principal leadership cadre of a certain city personally made an important report to several thousand cadres. However, because he had some unhealthy tendencies, no matter how enthusiastically he talked on the rostrum, the people below were talking and making comments: "If you will properly take the lead, we will also do our work properly." Some of the comrades even left before the report was finished. Naturally this does not mean that we approve of leaving before a report is finished. This is only for the sake of illustrating a problem. If a leadership cadre cannot practice what he preaches, then no matter how well he talks the masses will not listen to him. Comrade Mao Zedong said: "Sharing happiness and suffering with the people; we did this in the past; why can't we do it now? As long as we keep on doing so, we shall not alienate ourselves from the masses." ("Selected Works of Mao Zedong," Vol 5, p 317) What some of the leadership cadres should think about is: In the past, you have been able to play an exemplary role among the people and be the first to endure hardships and the last to enjoy comforts. Why can't you do this now?

If you have not been good at taking the lead in certain things in the past, can you be good at taking the lead in restoring and carrying forward the spirit of the revolutionary war years at present?

People are saying at present, "Some of the cadres have changed and they no longer bear any resemblance to communist cadres." This warrants serious attention. A handful of leadership cadres have believed in the philosophy of "carrying out self-criticism for a short time and enjoying comforts all life long," transposed the communist outlook on suffering and happiness and on honor and disgrace, and gone in for privileges in the most unseemly way. Their revolutionary spirit and revolutionary enthusiasm have been gradually swallowed up by selfish individualism. They "only indulge in creature comforts and ignore the suffering of others." For the sake of achieving their own ends, they ignore everything. Although they have certain physical enjoyment and comforts, as long as their proletarian party spirit has not completely died out, how can they have peace of mind? Just think: Can a formerly qualified communist who has now become not so qualified or completely unqualified; a prestigious leader, formerly acclaimed by the masses, who has now become the target of criticism and censure; an old revolutionary, formerly the image of an old party member respected by the younger generation, who has now become a selfish and mediocre person, feel so comfortable in his heart? Party discipline will not permit these people to be so "comfortable."

China's socialist cause cannot be separated from party leadership. The masses observe and judge our party by means of the party members and the leadership cadres of the party in particular. Restoring and carrying forward the spirit of the revolutionary war years will enable our ruling party to preserve its vigor and vitality and its militant youthfulness so that the party members can really bring their exemplary vanguard role into play. This is an important aspect of strengthening party building and improving party combat effectiveness. If a party member does not have this kind of spirit, he definitely cannot be considered a qualified party member. If a leadership cadre does not possess this kind of spirit, he also cannot be considered a qualified leadership cadre. The spirit of the revolutionary war years was fostered in the past by the leadership cadres taking the lead. Continuing to take the lead in restoring and carrying forward this spirit at present will enable the leadership cadres to give an impetus to the masses of party members and people, create a better image for the party, further enhance the prestige of the party, forge close ties between the party and people and effectively inspire and encourage the masses to struggle for the four modernizations.

#### 4. We Must Take a Clear-Cut Stand and Raise a Great Cry

Carrying forward the spirit of the revolutionary war years is a matter of Marxist principle. More than a century ago Marx and Engels clearly pointed out the road to the emancipation of all mankind and the realization of communism for the proletariat. In leading the working people to accomplish their historical mission, the proletariat must undergo a protracted as well as extremely arduous and complicated struggle. This not only requires revolutionary resourcefulness and tactics, but also close unity, stubborn willpower, strict discipline and a high

degree of self-sacrificing spirit. This kind of spirit formed in China during the long revolutionary struggle is a condition the proletariat must possess in order to successfully accomplish its historical mission. Comrade Zhou Enlai said: "Without revolutionary fighters to step into the places of those who fall, we will be unable to build the road to victory of the great revolution!" ("Selected Works of Zhou Enlai," p 27) The essence of this spirit is to call on all workers, peasants, soldiers and intellectuals with consciousness to consciously subordinate themselves to the interests of the struggle of the proletariat and working people for emancipation and then contribute their all for the realization of the communist ideal. If they reject or depart from this spirit, it will be no different from pigeonholing Marxism, turning the scientific theory into interesting ravings and basically weakening the people's belief in it. As long as we genuinely desire to build China into a strong modernized socialist country, we will more deeply believe that restoring and carrying forward the spirit of the revolutionary war years is the inevitable demand of the socialist system and will therefore adopt an extremely positive and enthusiastic attitude toward it.

For the socialist cause of our country, we must take a clear-cut stand and raise a great cry for propagating and carrying forward this spirit. If we do not raise our voice, it will be difficult to penetrate the fog of egoism spread by some people and develop this spirit. For a fairly long period of time, we must particularly advocate the pioneering spirit of hard struggle. To propagate and popularize this spirit of the revolutionary war years, we must certainly criticize and weaken various nonproletarian ideas. This will provide us with a weapon enabling us to consciously struggle against all kinds of nonproletarian ideas. Different ideologies in society will invariably reflect the aspirations, will and interests of people of different classes, strata and groups. There is a kind of condition we must guard against, and that is the vulgarization of our revolutionary slogans by people in an attempt to negate the revolutionary spirit of the proletariat. Some people have said: "At present we can only mention socialist morality but not communist morality." Some people have also produced such strange talk as "selflessness is humbug; who is not selfish at present," and "man is selfish by nature" to induce individualism in others and to cover up their own selfish behavior. Actually if we will only take a look at how the road leading to the victory of the Chinese revolution was taken and how the heroic models and advanced elements on various fronts had selflessly struggled for the interests of the people, we will clearly see how fallacious and untenable such arguments are. In discussing the seriousness of individualism, Comrade Liu Shaoqi incisively pointed out: "The minds of these people are filled with the ideology of the exploiting class. They believe in: 'When men stop looking out for themselves that will be the end of the world,' 'Man is a selfish creature,' and 'There is no such thing as a genuinely unselfish person in the world, and if there is, he is either an idiot or a fool.' They even use these words of the exploiting class to defend their selfishness and individualism." ("How To Be a Good Communist")

Some people are worried that the present emphasis on advocating and carrying forward the spirit of the revolutionary war years might again mean that we need not show concern for the material life of the people. This is absolutely a kind

of misunderstanding. The leftist method of only wanting the people to go all out but showing utter indifference to their life must not be allowed to continue without criticism and correction. Material life is the basis for the whole of human life. The basic aim of socialist production is guaranteeing fullest satisfaction for the regular increase in the material and cultural needs of the whole society and paying attention to gradually improving the material and cultural life of the people on the basis of developing production. The spirit of the revolutionary war years also consists of leadership cadres showing concern for the people's sufferings, truly going deep among the masses and helping them solve all solvable difficulties and problems. Carrying forward this spirit will definitely not increase the capital of those bureaucrats who ignored the life and death of the people, but on the contrary, will deal them a serious blow. In addition, carrying forward this spirit will definitely not provide reasons for people to defend such stupid things as "diverting water from west to east" and the "Bohai No 2" incident. This spirit of the revolutionary war years refers to carrying out work within the limits of objective conditions and bringing the initiative of the people into play in the struggle for victory. It cannot be confused with paying no attention to science, doing things rashly and recklessly and trying to go south by driving the chariot north. Moreover it is very natural for people to be concerned about personal material interests. What we oppose is bourgeois individualism and ultraindividualism. They not only erode our revolutionary will, but they are also the pests jeopardizing the socialist cause of our country.

The process of the four modernizations in China has informed us that we can only strengthen ideological and political work and cannot slacken up on it in any way. Energetically propagating, restoring and carrying forward the spirit of the revolutionary war years is an important aspect of ideological and political work. We can say that conscientiously making a success of this work is an excellent thing for the socialist cause of our country.

CSO: 4004

PERSIST IN EDUCATING THE MASSES WITH REVOLUTIONARY IDEAS--STUDYING COMRADE ZHOU ENLAI'S 'ON THE POLITICAL WORK OF THE ARMY DURING THE WAR OF RESISTANCE'

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 17-20

[Article by Zhong Guohao [6954 0948 6275]]

[Text] Comrade Zhou Enlai was one of the earliest of our party leaders to pay attention to political work and persist in educating the masses with revolutionary ideas. When Comrade Zhou Enlai was director of the Political Department of the Whampoa Military Academy, he took full advantage of the favorable conditions at that time to develop political work and propagate revolutionary ideas. He also educated the Communist Party members in the national revolutionary army with proletarian ideas and developed large numbers of vanguard fighters of the proletariat. During the first revolutionary civil war period, he was secretary of the Military Affairs Committee of the CCP Central Committee. In the light of the passive and vacillating petty bourgeois ideas appearing in the party, he laid special emphasis on educating party members with proletarian ideas. In September 1929, in a directive sent on behalf of the CCP Central Committee to the Front Committee of the Fourth Red Army, he further stressed the need to combat nonproletarian ideas within the party and made mental preparations to enact "On Correcting Erroneous Ideas in the Party," a resolution of great historical significance subsequently delivered by Comrade Mao Zedong at the ninth party congress of the Fourth Red Army. The article "On the Political Work of the Army During the War of Resistance," published in January 1938, was an important treatise by Comrade Zhou Enlai on political work, and it profoundly summed up his rich experiences in political work from the time of the great revolution. This work is still of great importance to us today for strengthening political work while striving for the four modernizations.

How to correctly understand and handle the relations between political work and other work is a very important question. Comrade Mao Zedong placed special emphasis on the need for the unity of politics and economics and the unity of politics and technology. He pointed out: Scientists and technicians who busy themselves all day long with general affairs without paying attention to ideology and politics will lose their bearings, and this is very dangerous. Ideological and political work are the guarantee for the success of economic work and technical work, and they are in the service of the economic base. In this article, Comrade Zhou Enlai incisively expounded the role played by political work in

guaranteeing military work. In connection with the historical experiences of the eastern expedition of the national revolutionary army during the great revolution and the victory won by the Red Army in the soviet areas during the first revolutionary civil war, he profoundly explained that conditions are vastly different for an army unit which does strong revolutionary political work. A small, weak army armed with revolutionary ideas will be able to defeat a big, powerful army and perform wonderful deeds. An army without revolutionary ideas will not be able to win victory. "There are, of course, many other conditions indispensable to victory, but political mobilization is the most fundamental." ("Selected Works of Mao Zedong," Vol 2, p 480) Comrade Zhou Enlai graphically said: "We still have to rely on explosives to fight a war, but these lifeless things must be handled by living people. Explosives are useless without the courage and wisdom of the soldiers." ("Selected Works of Zhou Enlai," Vol 1, p 316) He held that in order to defeat the enemy, we must arouse the enthusiasm of the people and bring their intelligence and wisdom into play, and this can only be done by relying on ideological and political work.

Practice has proved that such theses of Comrade Zhou Enlai's on political work are entirely correct. After nationwide liberation, he consistently emphasized the importance of ideological and political work and also put forth the "principle of ideology taking the lead" to provide us with an ideological weapon for correctly understanding and handling the relations between politics, economics and vocational work. At present, we must further eliminate the influence of "leftist" ideas, correctly sum up the lessons of past experience, maintain the closest unity with the party and people throughout the country in thinking and action, and struggle in concert toward the goal of the four modernizations. Party organizations at various levels must, in the light of actual conditions, adhere to the "principle of ideology taking the lead" and strengthen ideological and political work. Without strong ideological and political work, people will lose their bearings and will be unable to withstand the corrosive effect of the ideas of every description of the exploiting class, and the sure guarantee for the success of the four modernizations will be lost.

Can ideological and political work be eliminated in the new historical period when we are advancing toward the four modernizations? Comrade Zhou Enlai in "On the Political Work of the Army During the War of Resistance" convincingly refuted the view which despised political work and labeled it as being "idle chatter" and "palming things off on people." He pointed out: "We must frankly and sincerely say that the causes for finding fault with political work are not due to a lack of understanding of the actual significance of political work but a deliberate objection to revolutionary political work in the army and a lack of desire to revolutionize the army." At present, those people who despise and who even suggest eliminating political work are neglecting the ideological revolutionization of the masses of cadres and people. However, the ideological revolutionization of the cadres and masses is of extremely great importance to the four modernizations. Paying attention to ideological and political work is the glorious tradition of our party. During the long period of revolution and construction, we have mobilized the enthusiasm of the masses and overcome various difficulties by relying on ideological and political work. Since 1957, some "leftist" mistakes have certainly appeared in the work of the party, and,

moreover, such shortcomings and mistakes as doing things in an oversimplified and crude way, inflating small matters into accusations of serious offenses so as to incriminate a person or group, putting labels on people at random, and indiscriminately lashing out and attacking people have actually existed in the ideological and political work of this period. However, since the 3d Plenary Session of the 11th CCP Central Committee, we have conscientiously summed up this lesson and have finally overcome such shortcomings and mistakes or are in the process of overcoming them. The period of putting on labels at random and indiscriminately lashing out and attacking people is already over. This has provided us with very favorable conditions for making a success of ideological and political work. We definitely cannot negate all ideological and political work because of this or that kind of shortcoming or mistake in the past. A great deal of historical and actual facts have proved that, whether in the war years or in the period of socialist revolution and construction, ideological and political work has always exerted a powerful influence on promoting the development of various work. The thinking of the masses of cadres and people has never been so lively as today. However, some erroneous and unhealthy ideas and even some reactionary things have also appeared among a section of the people. In this situation, giving up ideological and political work would indubitably be harmful to the cause of the party.

In refuting the erroneous views of finding fault with political work, Comrade Zhou Enlai at the same time correctly pointed out that if political work were divorced from reality and the masses, it would indeed become idle chatter. He said: "The turning of political work into idle chatter is definitely not the mistake of political work itself, but because the people engaged in political work have not carried out genuine revolutionary political work." ("Selected Works of Zhou Enlai," Vol 1, p 93) Political work is using the line and policies of the party to educate and unite the masses and fully arouse their enthusiasm to struggle for the realization of the common revolutionary goal. This is why our political work must proceed from reality and earnestly help the masses to solve problems. If political work becomes divorced from the specific condition of the time and place in question and neither reflects the aspirations of the masses nor solves their actual problems, then this kind of political work is idle chatter. As a result, "the masses not only will not raise their consciousness but will also object to our propaganda as simply shooting arrows at random. We can say, it will be better not to have this kind of propaganda." (Ibid., p 285) Comrade Zhou Enlai sternly criticized the bad habit of turning political work into "decorations, poking fun and flattery" and "palming things off on people." In the 10 years when the Lin Biao-Jiang Qing counterrevolutionary cliques were in power, lies, boasts and idle chatter completely ruined the reputation of our political work. To restore the traditional style of political work and make political work greatly welcomed by the masses, we must observe Comrade Zhou Enlai's advocacy of having a definite object in view and avoiding idle chatter, realistically help the masses to solve problems and use our exemplary actions to influence and lead the masses.

The contents of the political work of the army at that time comprehensively discussed in "On the Political Work of the Army During the War of Resistance" were: 1) conduct "revolutionary and progressive outlook on life" education among all



officers and men; 2) pay attention to improving the treatment and livelihood of the enlisted men; 3) establish conscious revolutionary military discipline and conduct; 4) guarantee the implementation of military orders; and 5) political work personnel must set good examples. These basic contents discussed by Comrade Zhou Enlai are of universal significance.

The revolutionary outlook on life is an integral part of the proletarian world outlook. In the final analysis, the education on the revolutionary outlook on life is ideological remolding, or the using of communist ideas to overcome all noncommunist ideas and to help people gradually establish the communist ideology, ideal, belief and morality. In the period of the new democratic revolution, the direct goal of the revolution was to overthrow the domination of imperialism, feudalism and bureaucrat capitalism, but Comrade Zhou Enlai always used communist ideas to educate and arm the cadres and masses. He encouraged the revolutionary generation by saying: "In the violent class struggle of China today, countless revolutionary people and revolutionary leaders have died under the overt and covert attacks of the enemy! Such incidents are actually unavoidable prior to the success of the revolution and they are the bloodstained cornerstone on which the success of the revolution is built. Without revolutionary fighters to step into the places of those who fall, we will be unable to build the path to the victory of the great revolution! The sacrifice of every revolutionary fighter, regardless of whether on the front or at the rear, also has its great price." (Ibid., p 27) The reason our older generation of proletarian revolutionaries and countless revolutionary martyrs were able to sacrifice everything, lose their lives and shed blood during the war years was because they had established a revolutionary outlook on life and had armed themselves with communist ideology and morality. Naturally, the revolutionary outlook on life cannot be established in a day, but must be constantly subjected to the practice of struggle and ideological remolding before there can be a fundamental change. Comrade Zhou Enlai said: We must keep on living, learning and remolding until we are old. All revolutionaries and people interested in progress among us should do what Comrade Zhou Enlai said.

Today, we are embarked on the four modernizations, and many of the circumstances are different from the circumstances of the war years. However, it is still very necessary to continue ideological remolding and firmly establish the proletarian world outlook and revolutionary outlook on life. Comrade Mao Zedong said: "The change in world outlook is something fundamental." This is no doubt correct. In such a big country, in which the economy, science and culture is backward, unless we have hundreds of millions of builders who possess the proletarian outlook and revolutionary outlook on life, we will lack confidence in the building of a high degree of material civilization and in the certain victory of socialism and communism; we will lack the self-sacrificing spirit of being strict with oneself and placing the interests of others before one's own; and we will lack the revolutionary optimism of surmounting every difficulty to win victory. When calling on the people throughout the country to start the march toward the four modernizations. Comrade Zhou Enlai quoted Comrade Mao Zedong: "We should maintain the same vigor, the same revolutionary enthusiasm and the same death-defying spirit we displayed in the years of the revolutionary war and carry on our revolutionary work to the end." To build a high degree of socialist spiritual

civilization, it is even more necessary for us to strengthen the propaganda and education on communist ideology. Not only must we use communist ideology and morality as a norm for the words and conduct of every communist and progressive element, but we must also popularize the communist spirit within the whole of society, transform prevailing customs and habits and create a new atmosphere. Therefore, we must further give play to the spirit of serving the people wholeheartedly, doing everything for others without any thought of self and fearing neither hardship nor death, and advocate the spirit of subordinating one's interests to the interests of the whole, working hard and perseveringly, performing one's duty with integrity and public spirit and being industrious and thrifty in everything we do. At the same time, we must take a clear-cut stand in criticizing and overcoming the decadent bourgeois ideas of benefiting oneself at the expense of others, paying attention only to profit and "looking up to money." We must criticize and overcome ultraindividualism and let the communist spirit and morality occupy our ideological ground.

Revolutionary discipline is the guarantee for victory. Comrade Zhou Enlai always regarded upholding revolutionary discipline and opposing actions harmful to revolutionary discipline as an important content for combating nonproletarian ideas. He sharply criticized the serious consequences created by the patriarchal system, which caused "the party members to mechanically obey the party headquarters and the lower-level organs to mechanically obey the upper-level organs, and led to the absence of vigorous party life." At the same time, he also seriously pointed out the danger of ultrademocracy, which gave rise to the phenomenon of "party members can refuse to implement the decisions of the party at will." ("Selected Works of Zhou Enlai," Vol 1, p 9) This also means that in order to strengthen revolutionary discipline, we must struggle against these two tendencies. We not only must oppose the patriarchal system, which lacks democracy, but also must oppose anarchism and ultrademocracy, which negate centralism and discipline. Strengthening revolutionary discipline is not only the demand of the leading members but also the demand of every revolutionary fighter. Comrade Zhou Enlai also praised the achievements of our army in building discipline: "With the increase of democracy, discipline is strengthened. The commanders are saying that the units are now easier to lead and the enlisted men are saying that there is a change for the better in the attitude of the commanders." (Ibid., p 316) In "On the Political Work of the Army During the War of Resistance," he also pointed out: "The establishment of military conduct and discipline in the national revolutionary army and the consolidation of the units are based on political and national consciousness and not on the whip, baton, bullying and beating or torture." Revolutionary discipline must be established on the basis of democratic management. Without democratic leadership, the masses will have no proper democratic rights and there can be no conscious discipline. At present, strict organizational discipline is extremely important in both safeguarding the political situation of stability and unity and guaranteeing the smooth progress of the work of readjusting the national economy. All students, workers, peasants and cadres must study and observe the laws and systems promulgated by the state, as well as study and obey the discipline which must be observed by the units themselves. Discipline is definitely not incompatible with socialist democracy; they guarantee each other. We must oppose and correct all anarchist phenomena and all violations of law and discipline. Otherwise, we will not only be unable to build socialism, but also be unable to achieve socialist modernization.

Comrade Zhou Enlai stressed the necessity of combining political work with paying attention to and improving the life of the people. In the light of the bad treatment of enlisted men in the Kuomintang army at that time, he suggested prohibiting the use of torture and bullying and beating and forbidding the pocketing of a portion of the soldiers' pay. He also wanted to set up such organizations as war of resistance display rooms, clubs and evening gatherings to develop normal cultural, recreational and sports activities for the officers and men; and to allow the enlisted men to elect their own catering committee and improve their rations. He held that unless these problems were solved, it would be impossible to eliminate the estrangement between the officers and men or raise the combat effectiveness of the army. He regarded showing concern for the livelihood of the people and paying attention to the material interests of the masses as a matter of principle relating to whether the enthusiasm of the masses could be aroused and an important hallmark distinguishing political work from "palming things off on people." Showing concern for the masses and raising political consciousness are interrelated and not antagonistic to each other. Only if political work is carried out in close connection with the economic interests of the masses can the enthusiasm of the masses be effectively aroused. Even under the extremely difficult material circumstances at that time, Comrade Zhou Enlai still attached great importance to combining political work with showing concern for the masses. Under the socialism of today, we have more reason to make a success of work along these lines. Today, as all aspects of the economic life of the masses are closely connected with the socialist undertakings that the people are engaged in, political work should reflect concern for the masses. We should show this concern, from the daily supply of fuel, rice, oil and salt to the schooling and education of their children, and from production and labor safeguards to their families and housing. When conditions make it possible, the leading members must, on their own accord, use every means to help the masses solve their livelihood problems. Naturally, because of the 10 years of catastrophe caused by Lin Biao and the "gang of four" and the mistakes in our work, we owe a lot to the people and it is impossible to settle our debts all at once. This must be clearly explained to the people. So long as we truthfully explain the temporary difficulties to the people, even though some of the problems cannot be solved for the time being, the people will take the interests of the whole into account.

Ideological and political work is a science as well as an art. To make this work an outstanding success, the important thing is to study it as a science and master it as an art. Comrade Zhou Enlai pointed out: "It is necessary to pay attention to the method of political work" and "We must carry this out in a flexible manner in accordance with such distinct and complicated conditions as society, economy, politics and people in various places." (Ibid., p 100) This means that we must proceed from actual conditions and be flexible in our work. This is the fundamental method to insure the success of ideological and political work. Different conditions will give rise to different circumstances. Even similar conditions will have different problems. If we do not take into consideration the specific conditions of the unit or department itself but copy mechanically the directives of the upper level or the experiences of others, this can easily give rise to "incompatibility" and will not achieve good results. If we do not combine principle with flexibility but adopt simplistic methods, we will invariably create antagonistic feelings and intensify contradictions. Comrade Zhou Enlai

pointed out: "We must have the spirit of patient persuasion and guidance" to gain the confidence and support of the masses. To be accepted by the masses, a truth or policy must be subjected to the process of education time and again and the process of repeated persuasion. We must firmly believe in the correctness of the truth of Marxism. We must firmly believe that the line, policies and principles of the party represent the basic interests of the people. As long as we adhere to patient persuasion and inspired guidance, it will be accepted and supported by the masses.

China is now in the period of a new historical development. Many new conditions and problems have appeared in actual life, and there is an urgent need to vigorously strengthen ideological and political work. Comrade Zhou Enlai's "On the Political Work of the Army During the War of Resistance" is our powerful weapon for the success of ideological and political work. We must conscientiously study it in connection with present reality and improve the quality of our ideological and political work.

CSO: 4004

BASE ONESELF ON GIVING HELP

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 21-23

[Article by Zhu Yan [2612 1484]]

[Text] The "Great Cultural Revolution" created 10 years of catastrophe for our party, country and people. In this extremely circuitous and complicated political struggle, the cliques of Lin Biao, Jiang Qing and Kang Sheng made use of the errors committed by our party and Comrade Mao Zedong to whip up a vicious counterrevolutionary wave rarely seen in the history of China and struck and persecuted many cadres. Meanwhile, during the repeated struggles, many comrades said or did the wrong things or made mistakes of a different nature and different degrees on this or that question during this or that period. Some people who had criticized and struggled against other people themselves suffered later on from criticism and struggles. Some people first suffered from criticism and struggles but later criticized and struggled against others. This is really an "unprecedented" and extraordinary historical phenomenon. Although we have struggled for more than 4 years to heal the wounds of the "Great Cultural Revolution," and the emphasis in the work of the party has been shifted to construction of the four modernizations for more than 2 years, considerable efforts still have to be made at present to eliminate its serious consequences, and this includes healing the wounds of the contingent of cadres. At present, the 10 principal criminals of the Lin Biao and Jiang Qing counterrevolutionary cliques have already been condemned by justice. The other criminals involved who must be punished by law have also received the appropriate judgment. Under this condition, we must properly handle the question of cadres who made mistakes during the "Great Cultural Revolution" and as far as possible, organize the majority of cadres so as to consolidate and develop the situation of stability and unity, further stimulate the revolutionary spirit of the broad masses of cadres and properly carry out the construction of four modernizations with one heart and one mind.

We must uphold the attitude of historical materialism in examining problems in history. This attitude must also be adopted in handling the question of mistakes committed by cadres in the "Great Cultural Revolution." We must give full consideration to the particular historical conditions at that time. Only in this way can we correctly understand and implement the party's policies on such questions. The guiding thought, general and specific policies of the party Central Committee are very clear. In sum, we must uphold the policies of "taking a

warning from the past in order to be more careful in the future and treating the illness in order to save the man" and "unity-criticism-unity." We must clarify our thoughts and unite the comrades. In light of the particular historical conditions of the "Great Cultural Revolution," the party Central Committee has also emphatically distinguished between contradictions of two different natures and clearly drawn a line between the mistakes committed by following the upper levels or leaders and conspiratorial activities in league with the Lin Biao-Jiang Qing counterrevolutionary cliques. It has clearly drawn the line between political errors and commonplace mistakes of saying and doing the wrong things and stressed the handling of problems left behind in history "as a whole and not in minute detail." We should not emphasize investigating individual responsibilities but should stress actual performance of our assessment of cadres and make allowances in handling staff problems. The basic thought which permeates these general and specific policies is to help and not punish any comrades who have made mistakes. We must win them over and not push them away. We must be warm and not cold toward them, turn passive elements into active elements to the greatest extent possible and unite all comrades who are willing to recognize and truly rectify their mistakes. Practice shows that these important general and specific policies are entirely correct and the results of implementation are also good.

We must adopt the correct attitude and a series of correct methods so as to correctly implement the general and specific policies of the party toward comrades who have committed mistakes. We must have a good heart before we can adopt the right attitude. When a comrade slips and falls and needs help, we must give a helping hand and must not keep him at a distance. We must start from concern, befriend the people, enthusiastically help them and cure them of their disease so that they can be stimulated and do a proper job in the future. With a good heart, we can adopt a sincere and patient attitude toward the comrades. In the adoption of correct methods, we must insist on "observation and help." Observation is to see whether he sincerely seeks truth from facts to examine and rectify his mistakes. We must in particular observe his actual performance and his attitude toward the line and general and specific policies of the 3d Plenary Session of the party. As long as he has a basic recognition of his main mistakes and is determined to make efforts toward implementing the line and general and specific policies of the party, we must greet him warmly and encourage him to make continuous progress. As for comrades who have said and done the wrong things, it is sufficient to clarify their thinking and learn a lesson. Help means to make more efforts in transforming the ideology of comrades who have made certain mistakes but have not been awakened or fully awakened. In the first place, it is entirely necessary for the party and masses of people to seek truth from facts to investigate the problems of comrades who have committed mistakes, conduct criticism and education on their mistakes, urge them to distinguish between right and wrong and wake up from the bitter lessons. However, this is only the first step in our help. There is also a second step, that is, after they have truly recognized and examined their mistakes, we have to opportunely assign them suitable tasks and encourage them to make amends for their crimes by good deeds. This is an even more important step in giving help. Without this step, help cannot be considered genuine. It is not the policy of the party to impetuously "put aside" cadres who have made mistakes for several

years and emptily exclaim that "we permit mistakes to be made and the rectification of mistakes" without actually giving them the opportunity to rectify their mistakes. We have not thoroughly helped the cadres who have committed mistakes if we have only assigned them suitable tasks. There is also a third step, which is to help them to continue to make progress on their work posts and let them fully develop their intelligence and talents in the construction of the four modernizations. We should reward and employ comrades who have made certain mistakes in the past but who insist on implementing the party's line and general and specific policies and have surely subsequently made contributions to their work. We should realistically do the following: the first is not to view them with discrimination; the second is not to mention past events; the third is not to settle the old accounts again; the fourth is not to give them excessive attention in handling them. In sum, it is necessary to create conditions for comrades who have committed mistakes in the "Great Cultural Revolution" to rectify their mistakes so that they can make amends for their offenses by their good deeds in the further implementation of economic adjustment and political stability.

Should we "observe and help" the small number of cadres who have committed serious mistakes? Comrade Mao Zedong said: "As long as the person who has made mistakes does not conceal his malady for fear of taking medicine...and is truly willing to take treatment and rectify his mistakes, we should welcome him and cure his ailment and turn him into a good comrade." Since cadres who have made serious mistakes are still cadres of the party, we should not merely feel indignant at their mistakes, because indignation cannot solve problems. It is important to properly do the work of educating them, winning them over and saving them. In order to attain better results in helping the comrades, we have to pay attention to the successful experiences in history as well as absorb new experiences which have proved to be effective in the practice of the past 2 or 3 years. For example, we must seriously investigate and examine the facts of his mistakes and disregard the parts which are not true. We must openly meet the comrade and should not gloss over the matter. In the analysis of his mistakes, we must point out the subjective reasons and at the same time the objective reasons. Our talks with him must be well intentioned and helpful and we should not put on airs. We should not wipe out his contributions to the party and to the people because of the seriousness of his mistakes. For those people for whom physical labor is required, the amount of labor must be appropriate. The old and weak people may be exempted from physical labor and the sick ones should be allowed treatment for their ailments. Doctors are required to treat patients without discrimination. They should be allowed to read the newspapers and documents of the party which can be read. Their innocent relatives and friends should not be involved. The examination of mistakes should not be unfinished and we should not promote the "ideology reportage" as in the past. Those who can be assigned work should be assigned some work even if it is temporary work. We have to ask the comrades around them to truly help them make progress. Generally speaking, people with serious mistakes are also more deeply poisoned. Therefore, we must be prepared to spend several years on doing the work of educating, saving, winning them over and thoroughly changing them. Our party is a party which is good at turning passive elements into active elements. As long as we implement the correct general and specific policies toward cadres who have made serious mistakes and

carry them out carefully, thoroughly and rationally, these passive elements can be transformed. In this way, our party can win the popularity of the masses, and unlike the case in the past, no diseases will be left lurking behind for a long time after a great political struggle is over.

Certainly there are currently still people who openly uphold the reactionary viewpoints of Lin Biao and Jiang Qing, doubledealers who pretend compliance with the party leadership and the line and general and specific policies of the party, and elements with serious factional ideas and actions and serious crimes involving fighting and robberies. We should pay close attention to these different types of people. We should deal with them firmly and properly and should not be numb and careless. In addition, some cadres absolutely deny their mistakes and even falsely accuse and frame other people. Thus, the nature of the problem has undergone changes. These people must be solemnly criticized and we should not appease or pamper them. We should not easily trust them until they have genuinely changed their erroneous standpoints.

It must be seen that the process of resolving the problems of cadres who have committed mistakes in accordance with the party policies is a process of reviving and developing the fine tradition of our party in showing concern for cadres and wiping out the "leftist" pernicious influences and other tendencies in cadres' policy. In this process, we inevitably encounter the influences of "left" ideology or resistance and intervention from habitual forces formed during a long period of political movements. The conditions may also emerge whereby some people make use of a certain political climate and avail themselves of the opportunity to "reverse the battle" in an attempt to negate revelation, criticism and investigation. This is not anything to be afraid of and it can be eliminated. What is important is that the leadership organizations and leading comrades must keep a cool head. They must be bold in upholding the correct policies of the party and set an example by implementing these themselves. Meanwhile, we should not be slack in handling new cases just because we have to solve the cadres' problems left behind by history. As long as everybody does this, we can more quickly heal the wounds inflicted on cadres by the Lin Biao-Jiang Qing cliques during the 10 years of catastrophe, produce a tremendous force of unity of the whole party, insure that we can overcome all difficulties on the road of advancement and attain great victories expected by the party and the people!

CSO: 4004



## HOW 'CHANGE' AND 'NO CHANGE' IN POLICY SHOULD BE UNDERSTOOD

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 24-26

[Article by Jian Si [1017 1835]]

[Text] The party Central Committee and the State Council decided that from the beginning of this year we must further readjust the national economy and achieve greater political stability. This is continuation of the rectification of the "leftist" guiding thoughts since the 3d Plenary Session of the 11th CCP Central Committee. It is the only correct major policy decision that is in keeping with the national situation and the wishes of the people. It insures the steady development of the national economy and the smooth progress of the four modernizations. However, some people have held that the party's policy has "changed." Some even believe that this is a manifestation of the "unsteadiness" of party policy. This view is wrong. People who hold this view are in the minority, but if the problem is not solved in time, an unfavorable effect will be produced. Then how should we correctly distinguish between "change" and "no change" in policy?

Dialectical materialism tells us that things are in a static or mobile state. Static things are relative, while the development or transformation of things is absolute. All things in the world are developing and changing. There is nothing that does not develop or change. As far as human society is concerned, all political reforms change with changes in material living conditions. Generally speaking, changes may suit and stimulate the development of productivity or restrain and hinder the development of productivity. The former changes are in line with the demands of the laws of objective development and the interests of the masses of people. The latter run counter to the demands of the laws of objective development and the interests of the masses of people. The same is true of the party's general and specific policies. Any policy which correctly reflects the demands of the development of social material life, which helps the development of productivity, which represents a great force in reform or which wins the support of the people is correct policy. Otherwise, it is incorrect policy. The Lin Biao and Jiang Qing counterrevolutionary cliques turned things upside down, smearing all our party's effective and correct lines and policies as "revisionist" and playing up their own ultraleftist stuff as "the proletarian revolutionary line and policy." In accord with their plot to usurp party and state power, their "policy" changed a lot--fluctuating and following an

ever-changing pattern. Their ever-changing pragmatist policy, the scourge of the country and the anathema of the people, ended up being swept into the garbage heap of history.

Since the smashing of the "gang of four" and especially since the 3d Plenary Session of the party Central Committee, our party has turned chaos into order and gone whole hog in setting things straight. Guided by the line of emancipating the mind, keeping mentally active, seeking truth from facts and uniting as one, sharing the same hopes for the future, our party has restored and developed the party's Marxist ideological line, has formulated a correct political line and ideological line, has put forward the guideline for readjusting, restructuring, consolidating and improving the national economy, and has readjusted and drawn up a series of economic and other policies. A favorable situation rarely seen since the founding of the state has appeared in the national economy. Experience shows that the guidelines of the 3d Plenary Session are correct. It may be asked: If we had not got rid of the restraining influence of "two whatevers" and had not started a discussion on the problem of the criterion of truth, would our party organizations at all levels and the masses of cadres and people have been able to emancipate their minds, to seek truth from facts, to continuously correct "leftist" mistakes and to reverse verdicts on large numbers of frameups and wrong accusations? Would it have been possible for many veteran cadres to reemerge and play their role as the mainstay of the party? Would it have been possible to stimulate stability and unity throughout the country and shift the focus of the whole party's work to modernization? Would it have been possible to readjust and reform the national economy in line with the actual conditions of our country? All these reforms have arisen out of the "change" from trammled productive forces to emancipated productive forces and the "change" from doing things wrong to doing things right. These reforms represent the people's will, reflect their demands and are in line with their interests. Had it not been for these changes that met the demands of the development of history, the cause of socialist construction would not have moved ahead, nor would there have been such a favorable political and economic situation as exists now. Therefore, we cannot lump the normal changes in our party's policy with the abnormal "changes" involving the "gang of four." There are basic differences between the two.

Some people say that "the general and specific policies of the 3d Plenary Session of the party Central Committee are correct but that they have now changed." Is this really the case? It can be positively said that the basic general and specific policies of the 3d Plenary Session have not changed. They must therefore be carried out firmly and unwaveringly. As for concrete policies, measures do change for seasonal and regional reasons. This is normal and necessary. Our party's existing general and specific policies embody the following: A guideline for the further readjustment of the national economy; a guideline for the realization of greater stability and unity; the call for strengthening and improving party leadership and imposing criticism, education and even struggle on anyone within the party who tends toward weakening, doing away with, getting rid of and opposing party leadership; the call for heightening vigilance and resolutely striking out at antiparty and antisocialist activities and criminal activities while continuously promoting socialist democracy; the call for following an open economic policy toward foreign countries; and so forth. All these are completely

in keeping with the general and specific policies formulated at the 3d Plenary Session. They help in consolidating, developing and improving the general and specific policies of the 3d Plenary Session and by no means represent changes. The goal or direction has always been the same. It has been a case of shifting the focus of the party's work to economic construction, redressing the imbalance that has appeared in the national economy, carrying out the four modernizations better and developing social productivity. Meanwhile, it has also been a case of systematically reforming and improving that sector of production or super-structure that does not accord with the level of development of productivity and building our country into a modern, highly democratic and highly civilized powerful socialist country. If there has been any change, it is getting rid of what remains in our work that is incompatible with the spirit of the 3d Plenary Session; it is resolutely getting rid of all impractical ideas and subjectivist ambitious goals. This is exactly what the line of the 3d Plenary Session wanted us to achieve.

It should be admitted that the party's concrete policies and measures must be continuously improved. If we consider that our existing concrete policies should be one and the same as the policies formulated at the 3d Plenary Session and that they should not have changed in the least, then our view is incompatible with reality. However, if we consider that our existing policies have deviated from what they originally were and run counter to the spirit of the 3d Plenary Session, then this view is also incompatible with reality. The policy of a proletarian political party must in its practice change with changes in seasonal, regional and material factors. It must be supplemented, revised and developed and, in the process, maintain its continuity and unity. Otherwise, the party's cause will suffer. As far as the decision to focus on the readjustment of the national economy is concerned, is this a departure from the policy of the 3d Plenary Session? This calls for concrete analysis based on the economic situation now facing our country. Only in this way can we find the correct answer. Now, the economic situation in the whole country is very favorable, but, objectively speaking, there is a danger lurking. This is because despite great achievements scored in our economic construction in the 31 years since the founding of the state, starting in the late 1950's, our economic work was marked by "leftist" mistakes for a long time. This, coupled with the sabotage activities of the Lin Biao and Jiang Qing counterrevolutionary cliques in the 10 years they ran wild, led to serious setbacks in the development of our national economy. The serious imbalance in various sectors of the economy caused a great loss and waste. In the first 2 years after the smashing of the "gang of four," due to failure to get at the actual conditions, to make a full assessment of the serious consequences caused by 10 years of sabotage and to take proper care of "leftist" mistakes in the work of guiding the economy, we rushed forward seeking instant results, putting forth many overambitious and impractical slogans and goals and further enlarging the scale of capital construction that had already far exceeded national financial and material resources. This added to our financial difficulties. Due to the woeful lack of a unified and profound understanding and a lack of keen response in action on the part of many comrades from the central to the grassroots levels in the 2 years after the 3d Plenary Session, the expected results failed to materialize. At present, given the imbalance in the budget, in materials and supplies, in the credit supply, and in foreign exchange, and

given a swelling state budget deficit and excessive money supply, commodity prices can hardly remain steady. If we fail to see the potential dangers and refuse to take drastic measures to seek a solution, the economic benefits reaped by peasants and workers since the 3d Plenary Session will be forfeited and the increasingly favorable situation will suffer a setback. Guided by an overall estimate of the current economic situation and based not on new and old conventions but on reality, the party Central Committee has made the great policy decision on continuously making a major readjustment. Only by resolutely carrying out this policy decision and suspending projects that should be suspended can we seize the initiative, as far as the whole situation is concerned. Only in this way can we achieve a balanced budget in materials and goods, in the credit supply, and in foreign exchange and stability in commodity prices and steadily develop the economy and improve the people's living standard and achieve smooth progress in the four modernizations. It can be seen that the further readjustment of the national economy is entirely in line with the overall spirit of the 3d Plenary Session. As far as guiding thoughts are concerned, this approach can be said to have basically put an end to the bondage of "leftist" guiding thoughts in economic work. This represents the profound significance of this major readjustment. After this readjustment, we will switch from the old road of stressing capital construction and neglecting production and combining a high accumulation with low efficiency to a new road that really suits the conditions of China--one calling for acting according to our capability, proceeding step by step, seeking actual results, closely combining the development of production with the improvement of the people's living standard and achieving the coordinated development of the national economy. As far as the theory of knowledge is concerned, this is a process of gradually deepening our understanding of the conditions of China, gradually putting the solution of problems in concrete terms, gradually improving various general and specific policies and bringing them more in line with reality; in accordance with the spirit of seeking truth from facts. In other words, this is a process of unifying the subjective and the objective, and theory and practice. Therefore, the major policy decision adopted by the party Central Committee and the State Council on the further readjustment of the national economy is of profound historical and realistic significance.

It should be stressed that people's understanding and the policies formulated cannot be absolutely faultless and perfect. Comrade Mao Zedong said: People devoted to changing the real-life situation often find themselves hampered by many restrictions. "Given the discovery of something unexpected in practice, it often happens that we have to make partial or complete changes in ideas, theories, plans or programs." Given changes in objective conditions and the masses of people's repeated practice and their changing awareness, it is necessary to make the necessary readjustments and revisions in certain concrete party policies. For example, the two documents on agriculture adopted at the 3d Plenary Session did not mention the problem of allowing some areas to introduce the production responsibility system on a household basis. After over 1 year of practice, the party Central Committee decided to further improve rural economic policy. It clearly pointed out that in those remote mountainous areas and poverty-stricken and backward areas, the masses of production teams that had long "fed on grain resold by the state and relied on loans in production and

relief in everyday needs" should be supported in their demand for holding households responsible for production and allowed to put production on a household responsibility basis. It is clear that the introduction of production responsibility on a household basis permitted in certain areas is a concrete manifestation of the spirit of proceeding from reality, seeking truth from facts and emancipating the mind--the spirit of the 3d Plenary Session. The system supplements and develops the formulations of the documents on agriculture adopted at the 3d Plenary Session. Experience fully shows that the 3d Plenary Session's two documents on agriculture and last year's documents on agriculture are entirely compatible with reality and practicable. These documents have greatly helped to arouse the enthusiasm of the masses of peasants and stimulate the development of agricultural production. A very favorable situation in the countryside has appeared, with stability achieved among 800 million peasants. These policies are correct and have never served to change the socialist direction for the countryside. In the future, we must continue to carry out these policies and pay attention to solving any problem that crops up in the process of implementation.

In our approach to the party's policy, just as in observing any problem, we must use Marxist views, methods and experience as a standard in judging what is right or wrong. We must check whether the results of its implementation are favorable to the masses of people. Experience in the past 2 years or more shows that the viewpoint that the party's general and specific policies since the 3d Plenary Session have been "changeable" and "unsteady" is groundless. Except for in the case of an extremely small number of people who are prompted by ulterior motives and bent on making trouble and creating confusion in people's minds and who spread this viewpoint, this is mainly a problem of ideological confusion and inadequate understanding. Since the 3d Plenary Session our party, based on the fundamental Marxist principle of proceeding from reality, seeking truth from facts and linking theory with practice, has done a lot of arduous work and has acquired a deeper understanding of the "leftist" mistakes that existed over a long period of time. In the process of thoroughly carrying out the spirit of the 3d Plenary Session, we must continuously sum up actual experiences and gradually supplement and improve the party's general and specific policies. Of course, these changes are in line with the immediate and long-term interests of the people of all nationalities of the country and are therefore very popular. They have brought the people of the whole country a new lease on life and strengthened their confidence in achieving victory. Our party will undoubtedly not only refrain from changing but will also firmly and unwaveringly continue carrying out the correct policies that have been supported by the masses and been proved feasible since the 3d Plenary Session.

We must seriously study the documents of the central work conference, acquire a deep understanding of the party's existing general and specific policies and unify awareness and action. As long as the whole party and the people of the entire country share the same will, work tirelessly and with perseverance and try to overcome all obstacles under the correct leadership of the party Central Committee, we can surely successfully accomplish a further readjustment in the national economy and achieve greater political stability.

CSO: 4004

MARXIST ETHICS AND 'HOW TO BE A GOOD COMMUNIST'

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 27-30

[Article by Zhang Renbiao [4545 0088 1753]]

[Text] In their slander and attacks against the great Marxist Comrade Liu Shaoqi, Lin Biao and the "gang of four" laid, among others, a charge on Comrade Liu Shaoqi of propagating the "theory of the human nature of landlords and bourgeoisie." They also criticized "How To Be a Good Communist" as a "big poisonous weed" that advocated the "theory of human nature." It is of practical significance at present to clarify this problem, and restore the rightful position of the book "How To Be a Good Communist" in Marxist ethics so as to correct the work style of the party and popularize communist morality.

I

Ethics is a science that studies morality and the laws of its origin and development, the standard of people's behavior, and the obligation and responsibility of men toward each other and toward society, and it has always constituted an important part of philosophy. Therefore, it is also called the philosophy of morality. In "How To Be a Good Communist," many pages are devoted to explaining the question of morality; it is a very good book on ethics. It is also a pearl in the treasury of Marxist ethics. But Lin Biao and the "gang of four" scathingly condemned the book under the pretext of criticizing it as propagating the "human nature of landlords and bourgeoisie." Their aim was to basically destroy Marxist ethics.

Marxist ethics proceeds from the basic principle of the materialistic interpretation of history, that is, the basic principle that social ideology is decided by social existence. It holds that as a social ideology, morality is controlled by the economic base and it will develop along the lines of the social economy. In a class society, morality always belongs to certain classes. "How To Be a Good Communist" holds to this principle and comes straight to the point when it says that material production is always social production, that people form certain relations of production when they engage in production and that when production develops to a certain stage, there will appear classes and class struggles. It says: "In their struggle against nature as well as in class struggle, people transform nature and society and at the same time also transform themselves."

Such a transformation of themselves "needs a very long process of revolutionary tempering and cultivation." Comrade Liu Shaoqi put forward the question of morality under the premise of the acknowledgement of people's social and class nature. He stressed the importance of displaying one's objective initiative in practice and of stepping up study, tempering and cultivation as a way to explain that communists must be highly conscious in transforming themselves. This is the view of the Marxist theory of the revolutionary reflection of initiative. "How To Be a Good Communist" cites the example of how people with the same experiences and almost the same conditions for tempering themselves are affected differently and the result of their transformation is different, in an attempt to further explain the dialectical relation that "in order to transform and improve themselves, revolutionaries must join in the practice of revolution and they can in no way depart from it; at the same time, they can neither depart from their objective efforts in practice, nor from self-cultivation and study in practice." This kind of cultivation basically differs from the so-called cultivation of virtue in ancient times that was idealist and isolated from social practice, and it helps draw a demarcation line against metaphysics. To stress the importance of self-cultivation in practice does not mean idealism; on the contrary, it means persistence in dialectical materialism.

The consciousness of self-cultivation stressed by Comrade Liu Shaoqi is an objective initiative that a thoroughgoing materialist must possess. At present, some comrades are not sufficiently conscious in setting demands on themselves. They are also often angry with unhealthy tendencies, but at the same time they practice favoritism and other dishonest behavior such as going in by the back door. Some other people sigh over unhealthy social tendencies, but often try to explain various unhealthy acts as the results of environment and conditions. They even blame society for all malpractices and shed tears for a few degenerate criminals. These comrades probably cherish a good aspiration for becoming materialists, but in fact they still remain at the level of the idealist theory of metaphysics that "people are the results of environment and education," and they do not understand that what is more important is for people to transform the environment. For example, in the same environment and with the same education, the majority of the youths that grew up during the 10-year catastrophe have awakened after being deceived; they have thought about the issues and have striven to make contributions to building the four modernizations; a few others have fallen back and degenerated. Has not this situation been caused by the results of objective initiative and self-cultivation in addition to different environments and conditions?

Marxist ethics holds that, like social ideology, morality is relatively independent. This independence is shown not only in its counteraction against the economic base but also in its nature in history. Like many other aspects of mankind's knowledge, morality always develops on the basis formed by predecessors. Ours is a nation with rich traditional ethics. Our predecessors devoted great study to various ethical systems and they have left a great and valuable ideology on ethics. But all these "doctrines of the virtue of sages" were for a long time used by the ruling classes to deceive and enslave the laboring people, while the ruling classes themselves never followed these doctrines. "How To Be a Good Communist" points out that "their aim was to win positions and get rich and to

resort to the 'doctrines of the virtue of sages' in suppressing the exploited and to deceive people through the advocacy of humanity, justice and virtue. Such was the attitude taken by the representatives of the exploiting classes in the old society toward the sages they worshipped." We communists must critically study and inherit all excellent historical legacies, rejecting the dross and assimilating the essence. It is with this understanding that "How To Be a Good Communist" cited epigrams from ancient sages in our country such as "the first to show concern and the last to enjoy himself" and "neither riches nor honors can corrupt him, neither poverty nor lowly condition can make him swerve from principle and neither threat nor force can bend him" that have been inherited and practiced by us communists and revolutionaries.

From this we can see that the theory of morality in "How To Be a Good Communist" stresses the importance of self-cultivation of morality through practice; it also stresses the importance of the class nature of morality and explains the inheritance of morality. This is an attitude of historical materialism. This view has nothing in common with cultivation through "shutting oneself up and pondering over one's mistakes" or with the "theory of the human nature of landlords and the bourgeoisie" that are based on idealism. Lin Biao and the "gang of four" belittled "How To Be a Good Communist" as advocating the theory of human nature of landlords and the bourgeoisie; this was nothing but fabricated slander.

## II

Marxist ethics was the first to correctly explain the objective law in the emergence and development of morality, and it thus put an end to the theory of eternal morality based on objective experiences or abstract reason. Basing itself on the understanding of the law of the development of morality, Marxism has predicted a new morality in the future, because "the morality of the proletariat that represents the transformation of the present situation and represents the future no doubt has the most factors to exist for a long period." ("Collected Works of Marx and Engels," Vol 20, p 102) In his "How To Be a Good Communist," Comrade Liu Shaoqi summed up the experiences of revolution in our country and systematically expounded the moral concepts of communism in order to enrich and develop the Marxist theory of morality. But Lin Biao and the "gang of four" distorted this intention, labeled the demand for practicing the standard of morality in mutual relations within the revolutionary ranks as advocating a "'love of mankind' that will cause the emergence of the theory of class conciliation," and vilified the norm of morality that is proposed in "How To Be a Good Communist" on the basis of the experiences of predecessors as "a hodgepodge of feudalism, capitalism and revisionism."

It is the highest aspiration of communists and the greatest and grandest cause of mankind to realize communism. Communist morality is the reflection of the interests and the desires of the proletariat; it is also the loftiest and purest morality of mankind. "How To Be a Good Communist" points out: "This morality is not based on protecting personal interests and the interests of a few exploiters; it is based on the interests of the proletariat and the broad masses of the laboring people, and on the interests of the happy and beautiful communist world that will be built following the ultimate liberation of the whole of



mankind and the saving of the world from capitalist disasters, and will be built on the theory of the scientific communism of Marxism and Leninism." The core of communist morality is collectivism, which is determined by the objective position of the proletariat and the people's party principle of the Communist Party.

Proceeding from collectivism, "How To Be a Good Communist" explicitly expounds on glory and disgrace, courage and cowardice, and loyalty and dishonesty, and other things that belong to the sphere of morality. For example, it advocates doing more work, feeling honored to become a servant of the people, and feeling shame to fish for fame and compliments and seek special positions; it also advocates daring in tackling difficulties, points out that it is being timid to avoid hardships, and terms those who dare to acknowledge and correct their mistakes as the strong and those who are afraid to offend others, who try to "refuse to be contaminated by evil influences" and who yield to mistakes as the weak. It advocates loyalty and open-mindedness and honesty in "speaking one's mind," and terms those who are opportunistic and who "speak in different tones to different people in different situations" as dishonest and treacherous. How to treat good and evil has in history always been the point of argument in the theory of ethics, while those who studied ethics in the past usually like to mention the so-called "good and honest heart"; this interpretation is nothing but empty words. It is only the proletariat who dare to declare their attitude toward good and evil: they are able to love and to hate; with a firm proletarian stand, they have a clear-cut attitude in the matter of love and hatred. What is advocated in the book is a totally new morality of the proletariat and communism. But Lin Biao and the "gang of four" indulged in advocating the ideology of "devoted gentlemen" in promoting modern superstition and the personal and factional loyalty of those living a vagabond life. Such an advocacy is just the old morality branded with feudalism.

After exposing the falsehood of the "love of mankind" that is advocated by the exploiting classes, "How To Be a Good Communist" stresses that it is only the communists who really express the sympathy of mankind that finds its expression in "loyalty and forgiveness" and in helping and being considerate to comrades. "Do not do to others what you would not have them do to you" is one of the principles that is followed by communists. But toward the enemy and those who harm the country and the people, communists will resort to merciless means and will resolutely fight against them. "Toward the brothers of their own class and toward all the laboring people who are subject to exploitation and oppression, they cherish great and loyal friendliness, ardent love and sympathy, with a great spirit of mutual help and firm solidarity and true equality." In a new historical period, should not such a spirit be advocated in a big way? In fact, socialism must be built on the basis of relations between men that are more harmonious than those in any other society. But, owing to the effects of inflated class struggles over many years, there was a lopsided development in relations among people, caused by never-ending "class struggles" and particularly the 10-year catastrophe during the "Great Cultural Revolution," revolutionary humanism was regarded as the theory of reactionary humanism and criticized, the beautiful feelings of mankind were trampled upon, the concepts of lofty morality were almost suffocated, and the socialist new habits and customs that had been formed

by the party and the people through hard efforts were seriously damaged. Everywhere there were ruthless struggles, merciless blows and unjust charges and verdicts. All these things were totally incompatible with our socialist system.

According to "How To Be a Good Communist," communist morality not only includes the sympathy of mankind, which is characterized by mutual respect and love among the people, but also lofty self-respect and regard for oneself. But this concept was regarded by Lin Biao and the "gang of four" as the main "crime" of "How To Be a Good Communist" in advocating the "reactionary theory of human nature." Their assertion was a fabricated distortion.

It is true that self-respect and regard for oneself were once the main slogan of the bourgeois theory of human nature, but such self-respect and regard for oneself are connected with the nature of the bourgeoisie--selfishness. The bourgeoisie engage in their base activities under the cloak of self-respect and regard for oneself. On the other hand, when they seek personal gain they act servilely and subserviently. Their self-respect and regard for oneself represent money worship, with individualism as the core. The self-respect and regard for oneself advocated by "How To Be a Good Communist" have collectivism as their core, and they have emerged on the basis of the confidence and pride of communists in their cause. Such self-respect and regard for oneself are related to the interest of the party, the people and the motherland. They are also in line with the communists' loyalty and love for revolution. Comrade Liu Shaoqi pointed out in the book that communists "do not have private aims and do not flatter others, nor do they want to be flattered. They are good at solving private problems and they do not beg others for help." Therefore, they are able to be "prudent" in any situation. All acts of forming relationships for private ends, seeking personal gain, comforts and privileges, practicing fraud, deceiving one's superiors and deluding one's subordinates, boasting, flattering and toadying are base and run counter to the dignity of communists. Communists are also very eager to make progress, that is, for the interests of the people and in order to defend truth. This progress includes developing their own personality and strong points. For the sake of the cause of the party, they are most broad-minded, willing to "compromise out of consideration for the general interest," endure humiliation in order to carry out important missions, return good for evil and can endure blows, unjust charges and misunderstanding. When necessary, they are ready to "make sacrifices for the interests of the state" and "lay down their lives for a just cause" and they consider this their obligation. These are the highest expressions of communist morality, the highest expression of the proletarian party and the highest expression of the purity of proletarian ideology. Comrade Liu Shaoqi was as good as his words, and he fully displayed the loyal, pure and lofty character of a proletarian revolutionary.

The sympathy, self-respect and regard for oneself and eagerness to make progress that are expounded in "How To Be a Good Communist" constitute a very good education for every communist and revolutionary; they are also an important content of the Marxist concept of ethics. But, under the cloak of "resolutely breaking with" feudalism, capitalism and revisionism," Lin Biao and the "gang of four" discarded all standards of morality and behavior and advocated the "power determination theory" that runs counter to morality, and exercised feudal and fascist

dictatorship over the people. They thus committed inexcusable crimes against the people. We can in no way underestimate the damage and bad effects done by Lin Biao and the "gang of four" to our socialist morality. Why is the feudal style of work and ideology and bourgeois individualism that were criticized by Comrade Liu Shaoqi long ago still pursued by some people? Are not these people who, under the slogan of "carrying out the principle of material interest," have gone all out in seeking private gain at public expense, using public office for private gain and engaging in malpractices for selfish ends? Are not there also people who know nothing but the seeking of personal "rights and privileges" and the disregarding of their social duty and responsibility? They regard ugliness as beauty, humiliation as glory, savagery as courage and seeking excitement as fashionable. These people so seriously lack communist morality that it is imperative for us today to carry out moral education so that they will gradually achieve communist morality and become conscious.

"How To Be a Good Communist" was banned by Lin Biao and the "gang of four" for 10 years; but now the ideology of ethics that is profoundly expounded in this book rejuvenates people. It is of great significance to the cause of the four modernizations to step up the study of ethics. At present, in some "advanced" countries, the accumulation of material wealth goes along with the deterioration of social morality. In these countries, "social crises" and "moral crises" are becoming more serious while abundant material cannot make up for spiritual emptiness. On the contrary, we are developing both material civilization and spiritual civilization. Comrade Liu Shaoqi pointed out in his "How To Be a Good Communist" that in a communist society "material production and spiritual production will have reached a high stage and be able to meet the various needs of members of society. By that time, all people will become selfless and intelligent laborers of communism with a high level of culture and technology and full of the spirit of mutual help and amiability...." To disseminate communist morality and advocate the socialist spirit and civilization is one of the indispensable contents of ideological and political work in readjusting the national economy and in realizing the four modernizations. We must, therefore, work hard to step up education in communist morality.

CSO: 4004

## THE PROBLEM OF THE LACK OF READING MATERIALS IN RURAL AREAS URGENTLY NEEDS SOLVING

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 31-32

[Investigation report by the investigation group of the Propaganda Department of the CCP Central Committee]

[Text] Recently we went to Jiangsu, Hebei, Zhejiang and Fujian provinces to make investigations. In Jinan and Nanjing, we had informal discussions with comrades from the propaganda and publishing departments of nine provinces including Shandong, Shanxi, Henan, Anhui, Hunan and Jilin, to find out the basic situation and existing problems in the publication and distribution of reading materials in rural areas. Numerous facts show that reading materials in various rural areas are quite insufficient, and this problem urgently needs solving.

### Readers in Rural Areas Are a Gigantic Contingent

At present, more and more people in the rural areas want to read and study. Although there have been some achievements in the publication of reading materials in rural areas, they are still far from satisfying the needs of readers there. According to an investigation made in Jiangyin County, Jiangsu Province, readers in rural areas are mainly: 1) educated youth; 2) students in primary and middle schools; 3) teachers of primary and middle schools; 4) staff and workers in enterprises of brigades and communes; 5) personnel in various specialized fields such as agricultural machinery, agricultural technology and medicine; and 6) cadres of communes and brigades and commune members with culture. All these make up quite a large percentage of the population of the rural areas. In three production brigades in Datong municipality and Taigu County, Shanxi Province, there are altogether 7,074 people, of whom 4,385--59 percent--are able to read and 3,515--44 percent--like to read and to buy books. In some rural areas in Shandong, Zhejiang and Fujian, the highest proportion of those who can read is 50 percent, while the lowest is over 30 percent. Among these people, over 30 percent often read and buy books, amounting to slightly over 10 percent of the total population. Based on these statistics, there are at least 80 million people who often read and buy books. If those who buy Spring Festival pictures and almanacs are added, the figure is much greater. In the Shimei production brigade, Fujian Province, and the Dingqiao production brigade, Zhejiang Province, 74 percent of the peasant households have been buying books and pictures since 1979. With their increase in income, readers in rural areas are willing to spend some money on books. According to an investigation of communes and production

brigades in rural areas in Shanxi Province, commune members with an average income of over 100 yuan make up a quarter of the total number of commune members. They can usually afford to spend 0.4 percent of their income on books. The total value of books sold in the whole country in 1979 was 1.26 billion yuan. Even though there was a shortage of reading materials in rural areas, the value of books sold in communes and production brigades in rural areas still amounted to 360 million yuan, about 30 percent of the total. These facts show that there is a gigantic readership in the vast rural areas. They are eager to have more reading materials for rural areas and they have great potential purchasing power. Publication and distribution departments should pay great attention to this.

#### Complaints About "Difficulty in Buying Books" Are Heard Everywhere in Rural Areas

There are roughly eight types of books needed by readers in rural areas: 1) reading materials on culture and education (teaching and revision reference materials for teachers and students in schools, reading materials for youngsters and reading materials for eliminating illiteracy); 2) reading materials on the ideological cultivation of youth and politics; 3) books on science and technology in specialized fields and reading materials on popular science; 4) literary reading materials (especially classical novels and fine modern novels); 5) reading materials on daily life knowledge; 6) books for reference and books about the Chinese language; 7) reading materials on economic policies and economic administration; and 8) Spring Festival pictures, almanacs and cartoons. However, very few of these books are sent to readers in rural areas. According to an investigation in Xibing commune, Fujian Province, the commune needs 3,200 sets of 18 kinds of classical literature books, but since 1978, only under 100 sets have been supplied. It needs 190 sets of 14 modern novels, but only 3 and 5 of each category have been supplied. Only 18 percent of the population of Shanxi Province lives in towns, yet the books supplies to them amount to 82 percent of the total. The rural people account for 82 percent of the province's population, yet the books supplied to them amount to only 18 percent. Often people have the money but still find it difficult to buy the books they need. In order to set up reading rooms, the production brigades and commune-run enterprises of Bawu commune, Huaide County, Jilin Province, raised 10,500 yuan to buy books. After much picking and choosing, they only found 5,000 yuan worth of books suitable for rural areas. Cadres of the CYL branch of the Xiyang production brigade, Zhengding County, Hebei Province, took 400 yuan and rode a tractor to Shijiazhuang to buy books. After much picking and choosing, they only bought slightly over 100 yuan worth. To buy a book, readers in the mountainous districts of Yimeng, Shandong, often have to go to bookshops 3 to 5 times, covering a distance of over 100 li. Yet they sometimes fail to buy one. Sighing with deep emotion, they said: "It is indeed difficult to buy books. In the past we could not afford to buy books. Now we have the money, yet it is so difficult to buy them." "Now we cannot buy books or borrow them. What are the publishing houses and bookshops doing?"

#### Causes of Lack of Books in Rural Areas

There are many causes of the lack of reading materials in rural areas. As far as the publication and distribution departments are concerned, the main one is that

the publication of reading materials for rural areas is not taken seriously and distribution is not effective. During an investigation, responsible comrades at different levels in publication departments in various provinces all said that the main cause was that the work was not given serious ideological attention and that the sense of serving readers in rural areas was weak. Some comrades said, "In the past 2 years, the publishing houses have put in a lot of time and energy on 'high-grade, precision, advanced and profitable' books but have overlooked the rural areas." Some comrades do not make investigations and do not study. They simply take for granted that readers in rural areas "have a low income and cannot afford to buy books, have a low cultural level and do not understand what they read, and are too busy to read, so it is useless to publish books for them." Therefore, there is one-sidedness in the implementation of the slogan of "Plant our feet firmly in our own province and keep the whole nation in view." With their eyes on cities and on the whole nation, they seldom care for readers in rural areas. Another cause is the profit-seeking of the past. Some comrades said, "Economic accounting is now practiced in all trades and professions. It follows that we must publish books which sell in large numbers and which bring in a lot of money; otherwise we cannot continue to exist." "In order to pay bonuses we must make more money. In order to make more money, we must publish more books that sell well. Thus, it is natural that less reading materials for rural areas are published because they do not bring in much money." In addition, some editors are afraid of difficulties and are not willing to publish these books. They say, "It is difficult to select suitable themes, to solicit contributions, to edit and to distribute reading materials for rural areas. Materials written with tremendous effort often receive such comments as 'the trifling skill of a scribe which is not worth mentioning.'" From 1978 to the first half of 1980, the publishing houses in Shanxi Province only published 34 kinds of books specially for rural areas, amounting to only 12 percent of the total number of books. Although the reading materials for rural areas published by the publishing houses in Hebei amounted to 33 percent of the total in variety, they made up only 18 percent if Spring Festival pictures were excluded. From 1977 to 1980, there were 125 kinds of rural reading materials published in Henan Province, amounting to only 28 percent of the books published. The percentage of reading materials for rural areas in some places is becoming lower and lower. In some provinces, the reading materials needed by rural areas amounted to 35 percent of the total in 1978. In 1979, they dropped to 26 percent and by September 1980 they had dropped to 19 percent.

The problem in distribution is mainly that the sense of serving the readers has not been firmly established and the management is not quite correct. For example, there is only one bookshop that sells books and it has many restrictions that block business channels. Some branches of the bookshop overstress profit quotas. They care much about towns and cities but seldom think about the rural areas. They sell books where they can make money and are not willing to work in the countryside, where the work is arduous and the profit is less. Some are afraid of overstocking, dare not replenish their stocks and are not willing to have reserves. They "prefer shortages to overstocking" in handling reading materials for rural areas. Some readers have suggested: "Selling books is different from selling Chinese cabbage or turnips. The latter is finished in a short while. Bookshops should be the same as medicine shops. Any book should be available at any time."

IT IS THE GLORIOUS DUTY OF PUBLISHING WORKERS TO PUBLISH MORE GOOD BOOKS FOR THE  
MASSES OF PEASANTS

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 33-34

[Article by Zhong Chuping [6988 0443 1627]]

[Text] Publishing more good reading materials for rural areas is the pressing demand of the broad masses of readers in the countryside. It is also an important task of the party.

The party's policy on publishing is to serve the people and socialism. The task of publishing is to propagate Marxism-Leninism, to disseminate and accumulate the knowledge and fruits of science, culture and technology, and to enrich the spiritual and cultural life of the people. Our country is a socialist country with 1 billion people, of whom 80 percent are peasants. In order to do publishing work well, we must first of all keep the broad masses of peasants in mind. Owing to oppression and exploitation by imperialism and feudalism in our history, the rural areas in our country have long been in a state of poverty and backwardness. Since the founding of our state and, especially in the past 2 years, the economy of the rural areas has developed more rapidly and the life of the peasants has also improved. With the improvement in their material life, the peasants also want to have a rich and colorful cultural life, and they want more and better published materials suitable for them. If publishing workers ignore this situation and ignore the broad masses of readers in rural areas, they have not fulfilled their duty.

In order to implement better the publishing policy of serving the people and socialism, we must have a correct understanding of the slogan of "Plant one's feet firmly in one's own province and keep the whole nation in view." This slogan was put forth at a meeting on publishing work held in Changsha in 1979. It has played its part in promoting the cause of publishing. Local publishing houses should have their own peculiarities and should make a lot of effort to satisfy readers, especially readers in rural areas, in their respective provinces. They should not just keep the whole nation in view and ignore their own province, care only about cities and towns and ignore the countryside, and stress only high-grade, precision and advanced books and overlook popular reading materials. Of course, on the basis of satisfying readers of our respective provinces, we should also advocate distributing our fine reading materials to the whole country and striving to have them enter the world market.

Publishing reading materials for rural areas is the requirement of building a high degree of socialist spiritual civilization. The socialist country we are building must have not only a high degree of material civilization but also a high degree of spiritual civilization. These two supplement each other; neither of them is dispensable. In order to attain this goal, we must pay great attention to the vast countryside. Some 800 million of the 1 billion people of our country are in the rural areas, so the situation in the rural areas greatly affects the whole country. If the vast countryside is without a high degree of material and spiritual civilization, it is difficult to say that the whole country has a high degree of material and spiritual civilization. Spiritual civilization not only means well-developed culture, education, science and technology, but also communist ideals, faith, morals and sentiment, revolutionary stand, principles and discipline, comradely relations between men, "fearing neither hardship nor death," loving the country and loving the collective, the spirit of the "foolish old man who removed the mountains" and of arduous struggle, observing the law, the revolutionary spirit of changing prevailing habits and customs, and so on. Publishing more and better reading materials for rural areas is precisely the requirement for building a high degree of spiritual civilization in rural areas.

Publishing reading materials for rural areas is also the present requirement for strengthening ideological and political work in rural areas. Nowadays, the thinking of the masses of people in rural areas is very active and there are many new questions which need answers. Grassroots cadres in rural areas also have an urgent desire to raise their level of theory and of policies and to improve their work methods. We should also note that feudal and superstitious activities are quite common and that absurd books and magazines and harmful novels are found everywhere. We must continually propagate among commune members and cadres in rural areas the ideology of socialism and communism, sweep away the influence of feudalism, bourgeois ideas and all kinds of nonproletarian ideas, and continuously raise their political consciousness, so that they will uphold more consciously the four basic principles--the socialist road, the people's democratic dictatorship, that is, proletarian dictatorship, Marxism-Leninism-Mao Zedong Thought, and party leadership. Popular reading materials for rural areas are undoubtedly powerful weapons in carrying out this kind of education.

Reading materials for rural areas include numerous varieties, which should all be published. Under the present circumstances, it is important to publish popular political reading materials. But it is not easy to write good popular political reading materials. We hope that writers and editors will go to the countryside to make thorough investigations and to combine theory with reality, so that they can write popular political reading materials which can solve practical problems and are welcomed by the masses of the people. Comrade Deng Xiaoping has explicitly pointed out: Our comrades working on the ideological and theoretical front must hurry to organize forces and make plans for writing and printing within the shortest possible time large numbers of treatises, books, readers and textbooks that carry weight and with new contents, new ideas and new language. Our publishing departments should answer this call with action.



The reading materials published in the past few years have made progress in quantity and quality. The achievements in the work of distribution are also good. However, they are still far from meeting the requirements of the situation. The problem of the shortage of books in rural areas is still very serious. In order to change this situation, the most important thing is that publishing departments should deepen their understanding of publishing reading materials for rural areas and attach importance to publishing reading materials for rural areas.

It is said: "The rural areas are poor. The people there cannot afford to buy books. What is the use of publishing so many reading materials for rural areas!" At present, the life of many peasants is indeed not yet affluent. Many of them who have money spend it chiefly on improving their material life. But we must also be aware that the peasants' income has increased in the past few years. There are quite a number who can spend a portion of their money on books. Whether they are popular reading materials on political theories, or books on science, technology or literature, they all sell, and in some places, very well. The rural areas have great potential purchasing power. We cannot say that none of the peasants can afford to buy books.

Some comrades think that "peasants have a low cultural level and are busy with labor. They do not understand what they read and have no time to read." This viewpoint does not fully square with the actual situation. We must affirm that there have been developments in culture and education in rural areas. Many peasants, especially young peasants, are educated to a certain degree. Besides, there are a large number of students and teachers in schools, various kinds of technical personnel in specialized fields and grassroots cadres who all have a strong desire to read and study, and long to acquire scientific and cultural knowledge. Even peasants with a low cultural level are trying hard to get rid of the label of illiteracy. In short, the broad masses of readers in rural areas are very enthusiastic about studying and they have time and energy to study. Books sent to rural areas are not useless but quite useful.

There is still another viewpoint, namely, that the difference between town and country is not great, so we only need to publish books suitable for both town and country and need not publish reading materials for rural areas. It is true that, with the popularization of culture and education and the development of production in industry and sideline occupations, more and more books might be needed by both town and country. But the differences in many aspects between the vast countryside and the cities are still very great. Owing to differences in economic conditions and cultural nurturing, the demands for the varieties, themes, contents and forms of books in rural areas are manifestly different from those in cities. To think that there is no difference between readers in town and country is failing to recognize the special needs of the vast countryside. This in essence is simply a pretext for being unwilling to publish more reading materials for rural areas.

Another important reason for not publishing more reading materials for rural areas is that writing and publishing reading materials for rural areas do not bring in much money. We must realize that although books are put in the hands of readers

through commodity circulation, we cannot equate books with ordinary commodities, because in the first place books are spiritual products and have the function of propaganda and education. If we ignore this function and care only about money, and if we publish more books which bring in more money and publish fewer books which bring in less money, we are bound to deviate from the party's policy for publishing work and fall into evil ways. We should try our best to satisfy people by publishing those books which help to raise the people's political and ideological consciousness, to enrich the people's spiritual life, and to raise the people's scientific and cultural levels. Even if we have to lose money, we still should publish these kinds of books. As for those books which are harmful and no good, or books merely meant for novelty and entertainment, we should exercise appropriate control and should not distribute them to rural areas. If publishing workers seek to pander to the low tastes of some people and ignore the published materials' function of propaganda and education for the masses of the people, they are neglecting their duty most seriously.

There are others who say, "There are too many difficulties in writing reading materials for rural areas." We should say that it is indeed not easy to write a book which is really welcomed by readers in rural areas, but it is also not too difficult. As long as we encourage writers to persist in going deep into the countryside, to familiarize themselves with the peasants' life, demands and desires, and to work and write with a strong sense of serving the 800 million peasants, the problem of difficulties in writing will not be hard to solve.

Publishing more good books for the broad masses of peasants is the glorious duty of publishing workers. Party committees, especially propaganda departments of party committees at all levels, should give more concrete guidance in this work. Publishing departments are even more dutybound to shoulder the heavy burden of publishing reading materials for rural areas. Under the leadership of the party, they should map out a general program and fix concrete objectives of struggle for each period, and adopt effective measures with respect to the vigor of the leaders, strength of editing, publication and distribution, giving awards and making appraisals of work. In this way the difficult situation in buying books in rural areas will soon change.

CSO: 4004

CONSCIENTIOUSLY IMPLEMENT OUR COUNTRY'S GUIDING PRINCIPLE ON URBAN DEVELOPMENT

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 35-37

[Article by Li Xubang [2621 2485 6721]]

[Text] To control the scope of big cities, rationally develop medium-sized cities and actively develop towns--this is our guiding principle in urban development for a period of time to come. To comprehensively implement this guiding principle helps to rationally distribute the productive forces in our nation and accelerates the development of the national economy and the undertakings of science, culture and education. It is tremendously significant for the transformation of the urban and rural pattern, the improvement and elevation of livelihood in urban and rural areas, and the building of a modernized socialist power.

Since our nation was founded 31 years ago, we have attained great achievements in urban construction and development. Across the nation at present, the number of cities with an urban construction system has increased from 69 before liberation to 223 (not including Taiwan Province) and that of towns has increased from over 2,000 to over 3,300. In old China, cities were mainly located along the seaboard. Since the birth of new China, large-scale capital construction has been taking place. While the economy was being vigorously developed in coastal regions, the already existing cities were being reformed. As the inland areas were being developed, new industrial and mining cities were constantly being built. Therefore, there has been a remarkable change in the distribution of our cities.

In the process of socialist construction, how should our cities be developed? For many years the guiding principle on this issue has not been definite. Although Comrade Mao Zedong long ago put forth the idea of developing many towns, it has not been thoroughly implemented owing to various factors. Meanwhile, because of our inadequate level of economic development and our limited capital and material resources, the undesirable pattern of distribution of cities formed through history cannot be reversed in a short time. Another factor is the overemphasis on building productive cities, industrial cities and self-contained multipurpose cities, so that up to now the distribution of our cities is still uneven and the industrial and urban population still clusters in big cities and metropolises. At present, over 50 percent of the nation's industry (in terms of output value) and over 42 percent of the urban population are centered in 43 big cities, the population of each of them being over half a million. The great number of big cities and metropolises and their high percentage of population in relation to

the total urban population must be quite uncommon in other parts of the world. On the other hand, small cities have not been justifiably developed and the vast countryside is still dispersed and backward. This situation will not at all help the realization of the modernization program. As Engels pointed out: "The dispersal of the rural peasant population and the concentration of the big city industrial population only reveals that the level of development of industry and agriculture is not high enough. It is an obstruction to further development." ("The Principle of Communism," "Selected Works of Marx and Engels," Vol 1, p 223) Now, we must fully understand this "obstruction" and overcome it.

Some comrades hold that big cities are vital to economic development and so their scope should not be controlled. This viewpoint is partially, but not wholly, correct. The emergence of big cities in modern times and in our times is a result of the development of the social productive forces to meet the demands of a commodity economy. The expansion in the scale of production and specialization and the rise in the degree of socialization has objectively demanded that industry be relatively centralized. Centralization of industry has resulted in population concentration; hence the rise of big cities. The development of big cities has in turn fostered the development of economy, science, culture, education, public health, and so on. However, all kinds of development have limits. Once the development has gone beyond its limits, there will be a change: advantages will become disadvantages and desirable factors will become undesirable ones. Blind economic development in the capitalist countries has led to vicious inflation. The overexpansion of cities has produced a series of grave problems. Many countries find this a headache and have to pay a huge price to carry out further reforms. In our country, although the level of economic development in big cities is not as high as in those countries, the problems are already quite serious. As a result of the overconcentration of industry and population, it is hard to reach a balance between production, transportation and marketing; housing, transportation, energy, water supply, land and other resources are in rather short supply; and environmental pollution is a growing threat. This is a setback to our preparedness against war, to the resistance against natural disasters and to the healthy development of production. If we do not check the growth of big cities, these problems will become even more of a threat. Therefore, we must be determined to take measures to control the scope of big cities and avoid committing the same mistakes as have foreign countries in their blind development of big cities.

To control the scope of big cities means to control their population and land use, not their economic and cultural development. Many of our big cities are historic economic centers. In the modernization program, we should further foster their functions in economic activities. Yet, to foster the function of an economic center in a big city does not mean to let it grow in an uncontrolled manner. Economic development in a big city does not depend so much on building big and medium-sized enterprises as on tapping potentials, carrying out reform and renovations, and restructuring industry according to the principle of specialization and strengthening of management. We should make full use of the big cities' advanced and strong material and technological foundation and their industry, trade, science, culture and education, which are better developed, in order to organize various kinds of service centers to help develop the economy and culture

of their neighboring areas and even of the whole country. Big cities can also provide capital, technology and personnel to run enterprises in collaboration with fraternal provinces, cities or autonomous regions. Metropolises and certain big cities should plan to build satellite towns in their distant suburbs. Some factories can be moved out of the urban centers, and a small number of industries or other facilities that must exist in a big city should be moved to the satellite towns, so that the scope of the big city is under control while production continues to develop rapidly.

In economic construction for a certain period of time to come, we should pay full attention to the rational development of medium-sized cities. Generally speaking, medium-sized cities have some of the advantages of big cities. They have a fairly good foundation in terms of conditions for cooperation, technological strength, transportation, urban construction and public amenities. Moreover, we have more medium-sized cities (each with a population of 200,000 or 300,000) than big cities. They are also more evenly distributed than big cities. If we rely on these medium-sized cities to suitably construct some industrial undertakings which are vital for the development of our national economy, we can make full use of existing conditions, tap potentials and make good use of our towns while avoiding the shortcomings of big cities. Construction during the First Five-Year Plan proved that by doing things in this way better economic effects are obtained.

In order to fundamentally change the uneven distribution of cities in our nation and make rational use of our natural resources, manpower and material resources, we must also actively develop our towns. At present, we have over 3,300 towns scattered throughout the country. If these towns are well developed in economy and culture, the urban and rural pattern and the distribution of the productive forces in our country will change remarkably. The building of more towns also is of strategic significance. However, the building of towns and the speed and scope of development are controlled by the development of the productive forces and the degree of division of labor. We have a huge population and a weak foundation. While we lag behind in economy and technology, our labor productivity is low and our national income cannot be drastically raised all at once. This determines that the building and development of towns must follow the economic development. It must not boom within a short time. At present, we should give priority to developing 100 or so towns that have an urban construction system. New undertakings arranged by the central or regional administration should be located in these towns. Some undertakings can also be arranged in other towns with favorable factors in resources, geographical location and cooperation. They can be developed through the development of industry, building, communications and transportation, commerce, scientific research, culture and education. In building towns, we must systematically plan the housing, urban services, public amenities and services, but first of all we must plan the water and electricity supplies and the transportation system. The state should formulate a policy to encourage the industrial sector to build factories in the towns and to encourage the staff and workers to settle in these towns. In developing the economy in the towns, we must pay attention to the proportion between the numbers of male and female workers, so that more people can work and settle there.

Some comrades think that it is faster and more economical to invest in factories in big cities than in towns. However, they think only in terms of a single enterprise, not of a city or even of the development of the entire national economy. In the big cities at present, the land, energy and water are already in rather short supply and many amenities and public services are already overburdened. Building new factories means that it is necessary to increase water supply, electric power stations, amenities and public services. It also means spending a large sum of money on developing land or redeveloping deteriorated buildings. The wish to save capital will result in the spending of more capital and a temporary easy way out will result in even greater inconvenience. To build factories in towns, land will be less of a problem than in big cities. Building materials such as bricks, tiles, cement, sand and stones are available from nearby areas. This will increase the speed of construction and lower its cost, and factories will require a shorter time before beginning operation. In locating enterprises, we must not only consider the speed of construction and the amount of capital, but also the economic effects once the enterprises go into operation. The overconcentration of industry in big cities and its remoteness from the sources of raw materials and fuel and the areas of consumption will pose transportation problems which will be uneconomical in the long run. Industry can be located in towns that are close to the sources of raw materials and fuel so that production can be rationally organized, production costs will be lower and there will be better coordination between production, supply and marketing. Therefore, when the industrial sectors choose factory sites, they must bear in mind the whole picture, not just one part. They must meet the present demand while not forgetting rational urban construction and try as much as possible to choose good sites in the towns.

To control the scope of big cities, rationally develop medium-sized cities and actively develop towns--this guideline in urban development is in accordance with the actual situation in our country. It raises different demands on big cities, medium-sized cities and towns. In a nutshell, big cities must be controlled and medium-sized cities and towns must be developed. Control and development are antithetical concepts; they are two sides in the dialectical unity of one guideline. Only when big cities are under control can medium-sized cities and towns be developed. The development of medium-sized cities and towns will in turn effectively control the scope of big cities. For both control and development, there must be appropriate town planning and zoning, which must be implemented step by step so that this guideline will be comprehensively and thoroughly realized.

In relation to the overall pattern of urban and rural construction, we should attach great importance to the development of market towns. China has tens of thousands of market towns, which are the economic and cultural link between the city and the countryside. With the setting up of production team enterprises and joint enterprises between the agricultural, industrial and commercial sectors in the last 2 years, the market town economy has been developing fast. Building market towns is of great significance in changing our rural pattern, absorbing surplus local agricultural labor, speeding up modernization in agriculture, and gradually narrowing the gaps between city and village, between industry and agriculture. The building and development of market towns must not be too fast

or too vigorous. It should be in line with the progress of agricultural modernization and the speed of development of the national economy. Our countryside is vast and extensive. The areas differ greatly in natural conditions, the level of productive forces and the state of the collective economy. In building and developing market towns, we must take into consideration regional factors and set targets according to different areas and levels of economy. Many market towns in certain rich agricultural regions already have a firm economic foundation. They should be developed faster and constructed better. Individual outstanding market towns can even be developed as towns or cities. Market towns in not so rich regions should not be developed as fast as the others. Basically, market towns belong to the countryside. Their building and development mainly depends on the strength of the collective economy. The people's government of each region should strengthen guidance and carry out good planning.

With the gradual implementation of the modernization program, we hope that a new scene will emerge in our urban and rural construction.

CSO: 4004

## CORRECTLY DEAL WITH MODELS

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 38-39

[Article by Gong Xue [7895 7185]]

[Text] To guide overall work with models is a materialist dialectical work method. Whether during the period of revolutionary wars or during the period of socialist revolution and construction, our party has adopted this method in different aspects of work and has achieved remarkable results. However, during the 10 years of disorder of the "Great Cultural Revolution," Lin Biao and the "gang of four," owing to their counterrevolutionary ambition to usurp the party and seize power, purposely distorted this method and diverted it to the wrong path of idealism and metaphysics. Some of our comrades who did not adhere to the ideological line of materialist dialectics also encountered problems and made mistakes in the application of this method. As an advanced model on the agricultural front, the Dazhai production brigade once played an active role. Most of the advanced models across the nation which learned from Dazhai achieved good results and contributed to the nation both in production and construction. During the "Great Cultural Revolution," however, Dazhai became a model in following the leftist line. Other production brigades which followed Dazhai's leftist line produced negative results. This is a remarkable example showing the detrimental effects of not correctly dealing with models. We have paid a great price for this lesson. A lot of experiences and lessons need to be studied and summed up by seeking truth from facts before this work method can perform a better function in the socialist modernization program.

Any true model, whether collective or individual, must stem from the practice of the masses and not be artificially created. Only when the model is recognized by the masses and has been proved and tested to be a true advanced model can it guide others. The masses do not trust things that are not tested by practice. Artificially created models are like flowers without roots: they will wither without fruiting. To sum up the experiences of models, we must adhere to the principle of seeking truth from facts. We must respect the truth and be honest. When we talk of results, we must tell the exact truth, and not exaggerate good points and cover up weaknesses. Everything divides into two. If we mention the weaknesses, the model will try to overcome them while others will try to avoid them in the future. This will enable the backward to catch up with the advanced and the advanced to progress even further. To grasp models, the leaders should



go deep among the masses and carry out down-to-earth investigations. When they find true advanced models, they should seriously examine this experience with the masses and promote it. By no means should they artificially create models by means of subjective regulations or for personal motives. All models created in this way will end up as failures.

We must look at models from the developmental point of view. Things are constantly changing. The advanced will not always remain advanced, and the backward will not always remain backward. The two might switch positions under certain conditions. The pupil might surpass the master. Therefore, we must not use a rigid, metaphysical method in handling models. We cherish models chiefly by giving them correct guidance in politics and ideology, so that they can achieve good results, overcome their weaknesses and constantly make progress. We should guide the models to correctly deal with themselves. This means that they should be aware of and admit both their strengths and weaknesses. While unreservedly helping others by introducing their own experiences, they should improve themselves by modestly learning from others. Experience proves that if units or individuals, thinking themselves to be models and thus perfect, become arrogant and conceited, they will end up as failures. When a model has been overtaken by a new, more advanced model, the leaders should help it try to close the gap and catch up with the more advanced. Under no circumstances should the leaders partially and unjustly "protect" the backward model by fostering its arrogance and providing it with "extra" manpower, materials and capital which are not its legitimate share.

Similarly, in propagandizing and popularizing the experience of models, we should persist in seeking truth from facts. We should not deceive the masses by irresponsible exaggeration and glorification. We can convince the masses and inspire them to learn from the experience of models only when we honestly and justifiably introduce them. Only in this way do we show a responsible attitude toward the party and the people and truly cherish the models. In popularizing the experience of models, we must consider the factors of place, time and actual conditions. We must let the people choose for themselves, not force them to do this or that. When dealing with the experiences of models, we must analyze which experience has a general significance and which does not. Even experience of general significance, when being popularized, must be integrated with the actual conditions of each region or unit. Each region or unit has its own characteristics and factors. What is suitable for one region or unit might not be so for another. China is a vast country in which natural conditions, livelihood, the level of science and culture, and history differ from place to place. How can one model suffice for all areas? To learn from the experience of models does not mean to apply this experience without modifying it. All areas and sectors should conscientiously learn from the experience and models of other areas and sectors. Meanwhile, they should discover and train their own experience and models. To popularize the experiences of models, we must apply the methods of enlightenment, guidance and attraction. Experience proves that to compulsively practice the experience of one region or one sector by administrative fiat can come to no good.

We should promptly discover and train advanced personnel in each front and in each profession. Their advanced deeds should be vigorously popularized. Advanced people contribute to our society with their advanced deeds and model behavior. They deserve respect from society and the people for their good performances and innovations in their professions and their ability to lead the people forward. Advanced people are not necessarily leaders or representatives of a certain kind. If they are, some of them will become conceited and divorced from the masses and will drive other comrades into a situation they cannot cope with. In this way, they cannot make good use of their strength to be models for others. This will not only be detrimental to some advanced people, but also bring losses to our party. Of course, this does not mean that we should not attach importance to selecting and training good cadres from the advanced people. On the contrary, we attach great importance to this, but they must be chosen according to their ability. The majority of advanced people should be kept in their original posts to continue serving society and leading others with their strength. Facts prove that in this way they can make long-term contributions to the country while maintaining their integrity.

In short, in dealing with advanced models and popularizing the experiences of models, we must adhere to materialist dialectics and shun idealism and metaphysics. If we adhere to the party's correct ideological line and learn from past lessons, we will certainly do well in grasping models, and advanced models will emerge on all fronts and promote the advancement of our cause.

CSO: 4004

## 'RIGIDITY' AND 'FLEXIBILITY'

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 40-41

[Article by Liu Zijiu [0491 1311 0036]]

[Text] News about production teams and enterprises exercising their autonomy and about "relaxing the policy" are often carried by newspapers, in which phrases such as "rigidity" and "flexibility," too "rigid" control, too "rigid" restrictions, too "rigid" formulations, and making work, the economy and the market "flexible" appear.

Here the words "rigidity" and "flexibility" refer to a form of working with and carrying out lines, principles, policies, and rules and regulations. They represent the people's objective initiative in their struggle to transform society and nature as well as in carrying out their cause of revolution and construction. "Rigidity" and "flexibility" are two aspects of a contradiction, and they constitute an entity of opposites. The implication of the above is that "rigidity" is a derogatory term that is repugnant to people and that restricts and hinders the development of things. On the other hand, "flexibility" seems to represent a positive term that is welcomed by people and that promotes development. This understanding is not complete. It was fostered by Lin Biao and the "gang of four," who in the past decade or more plotted to usurp the party and seize power and intentionally confounded right and wrong. They labeled the goal of the struggle to develop production and improve people's living standard, which should indeed be "rigidly" realized, as the "theory of productive forces" and they went all out to criticize it. On the other hand, they called actions that sabotaged production and created confusion in society, production and daily living "revolutionary and rebellious actions." They advocated such actions and "rigidly" ordered people to take these actions. Consequently, they confounded "rigidity" and "flexibility."

How should we understand theoretically the dialectical relationships between "rigidity" and "flexibility" and use them in practice? Usually we talk about being "neither rigid nor flexible," but this implies that any policy that should be carried out "rigidly" must be done. This is because if the policy is not defined "rigidly" or if it is not carried out resolutely or if it is carried out with vague goals, then another policy that should be carried out "flexibly" will lack a firm and resolute goal and standard of action, will become meaningless and consequently will be carried out in a confused way. Take the current

readjusting of the national economy as an example. If we are not resolute in carrying out a high degree of centralization and unified leadership and if we do not resolutely curtail capital construction, we will not be able to basically change the situation in which our economy is seriously out of proportion, nor will we be able to gradually improve the people's living standards on the basis of developing production and to consolidate the political situation of stability and unity. Of course, when we stress centralized leadership, this does not mean going back to the old path of being too strict and having too much control. With regard to the entire national economy, it is necessary to stress the importance of planned guidance and administrative intervention, and they must be carried out "rigidly." But on the other hand, enterprises will gradually have more economic autonomy and such autonomy is "flexible." Regulation by planning mechanism is the main form, and regulation by market mechanism is complementary to it. They will both bring about "rigidity" and "flexibility" so that the "flexible" will become "rigid." The goal for the realization of the four modernizations defined by the party Central Committee is unshakable and it must be realized "rigidly." But the forms, steps and measures for realizing this goal are flexible and varied. The four basic principles--the socialist road, party leadership, the dictatorship of the proletariat and Marxism-Leninism-Mao Zedong Thought--must be resolutely and "rigidly" persisted in. But the forms to realize these principles might vary according to specific conditions; this means that the forms are "flexible." In short, matters of principle must be "rigid" and must be persisted in resolutely. But the forms for realizing the principles must be "flexible" so that they accord with specific conditions. Here "flexibility" means to analyze situations and not to stick to conventions and remain unchanged. That is to say, "flexibility" is carried out around "rigidity" while "rigidity" is the premise for "flexibility." The so-called "opening all avenues for production," "opening all avenues for employment," "opening all avenues for knowledge" and "opening all avenues for people of talent"--all these demand "flexibility" and they develop under the centralized guidance of the lines, principles and policies for the four modernizations that are "rigidly" defined. The former cannot be separated from the latter.

It is necessary to point out here that the policies and measures carried out following the emancipation of the mind to expand the autonomy of production teams and enterprises, to relax policies and to encourage trading in free markets--all these have played a positive role in developing production, in increasing market supplies and in bringing conveniences to the people in their everyday life; that is to say, they have made the economy flexible. The majority of the people are happy and satisfied with these measures, and this situation is the main trend. But some abnormal and chaotic situations have developed with regard to the management of prices, markets and wages (mainly in distributing rewards and replacement of staff), such as indiscriminately increasing prices, distributing bonuses at will, logging trees in disregard of regulations, and giving up farm-work to undertake commerce and engage in speculation and profiteering. All these situations must be seriously tackled and they must under no circumstances continue to exist. People are concerned with such abnormal and chaotic situations, and this attitude shows that they have become more concerned with state affairs and policies. However, we must not fuss over these situations, nor should we refrain from doing things that are necessary for fear of taking a slight risk.

Any correct policy will inevitably be accompanied by some shortcomings or problems while it is being implemented. But as long as the party and leading administrative organizations at various levels strictly follow the line and implement the principles, policies and measures that were approved by the 3d Plenary Session of the 11th CCP Central Committee, all the abnormal and chaotic situations that have developed in the process of carrying out correct policies will be solved, and as a result, our management work in various respects, and particularly the management work in the development of the economy, will be put on the right track. If we do not do this and instead take measures to cover up chaotic situations, our economic life will eventually return to the old path of stagnation, and the people will be against this. Our principle is "to control but not to strangle; to exercise flexibility but not to create confusion."

But how do we go about this? This can be done in two ways. First, it is imperative in our policies to make a clear-cut distinction between what is permitted and what is not. Second, the units and individuals which have followed policies must be rewarded and those who have not must be punished. In this respect there is a vital question, that is, our party work style must be rectified so that our party members, and particularly the leading party cadres in the party, government, military and civil departments, will take the lead in setting a good example in observing policies. In this way, the various party policies will be guaranteed a smooth implementation. Without such a guarantee it is difficult to achieve expected results no matter how good the policies and measures are. Consequently, it is imperative to effectively carry out rectification of the party work style and regard it as a matter of vital importance to the party.

The above-mentioned analysis shows that the most important task for leading organs and leading cadres is to explicitly and resolutely define the goal of struggle according to specific social and historical conditions. In accordance with specific conditions, they must flexibly carry out various measures and strive for the realization of their goal. That is to say, in displaying objective initiative, "rigidity" (formulated goals) must be combined with "flexibility" (specific conditions); we can under no circumstance stress one aspect and neglect or reject the other.

CSO: 4004

SOME QUESTIONS CONCERNING THE NEGOTIATED PURCHASE AND SALE OF AGRICULTURAL AND SUBSIDIARY PRODUCTS

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 42-44

[Questions and Answers by Ge Quanlin [5514 3123 2651] and Zhu Weiwen [2612 4885 2429]]

[Text] Why Should We Enforce the Negotiated Purchase and Sale of the Three Categories of Agricultural and Subsidiary Products?

In view of the current condition of the productive forces in our country and the relative importance of the various kinds of agricultural and subsidiary products to the national economy and the people's livelihood, the state has divided the agricultural and subsidiary products into three categories and subjected them to the policy of state-planned purchase, compulsory purchase and negotiated purchase. Negotiated purchase and sale, that is, purchase and sale at negotiated prices, is principally a form of purchase and sale applicable by the state to the three categories of agricultural and subsidiary products. In other words, the state commercial departments purchase products by means of agreements, entering into negotiations with the people's communes, production brigades and production teams and the peasants on price and quantity. Subsequently, the products are transported to cities and towns for marketing at negotiated prices. As for those items under the first and second categories of agricultural and subsidiary products permitted for negotiated purchase in the market, the portion which the commercial departments buy and sell at negotiated prices and which was additionally procured after the communes, production brigades and teams had fulfilled their assigned tasks of selling them to the state is also included in the realm of negotiated purchase and sale.

Socialist economy is a planned commodity economy. It adheres to the principle of planned regulation and market regulation. In the purchase and sale of agricultural and subsidiary products, a combination of planned purchase and sale and negotiated purchase and sale is in force. Commodities placed under the category of planned purchase and sale comprise those important commodities which have a bearing on the national economy and the people's livelihood. The state subjects them to unified arrangements and plans, unified prices and unified purchase, transport and supply. This plays an important role in helping economic construction to progress smoothly and in stabilizing the people's livelihood under the condition of the relatively low productive power of our country at the moment.

The commodities subjected to the system of purchase and sale at negotiated prices, comprising primarily the three categories of agricultural and subsidiary products, make up a little more than 20 percent of the total volume of purchases of the agricultural and subsidiary products made by the state commercial departments. The special features of these three categories of products are that they are varied, diversified and produced in different places, seasonal in character, and their supply and demand changes rapidly. Such highly diversified minor agricultural and subsidiary products cannot and need not be included by the state in its unified plans or unified prices, or unified purchase and unified transport and supply. Instead, under the guidance of the state plan, the enterprises take part in their purchase and sale in accordance with changes in market supply and demand, making use of the market mechanism and fully adhering to the law of value. By correctly conducting negotiated purchase and sale, we can flexibly adjust to changes in market supply and demand, guide production and consumption, and make up for deficiencies in the state plan.

As seen from past experience, the negotiated purchase and sale of the three categories of agricultural and subsidiary products was handled fairly well in the period prior to 1957, when it played a positive role in promoting production and enriching the people's livelihood. However, owing to the "leftist" errors made in economic work over many years, particularly the damage and disruption done by the Lin Biao and Jiang Qing counterrevolutionary cliques to the management of the three categories of agricultural and subsidiary products, administrative measures were relied on too heavily, little attention was paid to the observance of economic laws, there was too much control, management was too restrictive, there were too many intermediate stages in circulation, and expenses were too heavy. As for prices, the handling units and the basic-level supply and marketing cooperatives had no power to negotiate or fix them in spite of changes in supply and demand. In this way, the production and circulation of the three categories of agricultural and subsidiary products were seriously affected. Since the 3d Plenary Session of the 11th Central Committee, the supply and marketing cooperatives in the various localities, under the leadership of the party and the government and following the policies set by the central authorities, have resumed the system of purchase and sale at negotiated prices of the three categories of agricultural and subsidiary products one after another, and successively reestablished and set up a number of trade warehouses handling these products. It has been noted that localities which have developed a satisfactory system of purchase and sale at negotiated prices have also done especially well in such matters as promoting the production development of agricultural and subsidiary products, increasing the supply of commodities, enlivening the urban and rural markets, and stabilizing market prices.

Will the Development of Purchase and Sale at Negotiated Prices Cause a General Rise in Commodity Prices?

Commodity prices in the market concern thousands of households and also concern the smooth progress of socialist construction. Commercial departments are duty-bound to start from the logical premise of bringing about stability and unity in the general situation and to thoroughly implement the policy of insuring the fundamental stability of commodity prices in the market. At the present moment,

it is necessary to earnestly carry out the notice concerning "the strict control of commodity prices and the consolidation of negotiated prices," and to handle well the relationship between "stabilizing" and "enlivening." Stabilizing commodity prices necessitates the strengthening of market control, but it also requires that, with a stabilized market as the logical premise, a lively and flexible form of purchase and marketing methods be adopted in order to control the market well and make it lively and active.

Will the purchase and sale at negotiated prices of the three categories of agricultural and subsidiary products cause a rise in commodity prices? The socialist market of our country is mainly governed by planned prices, and the prices of products with a bearing on the national economy and the people's livelihood are all fixed by the state on a unified basis. Objectively speaking, the prices of the three categories of agricultural and subsidiary products are also affected by the planned prices revolving around the price of grain. If the work is done well, the prices of these products cannot affect the general situation of basic stability of commodity prices. On the other hand, if we violate the policy requirements and expand the product variety and the scope of the purchase and sale at negotiated prices, or fail to grasp the market conditions of the commodities and the supply and demand conditions of the market, or ignore the relationship between the comparative prices of commodities, or fail to give proper guidance or to effect strict control but allow things to drift freely, then it is entirely possible to bring about a sharp rise in the negotiated prices of the commodities. This will in turn affect the prices of other commodities. A chain reaction will result, and the stability of market prices and the people's livelihood will be gravely affected. Sometime ago, some localities and some units lowered second-grade products to third place and enlarged the scope of negotiated prices, and some others indulged in raising the prices by disguise and increasing the negotiated prices. These erroneous ways must be firmly rectified. However, this should not be confused with the development and progress of purchase and sale at negotiated prices in strict accordance with policy provisions.

Even if purchase and sale at negotiated prices are handled correctly, it is normal that for there to be up's and down's in the prices of the three categories of agricultural and subsidiary products in line with changes in their supply and demand. As Comrade Chen Yun said in 1956: "It is a temporary phenomenon for there to be a rise in the market prices in the cities and towns of a small portion of native products under the system of the free purchase and sale and free transport of these products. Besides, the extent of the rise can be kept under control. This price rise promotes the increased production of the small native products, and by the time their supply and demand reach a state of equilibrium, their prices will drop back to the normal level. We should allow the existence of the system of free purchase and free transport and sale and not be alarmed at a temporary rise in prices to a certain degree." When supply falls short of demand, the rise in the price of certain commodities to above their actual value cannot be sustained for long. As soon as production is stepped up, the prices of the products will eventually fall again. This is a natural phenomenon of production regulated by the working of the law of value. Hence, it cannot be fairly said that the development of purchase and sale at negotiated prices necessarily brings about a general rise in commodity prices.



On the contrary, it helps to level off prices in trade fairs. According to statistics compiled for some 261 kinds of agricultural and subsidiary products in 13 provinces and municipalities, comparing the first half year of 1980 with the same period in 1979, the negotiated purchase prices were on the average 24.5 percent lower than the prices at rural village fairs while the negotiated sale prices were on the average 7.8 percent lower than the prices in rural village fairs. In 1979, the general level of trade prices in rural village fairs in the whole country was 1.5 percent lower than that in 1978, and the difference between list price and market price was reduced by 17 percent. In the third quarter of 1980, the difference between list price and market price was again lower by 19 percent compared with that in the same period of 1979.

#### How Can We Strengthen Control Over Products Under Purchase and Sale at Negotiated Prices?

Under our country's socialist system, economic planning plays the principal role. So that the market can assert its regulatory role, it is necessary to follow the guidance of the state plan and make the necessary interventions administratively. To promote the purchase and sale at negotiated prices of the three categories of agricultural and subsidiary products, we must have correct guidance and strengthened control.

First of all, there must be a correct guiding ideology. What is important at present is to rectify the trend on the part of some management units to stress the big and ignore the small, and stress those products that sell quickly and ignore those that are relatively stagnant in sales. It should be clearly understood that in promoting purchase and sale at negotiated prices, we must be imbued with the ideology of meeting the needs of rural villages, serving agricultural production, serving the populace in mountainous regions, and serving the people's livelihood in the cities and countryside. We must handle primarily the three categories of agricultural and subsidiary products and also primarily those commodities under the charge of our own departments. We must step up the purchase of these commodities and expand their sales. We must restore and open up circulation channels, enliven the interflow of material resources between the cities and the countryside and between the localities, promote production development, increase the peasants' income, stabilize prices in trade fairs and enrich the supply to the market.

Second, we must strictly control the scope of commodities under the system of purchase and sale at negotiated prices. According to the central government's policy, the small portion of the subsidiary native special products under the three categories of agricultural and subsidiary products should be subjected to purchase and sale at negotiated prices. But in actual practice, because different localities and different varieties of products are concerned, we must take note of stark reality, must suit measures to local conditions, proceed in a planned manner and by no means commit ourselves to doing things "at one stroke." For example, cotton under the products of the first category and certain industrial raw materials and goods under the second category should not be subjected to purchase and sale at negotiated prices, because we must in the first instance meet the country's needs. As for those products under the first and second

categories which are permitted to be put on the market after the planned purchases by the state have been made, the localities may place them under the system of purchase and sale at negotiated prices, in accordance with requirements and subject to the approval of the authorities at various levels in the provinces, municipalities and autonomous regions. However, they should all be put under strict control. As for the small number of important products within the three categories of agricultural and subsidiary products which were originally subjected to the system of compulsory purchase by the state, the state may continue to purchase or procure a portion of them by this system from the main producing centers, so that the necessary supply to the cities may be insured. Other units wishing to purchase such products should register first with the industrial, commercial and administrative departments of the localities. They must obey unified control and abide by the unified allocation of the products by the departments in charge. The localities must make known to the populace a list of the concrete items of products subjected to purchase and sale at negotiated prices.

Third, we must rationally keep under control the prices of the commodities placed under purchase and sale at negotiated prices. In principle, we should fix the prices applicable to the negotiated purchase and sale of the three categories of agricultural and subsidiary products in such a way as to help promote production development and protect the interests of the state, the producer and the consumer. The negotiated purchase prices should be lower than the prices of the same category of products procurable at local fairs. As for the negotiated sale prices, they should be governed by the principle of allowing a low profit margin and using the negotiated purchase prices as the base and adding on a reasonable amount of expense charges and a small profit. Necessary measures must be taken to prevent a sharp rise in prices. The people's government at various levels in the provinces, municipalities and autonomous regions should fix a definite price limit on the small number of important varieties of the three categories of agricultural and subsidiary products and on those products under the first and second categories which are eligible in the market for purchase and sale at negotiated prices after having fulfilled the planned purchases by the state. This will protect the interests of the producers and the consumers. Those who handle the purchase and sale of the agricultural and subsidiary products should closely follow the standard requirements for quality and the between-grade differential prices prescribed by the departments in charge. The commodities should not be upgraded or downgraded at will; nor should their prescribed price limits be raised or lowered. The seasonal differential prices of fresh products should be maintained at suitable levels.

Fourth, trade warehouses should be put in order or consolidated on the basis of past experience. They must be subjected to correct operational ideas and their scope of operations should be kept under strict control. Their principal tasks should be to act for others in purchasing, marketing, storing and transporting, and their operations should be limited to those commodities under the charge of their respective departments. Industrial articles of daily use of the first and second categories are not allowed to be purchased or sold at negotiated prices. As for those kinds of industrial articles for daily use of the second category, it is permissible under the state policy for the industrial enterprises to sell

them on their own accord. The warehousing units may be entrusted to purchase or sell them on others' behalf subject to the approval of the local government. However, they must follow the list prices fixed by the state and keep the service charges at the minimum. Trade warehousing units should open wide their eyes and ears, act as go-betweens, rectify any omissions or deficiencies, open up the circulation channels, expand and enlarge the marketing possibilities, and render better service to production and consumption and to the basic-level units.

CSO: 4004

LETTER OF CORRECTION

Beijing RED FLAG in Chinese No 4, 16 Feb 81 p 44

[Letter from Helan County CCP Committee Rural Work Department and Helan County Agricultural and Forestry Office, dated 24 December 1980]

[Text] To the editors of RED FLAG:

In the article "Understand Socialism From Actual Practice--An Investigation Report on Rural Ningxia," carried in RED FLAG issue No 22, 1980, the comparative figures on the institution of production responsibility systems and increase of grain production in our county were erroneous. After verification, the cause for the errors was found to be as follows:

1. The itemized percentage increases in total grain production amounted to 1 percent less than the county's actual increase. This was mainly because in computing the total production increases of different grain crops and the percentage figures, odd amounts were rounded off in two cases.
2. The number of production teams of different types came to 2 percent more than the actual number in the county. One reason, similar to that above, was that in computing the figure, odd amounts were rounded off. Another reason was that, at the time, some production teams had been divided up into smaller units, but owing to carelessness we failed to count them in the county's total number of teams. At the time there were actually 878 production teams in the county, but we continued to regard 871 as the 100 percent figure. Hence, in computing the percentages, an error of plus 2 percent was made.

To correct the above errors, we attach a table of the corrected figures and percentages:

<u>Items</u>	<u>Number of units</u>	<u>As percentage of total number of units in county</u>	<u>Summer grain production increase over 1979 (million jin)</u>	<u>As percentage of county's total grain production increase</u>
Production teams instituting the responsibility system of linking rewards and fines to output	338	38.5	5.247	48.45
Production teams that have not instituted the responsibility system linking reward and fines (remuneration) to output	342	38.95	3.642	33.63
Production teams that have not instituted production responsibility systems	198	22.55	1.941	17.92
Totals	878	100	10.83	100

CSO: 4004

CORRECTLY UNDERSTAND THE LIVING CONDITIONS OF THE WORKING CLASS IN CAPITALIST COUNTRIES

Beijing RED FLAG in Chinese No 4, 16 Feb 81 pp 45-48

[Article by Wu Jian [0702 0256] and Wang Dachao [3769 1129 3390]]

[Text] For a considerably long period in the past, there has been an understanding, in terms of absolutes, of the living conditions of the working class in capitalist countries: it has been believed that with the development of capitalism and the strengthening of the capitalists' exploitation of workers, the workers' living conditions would deteriorate continually. Over the 30 and more years since the war, with the rapid economic development of the capitalist countries over a relatively long period, a new situation has emerged: in general, the material living conditions of the working class have improved markedly. The question of how to correctly understand the living conditions of the working class in the capitalist countries has consequently become one of general interest.

When Lenin expounded the basic principles of Marx' discussion of the impoverishment of the proletariat, he said: "Marx discussed the growth of such phenomena as poverty and being despised, but also pointed out the opposite tendencies and the only real social force which can bring about such tendencies." ("Collected Works of Lenin," Vol 4, p 177) The past 100 years or so can roughly be divided into three stages according to the major changes in the material living conditions of the workers in the capitalist countries. The first stage was the latter half of the 19th century. During this period, the capitalist economies developed fairly quickly. The livelihood of the workers in certain countries, particularly Britain, improved substantially, mainly because of the tremendous industrial development and the plundering of colonies (including the plundering of old China after the Opium War of 1840). Therefore, in 1892, when Engels wrote the preface to the revised edition of "The Conditions of the British Working Class," which he had written more than 40 years earlier, he gave a new explanation of the living conditions of the working class at that time and openly declared that "the conditions described in this book have become things of the past in many respects, at least in Britain." He also examined the social causes of this change. Late in the 19th century, Lenin was also fully aware of the realities of the improvements in the workers' living conditions in this period. He put forward the law of the increasing demands of the proletariat and illustrated this law by "comparing the living conditions of the British workers in the 1840's with their current

living conditions." The second stage was the earlier half of the 20th century. During this period, capitalism entered the monopoly stage. The contradictions inherent in capitalism intensified to an unprecedented extent, so that a major global economic crisis occurred in the years 1929-1933, and two world wars were started by imperialism. Crises, wars and the rule of monopolies brought enormous catastrophes to the working people in the capitalist world and poverty deepened, following a very conspicuous trend. During this period, unemployment among workers was extremely serious. In the years 1851 to 1900, except for 3 years, the unemployment rate for British workers remained a one-digit figure. However, in the years 1921 to 1935, except for 1 year, it stood at a two-digit figure. In January 1933, it reached its peak of a staggering 23 percent. Also, the employed workers' income fell drastically. Consider the example of the most wealthy nation, the United States. The index of wages in the processing industries, taken as 100 in the years 1923-1925, reached 124.2 in June 1920, then experienced upward and downward movements, and dropped to 37.1 in 1933, later rising back to a mere 76.6 in December 1935. The third stage was the 30 years in the latter half of the 20th century. As we all know, during this period the livelihood of the workers in the West improved markedly over a considerably long period of time.

The increasing impoverishment of the proletariat as well as the opposite trend have not only become manifest over a long period of a century or more, but will also become evident in a major stage.

The existence of a trend of deepening poverty among the proletariat as well as an opposite trend in capitalist countries is absolutely not fortuitous, but is a phenomenon governed by certain laws. Under the capitalist system, because of the very nature of capital and the functioning of the law of surplus value, the capitalists, with the aim of reaping the maximum profits, invariably strive to increase their exploitation of the working class and to depress the workers' living standard. Because of capital accumulation and the functioning of the general law of capitalist accumulation, inevitably there is accumulation of wealth on one hand and accumulation of poverty on the other owing to the polarization of society, and there is a trend of deepening antagonism between the rich and the poor. Grave economic crises and imperialist wars, caused by the intensifying of the contradictions inherent in capitalism, push the working people toward the abyss of poverty and death. Therefore, the trend of deepening poverty is an inevitable major economic phenomenon which is determined by the essence of capitalism. If so, why is this trend suppressed under the capitalist system and why does the opposite trend appear? Generally, there are three reasons:

First, the law of the increasing demands of the proletariat is at work. Lenin had this to say about this law: "The development of capitalism will inevitably lead to the growth in the demands of all the inhabitants, the workers and the proletariat." ("Collected Works of Lenin," Vol 1, p 89) Because, following progress in science and technology, modern large-scale production imposes stricter requirements on the quality of the labor force (educational and technological standards and the skill of labor), the social needs associated with the reproduction of the labor force (the needs of cultural life and material life and so on) increase correspondingly. Over the 30 and more years since the war, because the

third scientific and technological revolution requires the workers' knowledge to be markedly enhanced, expenditures on education and training have increased substantially. Because the modern economy and the development of large cities have affected the workers' working and living conditions, there have been vast changes in the workers' consumption of the means of livelihood, such as clothing, food, accommodation and transport. Many originally high-class consumer goods have become general social needs and have entered the realm of workers' consumption. This objective necessity of the upgrading of social needs is an important factor accounting for the possibility of improvement in the workers' material living conditions under the capitalist system.

Second, the capitalist production cycles affect the workers' living conditions. The two factors which determine the material living conditions of the working class are: first, the rate of unemployment, and second, changes in real wages. In times of crisis, production falls, supply exceeds demand in the labor market, workers compete fiercely among themselves, and wages tend to fall. The workers' livelihood consequently deteriorates. In times of boom, production surges ahead, employment expands, demand exceeds supply in the labor market, competition among capitalists intensifies, and wages tend to rise. The workers' livelihood consequently improves.

Third, the working class launches struggles and the bourgeoisie adopts a policy of concession. Capital is bent on exploitation and is predatory by nature, and therefore it does not at all care about the workers' life or death. However, because the working class steps up its struggles, even when production slackens, the workers' livelihood will not necessarily deteriorate correspondingly, and when production surges ahead, they can manage to achieve the greatest possible improvement even if their livelihood cannot correspondingly improve. In a situation in which the workers strengthen their unity and step up their struggles, the bourgeoisie will be forced to make concessions. This has been particularly prominent since World War II.

The alternating occurrence of the deepening of poverty and its opposite trend is determined, in the final analysis, by the development of the capitalist economy and of its contradictions. When the economy of the capitalist countries is in times of sustained stagnation, continuing recessions and grave crises, the bourgeoisie attacks the workers' living standards, so that livelihood deteriorates. This is precisely what has happened. In the 1970's, when the capitalist economies suffered stagnation because of numerous contradictions, in certain years the workers' real wages in some capitalist countries fell again and the unemployment rates markedly increased, as did the social welfare problems. In recent years, the burdens on the laboring people, including taxation, price rises, various expenses and debts, have become heavier. Therefore, the improvement in the material life of the working class in the capitalist countries has been unsteady. The tendency for the deepening of poverty has gained strength. It can be predicted that if the capitalist economy suffers from another major crisis and regression, the trend toward the deepening of poverty among the proletariat will again become prominent.



In our foregoing analysis of the material living conditions of the working class in the capitalist countries, we have treated the working class as an entity and ignored its differences. This is a necessary prerequisite for analyzing the course of historical development. However, to understand further the real living conditions of the workers in the capitalist countries, we must specifically analyze various strata, not just the various stages alone.

Engels said: "The conditions of the working class in the big cities appear as a gradually descending ladder: the best condition is that livelihood is fairly satisfactory for the time being...and the worst condition is extreme poverty." ("Collected Works of Marx and Engels," Vol 2, p 357) Undoubtedly, this "gradually descending ladder" still exists in such a highly developed capitalist economy as the existing one.

The living conditions of the working class in the developed capitalist countries can be described as follows: the two ends are narrow and the middle is bulging. Around 10 percent of the people are quite well-off. They constitute the upper stratum. These people live in the bourgeois way. Around 70 to 80 percent belong to the middle stratum. Those in the upper-middle stratum are rather well-off, and those in the lower-middle stratum can just make ends meet. In addition, around 10 percent of the people belong to the lower stratum. For example, in Japan, 10.3 percent of the wage-earners receive an annual income of less than 1 million yen. These people are quite poor. In every capitalist country, there is also a lowest stratum whose members do not receive wages regularly. Their livelihood is one of abject poverty and hardship.

It is true that nowadays a relatively small proportion of the working class and laboring people in the capitalist countries constitute the lower stratum. However, we must never forget the world of poverty made unnoticeable by the "welfare state." Numerous facts have revealed that it is absolutely wrong to think that in the Western countries poverty has vanished and "the poor are not really poor."

Now, there is a question which really deserves attention: Judging from the current level of their productive force and the current scale of accumulation of their social wealth, the developed capitalist countries are absolutely capable of eliminating poverty in their own lands. Why then do the bourgeoisie not attempt to do so? It has been mentioned that Engels used the simile of a "ladder" to describe the differences in the living conditions of different strata within the working class. He also said: "Any particular type of workers is not necessarily permanently attached to a certain rung of this ladder," and "The conditions of the workers of each sector are still highly unstable." That is to say, in the capitalist countries, it is not always the same workers who remain in the predicament of being in the impoverished stratum. Workers who are unemployed or semiemployed will be in this predicament, but who is willing to be so? Because no one is willing, this predicament becomes a serious threat to the vast numbers of employed workers. The threat of poverty forces the workers to conscientiously work themselves to the bone for the capitalists, and this is what the bourgeoisie crave. In "Das Kapital," Marx revealed two means by which the bourgeoisie prompt the workers to work diligently: one is the pressure of poverty and hunger, the other is to stimulate greater demands. Although nowadays the capitalist countries

emphasize the means of increasing the workers' material needs and vigorously provide a great deal of welfare, they have not thus abandoned the means of poverty and hunger. Therefore, under the capitalist system, poverty can never be eliminated.

In examining the living conditions of the working class in the capitalist countries, we should not do so merely in the sense of material resources. We must also further analyze them in depth in the social sense, namely, we must compare the workers' living conditions to those of the capitalists and to the average living conditions in society. By such analysis and comparison, we can understand in greater depth the living conditions of the workers and can consequently correctly understand the role of the proletariat in the capitalist society.

A comparison of the conditions of the two great antagonistic classes in capitalist society reveals that although the material comforts enjoyed by the workers have increased, the degree of social satisfaction they attain has diminished in contrast to the comforts enjoyed by the capitalists and the general level of social development. Marx said: "Our needs and enjoyments arise from society. Therefore, we measure the needs and enjoyments by the social yardstick, not by the material things which satisfy them." ("Selected Works of Marx and Engels," Vol 1, p 368)

History has repeatedly shown that with the development of the capitalist economy and the increase in labor productivity, there has been no radical change in the differences in the living standard of the proletariat and that of the bourgeoisie, nor in the incompatibility between the living standard of the proletariat and the continually increasing level of social consumption. Although the real wages of the workers in the capitalist countries have increased since the war, their level of consumption is not comparable to that of the capitalists, and furthermore, the income and consumption of most workers are below the figures for the middle strata. According to statistics, in 1970, the family budget corresponding to the middle-level living standard amounted to \$10,670 in the United States, and in that year 54.5 percent of the worker families had an income of less than \$10,000. Moreover, among this majority of worker families, a considerable number had a much lower living standard compared with the families in the middle strata. In recent years, the officially determined poverty line in the United States has been \$6,700, and in 1976, 14 percent of all the families in the United States had an income of under \$6,000.

"Profits and wages are in inverse proportion." ("Collected Works of Marx and Engels," Vol 6, p 635) This is a general law of capitalist national income distribution. Wages are the price of the labor force as well as the workers' principal source of income. Therefore, a fall in the proportion of wages in the national income as compared to the profits reaped by the capitalists indicates the deepening of the relative impoverishment of the working class.

Since the war, by enhancing capital accumulation and intensifying their exploitation of the working peoples at home and abroad, and thus developing their economies, the capitalist countries have enjoyed hefty increases in their national incomes. However, their national income distribution has still been

developing in the direction of an inverse proportion between profits and wages. It has been mentioned that workers' wages in the capitalist countries have risen rather substantially. However, the capitalists' profits have grown even faster. Take the United States for example. The average weekly wage of workers in manufacturing industries, taken as 100 in 1950, rose to 389 in 1977, an increase of less than 300 percent, but during the same period, after-tax profits advanced to 546, an increase of nearly 450 percent. This faster growth of profits compared with that of wages has caused the national income distribution to continue to change in a direction favorable to the bourgeoisie and unfavorable to the proletariat. Although the wages of the working class have increased, their share in the national income follows a falling trend. On the other hand, the profits of the bourgeoisie have not only increased tremendously, their share in the national income generally follows a rising trend. According to calculations, the proportion of national income distributed to the working class in the United States dropped from 29.7 percent in 1948 to 26.3 percent in 1977. This situation is representative of the conditions in the majority of leading capitalist countries. Engels said: The capitalist "will slightly raise the wages rather than forego all the profits. To gain the ham, he will give some sausage to the workers." ("Collected Works of Marx and Engels," Vol 2, p 362) Now, the workers have obtained a larger quantity of "sausage" than before, but the quantity of "ham" obtained by the capitalists is much larger than before.

This situation shows that however much the rapid development of the capitalist economy helps to improve the workers' material living conditions, such improvement is achieved at the price of the lowering of their social position and an increase in exploitation. The social gap between the workers and the capitalists is continually widening. Under the capitalist system, though the relations between the workers and the capitalists can be partially and temporarily readjusted, the basic contradiction of interests between the working class and the bourgeoisie can never be eliminated.

In the current epoch, the international bourgeoisie have really made great strides in practicing reformism and the policy of concession, so that the relations between the workers and the capitalists as well as the worker movement have been seriously affected. However, any concession of the ruling class is limited. Moreover, increases in wages, welfare facilities and so on cannot shake the foundation of the rule of the bourgeoisie. Marx said: "Better food, clothing or remuneration, or the possession of a slightly larger quantity of some special property, will not free the slaves from their subordinate relationship or from the exploitation they are subjected to, as it will not free wage labor from such relationship and exploitation. A rise in the price of labor due to capital accumulation actually merely indicates that the gold chain, which the wage laborer casts for himself, is sufficiently long and heavy to be slightly relaxed...at most, an increase in wages merely indicates a decrease in the amount of unpaid labor that must be provided by the workers. Such a decrease will never be great enough to endanger the system itself." ("Collected Works of Marx and Engels," Vol 23, pp 678-679)

CSO: 4004

IMPORTANCE SHOULD BE ATTACHED TO EDUCATION IN CHANGING PREVAILING CUSTOMS AND HABITS

Beijing RED FLAG in Chinese No 4, 16 Feb 81 p 49

[Letter from readers and editor's postscript]

[Text] Dear editors:

Recently, a commune member of the Wuqiao No 4 production team told us that in 1980 from 1 October to 7 December he gave 13 presents to other people, costing him a total of 95 yuan. His household comprised 5 people of whom 2 were working while the remaining 3 were school children. His family was poor and because he had to make these presents he had to sell 30 jin of soybeans, 5 chickens and some other articles at the village fair. The money thus raised was still insufficient and he had to borrow 15 yuan to make up the difference. Moreover, in the first and second months of the lunar calendar, there are about 10 more occasions when he would have to send presents. These would cost nearly 100 yuan. Where then could he raise the money for these gifts?

At the moment, this family is not the only one that is worried about this matter of having to send gifts. According to statistics compiled by this commune for one of its production brigades, in recent months nearly 150 marriages have been scheduled. In six of them, the parties concerned will not take any gifts. In reality, throughout this year few households have really been able to make ends meet. But the proverbial saying is: "Gifts are not debts that must be repaid; just the same, when they fall due, you may have to sell your kitchen utensils in order to raise the money to pay for them!" It may always be possible to tighten your belt in time of need, but gifts must be sent in due time. This worries many people.

While commune members who must send gifts have their worries, those at the receiving end also have their worries. Why is this? Because those at the receiving end have to send gifts as well. Gift-giving "works like a seesaw, always moving back and forth." "If you receive two dan of gifts, you must return or give away a like amount." This is reason number one. Reason number two is that whether it is a boy or a girl getting married, more than likely a wedding feast must be given. Cadres of the locality must be invited to the feast as the principal guests. Some cadres have a full schedule of wedding

feasts to which they are invited. They take their wives and children to the parties, at the end of which they mutter a few words of thanks and ceremoniously depart, and the hosts themselves must see them off politely and with a smiling face. In view of such a state of affairs, why is it that these customs and habits still prevail? This is largely because the cadres in the localities do not want to take the lead in breaking away from them. Instead, they take the lead in going to wedding feasts and in accepting gifts, and this has caused much mischief. Whenever some "occasion of importance" arises in a cadre's household, commune members who do not respond by sending a gift of some kind will feel uncomfortable or even guilty. They are afraid that because of their negligence they cannot hope for any favors from the cadre.

We are now writing to the party newspapers and party magazines to make the following plea: Let us pay attention to educating the people to change their prevailing customs and habits. Let us educate the cadres themselves to observe the rules and insist on not accepting any invitation to feasts and to take the lead in not accepting gifts. At the same time, let us educate the commune members to "do new things in a new way" and firmly refrain from the extravagant habit of trading gifts back and forth.

Xiao Guangcai and Chenguiyu  
Panwan people's commune,  
Sheyang, Jiangsu

Editor's postscript:

What this letter reflects is a noteworthy problem for study in connection with the current ideological and political work in rural villages. Importance should be attached to education on changing prevailing customs and habits in order to change the current practice of giving and receiving gifts.

The reason why this matter deserves attention is because it directly concerns the vital interests of the peasants themselves. With the implementation of various kinds of rural policies, the situation in the rural villages is getting better and better and the commune members' livelihood has begun to improve. Unfortunately, these rites of giving and receiving gifts spare nobody and waste much of the fruits of the peasants' daily toil. If this bad convention is allowed to continue, then a large number of commune members will find life difficult. All those comrades engaged in rural work, particularly the leading cadres at the county and commune level, must not belittle this matter or ignore it.

All antiquated customs and usages, including giving and receiving gifts as a token of courtesy, are vestiges of the old social order. To eradicate them completely requires the creation of the necessary conditions economically, politically and ideologically. This is a long-term difficult task. However, this should not deter us from tackling it now; nor should it be left unattended. We should patiently and in great detail propagate and explain this issue to the party members, cadres and commune members in the rural villages and must enlighten them so that they themselves conscientiously rise to resist and change these unhealthy customs and habits.

Naturally, during festive seasons and on wedding occasions and burial rites and governed by the principle of economy and self-control, some ritual exchanges between friends and relatives are normal and beyond reproach. Nevertheless, among our own people we uphold unity and friendship and the comradeship of mutual aid. We must firmly resist the use of money or gifts to measure the extent of one's sentiment or friendship. To compete with each other in gift-giving is one way of impoverishing each other. It benefits neither ourselves nor other people. We must indeed refrain from doing such things. As for the practice of using gift-giving to gain influence or easy access to important people, or of using it as a means to make money and to reap a big fortune, these things should be tabooed as grossly irregular and firmly resisted. Serious offenders should be dealt with summarily. We sincerely hope that the broad masses of cadres in the rural villages, particularly cadres who are party members, will take the lead in changing these prevailing customs and habits. Our cadres must be honest in performing their official duties, be exemplary, take the lead in not accepting invitations to feasts, refuse gifts, break away from the old usages and customs in the rural villages, and lead a new way of life.

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END

