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No. 3, 1 February 1983

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

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THE WORKING CLASS MUST RESOLUTELY GIVE LEADERSHIP TO REFORMS---COMMEMORATING
THE 60TH ANNIVERSARY OF THE 7 FEBRUARY GENERAL STRIKE

Beijing RED FLAG in Chinese No 3, 1 Feb 83 pp 2-5

[Article by RED FLAG Editorial Board]

[Text] The 7 February railway workers' strike, which took place in old China 60 years ago, showed that after entering the political stage, the working class of our country, with the spirit of self-sacrifice and dauntless heroism, fully played its vanguard role of a leading class in revolution.

The historical task of the working class is to establish a communist social system. In the long course of accomplishing this great task, the working class must shift the emphasis of its leadership according to changes in the situation and tasks in different historical periods. After the victory of the democratic revolution and the establishment of the socialist system, the working class of China should have shifted the focus of its leadership to the full-scale socialist construction. However, due to various reasons, mainly the mistake made by the party in guiding ideology, the shift underwent a long, arduous process including the 10 years of turmoil. It was not until the 3d Plenary Session of the 11th CPC Central Committee that the party was able to shift the focus of its work to full-scale socialist construction. Later, the party put forward the general task of building China into a culturally advanced and highly democratic socialist modern country. It also proposed a militant program and a series of principles and policies to create a new situation in all fields of socialist modernization. Therefore, the working class, which is a rank of the party, should of course shift the focus of its leadership to the modernization of the country's economy and to the realization of the party's militant program, principles and policies.

The 12th party congress called on the whole party and people to carry out structural reform and reforms in the economic system as the first of the four important tasks that will ensure that we adhere to the socialist road and undertake concentrated efforts in socialist modernization. Lately, Comrade Deng Xiaoping repeatedly has emphasized that it is necessary to adopt a series of reforms with regard to the four modernizations. Without reforms it will be impossible to achieve the four modernizations, and the

reforms must be pushed forward in the whole course of the four modernizations. Comrade Hu Yaobang pointed out that all the central comrades have greeted Comrade Deng Xiaoping's view and believe that this should be taken as the most important guideline for our party in leading the four modernizations. As to the general principles for the reforms, Comrade Hu Yaobang told us that they should be carried out systematically, resolutely, orderly and in an overall way in light of China's concrete conditions. Under the leadership of its vanguard, the Communist Party, the working class must take an active part in the reforms, give full support to the reforms and bear leading responsibility in the reforms in accordance with central demands and plans.

To achieve the four modernizations, it is necessary to greatly raise the productive forces. This will inevitably require a change in certain aspects and links of production relationship and the superstructure which do not meet the development of the productive forces, and a change in all management systems, rules and regulations which are incompatible with present conditions. If we say that there are still certain obstacles to our approach to the realization of the four modernizations, then the most important one is that there are a number of things incompatible with the present political and economic systems, as well as backward methods in management. In the political and economic spheres, problems such as bureaucratism, administrations with multitiered departments crammed full of superfluous personnel and nominal chiefs who engage in endless haggling and shifts of responsibility, the practice of "big pot" and "iron rice bowl" and the separation between town and country and between departments and regions at different levels are now confining the initiative of all trades and professions and fettering the development of the productive forces. All such problems result from the malady existing in the political and economic systems. Therefore, we must carry out reforms in a systematic and overall way. Making reforms means destroying the old and establishing the new, abolishing old conventions and stereotypes that are obstacles in our advance and creating new experience and systems, which will fully mobilize the initiative of the people in building socialism. It is imperative for all fronts, regions, departments and units to carry out reforms. The main question is what aspect of reform should be emphasized. There is no question of the need to make reforms. Had we failed earlier to set right our practical work on all fronts, we would not have had such a situation as exists today. At the present stage, if we fail to carry out a series of reforms, it will be impossible to attain the ultimate goal of the four modernizations. The party Central Committee is now stressing and grasping reforms as a key link in the entire strategy of the modernization of the nation's economy. While striving to really improve the state's financial situation, social order and party style, to attain the strategic objective of quadrupling the total industrial and agricultural output value within 20 years and to build a high level of socialist material and spiritual civilizations, we must carry out reforms as the first step. In short, through reforms, we take our own road and build socialism with distinctive Chinese characteristics. This is our general objective of transforming China at the present stage as well as the basic feature of developing the communist movement on the basis of practice at

the present stage. Only when reforms are carried out will a new situation be created, will China be reinvigorated and the future explored. In the face of such an important issue which is closely related to the future and destiny of the motherland and the rise and decline of China's communist cause, the working class cannot shirk its responsibility.

If reform is the basic requirement of building socialism with distinctive Chinese characteristics, then what are the main indicators of these characteristics? Through trial reforms carried out in different aspects since the third plenary session, we have realized a lot of things on this issue. Nevertheless, we still need to sum up further both positive and negative experiences of the past scores of years, in particular to make further explorations and comparison in many aspects of economic construction because socialism is still a "realm of the need to act" to us in many spheres. Only by so doing will we be able to deepen our understanding step by step and advance from the "realm of the need to act" into the "realm of freedom to act." As a matter of fact, the 12th party congress made a profound analysis of the conditions of our country and made a scientific summing up of the characteristics of socialism. In accordance with the analysis and summation, we can at least realize that such socialism must first have distinctive Chinese characteristics in production relationship, the superstructure and other aspects. The most principal features of such socialism should be that we base requirements of the development of China's productive forces to create at each developmental stage the corresponding concrete form of production relationship which can help us continue to make progress and the corresponding concrete form of the superstructure, and to adopt the political and economic systems that adhere to the socialist principles and conform to the country's conditions and are able to arouse enthusiasm in all sectors of the country. For lack of experience in building socialism in the past, many of the things in the old systems were copied from foreign countries and were divorced from the concrete conditions of China. These systems, which changed very little over many years, are now binding the thinking of many of our comrades, restricting the development of the productive forces and preventing the socialist system from fully displaying its superiority. Obviously, to build socialism with distinctive Chinese features by following the beaten track and old conventions and without adhering to reforms and without establishing new systems is nothing but empty talk.

To build the socialist system with distinctive Chinese features through reforms is without doubt a profound revolution. Yet such a revolution is neither a revolution of one class overthrowing another, nor one of creating turmoil in the political life of the state and society. It is a revolution to set up scientific and economic organizations and systems of economic management, economic regulation and supervision and the corresponding political system in order to keep pace with the development of the productive forces. This will raise the productive forces to a new and higher level, create more wealth and enable the country and the people to become well-off at a quicker pace. Meanwhile, this will certainly touch on an extremely wide sphere and many complicated issues such as the structures of industry and enterprises, the relationships between the state and

enterprises, between the central and local authorities, among the local authorities themselves, between the urban and rural areas and between production and circulation, the systems of planning, taxation, pricing, labor, wages, administrative leadership, cadres, and politics and law. In short, the reforms must penetrate all areas of the state's political, economic, and social lives, and will inevitably affect people's activities, way of life and mode of thinking. Such extensive and profound reforms will certainly encounter resistance from all sides. Without the firm support, active participation and staunch leadership of the working class, it is impossible to make the reforms a complete success. However, we must put on our thinking cap and give honest consideration to facts when carrying out the reforms step by step and in an orderly way because we lack experience and are not clear about many problems. The working class must have revolutionary steadfastness, belief in science and courage to get rid of the old which are obstacles in reforms and carefully breed that which is new and advantageous to reforms so as to pave the way for the reforms.

The working class must firmly support the party and government leading bodies at all levels to make the structural reform a success in accordance with the requirements of the central authorities. This reform is aimed at streamlining administration, reducing superfluous personnel, reinforcing leadership groups and improving work efficiency. The structural reform, which started in the central organizations at the beginning of 1982, has basically completed the first phase of work and entered the second phase. It will be widely pushed forward this year at the provincial, city and regional levels. Leading groups in enterprises will also be reinforced in the course of enterprise consolidation. The structural reform is closely related to the success or failure of the reforms of all systems and to the success or failure of the modernization of China's economy. There are still many obstructions in this field of work. They are mainly misgivings in promoting in large quantities the young and energetic cadres with ability and political integrity to leadership groups, tendencies of underestimating knowledge and despising intellectuals among a large number of comrades and hesitation in streamlining administration and reducing superfluous personnel. The working class must firmly support the leading bodies at all levels to promote young talented people and to streamline administration so as to lay a solid foundation for pushing ahead the full-scale reforms of the political and economic systems.

The working class must also warmly and earnestly support the reforms in the agricultural system. Since the third plenary session, great successes have been achieved in reforms in the rural areas. Such reforms in the countryside are not only expediting agricultural development, but also have set many new demands on industry, communications and transportation, commerce and the undertakings of education, science, culture and public health. Meanwhile, such reforms in the countryside are also a great motive force to push forward the reforms in the systems of industry and commerce, culture and education and other aspects. The working class is bound to and must support the reforms in agricultural economic and management systems and in technical transformation, take care of their development and meet their demands. The working class must speed up the reforms and construction of

industry, communications and transportation serving agriculture, as well as commerce in the rural areas. The working class must help to transform agriculture with modern science and techniques in line with the features and requirements of agriculture which is now still undergoing reform. The working class must also help to develop the entire agricultural undertaking including farming, forestry, animal husbandry, sideline production and fishery into specialization and socialization. Only by so doing will it be possible to further cement the worker-peasant alliance, demonstrate the leading role of the working class in agriculture and guide the peasant masses to blaze a new path of agricultural development with distinctive Chinese socialist features.

Reform of the industrial and commercial systems occupies the most important place in the reforms of the whole economic system. It is an arduous and difficult task. Therefore, we should not only work hard and do our own job well to fulfill production targets on schedule and of good quality, but we should also push ahead reforms of the industrial and commercial systems. The great majority of the workers, technical personnel and office workers are relatively aware of the situation in their units and in their trades or professions because they are working on the forefront of the industrial and commercial enterprises. They should be able to make suggestions for reforms in a reasonable and practical way because they know well the malady existing in the industrial and commercial systems which are incompatible with the four modernizations. They must work hard to establish the system of economic responsibility, the system of democratic management and other systems and regulations which must be practical and feasible in their own units and trades, and which must enable the units to fully display their initiative and flexibility and enable every individual to fully display his enthusiasm and creativeness so as to make creative investigations for the full-scale reforms of the industrial and commercial systems. Meanwhile, we must give full support to the work the state will be carrying out in the next few years in three aspects: substituting taxes for delivery of profits; giving play to the role of key cities; and reforming the system of commercial circulation. We must resort to various means to change the situation of "big pot" in which staff and workers of enterprise are indifferent to the results and whether the workers work hard or not makes no difference. Such a situation is the very soil in which breeds the way of thinking of the sluggard. Changing such a situation fully accords with the immediate and long-term interests of the working class. In any case, the reforms must be made in a direction favorable to breaking through the shackles binding the development of the productive forces, mobilizing the enthusiasm of all sectors, making production socialized, promoting technical transformation and progress, and developing coordination between production and circulation departments. In addition, the reforms must be conducive to the work of rendering support to the countryside from cities, combining industry, agriculture and commerce and developing new-type relationships between town and country, and conducive to the work of streamlining administration, overcoming bureaucratism and raising work efficiency. The reforms must be favorable to establishing a socialist system with distinctive Chinese features, building China into a prosperous country and making the people well-off and happy. This is the criterion of all our reforms.

In order to give full play to the leading role of the working class in the reforms, the workers must amply realize their position and have a high sense of responsibility as masters of the country. At the present stage, the working class as masters of the country must be resolved to institute reforms for the sake of socialist modernization. This is our commitment and duty. It is wrong to think that making reforms is merely a matter for the state and the party. The Communist Party is a party of our own class and our country belongs to the whole people. All affairs of the party and state are of prime importance to us. The party and state initiated the reforms according to the will and interests of the working class and the whole people. Making reforms is precisely aimed at making the political and economic systems of our country give full expression to the will and interests of the working class and the whole people. We should not sit only as an audience and watch the reforms, but should actively participate in the reforms to express our high sense of responsibility as masters of the country. All our party members, as fighters of the vanguard of the working class, should take the lead in the reforms. Meanwhile, our mass organizations at all levels such as trade unions, the CYL and Women's Federation also should give full play to their roles in uniting and educating the masses of people and help the party organs to fully mobilize the enthusiasm and the sense of responsibility as masters of the country of the working class through political and ideological work.

The present position and duties of the working class as masters of the country require the broad sections of the workers to acquire a high level of ideological consciousness and knowledge. Generally speaking, our young generation of the working class have a certain range of political consciousness and knowledge. However, judging from the requirements of socialist modernization, their political and ideological quality and their knowledge of culture, science and technology are still insufficient. Especially, there are still a considerable number of workers who have little education, or are even illiterate. Such a situation must be changed. Otherwise, the workers can hardly conform to their present tasks of carrying out construction and reforms, and can hardly meet the requirements of production and work after reforms are instituted. We must, therefore, build our workers' contingent with communist ideology and knowledge of modern science and technology. This is a need of the reforms and constitutes an important part of the reforms. Making reforms is a revolution and creation, so we must base it on science and respect science. Without the guidance of Marxism-Leninism-Mao Zedong Thought and without a certain level of knowledge, one can hardly attain anything in the reforms because his ability falls short of his wish. Making reforms means liberating the productive forces; yet the most powerful productive force is the working class itself. A higher level of communist ideology and cultural, scientific and technical knowledge for the workers means a direct liberation of the productive forces. Making reforms is also aimed at strengthening the position of the working class as masters of the country in the various systems and opening up a broad way for the workers to participate in administering the state affairs and enterprise management. To this end, every member of the working class must spare no pains to study hard and try to become a disciplined laborer with lofty ideals, morality and abundant knowledge.

At a meeting to commemorate the 7 February general strike in 1940, Comrade Deng Fa, an outstanding activist in China's workers' movement, said profoundly: "The workers should not brag about themselves as revolutionary leaders. They must first of all acquire a higher level of political and cultural knowledge and set an example in revolution, so they must ask for help from intellectuals. Otherwise, it is impossible to raise their level of political and cultural knowledge. Meanwhile, revolutionary intellectuals should also know well how to guide the working class of China to forge ahead." Today, when we are commemorating the 60th anniversary of the 7 February general strike, the workers and intellectuals who have become part of the working class should act upon Comrade Deng Fa's advice. The workers must respect knowledge and intellectuals and struggle against all prejudices against knowledge and intellectuals and become better educated. At the same time, intellectuals must respect physical laborers and integrate themselves with the workers. They must go down among the masses, to the grassroots and to the forefront of production to learn from the workers and to absorb spiritual nutriment from them. As long as the workers and intellectuals, who constitute the major section of the working class, really merge together, learn from each other, cooperative and progress together, the working class of our country will certainly be able to shoulder the heavy task of leading the reforms and realizing socialist modernization. We have already transformed a dark old China into a bright new one. We will certainly be able to transform an economically backward China into a prosperous, strong one.

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CARRY FORWARD THE GLORIOUS TRADITIONS AND DEVELOP NEW-STYLE ARMY-GOVERNMENT AND ARMY-PEOPLE RELATIONS

Beijing RED FLAG in Chinese No 3, 1 Feb 83 pp 6-8

[Editorial]

[Text] Forty years have passed since the launching of the Yanan 1943 movement to support the army and give preferential treatment to its dependents and support the government and cherish the people, known as the "two supports movement." A major task for the army and people of the whole country is to inherit and carry forward this glorious tradition, implement the spirit of the 12th party congress and further build and develop new-style army-government and army-people relations embodying socialist spiritual civilization.

A new type of army-people relationship appeared and formed throughout the vast land of China after our party founded the army, and a new type of army-government relationship was produced after the establishment of our Red regime. This is a relationship of identity of army and government and of army and people, and their close unity and common endeavor. This new-style relationship with the people is determined by the nature of our People's Army and by its program of wholeheartedly serving the people. It is one of the fundamental characteristics distinguishing our army from all old-style armies. It played an extremely important role in winning victory in the revolutionary war. It can be said that the Chinese revolution's history of victory is a history of the united endeavor of the army and people. Since the state's founding this new-style army-government and army-people relationship not only has been a major guarantee for carrying out socialist revolution and construction but also has become an example for the whole field of social relations in the country and has forwarded the establishment and development of new-style social relations in the whole country. In the past several decades this long-standing and well-established new-style army-government and army-people relationship has taken deep root in the hearts of the people, so that everyone is filled with deep emotion when talking about this fish-and-water and flesh-and-blood relationship. Today the focus of work throughout the country has shifted to building socialist modernization. We must meet the requirements of the new period, rely on the long revolutionary traditions and the foundation already laid in this respect, further develop new-style army-government and army-people relations and project them to a new stage.

Comrade Lin Boqu wrote in his article for the "two supports movement" in 1943 that, after the sound of rifles and guns was stilled in Yanan, many people had gradually forgotten the overall impact of the war of resistance and developed an erroneous concept of looking down on the army. Is it true today, when we have enjoyed a tranquil, peaceful environment for a long time and when the work focus has been shifted, that certain people feel that the army and army-government and army-people solidarity are not particularly important? This merits high attention. Therefore, correctly understanding the status and role of the army in the new period has become an issue to be solved in developing new-style army-government and army-people relations. We must realize that the world today is still very far from peaceful and China's security is still gravely threatened. Only by having a powerful army and consolidating national defense can we ensure successful progress of the building of socialist modernization. To be prepared for danger in time of peace must become an important strategic ideology for us. Doing a good job in building national defense can simultaneously promote and help do a good job in economic construction. Advanced national defense science and technology can also serve and be applied to economic construction. We should also be aware that our army is not only a steel Great Wall defending the motherland but also an important force in socialist construction. In the past 4 years, PLA units have worked 98 million days in support of local industrial and agricultural production, while 2.64 million personnel have taken part in rescue and relief work; in building spiritual civilization, the Army has actively helped the local masses launch the "five stresses and four beauties" drive, and has done a lot of work to change the social mood and establish new morality and atmosphere. The PLA has gained merit in defending the country and in supporting local construction, and it is now striving to gain still greater merit.

Since the 3d Plenary Session of the 11th CPC Central Committee, and especially since Comrade Deng Xiaoping took charge of the work of the Central Military Commission, the PLA has achieved new and major progress in its revolutionization, modernization and regularization, and has continually raised its military and political quality. Ardently loving the army is identical with ardently loving the motherland, the party and the people; upholding the army's prestige and supporting its work are also identical with upholding the interests of the party, the state and the people. Supporting the army is an important content and concrete expression of patriotic thought. Every citizen must regard supporting the army as his glorious responsibility and duty, and make supporting the army and giving preferential treatment to its dependents a universal social practice.

As far as the army is concerned, now that it is engaged in modernization and regularization, are the masses' support and army-government and army-people solidarity no longer so important? Again, no. The degree of modernization of the army's weapons and equipment is continually rising, and there have been great changes in the situation facing the army and in its own building. However, the nature of the People's Army has not changed, and the fundamental laws of people's war have not changed; future wars against aggression will still be people's wars. Under modern conditions, Comrade Mao Zedong's great thought on people's war remains our magic weapon

for vanquishing the enemy. In the past, today and in the future, our army can only win victory by closely uniting with and relying on the people. We must also fully understand this point: The army's modernization is determined by the development of the national economy and the modernization of science and technology. Engels said: "Nothing is more dependent on the economic premise than the army and navy. Arms, organization, establishment, tactics and strategy first depend on the current level of production and communications situation." ("Selected Works of Marx and Engels," Vol 3, p 206) In modernizing the army we cannot get away for one instant from the people; we must rely on the workers, peasants and intellectuals to provide the material conditions. The army's building of spiritual civilization similarly cannot get away from the people; it must absorb nourishment from the masses. We should say that, in an environment of peace, there is a danger that the army will become divorced from the masses. Only by closely uniting with and learning from the masses--not getting divorced from them--can the army maintain its identity as the People's Army. Every commander and fighter must firmly establish the idea of supporting the government and cherishing the people, spontaneously do a good job in this respect and take practical action to promote army-government and army-people solidarity.

Army-government and army-people relations express party-masses relations to a certain degree. The masses often look at our party through our army. During the years of revolutionary war, it was from the army's performance and its relations with people that the people recognized the party, saw the prospects for China, and thus resolved to follow the party. Today, under new historical conditions, the army's image is still linked to that of the party and state. The masses will still recognize the party and strengthen their faith in it from the army's image. The masses have very high demands for and hopes in the army. Promoting atmosphere in the army is very important for bringing about a fundamental turn for the better in party work style and in the social atmosphere. Well-handled army-government and army-people relations are bound effectively to stimulate the building and development of new-style social relations in the whole country and the whole of society.

The 12th party congress pointed out the orientation and put forward the demands for building and developing new-style army-government and army-people relations embodying socialist spiritual civilization. We must view upholding the four basic principles and implementing the party's line, principles and policies as the ideological basis, accomplishing the tasks set by the 12th party congress as the goal, communist ideology as the core and the common efforts of army and people to build socialist material and spiritual civilization as the main way to develop close army-government and army-people relations of solidarity, love and mutual assistance, common endeavor and common advance. In their mutual contacts and in handling mutual relations the PLA units, local governments and the masses must resolutely act according to the party's line, principles and policies and state laws, and support, help, learn from and stimulate one another. Carrying out education in communist ideology and cultivating people's communist qualities and values are important for strengthening army-government and army-people solidarity. In the wake of the development and changes in the

situation, a number of problems will be encountered in army-government and army-people relations; these should be solved properly on the basis of the principle of mutual concern and understanding of army and people and acting in the interests of solidarity and the overall situation, by advocating the communist spirit.

In the past the PLA played a major construction role in the revolutionary bases. Today, it should and can play a still greater role in socialist modernization. About 200 million people live around the areas where PLA units are stationed; the units are in direct contact with 20 million of the masses and have established ties for providing keypoint assistance to over 40,000 production teams. It is a tremendous contribution to socialist construction of the whole country that the PLA tries to help promote economic and cultural construction for 20 million and even 200 million people. In supporting construction in the localities we should pay attention to utilizing the strong points of PLA units, which should mainly take part in public welfare undertakings, in the construction of certain infrastructure projects, in greening the motherland and building an ecological protective screen, in the construction of certain arduous and dangerous engineering projects, and especially in the building of material and spiritual civilization in the rural areas; it should also provide technical guidance and conduct ideological mobilization. The comrades of PLA units must actively support various reforms carried out in the localities. In recent years notable success has been achieved in the joint efforts of army and people to build "civilized villages," "civilized neighborhoods," "civilized schools" and so on. This is a good form of forging still closer army-government and army-people relations in the new situation. It is a new creation which should be vigorously popularized.

The army's assistance for local construction and the drive for army and people to work together to build spiritual civilization can deepen understanding and affection between the army and government and army and people and play a direct part in bringing closer relations between them. The army and people deepen their feelings for each other as they work hard and sweat together, and the masses feel closer to the PLA units and are even happier to support them. At the same time, this also poses still higher demands on PLA units and is an effective stimulus for the building of the army. Since the 3d Plenary Session of the 11th Central Committee, the localities have implemented the party line, principles and policies and carried out various reforms; they have scored great success and gained many new experiences. By learning from local cadres and masses, the PLA units can better understand the party's line, principles and policies, more spontaneously and staunchly maintain ideological and political unity with the CPC Central Committee and promote the revolutionization, modernization and regularization of the units.

Supporting the army and giving preferential treatment to its dependents is a fine tradition of the Chinese people. We must inherit and carry forward this tradition in the new historical conditions.

Local governments must enthusiastically help local PLA units to solve problems in preparedness against war, training, duties and daily life, and teach the masses to support PLA units in smoothly fulfilling all their tasks. They must actively help the units to solve problems of schooling, work and daily life for dependents, sons and daughters of armymen. Since the 3d Plenary Session of the 11th Central Committee, the local governments and the masses have done a lot of work in supporting the army and giving preferential treatment to its promotion of the "two supports movement" by the localities and the army, universal preferential treatment for soldiers' dependents in the rural areas and so on have played a very great role in spurring improved army-government and army-people relations. As a result of carrying out universal preferential treatment for soldiers' dependents in rural areas, young people join the army with ease of mind, army dependents need not worry, the PLA units are satisfied and the masses are happy. It is a good thing of far-reaching significance for national defense construction.

While marking the 40th anniversary of the "two supports movement," we are confident in prospects for the advance of solidarity of the army and our countrymen. We will certainly be able to write a new page in the development of army-government and army-people relations.

CSO: 4004/25

THE 'TWO SUPPORTS CAMPAIGN' IN THE SHAANXI-GANSU-NANGXIA BORDER REGION

Beijing RED FLAG in Chinese No 3, 1 Feb 83 p 8

[Report--condensed from 19 January 1983 SHAANXI RIBAO]

[Text] On 15 January 1943, the government of the Shaanxi-Gansu-Nangxia border region promulgated a "Decision on Supporting the Army," which designated the period from 25 January to 25 February as a "month of activities for supporting the army." The government also revised an announced regulation on "giving preferential treatment to dependents of armymen fighting the war of resistance against Japan" and on other matters. Following that, on 25 January the headquarters and political department of the garrison unit of the Eighth Route Army issued a "Decision on Supporting the Government and Cherishing the People," which designated the period from 5 February to 4 March as a "month of activities for supporting the government and cherishing the people" thus announcing the first pact on supporting the government and cherishing the people in the history of our army. After that, the "two supports" activities of supporting the army and giving preferential treatment to its dependents and supporting the government and cherishing the people were launched in all revolutionary bases.

During the "Two-Supports Activity Month" in 1943, the party, government and army in Yanan city jointly organized a support-army delegation which, headed by border region government Chairman Lin Boqu, carried large amounts of foodstuffs to the Nanniwan and Jinpenwan area to comfort the commanders and fighters of the 359th Brigade. The masses of Yanan and elsewhere also paid comfort visits to various army units. The army commanders and fighters helped the peasants carry out production and engaged in public service labor. The leading organs of the army units organized discipline inspection groups to check on the units' implementation of discipline. Later, the units drew up detailed pacts on supporting the government and cherishing the people, to make this activity a regular and systematic thing. The "two supports" activities spurred the great solidarity of party, government, army and people and played a very great role in ensuring victory in the struggle against the enemy and in production.

CSO: 4004/25

THE GUIDING IDEOLOGY OF THE NEW CONSTITUTION

Beijing RED FLAG in Chinese No 3, 1 Feb 83 pp 9-13

[Article by Zheng Hui [6774 1920]]

[Text] The general guiding ideology of the new constitution is the four basic principles, namely, adherence to the socialist road, to the people's democratic dictatorship, to the leadership of the CPC and to Marxism-Leninism-Mao Zedong Thought. These four basic principles are the political foundation for uniting the people of all our nationalities in their march forward and are the basic guarantee for the smooth progress of socialist modernization. In studying the new constitution, it is necessary to find out how it reflects these four basic principles.

I

In a nutshell, the four basic principles mean that the people will follow the socialist road under the leadership of the CPC leadership and the guidance of Marxism-Leninism-Mao Zedong Thought. The question of what road to follow is a question of fundamental importance in the development of contemporary Chinese history. The four major historical changes in China in the 20th century listed in the "preamble" of the constitution actually represented the different outcomes of the two roads. The first major event was the 1911 revolution. It represented the revolutionary ideal and new forces of the Chinese national bourgeoisie and had great significance. However, history has proved that in semicolonial and semifeudal China, taking the capitalist road under the leadership of the bourgeoisie will get us nowhere. The other three major events were: the overthrow of the reactionary rule and the founding of the PRC; the abolition of the system of exploitation and the establishment of the socialist system; and the development of socialist economy, politics and culture. They convincingly show the correctness of the four basic principles and the historical achievement made by the CPC in leading the people to take the socialist road after the stage of new democracy. These three events brought about a fundamental change in the Chinese society and state. Therefore, it is not without reason that the four basic principles are accepted by the Chinese people. It is a decisive choice made by hundreds of millions of people after protracted historical tests and repeated comparisons. It is the natural outcome of the development of Chinese history.

However, it is not an easy task to successfully apply the socialist principles of scientific Marxism in China. As everyone knows, during the period of the new democratic revolution, the party leaders made a mistake in giving ideological guidance because they were not good at putting Marxism into application. As a result, the revolution suffered a great setback and failed. After summing up successful and unsuccessful experiences, the party combined the universal principles of Marxism with the concrete practice of the Chinese revolution to form Mao Zedong Thought and found the correct path for the democratic revolution with distinctive Chinese features. It was only then that we were able to win nationwide victory in the revolution.

After the basic completion of the socialist transformation of the means of production, the party found itself faced with the question of how to build socialism in a big country which has a rather backward economy and culture. This was an extremely complicated and difficult question and it was completely new to us. Although the party has led the people in scoring great successes in socialist construction in the past three decades and more, the mistake of the "Cultural Revolution" also has caused us to make a big detour. History has again put forward before us this question of how to correctly apply the principles of Marxism. Through mistakes and setbacks, we have come to understand that the "left" viewpoint of "continuing the revolution under the dictatorship of the proletariat" does not tally with the principles of Marxism and the reality in China. It shows deviation from rather than adherence to the four basic principles. If we become skeptical about the four basic principles and lose confidence in them because of these mistakes, and thus think that we must start afresh in our quest for socialism and even go as far as to seek a way out from outworn bourgeois theories, we are going the wrong way. On the other hand, if we fail to see the development of circumstances and the changes in our tasks and instead adhere stubbornly to certain outdated or even wrong patterns and ideas, we will not be able to keep pace with the needs of the times. Under the new historical condition, there are numerous problems relating to the socialist economic and political systems and various aspects of socialist construction that we must study and solve. We must also find concrete means and methods that meet actual needs to implement the basic principles. If a good job has been done in this kind of creative work, the four basic principles not only will remain valid but will be further developed.

In recent years, our party has made a tremendous effort to examine, differentiate and evaluate past concepts and practices with regard to socialism. At the same time, bold innovations have been made in connection with theory and policy to meet practical needs. After the 3d Plenary Session of the 11th CPC Central Committee and the 12th CPC Congress, we have set our guiding ideology to rights and formulated a correct program for creating a new situation in all fields of socialist modernization. Bringing about this historical change has been a process of restoring the four basic principles and of adhering to them and developing them. The party takes the four modernizations as the focus of all work and regards the building of a high level of socialist spiritual civilization and a high

level of socialist democracy as an important aspect of our fundamental objective and task and as an important guarantee for building a high level of socialist material civilization. Construction in these three fields are closely interrelated and promote each other. Our socialism must be built on the premise of highly developed productive forces. It is completely wrong to think that we can build socialism without developing the productive forces and that all we need to do is to rely on reforming the relations of production, on spiritual encouragement and even on grasping class struggle. Socialism of course means more than just well-developed productive forces. It is an advanced economic system in the first place. With this economic system, we must flexibly choose an appropriate form, in accordance with needs arising from the growth of the productive forces. We must not depart from reality and stubbornly stick to a fixed prior pattern. Socialism is also a democratic political system. It is incompatible with totalitarianism and anarchy. Socialism must also include a high level of education, science and culture, noble and rich spiritual life and an enterprising revolutionary spirit. These are important features of socialism and are basic distinguishing marks showing its superiority to capitalism. In short, our party has made a giant step forward in its understanding of scientific socialism after going through countless hardships. This is an important reward attained by our party in combining the universal principles of Marxism with the concrete practice in China and in blazing a distinctively Chinese path for socialist construction.

The constitution not only affirms the four basic principles in its "preamble" but reflects the spirit of these principles, which is also the spirit of the party's road for socialist construction, in all its articles. It is a socialist constitution with distinctive Chinese features, one that meets the needs of the new historical period and will remain valid for a long period of time.

II

Our ultimate goal in all revolutionary work is to emancipate and develop the productive forces and to build socialist economy and communist economy so that the people can enjoy a higher level of material and cultural life than under capitalism. When modern economic conditions and other necessary conditions presented themselves, we seized the opportune moment and achieved success in the democratic revolution. We also victoriously made the shift to socialism. This was a great pioneering move in the history of the socialist movement. It is completely wrong to deny the significance of the socialist revolution and the actual condition of socialism in China simply because our economy is rather backward. However, it is equally wrong to be content with the present low level of economic development, fail to see the people's pressing needs for improving the status quo and think that socialism can be built on the basis of universal poverty. After the third plenary session, the party reaffirmed that the principal contradiction that China must resolve at the present stage is one between the people's growing material and cultural needs on the one hand and the backward social production on the other. We paid a high price before finally deciding to take the four modernizations as the focus of all work and as the material foundation

for building a rich and powerful country, bringing about prosperity in society and enabling the people to live a good life. In reaffirming this achievement, the new constitution is giving the Chinese people a firm and unshakable goal for struggle.

In order to concentrate our forces on the modernization program, we must pay attention to readjusting and reforming the relations of production. The establishment of socialist economic relations is not the end of the process. It has to go through a process of constant creation and innovation. No doubt the fundamental principles of socialist economic systems, such as the public ownership of the means of production, distribution according to work and the planned economy, are correct and superior. However, it is still necessary for us to find ways and means that are suited to specific conditions for carrying out these fundamental principles. Under the guidance of "left" ideology in the past, we paid no attention to the actual level of the development of the productive forces, thinking that the larger the scale and the higher the degree of public ownership the better, the more completely the individual economy was wiped out the better, the larger the scale and the higher the degree of centralized planned management by the state the better and the more equal were the personal means of subsistence distributed among the laborers the better. This kind of oversimplistic and one-sided understanding of the socialist principle caused us to follow a narrowing path of economic development and made it very difficult for us to bring the superiority of the socialist economic system into full play. As a result, both national construction and the people suffered for a long time.

In our present work of economic readjustment and restructuring, we must pay attention to the fact that our productive forces are unevenly developed and are of a fairly low level on the whole. In light of this actual condition, we must adopt various concrete forms, formulate flexible principles and policies and break down the shackles of subjective and inflexible patterns used in the past. We recognize the different status and role of the state-owned, collective and individual economies and give full scope to their superiority within their respective scopes. We have explicitly implemented the principle of the leading role of the planned economy and the supplementary role of market regulation and correctly defined the scopes and limits of the two activities. We have also extensively put various forms of the production responsibility system into application and appropriately combined the economic responsibilities of the state, the production units and laborers with their respective powers and interests. New things like these not only have not hindered the implementation of the basic economic system of socialism but have given it a great boost. Although we have only been doing this for a short time, the internal propelling force for economic development has been set in motion, economic life as a whole has been enlivened and remarkable results have been achieved. We are now blazing a new path for economic development suited to China's conditions. The stipulations of the constitution concerning the socialist economic system and the principles for economic construction drawn up on the basis of summing up practical experience will open broad prospects for the healthy development of economic work as a whole.

III

Socialist construction not only has its material objectives. It also has spiritual objectives. Socialism has never been just an economic movement. As far as the productive forces alone are concerned, the modernization program is a process of technological development. However, it is also a social process and social movement at the same time. Its objectives, path, measures and methods are bound to be socialist in character. In other words, the development of the modernization program must accord with the interests and demands of the people and rely on the wisdom and strength of the people, and the fruits of success must be shared by the people. This needs to be guaranteed by socialist spiritual civilization. When the four modernizations have been attained in keeping with the socialist orientation, socialist spiritual life will also reach a very high level. It can thus be seen that under the socialist system, the building of material civilization and spiritual civilization are closely related and inseparable. They are each other's goal and are mutually conditional. They should both be raised to a strategic height and given ample attention.

When we concentrate our energy on the modernization program, we must not neglect or slacken our efforts in building socialist spiritual civilization. It is completely wrong to think that spiritual civilization will spontaneously go up to a higher level when material civilization is developed. Provided that the broad masses persevere in their work for a long time under the leadership of the party and state, it is entirely possible, while striving to build material civilization, to improve people's spiritual outlook and raise their level of political understanding even when technological conditions are not so developed for the time being. This truth has been verified by historical experiences during the revolutionary war period and just after the founding of the PRC. The cultural and ideological aspects of building socialist spiritual civilization are interpenetrating and promote each other. Neither can be neglected. Cultural construction is important to the building of material civilization, but it also occupies an important place in the building of spiritual civilization. We must make a great effort to eliminate erroneous ideas of looking down on culture and the intellectuals long entertained by the cadres and the masses and must truly make cultural construction a strategic priority for developing the economy. Ideological construction determines the socialist character of spiritual civilization. We must use Marxist theories to guide ideological and cultural construction. We emphasize the need to carry out communist ideological education among the people. However, this does not mean that we should implement the economic systems and social policies which belong to a higher phase of communism right now and thus repeat the past mistake of effecting the premature transition to communism. Instead, we must cultivate a revolutionary world outlook and outlook on life, correctly handle the relationship between the state, the collective and the individual, establish a new type of socialist social relations and adopt the attitude of wholeheartedly serving the people in labor and in work. We must use revolutionary ideas and revolutionary spirit to arouse the enthusiasm of the masses for building socialism and imbue our socialist cause with revolutionary youth and vitality.

Our party has put forward the important task of building a high level of socialist spiritual civilization. It has given us a profound theoretical explanation on the significance and content of this construction and formulated correct policies and effective measures for actual work items. This shows an important step forward in taking the socialist road. The previous constitutions seldom touched on spiritual civilization. The new constitution has greatly enriched its content in this area. With regard to cultural construction, principled provisions have been made in relation to the basic principles and tasks for developing socialist education, science, public health, physical culture, journalism and publication. With regard to ideological construction, well-considered and clearcut provisions have been made for strengthening communist education in various ways and forms. All this will provide a legal basis for our future efforts to build socialist spiritual civilization.

IV

Socialism is essentially democratic. Without the people's democracy, there will be no socialism. A basic feature showing the superiority of socialism to capitalism is that the entire people enjoy all power in running state and social affairs on top of having different forms of ownership of the means of production. The development of ideas of socialist democracy within the party in recent years has given the new constitution a good deal of new ingredients in this regard.

In order to build a high level of socialist democracy, we must first strengthen and consolidate the state system of the people's democratic dictatorship. The theory of the people's democratic dictatorship was a creative development of the Marxist teaching on state made by Comrade Mao Zedong in light of China's national condition. The people's democratic dictatorship has different class content in different stages of development of the revolution. In the stage of new democracy, the state under the people's democratic dictatorship was an extremely broad alliance led by the working class and based on the alliance of workers and peasants and which included the national bourgeoisie. The broad basis of this state power was an indicator of its high level of democracy. By the stage of socialism, because the exploiting classes have been eliminated as such and most contradictions in our society do not have the nature of class struggle, the content of the people's democratic dictatorship has also changed noticeably. There is a substantial increase in the number of workers, peasants and intellectuals and their political qualities have been greatly improved. They constitute three basic social forces in socialist construction. The overwhelming majority of the former members of the exploiting classes have been transformed into laborers who earn their own living. The ranks of people have been greatly strengthened and the basis of the people's democratic dictatorship has been extended. Of course class struggle still exists within certain limits and we must not slacken our struggle against hostile elements who sabotage China's socialist system. It is wrong to ignore the existence of class struggle and try to abolish the function of dictatorship of state power. However, recognizing the existence of class struggle is quite different from "taking class struggle as the key link" and

"all-round dictatorship." Today, class struggle is by no means the principal contradiction and the scope of dictatorship has obviously been reduced. It is a gross violation of the people's democratic dictatorship in theory as well as in practice to exclude large numbers of people from the circle of masters of the country and even direct the spearhead of dictatorship against the people as we did during the "Cultural Revolution." Our task is to take the scientific evaluation of social and political contradictions in the stage of socialism as the basis and restore and develop the correct principle of the people's democratic dictatorship so that socialist democracy can make enormous progress in the new historical period. The provision of the new constitution which stipulates that the nature of our state is the people's democratic dictatorship suits this historical need and consolidates the positive results gained in recent years in setting things to rights on the question of state structure. Thus it is of far-reaching significance.

Building a high level of socialist democracy also has another aspect, that is, developing various democratic systems and democratic life to a high level. In accordance with the principle of democratic centralism, we must continue to reform and perfect the political and leadership structure of our state and strengthen the building of organs of political power. At the same time, we must extend socialist democracy to all spheres of life, political, economic, cultural and social, extend democratic management to all enterprises and institutions and encourage self-management of community affairs by the masses at the grassroots level. It is also necessary to establish a relationship of equality between men and a correct relationship between the individual and the society in accordance with the principles of socialist democracy. All this shows that socialist democracy is incomparably superior to bourgeois democracy. As far as the building of organs of state power is concerned, a basic principle and important feature of socialism is the unity of democracy and centralism. On the one hand, the authority of state organs at various levels must be built on a broad basis of democracy. They must hold themselves responsible to the people, subject themselves to supervision by the people and truly represent the interests and will of the people. On the other hand, they must apply necessary centralism on the basis of democracy. They must be authoritative, competent and orderly and capable of effectively leading and organizing socialist construction. They must guard against and overcome bureaucracy and liberalism. This is what Lenin wanted: a higher form of the democratic system which combines the spirit of democracy with iron discipline.

The new constitution has made many new provisions regarding the basic principle of China's political system, the fundamental rights and duties of citizens, the structure and functions and powers of state organs, and so on. It embodies the principles of socialist democracy and reflects the special features of the Chinese society. It is a valuable crystallization of our experience in building state power over the past 30 years and more and is an important development of the switch to democracy in our country. Of course, we do not have much practical experience in building a socialist political system. How we are going to give full expression to the characteristics of socialist democracy in our political system is still an

important question which we must continue to study in depth. It still requires long years of practice to accumulate experience. However, the provisions of the new constitution have laid down the principles for construction and further reform in this regard and have charted the direction for continuous advance.

* * *

To sum up, after more than 30 years of hard work, our party has finally found a distinctively Chinese path for socialist construction. It tells us how we should adhere to the socialist economic and political systems and keep to the socialist orientation in various fields of construction in the new historical period; in other words, how we should correctly apply the principles of Marxism to the reality of socialist construction in China and how to exercise party leadership in the work of the state. This not only means adherence to the four basic principles but has enriched and given new content to these principles. These propositions of the party are supported and endorsed by the people of the whole country and solemnly written into the fundamental law through the supreme organ of state power. The profound ideas about socialism embodied in the new constitution are the crystallization of China's special experience and contain some kind of universal theoretical significance. There is no doubt that its implementation will greatly push forward the victorious advance of China's socialist modernization.

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INVESTIGATIONS ON THE SYSTEM OF PLACING COUNTIES UNDER THE LEADERSHIP OF CITIES IMPLEMENTED IN LIAONING PROVINCE

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[Investigation report by the Office of the Economic Research Center of Liaoning Province]

[Text] Liaoning Province is one of the earliest industrial bases in our country. It has a comparatively more flourishing industry and a large population of city and nonagricultural inhabitants. At present, the province has 106 cities and towns, including 6 cities with populations of more than 500,000, 10 cities with populations of 100,000-500,000 and 31 cities with populations of 30,000-100,000. Some 42.3 percent of the province's population live in cities and towns.

Since liberation, the province has experimented with different forms of administration of counties, including direct leadership by provincial authorities, by the commissioner's office and by the city's executive. The system of city administration over counties was adopted after repeated comparisons. In the past, however, due to the interference of "leftist" ideology, the role of this system was not brought into play. It was only after the 3d Plenary Session of the 11th CPC Central Committee was held and a series of correct policies were worked out through bringing order out of chaos that the advantages of this system were better developed.

At present, 33 of the 45 counties in the province are under the administration of 10 large and medium-sized cities. The other 12 counties and 3 county-level cities are under the administration of two commissioner's offices; but they have also expressed their willingness to take part in the new system. Practice shows that the system of placing counties under the leadership of the cities directly under the provincial government conforms with the needs of economic development in provinces like Liaoning, which are more developed in industry and have more cities. Right after liberation Liaoning was backward in industrial and agricultural production. In agriculture, crop growing was the main task. Even in county towns there were only a few "blacksmiths and coffin makers" and a few "oil pressing mills and soy sauce and vinegar shops." At that time it was feasible for the commissioner's offices to act as agencies of the provincial authorities to concentrate on developing agriculture. Over the past 30 years since the

First 5-Year Plan, Liaoning has become an important industrial base of our country and more than 400 large and medium-sized key enterprises have been created in this province. Now it has 16,000 industrial enterprises. The creation of these enterprises not only has promoted economic development in the cities but also has brought about changes in rural economic structure and a rapid development of county and commune industries and small cities and towns. Under such circumstances the commissioner office system, responsible mainly for agricultural production, can no longer handle both development of rural industrial and sideline production and economic development in both cities and the countryside. The development of county and commune industries needs energy resources, raw materials and markets, and the development of agriculture needs chemical fertilizers, pesticides and farm tools. In farmland capital construction, funds and materials are needed. These problems cannot all be solved by the countryside or by the commissioner's offices. Once the system of city administration over counties is adopted, since ties between cities and countryside are strengthened, many problems can be solved by cities. On the other hand, in developing industrial production, which needs raw materials and agricultural and sideline products, large and medium-sized cities must also strengthen their ties with the countryside and establish their own vegetable, nonstaple food and raw material bases. Moreover, development of the entire national economy also requires that an overall arrangement and plan be made for production and construction in the cities and the countryside of a specific region so that the urban and rural economy can be developed in a more coordinated way.

Liaoning's experiences show that the system of city administration over counties has the following advantages:

1. It is conducive to overall planning and arrangement in urban and rural production and construction.

Cities are generally centers of industrial production, science and culture and commodity exchanges in a region. They are very closely related to the economies of their surrounding areas. If cities and the countryside are separately under the leadership of city government and commissioner's offices, ties between them can easily be broken. However, the system of city administration over counties is conducive to the overall arrangement of production and construction in both cities and countryside so that urban and rural economic activities can be carried out under unified planning. For example, Yingkou is a light industrial city. Seventy percent of its industrial raw materials come from agriculture. In 1979, the city already suggested that an overall arrangement be made in light of actual conditions in this area for urban and rural production so as to build the following five bases: a commodity grain base in the lower reaches of the Liache, Huihe and Taizi Rivers, which mainly grow rice; a forest, fruit and silkworm base in the eastern mountainous areas; a fruit, cotton, oil crops and other cash crops base in the central plain and hilly areas; a reed and fishery base in the western coastal areas; and a nonstaple food base in the suburbs of the city. According to this suggestion they have worked out a unified development plan which includes the development of major county, commune and brigade industries, technical reform and scientific

experimentation of various counties and have thus promoted the coordinated development of both urban and rural economies in this region. In Haicheng and Talian Counties, which are under the jurisdiction of Anshan city, some 228 industrial products were brought into line with state planning in 1982. Of 37 farm machinery products in Anshan city, 34 were produced in these two counties. Once a product or project is brought into line with state planning, the supply of energy and raw materials is usually guaranteed. Thus, duplication of a construction project and blind development can be prevented.

The system of city administration over counties has strengthened the ties between industrial and agricultural production, and cooperation between cities and countryside. Dandong city has learned from Changzhou city the experience of making industrial production in the city as well as in counties and communes a "coordinated process." The production of electronics spare parts and accessories for TV sets and high-frequency tuners is now conducted separately in 16 county- and commune-run factories in Donggou, Kuandian and Fengcheng Counties. These factories produce an annual output value of more than 1 million yuan and create 150,000 yuan in profits. They have promoted the development of county and commune enterprises and solved the problems of lacking workshops and equipment in developing the electronics industry. By dispersing textile production to counties and communes, Dalian city has also promoted the development of the latter's textile industry. Now there are already 35 county and commune textile enterprises in this region. Their 14,000 staff and workers account for 27 percent of the total number of staff and workers in this city, and their printing and dyeing capacity account for 16 percent of the capacity in the city. This form of coordination has led contacts between cities and countryside from the sphere of circulation to that of production. As a result, an economic zone with the city as the center has been gradually shaped.

2. It is conducive to pooling the advantages of both urban and rural areas so that they can support each other and develop side by side.

When the counties were under the leadership of commissioner's offices, due to the poor economic strength the commissioner's offices could only convey the higher authorities' directives to the lower levels or report the lower levels' opinions to the higher authorities, and play the role of supervision and inspection. However, things are entirely different when the counties are placed under the leadership of cities. The economic strength of the cities can be better used to support the countryside. From 1979-1981, Dandong city allotted 6.65 million yuan from its reserve funds (32 percent of these funds) to support agriculture. Good results were achieved when these funds were used to exploit water resources, develop aquatic products production and build small chemical plants and hydropower stations. Four small chemical fertilizer plants in counties under city administration expanded their annual production capacity from 8,000 tons to 40,000 tons; some 2,000 mu of fish ponds were built or expanded with local financial resources; and a mechanized pig farm and chicken farm were established. According to statistics of material supply departments, since 1976 Yingkou city has, on an average, supported agriculture with 1,487 tons of

steel products, 15,845 tons of cement and 17,418 standard boxes of glass each year. With these financial and material resources, the counties and communes have done many things. Covering the fields with plastic sheeting is an effective measure to increase agricultural output. Since the cities have tried in a thousand and one ways to ensure the supply of plastic sheeting, 420,000 mu of land in the province has now been covered with plastic sheeting. Peanut production alone, not to mention others, has been increased by 66 million jin.

Cooperation between cities and the countryside is not one-sided. The cities also need the support of the countryside. Liaoning Province has a large urban population. Grain, vegetables and nonstaple foodstuffs as well as those agricultural products which are raw materials for industry are greatly needed in the cities. The system of city administration over counties is conducive to pooling the advantages of the countryside and building various kinds of commodity grain, vegetable, nonstaple food and industrial raw material bases. In the past, when Shenyang city did not exercise leadership over counties, grain for this city was allotted by the state and most vegetables were imported from various parts of the country--including the southern city of Quangzhou and the northern province of Heilongjiang. It had to ask for help elsewhere and there was no room for it to make any adjustment. Since Xinmin and Liaozhong Counties were placed under the jurisdiction of Shenyang city--as a result of the rural economic development over the past few years--the two counties and the city's suburbs have, on an average, provided the city with 1.3-1.4 billion jin of commodity grain each year. Eighty percent of grain has been self-supplied. Each year about 1.3-1.4 billion jin of vegetables have been put on the market, and last year the figure was 1.6 billion jin. They are now self-sufficient in vegetables. Forty-five percent of pork is self-supplied. Besides, the city also has been supplied with a certain quantity of milk, eggs, fish and fruit. Anshan and Dalian cities have also strengthened the construction of rural commodity bases and greatly raised the degree of self-sufficiency in grain, vegetables, meat and fruit.

One-half of China's tussah production is concentrated in the Dandong area. Over the past several years, Dandong city has vigorously strengthened the construction of tussah production bases. The usual annual output of tussah cocoons has been kept between 500,000-600,000 dan. In 1980 it reached 710,000 dan. Thus the silk industry in this city has been greatly promoted. We can see from this that the system of city administration over counties is conducive to pooling the advantages of both rural and urban areas and accelerating the development of both rural and urban economies.

3. It is conducive to speeding the circulation of commodities in a rational way and bringing about brisk markets in both urban and rural areas.

In the past, due to the coexistence of both city executives and commissioner's offices, the cities and countryside were separated and the circulation of commodities was impeded. Industrial products had to go through four stages before they reached the hands of the consumers: the city's

second-level allocation station, the prefectural second-level stations, the third-level wholesale departments of the counties, and the rural supply and marketing cooperatives and other retail units. As a result, commodity circulation was seriously impeded. The same thing also happened in the purchase and allocation of agricultural and sideline products. Since the system of city administration over counties was adopted, the city's second-level allocation station is no longer restricted by the administrative regions. It can directly establish wholesale points or organize mobile wholesale teams in the countryside according to needs for industrial products. Rural commerce also is no longer restricted by administrative regions. It can directly purchase goods from second-level or third-level stations in the city, or freely select and purchase goods from local industrial commodity fairs or exhibition sales. Thus the circulation of commodities between cities and countryside has been speeded up. For example, Xinmin County is a nearby county of Shenyang city. But when it was under the jurisdiction of Tieling Prefecture its agricultural products were purchased by the prefecture. Since they were not purchased in a timely manner, many products remained in stock for a long time. Now that this county is under the jurisdiction of Shenyang city, agricultural products are purchased promptly. Now the goods for 85 of the 106 counties under the jurisdiction of Shenyang city are supplied directly by this city. Thus, since the transport distance has been shortened and many intermediate links have been eliminated, the supply of goods for these counties is more ample and timely. Anshan city has set up two slaughterhouses in Haicheng County which can provide residents in this city with one-third of its fresh meat. Pork can be sent directly to the market without being kept in cold storage.

In order to satisfy the peasants' needs for commodities that are in short supply, some cities have even given top priority to the sale of those local industrial products that have been retained by cities for exceeding production quotas in the rural markets. Over the past year or so Dalian city has decided to supply the countryside with all the excess sewing machines, bicycles and other durable consumer goods, in addition to the 5,000 sewing machines and 10,000 bicycles already allotted in 1981. Thus the needs of the countryside have been basically satisfied. The "Chun Lan" brand watches made in Dandong city are cheap and beautiful and are liked by the peasants. There is a great demand for this brand of watches. Bedclothing produced in this city also enjoys good sales in the countryside. So Dandong city has allotted several tens of thousands of "Chun Lan" watches and a lot of woolen blankets, sheets and silk quilt covers to rural markets. The peasants are very pleased with this supply.

Besides, the cities can ask the industrial departments to produce goods that are urgently needed in the countryside through administrative interference or by providing subsidies. They also can adopt flexible methods to purchase more agricultural and sideline products for urban markets in light of developments in these markets.

4. It is conducive to making use of the favorable conditions in the cities to promote the construction of spiritual civilization in the countryside.

Since the cities have comparatively stronger scientific and technical forces, after the system of city administration over counties is adopted they can help boost the development of science and technology in the countryside. In Dandong city, a network gradually has been established among scientific research units and scientific and technical workers, which covers the range of research of both industrial and agricultural production with a clarified division of work. From 1979 to the first half of 1982 it scored 338 important achievements in scientific research work, of which 260 achievements have been applied and popularized and 28 new agricultural varieties have been formally named and popularized. The "No 330 hybrid maize" even won a national first prize. With the help of Anshan city, a seed company with three branch offices has been established in Haicheng County. In this way, a seed-breeding system has been developed. Over the past decade or so, this county has thrice renewed its seeds. This is an important reason why this county has achieved a per mu yield of 1,000 jin in grain production.

Many cities have also taken advantage of their favorable conditions in the cultural, educational and public health fields to help the countryside change the backward situation in these aspects and promote the latter's spiritual civilization construction. With universities, colleges, big literature and art organizations and large hospitals as the mainstay, Dandong city has taken into overall consideration rural work in the cultural, educational and public health fields and has established a network with the city as the center. Every year several large-scale educational research activities are launched, usually with the participation of 400-500 teachers from four counties, so that the fruits of educational research in this city can be spread in various schools, and more than 30 doctors are trained for the counties and communes by two big hospitals in the city. Last year, in order to raise the professional level of leaders of commune hospitals, the city's public health department ran a special training class for directors in charge of professional work from 100 commune hospitals. The city's cultural and art museum has also helped cultural centers in various communes and brigades improve their work with the assistance of county cultural centers. Thus, a network of mass cultural activities has been established from above to below, and cultural life in rural areas has been constantly improved. In Donggou County, which has already become a national advanced unit in mass cultural activity, every commune has a cultural center and every brigade has a cultural room, a film projection team and a library. Dalian city sends out several medical teams a year, consisting of some 50 doctors, to various counties to pass on experiences and carry out prevention and cure diseases in a comprehensive way. Over the past few years Anshan city has helped 31 communes and 681 brigades establish cultural centers. These centers now have a collection of 200,000 books. The city has also helped the countryside to build 45 film stations and form 630 film projection teams.

5. It is conducive to accelerating the reform and construction of small towns.

Industry has been developed in Liaoning's small towns. However, due to backward management and low economic returns, these towns have run into debt. Since the system of city administration over counties was adopted, various cities have allotted some of their mobile funds or funds for the maintenance of these cities to help the construction of small towns. For example, over the past 5 years or so, Dalian city has allotted 23 million yuan from its maintenance funds to help county towns repair and build roads and install water-supply and sewage pipes. As a result, the situation of the county towns has improved. Before 1979, Taian County had mostly dirt roads. Since it was placed under the leadership of Anshan city, slag from the Anshan iron and steel works has been used to pave the road. Asphalt roads have been built between Anshan city and Taian County, as well as in 17 communes of this county. Besides, 10 big buildings, including post office building, banks, a XINHUA bookstore and department store buildings and a cinema, have also been established in the county town. Taian County has thus taken on a new look. At present, the construction of some small towns is being stepped up so that these towns can become bridges and links between large and medium-sized cities and the broad countryside.

6. It is conducive to strengthening leadership over the countryside, streamlining administration and achieving higher efficiency.

Some comrades are apprehensive that the system of city administration over counties might weaken leadership over the countryside. However, facts prove just the opposite. Leadership over the countryside has been strengthened since the system of city administration over counties was adopted. For example, with rich industrial and technological resources, the cities can help county and commune enterprises carry out readjustment and reorganization, provide them with modern science and technology and help them continuously raise technological and management levels. The progress of rural science and culture also needs the support and leadership of the cities. Some county comrades said: In the past, under the leadership of commissioner's offices, the leaders mainly grasped political movement. In production, they paid attention only to plowing, planting and purchasing. Now the focal point of our party's work has been shifted to construction. A higher demand has been set on leadership over all aspects of rural work, including agriculture, industry, commerce, science, education and culture. The system of city administration over counties has been proved to be better than other systems.

Since overlapping leadership of prefectural and commissioner's offices and separate management of urban and rural areas as well as contradictions between cities and prefectures are eliminated after adopting the system of city administration over counties, a higher work efficiency has been achieved. Of course there are also some problems. Since the central task for the commissioner's offices was doing rural work, they were able to go all out to grasp agriculture. However, it is impossible for cities to do so, because they have more work to do. Especially when industrial production is

busy, rural work can easily be neglected. Moreover, some of the cities' leading methods and work styles cannot suit the demand of rural work. These problems can be solved well provided the leaders pay attention to overcoming the erroneous ideas of regarding cities and industry as superior to countryside and agriculture. Some of principal leaders are appointed to take care of agricultural work, and an effective organization in charge of rural work is established.

The present system of city administration over counties adopted by Liaoning Province has yet to be perfected, and some problems need to be studied further. For example: What is the ideal number of counties to be put under the administration of a city, which can suit the economic strength and leadership ability of the city? How will the city's organizations be improved so that they can suit leadership over the countryside? These problems must be studied further so that the system of city administration over counties can be perfected and can better promote development of the modernization drive.

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AN IMPORTANT QUESTION IN ENSURING STEADY ECONOMIC DEVELOPMENT--ON CONTROLLING THE SCALE OF INVESTMENT AND RATIONAL USE OF CONSTRUCTION FUNDS

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[Article by Cai Ninglin [5591 1380 2651]]

[Text]

I

In order to achieve the strategic objective formulated by the 12th CPC Congress, we will need fairly sizable investment in fixed assets in the future, both in the first decade for laying the foundation and in the second decade of vigorous economic growth. Investment planned for in the Sixth 5-Year Plan totaled 360 billion yuan, or over 70 billion yuan a year on average. Effective control over and proper use of these funds, the completion of key construction projects which center on energy and transport according to schedule and the attainment of outstanding results in the technical transformation of existing enterprises will contribute enormously to augmenting our economic strength and pushing forward the modernization program.

Practice over the past years shows that whether or not the scale of investment in fixed assets is commensurate with our national strength is a matter of overall importance which will determine whether or not the national economy can strike an overall balance and develop smoothly. Comrade Chen Yun pointed out: "When the scale of construction exceeds the state's financial and material resources, it becomes adventurous and economic chaos will appear. If the two suit each other, the economy will be stable." Economically speaking, the several setbacks we suffered in our economic construction since the founding of the PRC were all inseparably linked with excessively large scales of investment and of capital construction. Between 1953 and 1978 investment in fixed assets grew at an average yearly rate of 8.3 percent, while state revenue and national income only grew by 7.2 percent and 6 percent respectively. Overextension in the scale of investment will result in too many projects being started, the excessive extension of the scale of construction, the dispersal of work force, the lengthening of the construction cycle and the lowering of returns. Out of a total of over 500 billion yuan invested in capital construction between 1953 and 1978, about 1/4 was wasted due to duplication or had not been able to function after being turned into fixed assets. Overextension in

the scale of investment is bound to affect production, maintenance and the people's well-being and lead to disproportions in the national economy. As a result, there is no alternative but to reduce the scale of capital construction and make economic readjustments. Experience shows that although a drastic curtailment of capital construction in the wake of excessive extension may only take a year or a few months, it will normally take 4 or 5 years to readjust its profound aftermath. We must not forget the serious damage and tremendous waste which our national economy was made to suffer on account of the overextension of the scale of construction. We must not forget the high price we paid to heal this "swelling disease."

Why is it that our national economy has been able to develop with great vitality since 1979? Why have we been able to achieve higher returns on our investment in capital construction? An important reason is that we have resolutely implemented the ideological line of seeking truth from facts and the policy of readjusting the national economy formulated by the 3d Plenary Session of the 11th CPC Central Committee, rectified "left" mistakes in economic work and drastically curtailed capital construction. The bold and resolute measures adopted by various departments and localities in readjusting capital construction not only contributed enormously to balancing state revenue and stabilizing the economy but created favorable conditions for the readjustment of heavy industry, making it possible for heavy industry to adjust its production goal and service orientation, stress varieties and quality and spare resources to better serve the development of the production of consumer goods and technical transformation. Without the curtailment of capital construction and the readjustment of the investment orientation some years ago, we would have been unable to change the serious disproportions between accumulation and consumption and between the production of the means of production and the production of the means of subsistence into basic harmony, and the national economy would have been unable to develop as soundly as it does today.

However, we should see that signs of a drastic growth in the scale of investment in fixed assets and of a headlong rush into new projects are beginning to show. In 1982, the total volume of investment topped all past records and came close to 80 billion yuan. In particular, investment raised by the localities, departments and enterprises themselves and investment arranged through bank loans have greatly exceeded the state plan for 2 years running. Many places have embarked on quite a few projects not included in the plan and duplicated the construction of many ordinary processing industries and energy-consuming industries. This problem deserves serious attention. As everyone knows, the scale of construction depends not only on the availability of cash but also on the degree of material guarantee and on how much surplus products can be spared for construction after maintaining simple reproduction, suitably increasing the supply of consumer goods and making the necessary deductions for community use. As historical experience shows, overextension often left an opening for an excessively high rate of accumulation. Moreover, in a year when construction was outstretched beyond the country's capability, supply on the market would be strained that year or in the following year. If we do not curb the present sharp increase in investment, when things come to a

head, we will find our financial difficulties aggravated. This will further strain the supply of building materials and sharpen the contradictions between general and key projects and between projects included in the state plan and those that are not, lower the returns on investment. If we do this, we are repeating the past mistake of creating disproportions by over-extending the scale of capital construction. This means that we will probably lose what we have gained in the past few years after exerting such great efforts to readjust the national economy.

Of course, in emphasizing the need to control the scale of investment, what we mean is that we must keep it at a reasonable level that corresponds with our national strength. It is obviously wrong to think only of the present and advocate unrestricted curtailment without considering long-term needs. Social economic development objectively requires us to maintain a given, reasonable scale of investment in fixed assets. If the scale of construction is too small, we will not be able to fully utilize the latent potential of the national economy to promote expanded reproduction. This will affect production and consumption and create another form of disproportion, that is, the sagging type. What we mean by "acting according to our capability" should include the meaning of "doing our best." In other words, if something can be done with hard work, we should work hard on it.

We are still in a period of economic readjustment now. Under this excellent situation, we must not lower our guard and fail to see the budding signs of the extension of the scale of investment. Whether or not we can keep the scale of investment at a reasonable level during the Sixth 5-Year Plan, drastically curtail the blind construction of projects aimed at increasing the capability of ordinary processing industries, embark on key projects according to plan and achieve success in the technical transformation of key enterprises has an important bearing on the success or failure of the Sixth 5-Year Plan and on whether we can maintain a sustained growth of the national economy. Therefore, it is necessary to strictly control the scale of investment in fixed assets and the development of ordinary processing industries.

II

Proceeding from past practices and present conditions, if we want to keep the scale of investment and the launching of new projects under control, properly manage and use investment in fixed assets and achieve better economic results, we must take effective measures to correct the guiding ideology, improve planned management, readjust the economic policies and do a good job of organizational reform. In addition, we must properly handle the following relationships well.

First, we must properly handle the relationship between technical transformation and the launching of new projects. Our efforts to quadruple the gross annual value of industrial and agricultural production must be based on technological progress. The important thing is to give scope to the potential of existing enterprises, not to build new ones. In the past when we were laying the foundation for industrialization, it was necessary for us

to rely mainly on new enterprises to carry out expanded reproduction. Today, we must switch to expanded reproduction by intension with technical transformation as the main content. If we stick to the old practice of developing industry simply by embarking on capital construction projects and building new enterprises and continue to "reproduce 'antiques'" in construction, our hope of quadrupling the industrial and agricultural output value can never be fulfilled. The only way to attain this goal is to firmly grasp technological improvement, use new equipment, materials, techniques and technologies to transform existing enterprises and build new ones, closely combine technical transformation with the tackling of technology-related problems, the development of new technology, the importing of advanced technology and the popularization and transfer of technology and shift production and construction onto the basis of advanced technology. Let us do some calculations here: In the 33 years since the founding of the PRC, we invested 1,000 billion yuan in fixed assets only to produce an output value of some 700 billion yuan a year. According to the old practice, if we want to quadruple the gross annual value of industrial and agricultural production to 2,800 billion in the next 20 years, we must also quadruple investment. This means that we must increase investment by 3,000 billion yuan in the next 20 years, or 150 billion yuan each year on average. This is impossible whether we look at it in terms of the accumulation of funds or in terms of material guarantee. Only by resolutely following the new approach which centers on achieving better economic results and relies on technological progress can we attain the great objective of quadrupling the gross annual value of industrial and agricultural production with a scale of investment that suits our national strength.

Second, we must properly handle the first 10 years and the second 10 years. The 12th CPC Congress clearly stipulated that the first decade is mainly for laying a solid foundation, accumulating strength and creating the necessary conditions and that the second decade will usher in a new period of vigorous economic development. We must resolutely act in accordance with the strategic arrangement of the 12th CPC Congress, work in a down-to-earth manner, strive hard and act according to our capability. We must not postpone to the second decade what must be completed in the first, neither should we force ourselves to undertake in the first decade tasks which are to be completed in the second. In the first 10 years, we must dedicate ourselves to working really hard at laying the foundation, conscientiously carry out readjustment, reform, restructuring and improvement and properly handle relations between various aspects. If we have done well in the construction of key energy and transport projects and in the technical transformation of enterprises, in agriculture, education and science, in carrying out preparatory work for the construction of a number of important projects, in mapping out plans for development and in carrying out the work of management, foundation-laying, economic legislation and organization, we will be able to achieve better results and proceed at a higher speed in the second decade. If we ignore the objective conditions, blindly extend the scale of construction and vie with each other for investment to launch new projects or enlarge the existing setups, we will have a "relapse" and repeat the past mistake of accomplishing nothing because we were overeager for quick results. This should be avoided.

Third, we must properly handle the relationship between concentration and decentralization, appropriately concentrate the decisionmaking power in investment and strictly control the overall scale of investment. In recent years, there were quite a lot of cases when policy decisions were made by multiple channels and new projects were launched at random. Some localities were "unable to ensure the completion of projects included in the plan and control projects outside the plan." Items in short supply were not replenished and those in excessive supply were not kept under control. Practice shows that if the power of making decisions in matters of macro-economics is divided, the function of overall balancing is carved up and there is disharmony between various economic levers, blind investment and duplications will be inevitable.

As our long years of experience shows, it is necessary to suitably emphasize the concentration of power when it comes to deciding on investment in fixed assets and on capital construction in particular. We should not delegate power freely and should not be too flexible. Bearing the interests of the whole country in mind, we must strictly control the overall scale of national investment and the scale of investment for different provinces, municipalities and prefectures and for different departments as stipulated in the state plan. This includes investments covered by the state budget, self-collected funds and bank loans, capital construction financed by foreign investment and special allocations and measures for renovation and transformation.

Under the guidance of the unified plan, we must pay attention to fully bringing into play the enthusiasm of the enterprises in speeding up technical transformation and invigorate the economy. In examining, approving and administering plans of investment, we must exercise strict control and at the same time give positive guidance in order to bring the initiative of different levels into full play. Each case should be dealt with on its own merits according to the principles of giving a certain degree of freedom within the framework of the plan and of division of power within the framework of centralized control. We should attach equal importance to strictness and flexibility and combine control with guidance. Sometimes things got out of hand because we were not strict enough. Sometimes we did not act flexibly when we should be more flexible and we exercised control without giving any guidance. These problems must be solved. We must strictly control construction which requires the unified balancing of state revenue and credit and appropriately relax regulations for those items which do not require the state's unified balancing. Land construction, particularly new projects, must be strictly controlled. With regard to technical transformation and the replacement of equipment, we must respect the decisionmaking power of the enterprises and give them the necessary flexibility on the premise of unified planning and unified policy in order to fully arouse their enthusiasm in seeking technological progress. In short, China is a vast country and it is impossible to exercise centralized control in everything. We cannot use the same mode and method and seek uniformity in everything. In planning investment in fixed assets, we must also combine mandatory planning with guidance planning and give separate guidance. We must ensure the planned and unified nature of the national

economy while giving various departments, localities and enterprises the necessary mobility and flexibility.

Fourth, we must properly handle the relationship between budgetary investment and funds collected through various channels and proceed to control the overall scale of investment by balancing funds and resources in the whole society. At present, extrabudgetary funds amount to approximately 60 percent of budgetary funds and a lot of credit funds are in circulation. Quotas for rolled steel, timber and cement directly allocated by the state only make up 2/3, 1/2 and 1/3 respectively of their planned output. With regard to the huge quantity of funds and resources in the hands of different localities and enterprises, we must work out unified financial (credit) plans and unified materials plans to exercise the necessary supervision and ensure their proper use. In this way, the unified balance and rational distribution of funds and resources in the whole society can be guaranteed. On this basis, we should also work out annual plans for investment in fixed assets and fix the scale and usage orientation of annual investment in a reasonable way. In this way, we can incorporate all funds, resources and investment activities in the whole society into the unified plan and make them play a positive role within the framework of the requirements of the plan "like a bird flying within a cage," thus avoiding lack of planning.

Fifth, we must properly handle the relationships between key and ordinary projects, between the whole and the part and between the central and local authorities. Comrade Chen Yun pointed out: "Owing to objective limitations, when we make arrangements for construction projects and allocate materials and equipment, there may be a contradiction between satisfying the needs of the whole country and satisfying the needs of a locality. The principle for resolving this contradiction is to subordinate the local situation to the overall situation and subordinate the part to the whole. Various provinces and autonomous regions should take the whole situation into account and correctly formulate tasks according to their characteristics to meet the needs of national and local industrial construction." "Within a province or autonomous region, it is impractical to try to establish an independent industrial system which is comprehensive, all-embracing and self-containing." "If we do not take into consideration the available resources and economic characteristics of the locality and, instead of making a positive effort to do what is possible and is urgently needed by the whole country, attempt to do something which is beyond us, it is not economically justifiable." These remarks by Comrade Chen Yun back in 1959 are still of important practical significance. In deciding what is the suitable scale of investment for a locality, what should be designated as key projects, what should be designated as ordinary projects, what should be done first, what should be done later and what should be slashed, it is necessary to proceed from the interests of the whole, bear in mind the economic strong points, weak points and characteristics of the locality, look ahead and behind and make overall arrangements. In this regard, we must pay special attention to two points. First, it is necessary to correctly orientate the usage of local investment. It is impermissible to weaken or hinder the construction of key energy and transport projects

and the technical transformation of backbone enterprises because of momentary needs in the locality or because it is "profitable" or "worthwhile" for some. Second, in arranging investment activities within its own jurisdiction, a locality or enterprise must try to strike a balance at all levels while subordinating itself to the overall balance of the whole country.

Sixth, we must properly handle the relationship between support and supervision, give the banks greater responsibility, give full scope to the role of the bank in examining, approving and supervising investment activities. The economic responsibility for bank loans and their economic results in society should be shared by the two parties concerned, the enterprises and the bank. At present, some localities and enterprises hold back profits and taxes to repay loans and regard bank loans as a new means for "everyone to eat from the same big pot." This tendency must be stopped. The banks must actively support the enterprises in their construction and transformation work. At the same time, they must actively take part in feasibility study and in examining economic results and strengthen investigation and supervision in the process of implementing construction plans and recovering investment. The banks should take economic sanctions against fraud and acts of evading bank supervision and extending the scale of construction without authorization. Malfeasance must be looked into and dealt with according to law.

Seventh, we must properly handle the relationship between the speed of construction and following the procedure of capital construction and do a good job of making policy decisions for important projects and carrying out preparatory work for their construction. The procedure of capital construction refers to the order of priority for all work in the entire process of capital construction. In order to achieve better economic results in capital construction, we must respect objective laws and follow the proper procedure of capital construction. We must not repeat the past mistake of carrying out prospecting, designing and construction at the same time. If we start a project hastily without following the procedure, we may appear to be moving fast, but actually we are not. This way of doing things not only will lengthen the construction time but will cause serious waste of manpower and material resources.

The key to keeping to the procedure of construction is to do preparatory work well. As shown by the experience of other countries, preparatory work for important projects should take up 1/2 or 1/3 of the entire construction time (roughly 1.5 to 3 years). Appropriately lengthening the construction progress from deliberation and feasibility studies, prospecting and designing to making comparison, selection and decision is the prerequisite for strengthening the scientific approach of capital construction, avoiding blind acts and achieving optimum results. Many localities and departments tend to focus their attention on actual construction work and overlook the importance of preparatory work. They are reluctant to make an effort in doing preparatory work. This way of doing things must be stopped. We must attach equal importance to the feasibility studies and actual construction of a project. We must finish the work of prospecting and

verifying important programs and designing projects scheduled for the Seventh 5-Year Plan and Eighth 5-Year Plan within the period of the Sixth 5-Year Plan so that we can choose the best plan which is technologically advanced and economically reasonable and which promises good overall results. When conditions are ripe, we can proceed to execute this plan. Whether or not we can create a new situation in capital construction which is characterized by small investment, short construction time and good results and whether or not we can smoothly attain the objective of ushering in a period of vigorous economic development depends to a large extent on the depth, breadth and precision of our preparatory work for these important backbone projects.

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ON THE CURRENT ECONOMIC CRISIS OF THE CAPITALIST WORLD

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[Article by Wu Jixian [0702 4764 0341]]

[Text] In the past 3 years, Western capitalist countries have been experiencing the worst economic crisis of the postwar period. The crisis has also dealt a heavy blow on Third World countries. In striking contrast, our country's economy is steadily developing in a very healthy manner and the general situation is becoming better and better.

I

So far as the principal Western capitalist countries are concerned, the length of time this crisis has lasted, the vast extent of its ill effects, and the complex nature of the problems it has evolved were all unique features which these countries had never experienced since the time of the great economic catastrophe of the 1930's.

In 25 developed capitalist countries of the world, this crisis has brought in its wake a large contingent of the unemployed numbering over 32 million people, and the contingent is still steadily increasing in size. According to official figures of the United States, the country's unemployment rate steadily rose from 7 percent in July 1981 to 10.8 percent in November 1982 and the number of unemployed has reached 12 million, the highest rate in the last 42 years. In 1982, the number of unemployed in 10 countries of the European Economic Community already exceeded 11 million and the unemployment rate exceeded 10 percent. As a matter of fact, unemployment has caused many-faceted sufferings to people of the various Western countries. In the initial period of an economic crisis, unemployed workers may perhaps still be able to find certain part-time jobs, but as the crisis drags on, the ranks of the unemployed will increase in size and the chances of finding part-time jobs will become increasingly more difficult. The life of unemployed workers will thus become harder with each passing day. Unable to pay the rent for their houses, many people will be driven from their homes and become vagabonds on the streets. Unemployment brings to women great sufferings in particular. When a family loses its means of subsistence, various kinds of disasters will occur, such as children not being able to go to school and even the eventual breakup of

the family. Among the ranks of the unemployed, young people constitute a great proportion. This confirms the general phenomenon that when "one is out of school one is out of work." Moreover, the continuous expansion of the ranks of the unemployed weakens the bargaining power of the trade unions in their dealings with the employers. Unemployment causes social disorder, drunkenness, drug taking, prostitution, an increase in the number of people suffering from mental illnesses and aggravation of the already existing serious social problems. The longer unemployment lasts, the harder will be the sufferings of the people.

One indication of the severity of the crisis is the steady decline in production. As of December 1982, production in the United States has intermittently declined, or stagnated, for a period of 45 months, while in countries of the European Economic Community, production had also intermittently fallen over 35 months. In November 1982, the industrial production index of the United States fell by 12 percent when compared with July 1981. According to a report of the U.S. Federal Reserve Board, in October 1982 the average operation rate of American industrial plants was only 68.4 percent. It was the lowest on record since 1948. Among the industries, the automobile industry has fared worst in the United States. In January 1982, its operation rate was only 43.7 percent. In October of the same year, steel production in the United States was only 40 percent of the full production capacity of its steel industry. In certain other countries, such as Canada and Britain, the extent of the fall in industrial production was worse than that in the United States.

Records of bankruptcies and closures of plants and enterprises also serve as barometers of the severity of an economic crisis. From January to November 1982, as many as 22,587 bankruptcies and closures of enterprises were reported in the United States. Compared with the 15,243 bankruptcies and closures during the corresponding period in 1981, this was an increase of 48 percent. In 1982, some 40 banks closed in the United States. In Europe, the number of failures of enterprises in West Germany was over 12,700 cases in 1982. This was the highest record in the postwar period. The failure of an Italian bank, the (An-bu-lu-xi-ya) [1344 1580 7627 6007 0068] Bank, caused its board chairman to commit suicide.

The economic crisis has intensified the contradictions between the developed capitalist countries. In the field of finance, beginning from October 1979, the U.S. Federal Reserve Board has resorted to a policy of high interest rates to control the increase in the money supply volume as a measure to curb the daily increasing inflation. Meanwhile, during the period of the crisis, the fiscal position of the United States continued to deteriorate and the fiscal deficit grew each year at a rapid pace. In order to arrest the aggravating effects of the fiscal deficits on inflation, the United States Government resorted to the flotation of government bonds and treasury notes to absorb private capital as a means of mending the budget deficits. This caused the market interest rate in the United States to rise further while, in comparison, interest rates in West European countries were much lower. It produced the effect of attracting to the United States an enormous amount of short-term funds from the financial markets

of Western European countries and a rise in interest rates in the latter markets. Simultaneously, the value of the U.S. dollar rose in the foreign exchange markets while, in contrast, the currencies of the West European countries were more or less devalued. These consequences all had depressing effects on the economies of the West European countries and the latter could not but feel strongly dissatisfied with the United States. Subsequently, following the slowing of inflation in the United States, interest rates in the American money market began to fall. This served to ease somewhat the contradictions between West Europe and the United States.

In foreign trade, due to the devastating effects of the economic crisis, international trade has experienced a sustained period of depression for the first time since the end of World War II. In 1982 alone, compared with 1981, the gross value of international trade registered a decline of 5 percent. This was a striking contrast to the average annual growth rate of 5.5 percent in international trade during the 1970's. In lieu of expanding, domestic markets in all the developed capitalist countries suffered from a continuous state of increasing depression. The United States, West Germany and Japan were all involved in violent struggles with each other for markets. While the crisis was still raging, the economies of these three countries were all in a state of depression. As a result, they all devoted their utmost efforts to expand their exports and to restrict their imports, endeavoring in this way to develop and protect production in their own countries. In normal times, reciprocal trade between these three countries had been rather large, but measures to restrict import trade necessarily precipitated many contradictions between them. In the past year alone, violent disputes often erupted between the United States and the EEC countries on trade matters such as those concerning steel and agricultural products. Between the United States and Japan and between the EEC countries and Japan there were frequent disputes concerning certain trade problems. Both of the former countries were pressing Japan to open up its markets and to adopt a policy of "taking the initiative to restrict" exports. The sharp conflicts between Western nations on problems of trade expansion were even more outstandingly exhibited in the discussions at the meeting of ministers on the General Agreement on Customs Duties and Trade convened in the latter part of November 1982 in Geneva. Eventually, the meeting adopted an empty declaration opposing protectionism and restating the principle of free trade. But even in this declaration, the EEC countries continued to make many reservations.

Recent indications seem to show that in the major Western capitalist countries, particularly the United States, their economies may possibly begin to recover or improve sometime this year or next year, though very likely to a very small extent, as they are also weak and unstable. This is because of the following factors: In the principal capitalist countries, the crisis developed when the countries were in a state of "stagflation" (that is to say, a combination of production stagnation and inflation); the basic industries have not yet shown any sign of a recovery since the last crisis; shrinking internal markets have caused extremely violent contradictions between production and the markets; persistence of a financial crisis growing out of domestic and international credit inflation;

and inability of governments of the Western countries to tackle the problem of "stagflation." All these factors may be pointed to, insofar as the major capitalist countries are concerned, as forces obstructing the growth of production and trade and making it impossible for the countries concerned to find a solution.

In a word, this time the serious economic crisis affecting the major capitalist countries may be traced to the unconquerable contradictions inherent in the capitalist system. The world economic crisis this time not only has aggravated the class conflicts within the developed capitalist countries themselves but also has further intensified the contradictions between the principal capitalist countries.

II

In order to prevent an aggravation of this crisis, the principal capitalist countries have intensified their efforts to use their monopoly control of the world's economy to shift the ugly burden of the crisis to Third World countries and thus to deal a heavy blow on the economies of the latter countries.

Making use of the trade channels is an important measure resorted to by the Western developed countries to shift the burden of the crisis. According to the price index of primary grade commodities compiled by the World Bank, a decline of 14.5 percent was found in 1981 when compared with 1980, and a further decline of 8 percent was seen for the months of January to June, inclusive, in 1982. This index comprises commodities such as grain, other agricultural products, metals and nonferrous mining products. These three categories of commodities all have constituted the important export commodities of the Third World countries. Due to the fall in the prices of these commodities in the world market, while the prices of the industrial products, machinery and equipment and other commodities exported by the developed capitalist countries failed to drop concurrently, the trading conditions (comparison between the export and import prices) of Third World countries have thus become worse in the past few years. According to statistics compiled by the World Bank, in the developing countries which import crude oil for consumption, their trading conditions declined by 1 percent in 1979 when compared with the preceding year, further declined by 11 percent in 1980 when compared with 1979, and dropped in 1982 by 2 percent. In addition, due to the adverse effects of the economic crisis, the capacity of markets of the developed countries to absorb export commodities from Third World countries was reduced in size but, owing to the difficult sales conditions within their own countries, the developed capitalist countries have stepped up their exports to Third World countries. As a result, despite a drop of 1.6 percent in the gross value of the world's export trade in 1981 when compared with 1980, accompanied by a drop of 2.1 percent in the value of exports of the developing countries relative to the gross value of the world's export trade, an increase was made in the gross value of exports of the developed capitalist countries to the developing and non-oil-exporting countries. The result was that in 1981 the adverse balance of trade between the developing countries and the developed

capitalist countries increased to \$45 billion, from \$33.8 billion in 1980. At the same time, on the part of the developed capitalist countries, under the conditions of the economic crisis being steadily intensified and the worsening of the internal markets, they have stepped up their protectionist policy. They set up over 1,000 different types for customs duties and non-customs-duty barriers, restricting entry into their markets of manufactured products, particularly textiles and garments, of Third World countries. This dealt a serious blow to certain Third World countries in the export of their manufactured products, and, as a result, in the Third World countries many enterprises could not continue their production and had to close. Measures of this kind adopted by the developed countries placed the economies of Third World countries in a more precarious state than before. According to statistics, the growth rate in the GNP of Third World countries dropped from 5 percent in 1980 to only 2.2 percent in 1981.

Principal Western capitalist countries also resorted to the use of international credit inflation as a measure to intensify their plunder of the Third World countries. Since 1973, the flow of surplus funds each year from the Western countries to the Third World amounted to about \$40-\$50 billion and in 1981, to \$100 billion. This enormous volume of official and private loans played a definite role in promoting the development of the economies of Third World countries. They constituted the principal sources of funds which the Third World countries have depended upon to meet payments due on an adverse balance of trade and on international payments deficits of an ordinary nature. However, the ever-increasing debt burden has practically stifled many Third World countries. According to the 1982 report of the World Bank, in the 4 years from 1978 to 1981, the unfavorable balance of payments of an ordinary nature of the Third World countries totaled some \$269 billion, while the amount of funds obtained from external "official" sources (governments of various countries and international organs) amounted to \$114.7 billion and funds from private direct investments and middle and short-term loans amounted to \$197 billion. By the end of 1981, the total external debt burden of Third World countries had already expanded to \$530 billion, and by the end of 1982, to \$626 billion. Many of the countries have found it increasingly difficult to repay their daily increasing external indebtedness and were obliged to ask for an extension of the repayment period. For example, in the case of countries like the Philippines, Zaire, Colombia and Venezuela, their international payments due on principal and the interest of their external loans amounted to 90-100 percent of their total receipts from their export trade, while for countries like Chile, Peru, Ecuador and Mexico, their international payments due on principal and interest of their external loans amounted to 110-130 percent of their total receipts from exports. In other words, the whole of their receipts from exports was not sufficient to repay their indebtedness.

In recent years, due to the entire capitalist world being entrapped in a serious economic crisis, the major oil-consuming countries have cut back on their oil consumption and, as a result, the oil export receipts of the oil-exporting countries have greatly diminished. Compared with the preceding year, the oil-exporting countries exported 18.4 percent less oil in

1980 and 17.1 percent less in 1981. According to information from the United Nations, a similar decline of 20 percent was made in 1982. The Western countries, making full use of the situation of supply exceeding demand in the world crude oil market and fully wielding their economic power, exerted an enormous pressure on the oil market, such as dumping their oil stock in the oil market or forcing down oil prices. They thus brought about a drastic drop in oil prices and caused great harm to the economic interests of the oil-exporting countries. In 1980, the latter countries had a favorable balance of some \$115 billion in their ordinary receipts and expenditures. In 1981, the balance dropped to \$71 billion and decreased further in 1982.

By thus shifting the ugly burden of the economic crisis, the developed capitalist countries have seriously harmed the economic development of the Third World countries. As a result, the economic growth rate of the great majority of these countries registered a downward trend. In the Latin American region, the growth rate in 1981 was only 1 percent and in 1982 declined by nearly 1 percent. In countries of the Eastern alliance called by the West the "world's senior economic students," their economies were likewise in a depressed state in the past 2 years. The economies of the oil-exporting countries registered a fall of 2.8 percent in 1980 and a decline of 4.5 percent in 1981. African countries were confronted with the worst economic difficulties since their independence. Over 20 percent of their foreign exchange earnings must be spent on importing grain. The international balance of payments of many of the developing countries has drastically worsened and their foreign exchange reserves have been virtually exhausted. In the vast number of developing countries, the prices of consumer goods have risen and the number of unemployed youths is nearly 300 million.

The hardships which the Third World countries have suffered because of the world economic crisis have generally spread to various corners of the social and economic life of the populace. They have impoverished the people's standard of living and aggravated social and political disorder in certain countries. Third World countries have indeed learned a bitter lesson from the international economic situation. Many of them are currently engaged in readjusting and reorienting their policies. They have taken as their primary tasks augmentation of their power of regeneration and self-reliance and realization of economic independence. They have in general formulated social and economic development strategies conforming to the conditions of their own countries. These vast Third World countries have generally favored organizing their own alliances, taking the road of collective regeneration and gradually emancipating themselves from economic reliance on the developed countries. They have strongly demanded the revision and reform of the existing unjust and irrational international old economic order, establishment of an international economic new order, strengthening of their position in the world's economy, and improvement of their foreign trade conditions. Those efforts made by and struggles engaged in by the Third World countries will no doubt be helpful in overcoming the adverse effects inflicted on them by the developed capitalist countries shifting the burden of the economic crisis. They will enable them to better protect their own interests.

III

Despite the spread of the ill-effects of the world economic crisis to various regions of the world, the economy in our country has been steadily improving year after year. This has attracted the attention of the whole world.

Since the 3d Plenary Session of the 11th CPC Central Committee and the implementation in our country of the policy of readjustment, restructuring, reorganization and upgrading, the economic situation has become better year after year. In 1979, the gross output value of agriculture (computed according to unchanged prices; the same for the other figures below) of the whole country increased by 8.6 percent over the preceding year; in 1980 and 1981, the increases over the preceding years were 2.7 percent and 5.7 percent, respectively; and an increase of over 5 percent has been estimated for 1982. Output of principal agricultural products such as grain, cotton, edible oils and sugar has also increased on a large scale. In 1979, the national gross output value of industry increased by 8.5 percent over the preceding year; the increase in 1980 was 8.7 percent; in 1981, due to the readjustment of the industrial structure, the increase was 4.1 percent; and in 1982, the increase was 7.4 percent. The country's foreign trade has also progressed rather rapidly. In 1981, the gross values of exports and imports, after deduction of factors caused by price changes, increased by 18 percent and 5 percent, respectively, over the preceding year. As a result of the rapid increase in the volume of exports and in foreign exchange earnings, in the past 2 years our foreign exchange reserves have also increased. In 1981 and 1982, our national finance may be said to have basically achieved a balance in receipts and expenditures. Over the past 3 years, the country has provided new jobs to some 26 million people. Following the development of industrial and agricultural production, supplies to the markets have noticeably improved and the people's standard of living has likewise improved. Savings deposits of residents in urban and rural areas have rapidly increased. By the end of July 1982, they amounted to 60 billion yuan.

In recent years, our successes in economic development have won the approval of people of the whole world. Aiichiro Fujiyama, president of Japan's Federation for Promotion of International Trade, said: In a situation in which the world depression is continuously developing, China's economic development has surpassed the original target and is still progressing. This is indeed worthy of people's attention. West Germany's former chancellor, Schmidt, talking about the current disordered state of the world economic situation, commented: At present, the situation in many countries is worse than in 1931. The economic crisis has spread to various countries of the world. Both the developed countries and the developing countries are unable to shake off the depression. Japanese newspapers, quoting the "Overseas Economic Reports" of the Japanese Economic Planning Bureau, stated: "In the midst of the world's depression, China's economy has achieved outstanding accomplishments." In France, an article in the WORLD REVIEW pointed out: In 1982, the economic recovery which the West had long been expecting did not appear. On the contrary, the crisis has

expanded and greatly developed in large parts of the world. While European countries are experiencing serious economic difficulties, China, through the adoption of a comparatively flexible policy, has managed to achieve great accomplishments in the field of agriculture and its industrial departments have become increasingly vigorous and active. The AGENCE FRANCE-PRESSE, in a telegram reporting on an estimate made by international financial circles on the growth of China's reserves of gold and foreign currencies, said that in the people's opinion China is one of the few developing countries which has not felt the ill-effects of the crisis and the shortage of circulation funds seen in Third World countries.

This striking contrast has confronted us with a problem which is well worth deep thinking: How is it that while certain socialist countries and the vast number of the Third World countries cannot escape from the influences of the world economic crisis, China, being both a socialist country and a country of the Third World, has managed to steer its economy triumphantly through the violent storms of the world's economic crisis to achieve growth and development? First, this must be attributed to the superiority of the socialist system of our country. It is because the purpose of socialist production is, basically speaking, to fulfill the continuously increasing demands in people's material life and spiritual life. The contradiction, in which production is to be expanded on the one hand, while there is insufficient demand backed by the ability to pay on the other, does not exist. Hence, there does not exist any basis for the growth of the serious state of overproduction customarily found in Western capitalist countries. Nevertheless, it must be conceded that replacing the capitalist private ownership system with the socialist public ownership system only provides the possibility of avoiding the effects of the economic crisis. But what is possible may not necessarily be realized. Thus, a situation may develop in which serious errors in policy may lead to the eruption of an economic crisis within a country or put it in difficulties, or prevent it from escaping the effects of the world's economic crisis. It is clear that in order to realize the possibility of avoiding the effects of an economic crisis and thus truly display the superiority of the socialist system, it is still necessary to adopt and carry out correct guidelines and policies which conform to the national conditions of our country. Our country's healthy economic development may be traced precisely to the formulation and implementation, since the 3d Plenary Session of the 11th CPC Central Committee, of correct lines, principles and policies which conform to the national conditions of our country. The basic points may be summarized as follows: Based on the demand for the development of the productive force, necessary readjustment and reform of production relations and the "upper-level" structure have been made; continuous improvement of the control over the national economy has been carried out; firm insistence has been maintained on implementation of the policy calling for independence, autonomy, self-reliance and regeneration, stressing construction and food for everybody, and putting planned economy first and regulation by market mechanism supplementary; the various relationships between agriculture, light industry and heavy industry, between accumulation and consumption, and between the central government and the localities have been handled correctly; the interests of the state, the collective and the individual

have been cemented; the enthusiasm and incentive of the various sectors have been fully aroused; and the benign cycle of the national economy and its healthy development have been maintained and safeguarded. Precisely because of all these factors, our socialist system has evolved a new and strong vitality and the national economy has achieved an outstanding and stabilized development. It should also be realized that our country possesses the enormous force of regeneration and self-reliance and not only has an independent and relatively integrated and complete industrial system but also a vast domestic market of 1 billion people. It is true that our per capita purchasing power is not large but, taken as a whole, potentials are enormous and can resist partial difficulties occasioned by outside factors. In particular, our country has adopted the open-door policy built on a firm foundation of independence, autonomy, regeneration and self-reliance. On the one hand, we can make full use of international resources and international markets while, on the other, we hold in our own hands the initiative in all international economic intercourse and relations. Non-dependence on foreign resources or foreign markets can further enable us to guard against any serious influence from capitalist economic crisis or other forms of economic disorder.

The current world economic situation provides the text for a very fruitful lesson. It clearly demonstrates that our socialist system, our planned economy, and the series of guidelines and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee have withstood the tests of the turbulent world economic situation. In the midst of an all-round depression in the capitalist world, our socialist economy has blossomed. This fact alone has greatly stimulated our sense of dignity and pride. We have full confidence in the lustrous prospects of our economic development and the bright future of the socialist modernization program. In order to strive for this future, let us all devote arduous efforts and make even greater contributions.

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PAY SPECIAL ATTENTION TO THE INITIATIVE OF THE MASSES IN HISTORY

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[Article by He Wei [0419 0787]]

[Text] In one of his letters, Marx highly praised the 1871 uprising of the Paris Commune: "What elasticity, what historical initiative, what a capacity for sacrifice in these Parisians!" ("Selected Works of Marx and Engels," Vol 4, p 392) Lenin pointed out: "Marx valued most the historical initiative of the masses." ("Selected Works of Lenin," Vol 1, p 688) It is unquestionable that respecting the initiative of the masses should become a basic standpoint of all our work in the building of socialist modernization.

Historical activities are the cause of the masses. Although the slave owner, landlord and bourgeois classes did make glorious achievements in the slave, feudal and capitalist societies, in the final analysis, it is the slaves, peasants and workers who are the creators of history. As the initial stage of communism, socialism has ushered in a great epoch that the masses have, under the leadership of the Communist Party, become masters of the country for the first time. The reason why socialism is invincible and has unlimited vitality is that it is a brand-new society built up for the first time by thousands upon thousands of laborers, which have managed and solved by themselves all kinds of difficult problems in the course of progress, and not by a minority of people. Only when the majority of people, that is, the majority of workers, peasants and intellectuals, have manifested their independent creative spirit, and their full consciousness and responsibility, can the cause of socialism rapidly advance forward and form a mighty historical current of mass character with more and more inhabitants converging. When all members of society have become common conscious masters of history, due to the development of social productive force and the heightening of communist consciousness, the gate of the higher stage of communism will then be widely opened. As the masses become masters of society, the law of nature and social development will also increasingly be realized and mastered. The historical initiative of millions of masses is the principal guarantee for effecting the profound social change and constantly increasing labor productivity. As Lenin pointed out: "In the final analysis, the reason why our revolution can surpass all other revolutions is that we have, through the Soviet political

power, mobilized millions of people, who were indifferent to state construction in the past, to actively participate in our construction." ("Selected Works of Lenin," Vol 4, p 383) It was precisely on such significance that Lenin regarded the vigorous creativity of the masses as the basic factor of the new society.

In the long term of revolutionary struggles, our party has established profound feelings and close ties with the people of all nationalities of China, and systematically applied the principle of Marxism on the masses as creators of history of all its activities, created and constantly enriched the fine tradition, fine style and work method, which has the characteristics of Chinese communists and the mass line. In between, the party solved two basic problems which were related to each other. First, unswervingly have faith in and rely on the initiative, enthusiasm and creativity of the masses; and second, the labor masses, including the working class, cannot spontaneously step on the road of socialism; therefore, tirelessly imbuing the masses with Marxism and giving full play to the leading role of the party politically, ideologically and organizationally has great significance at all times. Without the party's fine tradition, fine style and work method, which is of a mass line character, and without its integration with all the specific work at various revolutionary periods, there would be no victories in the new democratic revolution, socialist revolution and socialist construction in China.

After our party became a political party in power, its position changed. Objectively, this caused a possibility, that is, some comrades easily overestimated their role. They did not pay attention to learning from the masses or listening attentively to the voice of practice, which resulted in commandism, favoritism and monopolizing all undertakings. The party led the people solely to serve them and in accordance with the interests, wishes and conscious level of the masses, and formulated and implemented the correct line, principle and policies. The masses understood and accepted party leadership not through administrative orders, but through actual facts and their own personal experiences. By assuming leadership posts, it does not mean that we have acquired the necessary knowledge and experience, what is more, we cannot perform correct leadership by depending on the experience of leaders alone, as Stalin pointed out: "It is imperative to enrich the experience of leaders with the experience of the masses of party members, the working class, the labor masses and the so-called 'unimportant persons.'" ("Defects in Party Work and Measures for the Liquidation of Trotskyites and Other Double-Dealers")

For years, the "leftist" guiding ideology, which prominently manifested in the relations between the party and the masses, provided us with major historical lessons. The principle, policies, measures and methods determined under the "leftist" guiding ideology did not originate from the creation of the masses, nor are they based on consciousness. On the contrary, they were subjectively formulated by the best of our intentions and under the conditions of being divorced from social practice and the masses, and once they were formulated, we adopted the methods of issuing administrative orders, imposing uniformity and compelling its implementation

irrespective of the specific time, locality and condition. As a result, its scale was grand and spectacular in appearance, but in fact the initiative spirit of the masses was suppressed and fettered, which caused a loss to the party, state and people. We have sometimes forgotten the general and classic thesis of Marxism, that is, "the proletariat can and must emancipate itself." A hallmark distinguishing the Communist Party from all other political parties is to have very close ties with the masses of people. Only when we rely on the people, firmly believe that the creative power of the masses of people is infinite and become one with the people can we become invincible. In order to maintain close ties with the masses, we must proceed from the needs of the masses in accordance with their wishes. Comrade Mao Zedong pointed out: "Unless the masses are conscious and willing, any kind of work that requires their participation will turn out to be a mere formality and will fail." ("Selected Works of Mao Zedong," Vol 3, p 961) Comrade Liu Shaoqi also said: "In the struggle for the emancipation of the people, a communist should act and can only act as a leader or guide of the masses of the people. He should not and cannot act as a 'hero,' taking the place of the people in the task of conquering the world." ("Selected Works of Liu Shaoqi," Vol 1, p 352) When the masses are not yet conscious, the party's work should be to enlighten the consciousness of the masses; after the masses possess certain necessary consciousness, our responsibility is to guide the masses in getting organized and going into action, and further enlightening their consciousness to a higher level. If, in addition to the above, we require "some more," all mistakes may arise therefrom. This basic experience of our party was also more or less forgotten by our comrades.

Since the downfall of the "gang of four," particularly since the 3d Plenary Session of the 11th CPC Central Committee, one of the most distinct progressions made in the party's work was that we have, under the new historical condition, restored and carried forward the fine tradition and style which is of a mass line character and genuinely adhered to the work method of from the masses, to the masses. The party's line, principle and policies centrally reflected the interests, wishes and conscious level of the people, of which the core is to fully respect the initiative spirit of the masses and give full play to their consciousness and enthusiasm. There were no stiff rules or rigid dogma for various concrete work here. Whether it was the principle and policies issued by the CPC Central Committee, or typical models and advanced experience that had universal significance, the localities were not required to mechanically copy them, but to implement and popularize them in integration with their practical conditions. The correctness and wisdom of the party was shown in taking drastic measures to end the method of "utilizing the masses in the mass movement," and making efforts to raise the consciousness of the people, and helping them to free themselves from all kinds of shackles, including the spiritual shackles from the exploiting classes, the spiritual shackles formed by making our understanding rigid and absolute and the spiritual shackles caused by the "leftist" guiding ideology in our work, and to let the people emancipate themselves. Our cause could have a brand-new aspect in a short period of time because the 1 billion people had the correct direction and were completely freed; as masters of the country they genuinely plunged into the new creation and their wisdom and ability burst like a volcano.

One of the most obvious examples is the destiny of the various forms of the agricultural production responsibility system. Early in the difficult economic period from 1959-1961, the peasants of some localities started to practice the methods of responsible fields or other similar kinds. They divided up the land and assigned cultivation to the peasants, so as to ensure the supply of their minimum grain ration. In places where these methods were practiced, rural life was rapidly stabilized and production resumed. However, because the "leftist" mistake in the guiding ideology of economic work was not thoroughly corrected, which, although these methods aroused the attention of some leading comrades, they were not correctly reflected in the party's policy decision, and properly summed up and popularized, but were regarded as "capitalist" stuff and instead repudiated. In order to solve the problem of agriculture, we carried out all kinds of investigation, but we must admit that over a long time in the past we failed to find an effective solution. When the peasants started to carry out promising investigations, we again failed to sum up their useful creation in a timely manner and with a scientific attitude.

It is history, the masses and the positive and negative experiences of practice that have educated us. The 3d Plenary Session of the 11th CPC Central Committee put forward the following principle: Emancipate the minds, seek truth from facts, unite as one and advance forward, and emphasized that it was essential to fully arouse the production initiative of the cadres and laborers, and above all, to arouse the socialist initiative of the several million peasants. In line with this guiding ideology, the session formulated a draft decision on the acceleration of agricultural development and revised the draft regulations on the work of rural people's communes for trial implementation. These two documents demanded to ensure the decisionmaking rights of communes and brigades, conscientiously practice the principle of distribution according to labor, establish a strict production responsibility system, fix a target for work to work teams, determine payment according to output and reward the overfulfillment of output. However, the system of fixing output quotas for each household was forbidden. The 4th Plenary Session of the 11th CPC Central Committee held in September 1979 formally adopted the decision on accelerating agricultural development, which was an advance made over the draft of the previous year. The decision stipulated that, in remote mountainous areas, because of the special needs of certain sideline occupations and in places not conveniently located where there are only single households, the system of fixing output quotas for each household could be practiced. A precedent was then created. In September 1980, the CPC Central Committee held a forum attended by the first secretaries of the CPC committees of all provinces, municipalities and autonomous regions, which further summed up the experiences of the year and put forward the task of regarding the strengthening and perfecting of the production responsibility system as the central link for consolidating the collective economy and developing agricultural production. The forum affirmed the various forms of the responsibility system, but allowed the system of fixing output quotas for individual households and assigning land to each household in exchange for fixed levies to be practiced only in the outlying mountainous areas and poverty-stricken areas. The most convincing thing was the creative practice

of the peasants. There was an Xiaogang production team, which was in a most serious situation, in the poorest Liyuan commune of Fengyang County, Anhui Province. In 1979, when the commune implemented the contract system in an all-round way, this production team started to practice the system of fixing output quotas for individual households. The year-end accounts indicated that the total output of grain of the whole commune increased by 100 percent over the previous year, edible oil by 800 percent and net income from agriculture and sideline occupation by 200 percent; whereas the average grain output per head of Xiaogang production team was 200 jin more than the average per head of the commune and edible oil was 200 percent more than the commune average.

In the course of implementing the production responsibility system, there was often such a situation: When some of our cadres were lagging behind the situation for the time being, or even taking a doubtful and wait-and-see attitude toward the party's agricultural economic policies, the peasant masses were already advancing ahead of them. If a place makes achievements in implementing the production responsibility system, news of its experience will travel fast. The neighborhoods will first learn of the experience and then spread it further. The peasant masses try to overtake each other in friendly emulation and replenish and enrich the experience already gained by integrating it with their own conditions. When the leading organs went down to conduct investigation and after discovering that it was indeed effective, they then popularized the system in a much wider scale. Lenin said: "A fresh, vigorous and mighty movement of the masses themselves is sweeping aside as worthless rubbish the artificial formulas hatched in government offices, and marches on and on." ("Collected Works of Lenin," Vol 18, p 518) It is precisely the influence of the masses that changed the outdated ideas in the minds of some of our comrades and also gradually opened up a new phase in a number of places. The new creations of the masses were soon discovered by the CPC Central Committee and affirmed in the documents of the CPC Central Committee. On 1 January 1982, the summary of the national rural work conference, commented on and transmitted by the CPC Central Committee, pointed out that the various forms of the responsibility system practiced at the time, including the systems of contracting specialized jobs with payment according to output, fixing output quotas for individual households, assigning land to each household in exchange for fixed levies and so on, were all production responsibility systems of the socialist collective economy. Provided the masses do not want to make changes, whatever form they may be, we must not make any alterations. The summary of the national rural work conference demanded that leading cadres at all levels learn from practice and the masses with painstaking efforts, respect the initiative spirit of the masses and genuinely act in line with circumstances. After the transmission of this document, the production responsibility system was further developed. The report to the 12th CPC Congress, which concentrated the aspirations of the masses, clearly pointed out: "The production responsibility system set up in various forms in the countryside in recent years has further emancipated the productive forces and must be adhered to for a long time to come. The thing for us to do is to gradually perfect it on the basis of summing up the practical experience of the masses. In no case

must we make rash changes against the will of the masses, and still less must we backtrack." The peasants say that it is the 12th CPC Congress that has made them prosper and they deeply feel that their hearts are closely linked with the party.

The development of the production responsibility system raises a problem before us, that is, how should we treat the peasants at the present stage of China? We have no reason to regard the peasants as being more advanced than the workers and intellectuals. Similarly, we have no reason to deny the tremendous progress they have made. In the decades of revolutionary struggle, the peasants of China have fought shoulder to shoulder with the working class and have devoted their fine sons and daughters to the building and consolidation of new China. They have accepted the leadership and received education from the party over a long time and have profoundly realized that their destiny can only be closely linked with the CPC. After the accomplishment of the socialist transformation of agriculture, they have become new peasants under the cooperative system. However, this does not mean that the peasants have all been raised to the level of the working class. The influence of small production, private ownership, feudalism and capitalism are still affecting them. Therefore, we still have to conduct a great deal of work, including ideological and political work. Viewed from the principal aspect, we cannot equate the peasants of today with those regarded as small producers in the old society. During the "Great Cultural Revolution," we regarded one of Lenin's quotations on practicing the new economic policy as applicable to socialist China, that every day and hour, small production frequently and spontaneously produces large numbers of capitalists and bourgeoisie. In the course of setting things right, we corrected this viewpoint. The fact at present is, every day and hour, our peasants are frequently creating socialist new things. Why could we not see such creativity of the peasants in the past? It was mainly because they were bound by the erroneous ideas of "left" deviation. The peasants say, we have been farming for several generations, now we are not likely to know how to do it. There is only one man in the county who knows farming, that is, the so-and-so secretary. He gives orders on when to sow, water and apply fertilizer. How can we talk about the enthusiasm of the masses in this way? The implementation of the spirit of the 3d Plenary Session of the 11th CPC Central Committee raised the consciousness of the peasants to an extreme, aroused their enthusiasm and initiative, created the various forms of the production responsibility system and opened up a specific path for agricultural cooperation which was suited to the national conditions of our country.

At present, the historical initiative of the masses has been and is being brought into full play, not only in rural areas, but also at various fronts, fields and work. The history of our party's work since the 3d Plenary Session of the 11th CPC Central Committee is the history of fully respecting the initiative spirit of the masses. It is the core of our party's line, principle and policies to attach importance to the historical initiative of the masses and is the basis of all our work. It is the masses themselves who have created many new things and, after proved effective in practice, the party summed up these experiences of the masses,

raised and properly arranged them, and formulated the correct principle and policies. While carrying out these principle and policies, the party still emphasized respecting the wishes of the masses, fully considered the different circumstances in different localities, provided conditions and opened up a vast field for the masses to continue to exert their creativity. Creation, summarization, again creation, and again summarization. This repeating process is a process of new things constantly emerging and having more and more vitality, and also a process of the historical initiative of the masses being increasingly raised and the line, principle and policies of the party being increasingly perfected. The leading comrades of the CPC Central Committee have set examples in going deep into the masses and conducting investigations and studies. Enlightened by the masses, many local and departmental comrades have also constantly deepened and enriched their understanding and made achievements. As for the problems which occurred in local work, it is definite that they have deviated from the line, principle and policies of the CPC Central Committee and fettered and disrespected the creative spirit of the masses.

The epoch of socialism is one which has been in existence since the beginning of history and reflects the radiance of the historical initiative of the masses. We have won great victories in the past by valuing the historical initiative of the masses. We must also strive to create a new situation in all fields of socialist modernization and in this way win greater victories.

CSO: 4004/25

HAVING FAITH IN THE MASSES AND DEPENDENCE ON THEM IS THE ESSENCE OF
EMANCIPATING THE MIND

Beijing RED FLAG in Chinese No 3, 1 Feb 83 pp 31-33

[Article by Shi Youxin [2457 0645 2946]]

[Text] Emancipation of the mind does not come as one wishes nor is it merely indulging in fantasy. It means that under the guidance of correct ideology a breakthrough of the ossified or semioossified way of thinking is made; that everything must start from reality; that theory must be related to reality; that it is important to be practical and realistic; and that the subjective must correspond to the objective. In order to achieve this, we must have faith in the masses and dependence on them.

In society, the masses are the masters of history. Their actual activities constitute the major embodiment of social life. In this context, what we customarily talk about as objective reality principally refers to the actual activities and the results of the masses of people transforming nature and transforming the social structure. Hence, in order to be practical and realistic and so the subjective conforms to the objective, we must be able to reflect the rules and essence of the activities of the masses of people in transforming the objective world. Speaking from the standpoint of socialist revolution and construction, in formulating a correct guideline and policy, we must go deep into the masses, participate in their practices, listen to their views, sum up their experiences, and discover their creations. Comrade Mao Zedong said: "Correct leadership comes from the people and goes to the people." ("Selected Works of Mao Zedong," Vol 3, p 854) What he said precisely explains the above.

In the past we committed errors on many problems and caused many losses. The important reason was that we did not have faith in the masses and depend on them. In the past, when we committed "leftist" errors, we frequently ascribed it to the mass line. This was not really having faith in and dependence on the masses. In reality, we only "mobilized the masses" in accordance with our subjective wishes. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has been able to rapidly overcome "leftist" ideology and to score great successes in bringing order out of chaos. This may basically be ascribed to the results of restoring and displaying the superior tradition of the

party's mass line, really having faith in and dependence on the masses, respecting the creative spirit of the masses and taking the actual practices of the masses as the basis for the formulation of lines, guiding principles and policies. It is precisely because of this that today our party has gained a relatively complete and correct understanding of the laws governing socialist construction. Naturally, this is not the end of this understanding, and there still necessarily exist many "kingdoms" of unknown knowledge. Nevertheless, if only we can firmly insist on going into the masses and going into realities, we can surely discover a road to the building of socialism which conforms to our national conditions.

The important problem of having faith in and dependence on the masses has not been really comprehended by all comrades. Certain comrades, after having become cadres and obtaining their seats in the government organs, soon produce an air of bureaucratism. Although they do talk a lot about the mass line, in reality they rejoice in sitting high above, do not investigate or research, but become accustomed to "drawing circles," writing instructions on reports, and issuing orders. Although they frequently claim to have faith in the masses and dependence on them, yet when they tackle problems and are really working, they hardly think of the masses. They may even go to the extent of being extremely bureaucratic, repressing and suppressing the masses. They may be in the habit of asking other people to respect the creativeness of the masses, but they themselves do not study the new conditions or new problems. While the conditions have already changed, they still persist in following old experiences and old practices in their work. Or, they may actually behave like an "official messenger or dispatcher" and transmit in entirety documents from above. When orders from above do not agree with their wishes, they may hesitate and delay making any decision or giving direction. The result is that the farther they go from reality and from the masses, the more ossified their thoughts become and the more adamant they become in insisting on established practices. It may be definitely said that if a leadership cadre does not go into the masses and carefully investigate and study the new experiences and creations of the masses, then he will be unable to be practical and realistic and to achieve the emancipation of the mind and he cannot become a good leader.

Entering deep into the masses to conduct investigation and research is important not only to the cadres of organizations, particularly the leadership cadres, but also to comrades doing theoretical work. It is good that comrades doing theoretical work are willing to study books and use their brains but there is one weak point, and that is that they have comparatively little understanding, or even none at all, of the actual situation. Hence, their views concerning certain problems and their analysis and judgment cannot escape being subjective, one-sided and superficial and going from abstraction to abstraction. Unfortunately, some of our comrades, contented with the abstract theory of dealing in generalities, would just sit tight and air their views in the belief that it was emancipation of the mind. In reality, this was cutting oneself off from the masses and from reality. Real knowledge is hardly obtainable in this way; this was not real emancipation of the mind.

Making a deep and real investigation and study and having deep faith in the masses and dependence on them is not only a problem of the method of work but also a problem of theory of knowledge or of the line of thought. The Marxist theory of knowledge is a theory of practice. Practice is the foundation, source and motive power of knowledge. The basic embodiment of practice is the struggle of the masses to transform the objective world. If practice is alienated from the masses, then human knowledge will become water without a source and wood without an origin. Our party's mass line is completely in line with the Marxist theory of knowledge and is the concrete manifestation of precisely this type of scientific theory of knowledge in actual work. Our party's knowledge of objective things has been derived from a recurring process of coming from and going to the masses. And this process is just the evolvement from not knowing to knowing, from knowing relatively little to knowing relatively more, and ultimately to completion of the entire process of attaining relatively complete knowledge. During the period of democratic revolution, our party firmly insisted on adopting the mass line, had firm faith in and depended on the masses, and emerged triumphantly from the revolution. Compared with democratic revolution, socialist revolution and construction are much more complex and difficult. No past experiences of success are available to follow. Hence, to understand and grasp the relevant laws governing them, it is necessary to go deep into the masses and to take advantage of the actual practices of the masses to enrich, strengthen and develop our own understanding. Comrade Mao Zedong once said to Comrade Zhang Wentian that at times he had no idea how to handle a certain situation. He would feel deeply dejected but upon contacting the populace and contacting cadres at the grassroots level he could soon conceive an idea for solution and he would feel relaxed. (Zhang Wentian: "Notes on Return From a Trip," GUANGMING RIBAO, 16 November 1982) This is not only talk about past experiences but also denotes the truth of knowing objective things. Hence, it may be said that having faith in the masses and depending on them is the basis for the emancipation of the mind. The closer the approach to the masses, the greater is the emancipation of the mind. Alienation from the masses will surely ossify the mind.

Naturally, all that has been said above is not opposed to the study of books. On the contrary, all along the party has repeatedly promoted and encouraged an earnest study of books. Books contain an accumulation of past knowledge and a summing up of past experiences. People can absorb wisdom and strength from them. Without the study of books, one lacks the guidance of theories and is liable to fall into the bondage of old customs and subjective prejudices. It would also be difficult to discover in time the creativeness of the masses and to correctly sum up the new experiences of the masses. This is also a kind of ossification of the mind.

On this problem of emancipation of the mind, certain foolish views have been found. Recently, a relatively popular saying is as follows: Criticism of the "left" helps in emancipation of the mind whereas criticism of the right hinders it. In reality, this is an erroneous interpretation of the emancipation of the mind. The manifestation of "left" or right is a rather complex affair. Both of them constitute an erroneous trend of thought emerging and branching out from the same knowledge basis and both are based

on an erroneous estimation of the objective conditions. In other words, both of them are the results of a split between the subjective and the objective and of knowledge and practice breaking away from each other. Judging from the present conditions in general, the "left" will not dare to break through the bondage of the "Cultural Revolution" and the "leftist" errors before it and demand the return to the original "leftist" pattern of the past. As for the right, it frequently puts up the old rules of liberalization of the capitalist class and demands the return to the former road of the capitalist class. Criticism of the "left" and criticism of the right both aim at making the subjective and the objective conform to each other, except that they proceed from different angles in the struggles.

That criticism of the "left" helps in emancipation of the mind can be more readily understood and accepted by people who have for so many years suffered from the hardships inflicted by the "left." That criticism of the right also helps in emancipation of the mind may not be so readily understood by the people. In solving this entangled problem, we should honestly turn to learning from actual practices. For example, when the responsibility system in agricultural production was first implemented, a minority portion of the peasants wanted to return to the road of petty economy in old China. But the countryside already possesses productive forces which are socialized to a certain extent and the cultural and technical level and the management experiences of the peasants and cadres have all improved and they are increasingly asserting their role. Under such conditions, it is manifestly impossible to return to the old road. It was for this reason that in some localities the majority of the masses, after having tried out their wishes for a period of time, became convinced and decided to return to the road of the production responsibility system. This serves to illustrate that repetition of the "left" pattern will not do while trying out the pattern of the right will not do either. At present, our party is engaged in continuously liquidating the errors of the "left," and is also in the process of rectifying the errors of the right. It has firmly insisted on adoption of the four basic principles and advocated the construction of socialism which has China's special features, and, under the new historical conditions, close adherence to Marxism and Mao Zedong Thought. The new contributions made by our party since the 3d Plenary Session of the 11th CPC Central Committee have indeed been a true manifestation of the emancipation of the mind.

The broad masses of the people are creating new things every hour and every minute. Every day, actual practices are in a state of constant change and development. Today we may have acquired an understanding of certain things, but after having been alienated from the masses, or from reality, for a year, or half a year, or for several months, our mind may have again become ossified. Only by having full faith in and dependence on the masses and insisting on penetrating deep into actual investigation and study can we achieve the continuous emancipation of the mind, be capable of being practical and realistic, and contribute in an overall manner to the creation of a new situation in modernization.

CSO: 4004/25

SEVERAL INCIDENTS SHOWING MARX' CONCERN WITH SCIENCE AND TECHNOLOGY

Beijing RED FLAG in Chinese No 3, 1 Feb 83 p 33

[Article by Zhao Yun [2600 0061]]

[Text] Throughout his whole life Marx was especially interested in each and every new accomplishment in science and technology. In his opinion, they constituted an enormous revolutionary force. In 1950, Marx saw a model of a new electric locomotive. Extremely excited, he remarked: "This development will certainly produce immeasurable results." Since the extensive use of electric power in industrial production and in communication and transportation brings about a great development in production and a rapid increase in communication and transportation capacity, it is inevitable that vast social changes will follow. This was the reason for the rather high evaluation given by Marx. Before the publication of Darwin's compilation "The Source of Things," Marx already held a high estimation of Darwin's contributions. After Darwin subsequently made known to the world the results of his research work, Darwin and his discovery of the revolutionary force were the topics of talk between Marx and his friends, including (Li-bo-ke-nei-xi) [2621 0592 0355 6007] and other people. In Marx' conversations with other people, the names of other scientists like (Mo-lai-xiao-te) [2302 5475 5135 3676], (Li-be-xi) [2621 3024 1585], and (He-xu-li) [6378 5171 7812] were frequently mentioned. This showed that Marx was well acquainted and deeply concerned with the scientists and that he highly regarded scientific and technical accomplishments.

Science and technology provide the key to the realization of socialist modernization. Our leadership cadres at various levels must follow Marx' example of showing deep concern with the development of science and technology and should in actual work allow the scientific and technical personnel to fully display their role so as to make the necessary contributions for the well-being of the state and the happiness of the people.

CSO: 4004/25

READING 'WREATH UNDER A HIGH MOUNTAIN'

Beijing RED FLAG in Chinese No 3, 1 Feb 83 p 34

[Literature commentary by Ding Lin [0002 3781]]

[Text] I have read recently "Wreath Under a High Mountain" as well as a commentary by Comrade Fong Mu and an article by the writer himself on what he gained from the literary creation.

I did not shed tears after I finished reading the story. I liked to cry when I was in my childhood and when I was young. Tears would run down my cheeks at even a trivial matter. However, no tears came to my eyes this time, but that did not mean that I was not moved. Not long ago, Jiang Feng passed away. Standing in front of his remains, I felt extremely bad but not a tear did I shed.

I am indeed very happy to have read this story. I do not think this story is a very successful one, but it is indeed a piece of good work. Considering the present creative work, it broadens one's mind by reading this story. This is the sort of work we are after. Its characters are the sort of characters we would like to have. They are our own people. That is why I feel so delighted and tremendously delighted--because we have good stories again. It is the victory of revolutionary realism. The developing process of literary creation these past few years is the inevitability of history, which cannot be done without. Even though some of the works have heaped abuses on many people, it is not without reason that they do so, for there are some people who do deserve those abuses. We feel good to hear them cursed. There are stories I do not enjoy reading, not because they have cursed some of our cadres. There are some people who deserve that! I honestly do not like "Fairy Tales of the Winter." How can it be written without any sense of beauty? I enjoy reading works that have a touch of beauty. Though it has exposed characters like Hojing, I am not in favor of its general tendency. If all of our writers share such spirits, then our creative work will be in danger. There are many hideous things in this world. Writers can and should try to expose them, but writers themselves should have chaste spirits. They should have chaste hearts together with lofty ideals and styles; otherwise, how can they accomplish works that are splendid?! "Wreath Under a High Mountain" is well written because it not only exposes unhealthy tendencies, what is more, it sings

the praises of a whole lot of heroic figures such as Liang Sanxi, Jin Kailai, the "Beijing" fighter, Zhao Mengsheng, Army Commander Lei, Aunt Liang and Han Yuxiu. The writer described them with a beautiful heart. That is why I like it.

I am afraid that what is most inadequate about this novelette is that the writer has not written all that should be written. He has not made sufficient elaboration. He must have feared that an attempt at a novel would be unsuccessful. Therefore, he worked out such a medium-length one. Nevertheless, taking its contents into account, it should have been developed into a novel. It should very well be further expanded. This writer is quite discreet and he is right to be like that because he is only 30 or so years old. He was afraid that once he carried the story forward, he might not do a better job. Therefore, he kept himself in check and worked it out to be a novelette. He should further the story with a more vigorous pen and thicker ink. I do indeed want to read more of the deeds of the general who tosses his cap. It is a pity that I cannot. He makes his appearance on the stage for a while, saying a few words, and this is really far from enough. Figures such as this should be well elaborated. Among people who belong to the same generation as the general who tosses his cap, there are some who are bent on seeking interests for their sons and daughters, but there are also some who are not. In our literary works, we can, of course, depict those "dutiful sons" who are bent on seeking interests for their sons and daughters, yet we cannot just keep our eye on these people. We should also depict well figures like Army Commander Lei! As for the mother, in fact, more can be written about her. The novelette draws to an end in a perfunctory manner. The writer failed to give us a clear picture of how miserably the mother felt, how she was ashamed of herself and in what way was she conscience-stricken. The writer left all these points untouched, which makes her a blurred image. The same thing applies to the other figures in the work. I feel they should all be further elaborated, especially figures like that "Beijing" fighter. He wins our fondness. But the fact that he dies young and suddenly has indeed let the readers down.

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REALITY, IDEALS AND HEROES--ON 'WREATH UNDER A HIGH MOUNTAIN'

Beijing RED FLAG in Chinese No 3, 1 Feb 83 pp 35-36

[Article by Wang Youqin [3769 0645 3830]]

[Text] The medium-length novel "Wreath Under a High Mountain" is widely popular. Praises have swarmed in from writers, critics as well as common readers. Many people have been moved to tears.

Why has it achieved such a success?

Its characteristics of directly confronting the contradictions of reality will merit our attention first. "Wreath" depicts battlefield scenes. It depicts the fierceness and cruelty of warfare--a deep-thrust battle, storming and capturing a position and, what is more, getting a bundle of sugarcane at the cost of laying down one's most precious life. "Wreath" depicts the life of the Liberation Army units, yet it does not conceal the unhealthy tendencies in the army units: the "curvilinear transference," and even "going through the back door" turn out to be heading valiantly for the bloodshedding battlefield after all. "Wreath" depicts the differences in the ways of thinking between the sons of generals and the sons of peasants who serve alike in the company. "Wreath" depicts grannies and sisters in the countryside without concealing the disaster inflicted on them by the 10 years' catastrophe.

Real life is full of contradictions and conflicts. It is filled with the struggle between the positive side and the negative side. "Wreath," when depicting the contradictions of reality, maintains a strictly critical attitude toward the negative side of life. It shows the author's strong sense of responsibility and morality for society and makes it easier to attract readers and strike the chord of response in their hearts, which in a way starts them to think more deeply about life and pay closer attention to it. Writers should not hide themselves from the contradictions of reality, nor should they keep themselves far away from the joys and sorrows of the people. We can have a deeper understanding of the truth from the success of "Wreath."

However, the novel is not just a simple record of the reality of life. A novel is life shown by a writer which is inculcated with his beliefs,

feelings and his aesthetic standards. It usually reflects a specific feature of life in a relatively focusing way. Without such inculcation and concentration, it will be difficult to enter into the state of literary creation. At the same time, different aesthetic styles of novels come into being because of such inculcation and concentration. In recent years, a great number of novels have taken great pains to depict life realistically, to reflect the contradictions of reality, and they have made remarkable achievements. These novels reveal the mental scars that the 10 years' catastrophe has inflicted upon people, and through exploring the destiny of individuals, make a profound reflection on history and make a deep or shallow perspective of problems that have popped up in the course of our country's construction of modernization. Though "Wreath" has not made any further breakthroughs in this respect, it spares no effort in picturing the beautiful and magnificent feelings of our times and our nation as well as the lofty and just actions and the dear people, and it is quite successful in this respect. This is a novel overflow with revolutionary heroism. Its style is lofty and full of ideals, just like what is said at the end of the novel: "The most splendid stone in this world and the most eye-dazzling colors are all collected under this towering green mountain." We can also maintain that the writer has put them together. "Wreath" is not only a new fruit of creation in making military affairs the subject theme, it has also vigorously opened up a new horizon in aesthetic style. This is something refreshing about "Wreath."

We need ideals. Though the 10 years' catastrophe has disillusioned our beautiful dreams, yet the great historical turning point of these 6 years has again kindled the sparkles of ideal buried deep in people's hearts. The broad mass of people, especially the young people, cherish a lofty and rosy life and they look forward to a road that will lead them to be heroes. These yearnings constitute the psychological basis on which a strong response is aroused from readers of "Wreath." In this respect, the law of literature is the same as the law of physics--the nearer the intrinsic frequency is, the easier it is to have "resonance."

"Wreath" displays before us a lofty and gorgeous picture of the state of life; in it is a panorama of heroes which shine with the brilliance of ideal: the company leader of the Dagger Company, Liang Sanxi, and the deputy company leader, Jin Kailai; Army Commander Lei and his son Xue Kaihua; Granny Liang from the old liberation area of Nimeng Mountain; Han Yuxiu and the awakened Zhao Mengshen, son of a high-ranking cadre.... They have gone through the hardship of life, the mist and dust of history and the trial of cannonballs and are approaching us. We admire heroes because we need examples to follow. We need guidance to arouse our courage and strength to live. They are just ordinary human beings like us. They bear the strongest sense of responsibility for the motherland and the people. They are valiant and indomitable and understanding. They love and help each other and are self-sacrificing. Their characters strongly contrast with the wretchedness and disgrace of an indifferent, base and trivial, selfish and timid life. They enable us to see the height of life which is attainable by people as ordinary as we are, arousing in our hearts the keen aspiration to catch up. The writer's overwhelming fervor and his

interesting narrative of the episodes of life, which are shown with brilliance and are heart-racking, make up the splendid artistic state of "Wreath."

"Wreath" boldly manifests the contradictions of reality, providing the heroic figures with a reliable background of activities. In "Wreath" the hardship of life merges with the heroes' valiance and strength of overcoming hardship, displaying a sort of heroic and indomitable beauty. It should be admitted that the special environment of the battlefield has supplied the novel with favorable conditions for playing up the soul-stirring scenes and expressing vehement emotions, yet it is not that every novel with a war theme can be so vividly and solidly written. When depicting heroes, "Wreath" does not use hollow, "brave words." It describes the figures with concrete and unique plots. With these depictions, the writer has managed to unite the heroes' love for the motherland and the people with their love for their families, their sons and their wives. He has also managed to unite the spirit of sacrificing oneself for the country with the serious considerations of one's life's responsibility and prospect. This shows a relatively dialectic and fuller understanding of life. Thus, heroes in "Wreath" are comparatively warmer, more well-developed and more intact.

Heroes in "Wreath" possess both the traditional spiritual virtues as well as the distinguishing features of the time. They are a heroic generation as well as the thinking generation. Liang Sanxi and Jin Kailai are not simple-minded. They bear hardship and stand hard work, fight bravely and do not fear sacrifice. At the same time, they have their own views on a practical life. They have their own goals as well as principles for taking actions. The 21-year-old Xue Kaihua takes great pains to study modern military science. He makes profound criticism at "yesterday," yet he welcomes "tomorrow" with positive actions. He is the embodiment of the characteristics of the younger generation of army men.

There is another figure that deserves our attention. He is Zhao Mengshen, the storyteller in "Wreath." He is also a hero, yet he is different from Liang Sanxi. He is a hero growing into maturity in the blood and flame of battles. Zhao Mengsheng is the son of a general. The problems he has come upon are quite likely to be met with by many who are like him in the contemporary period. The war urges him to think over his attitude toward life and the road of life, as well as his relation with the people. He finally comes to realize: "There must still be something on earth which is worth more than money and power, which deserves me to treasure and seek after untiringly!" After the war, he remains on the forefront of the frontier defense, the result of his own choosing, which is both initiative and conscientiousness. This kind of thinking and exploratory spirit is the most valuable of the contemporary youth. The war has come to an end. Zhao Mengsheng stays behind in the mountains. He is determined to take a relatively lofty road of life. Nevertheless, is he able to persist till the end? The novel has made a significant hint: There are still many difficulties. It is not easy to persevere. It is true that there are always lots of difficulties on the road forward. However, the tide of life is

surging forward. It will cause more young people to overcome their own shortcomings and inadequacies and take the lofty road of doing one's bit for the course of the people.

Anyhow, the revolutionary heroism, the strong sense of responsibility and the valiant spirit of sacrificing for the motherland and the people shown by the heroic figures depicted by "Wreath" will turn into a huge mental force encouraging people to overcome difficulties and advance bravely.

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WRITERS AND ARTISTS ALSO HAVE TO ACQUIRE GREATER CULTURAL ACCOMPLISHMENT

Beijing RED FLAG in Chinese No 3, 1 Feb 83 pp 37-38

[Article by Xie Hong [6200 1347]]

[Text] Emphasizing that literary and art workers of the party should regard themselves as ordinary party members, Comrade Chen Yun pointed out that it was not easy to become "expert" in literary and artistic creation and that there was no end to the road to becoming "expert." This means that writers and artists are required to acquire greater cultural accomplishment.

In the past few years, it has been gratifying to see that a large number of young and middle-aged writers and artists have become key members of the literature and art contingent. They demonstrate the hope and future of China's literature and art through their excellent works which stem from the depth of life. But we should also notice that some young and middle-aged writers are feeling that their skills and ability are too low and the contents of their works are not rich. The fact is that their cultural accomplishment is bad. For example, their theoretical level is low and they are short of knowledge about social life and about science and culture. Under the guidance of directors, some young actors and actresses have played the role of "distinctive characters" in a vivid and dramatic manner, but they are not able to play a creative role. Although it is inevitable for such a situation to emerge in the growth of the literature and art contingent, the problem revealed is worthy of attention. Obviously, if writers and artists want to go forward and raise the quality of their works, they must strive to acquire greater cultural accomplishment besides strengthening their practice in life. It concerns the ideology and artistic achievements of these persons. Moreover, it is an important link for guaranteeing the healthy development of socialist literature and art.

Knowledge (including knowledge about social life and knowledge about science and culture) occupies a very important position in the composition of cultural accomplishment. Knowledge is man's valuable spiritual nourishment. Like blood nourishing the human body, it helps us to develop our ability in various fields. Bacon said: "Studying history makes one sensible, reading poems makes one elegant, studying mathematics makes one meticulous, studying science makes one deepgoing, studying theory makes

one serious and studying logic and rhetoric enables one to be good at reasoning." In other words, one is affected by what one learns. Literary and artistic creation is a kind of spiritual labor which propagates a large amount of knowledge among the people who are interested in it, and the role of knowledge is more important to writers and artists. Only by relying on knowledge can we understand human history and the whole features of social life to break away from the narrow space of an individual; only by relying on knowledge can we create artistic images which have historical depth and social compound. Mao Dun said that only when we had rich life and theoretical knowledge could we achieve success one way or another. Gorky maintained that literary and artistic creation comprised the most remarkable facts, image and detail drawn from the "stock of knowledge and impressions" and that it was summed up in the most striking, most vivid and most comprehensible artistic images and languages. If writers and artists only have a small stock of impressions and a small amount of knowledge, it is very difficult for them to create valuable works. If Wu Chengen had not been familiar with common customs, had not read some Buddhism and had a good knowledge of myths and legends and the ways of the world, he would not have been able to create Sun Wukong, who could go up to the sky and into the earth with great ease and who was full of wit and humor. If Luo Guangzhong had not accumulated knowledge about astronomy, geography, the legal system, political power and military affairs, he would not have been able to create Zhu Geliang, an artistic image which was so brilliant and full of wisdom. The contents of some works are so monotonous and their inside story is so narrow that readers often feel that they were roughly written. One of the important reasons is that some writers are short of knowledge.

Literary and artistic creation requires a wide range of knowledge. It requires a theory which is extracted from knowledge. Theory can command knowledge, deepen knowledge and open up new spheres of knowledge. It helps us to have a good grasp of the development of history and a keen insight into the budding of new things. As long as this theory is combined with the concrete feelings of writers and artists and with all their experiences in life, profoundly experienced, digested and absorbed, it can light up the road of literary and artistic creation, deepen the depth of works and strengthen their vitality. Some comrades who are not interested in the study of Marxist theory think that literary and artistic creation does not require theoretical guidance. As a result, when examining and reflecting life, they can only see the spray from life, and not the great waves in the depths of life or the internal force in the development of human society. Some writers regard bourgeois ideas such as existentialism, nihilism and social Darwinism as "fashionable" viewpoints and openly propagate them in their works. This is the reflection of theoretical ignorance and ideological inadequacy.

Lenin said that only by enriching one's own brain with all the knowledge wealth created by man, can we become communists. This means that knowledge can change into consciousness, understanding ability and character. Literary and artistic works are the reflection of the realities of life as well as the portrayal of the characters and soul of writers and artists.

It was in just this sense that Gurnizhevsky regarded literary and artistic creation as a kind of moral activity. Tolstoy maintained that whatever kind of people an artist wrote about, be they saints, robbers, kings or servants, what we looked for and saw was the soul of the artist himself. Therefore, in the history of literature, there were such teachings of the deceased as "know the man by his literary style," "the character of a poem" was "the character of the poet" and "train oneself before learning to create literary works." Lu Xun had a famous saying: "What comes out of the spring is all water, what comes out of the veins is all blood." Some literary and artistic works exhibitions are filthy and low in style. This shows that the writers themselves have low taste.

The cultural accomplishment of writers and artists are outstandingly shown in a high degree of ability to enjoy and express arts. For example, it is shown in their sharp and meticulous observation, imaginative memories, rich imagination and ability to select, extract, concentrate and sum up materials for creation. Such ability should be obtained and developed through practice in life and art. But a very important prerequisite is that we must study the knowledge about artistic law and absorb the artistic experience of our predecessors. Only on this basis can one create new things and give an impetus to one's own talents through one's subjective efforts. When talking about a famous French artist named Talma, Balzac said that every word she said could attract the feelings of several thousand spectators to the same excitement and that she could express all the poetic flavor of an epic scene with one expression. Balzac said that it was an artistic strength. He emphasized: "Artistic works can astonishingly gather the largest amount of ideology to the smallest area."

Some people think that we must not require writers and artists to be so perfect. They think that as long as writers and artists can compile and write and imaginatively describe what they see and feel in life, they can write excellent works. This is obviously a one-sided view. Of course, literature and art is the reflection of actual life. It reflects the feelings of the masses, listens to the call of the era, reveals historical development and shows the kindness, cruelty, beauty and ugliness of social life. Without this, the source of literature and art will dry up. But this is not a direct photographic reflection. Moreover, it is not something that every one can feel and reflect. In various links from observing and going deep into life to selecting and extracting materials and creating artistic images, writers and artists should acquire cultural accomplishment. All excellent works in the history of literature were unique expressions of actual life by means of their own cultural accomplishment. They were judged with thinking, molded through the heart and melted in feelings, and could only be created by the wisdom of writers and artists. They were "the second reality" which bore personal characters.

Literature and art reflects life in the sense of beauty. It is a special ideology which comprehends and propagates civilization. Fundamentally speaking, the value of literary and artistic works is determined by the level of civilization expressed and embodied by its sense of beauty. Lu Xun once said that our artistic works should be the "specimen symbolizing the

highest point of knowledge and ability of the Chinese nation," and not the "average marks for ideology below the horizontal line," and that our artists should be "vanguards who can guide the road and not the leaders of 'citizen's groups.'" In other words, if writers and artists want to create excellent works, they should acquire greater cultural accomplishment.

In building our socialist spiritual and material civilizations, the people of our country and the party are expecting more writers and artists who have a high degree of cultural accomplishment to describe more profoundly and with more variety and artistic charm our new era which is full of vitality and creation to devote their soul and wisdom to the development and prosperity of our socialist literature and art.

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OUTLINE FOR THE STUDY OF IMPORTANT DOCUMENTS DRAWN UP SINCE THE THIRD
PLENARY SESSION

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[Article by RED FLAG Editorial Office of Theory and Education; passages
within slantlines published in boldface]

[Text] Foreword

The 3d Plenary Session of the 11th CPC Central Committee was an important meeting which had far-reaching significance in the history of our party since the founding of the PRC. After the plenary session, our party summed up the experience and lessons in socialist construction and eradicated the negative influence left over by the 10 years of internal disorder. Through great efforts, it has completed the task of bringing order out of chaos in its guiding thinking, made remarkable achievements in its work on various fronts and realized a great historical change. From the 3d plenary session to the 12th CPC National Congress, the party Central Committee issued a series of important documents and the leading comrades of the party Central Committee made many important speeches and published many important articles. These important documents are documents in which Marxism-Leninism-Mao Zedong Thought are applied and developed under new conditions. They are also records of the victory of the great historical change. The principles and tasks for socialist modernization put forward by the 12th CPC National Congress are the enrichment and development of the party's correct line laid down since the 3d Plenary Session of the 11th CPC Central Committee. Therefore, it is imperative for our cadres to combine the study of these important documents with the study of the documents drawn up at the 12th CPC National Congress.

The theoretical articles of proletarian revolutionaries of the older generation, particularly of Comrade Deng Xiaoping, occupy a very important position in these documents. Comrade Deng Xiaoping's speeches and articles put forward and expounded many major principles concerning the party and the state. For example, they reiterated the party's ideological line of seeking truth from facts and that we should uphold and develop Mao Zedong Thought, establish the historical position of Comrade Mao Zedong, enliven the country's economy, implement an open foreign policy and carry out the reorganization of institutions and of the economic system. These speeches

and articles proposed that the cadres' contingent should carry out revolutionization, accept younger people and master intellectual and professional work, and that we should build socialist spiritual civilization, deal heavy blows to criminal activities that undermine socialism in the economic as well as other spheres and rectify the party's style and organizations. The proposition and settlement of these problems played an important role in bringing order out of chaos in an all-round way and in realizing the great historical change. Comrade Deng Xiaoping's theoretical articles are typical examples of combining the universal truth of Marxism with the concrete practice of our country under new historical conditions and of correctly solving problems in China's socialist revolution and construction. The study of important documents drawn up since the third plenary session should focus on Comrade Deng Xiaoping's theoretical articles.

The study of important documents drawn up since the third plenary session has important significance in further understanding the spirit of the 12th CPC National Congress and raising consciousness for implementing the party's line, principles and policies. This will enable us to profoundly understand how our party led the people of the whole country step by step in bringing order out of chaos and realized the great historical change by starting from emancipating the mind and reestablishing the Marxist ideological line; how our party opposed the "leftist" and rightist erroneous tendencies and guided the whole party and the people of the whole country in opening up a broad road for ushering in a new situation in all-round way by summing up historical experience and scientifically expounding many problems concerning theory and policies related to socialist construction. In the past years, we have been experiencing this great historical change and have, to various extents, known well about different situations and problems that have emerged in the course of this great historical change. With regard to these situations and problems, each of us has his own understanding and viewpoints. Today, in the course of profoundly studying the documents of the 12th CPC National Congress, if again we read important documents drawn up since the 3d plenary session, review this short historical period, think over the development of our ideology, see how we understand and implement the party's line, principles and policies laid down since the 3d plenary session and seriously sum up our experience and lessons, it will be greatly beneficial to raising our understanding, to enabling us to be more confident and to unifying our ideology under the spirit of the 12th CPC National Congress so that we can contribute our efforts more consciously to ushering in a new situation for carrying out socialist modernization in an all-round way.

In the study of these important documents, we must solve some confused ideas and correct erroneous viewpoints. For example, some people confuse the correct principle of emancipating the mind laid down at the third plenary session with bourgeois liberalization tendency which emerged after the third plenary session, and therefore regard the party's reiteration with regard to adhering to the four basic principles as the "correction of the wrong tendency" committed by the third plenary session. Let us set another example. Some people regard the wrong tendency that emerged in society for a period of time in which Mao Zedong Thought was negated and

the historical position of Comrade Mao Zedong was denied as the product of the third plenary session and therefore maintain that the "Resolution on Certain Questions in the History of the Party Since the Founding of the PRC" adopted at the sixth plenary session is the "correction of the wrong tendency" committed by the third plenary session. These erroneous viewpoints have distorted the spirit of the third plenary session either from the right or from the "left." From the documents of the party Central Committee and from the theoretical articles of Comrade Deng Xiaoping, we can fully understand that it was after the third plenary session that the party Central Committee began to establish a correct ideological line, adhere to the correct principle of emancipating the mind, carry out a two-front ideological struggle against the "leftist" and rightist tendencies, pay attention to preventing another erroneous tendency while overcoming one, correctly appraise the historical position of Comrade Mao Zedong, uphold and develop Mao Zedong Thought and reexamine and work out a series of principles and policies that are suited to China's specific conditions. Without all this, we could not have realized the great historical change, could not have fulfilled the historical task of bringing order out of chaos in our guiding thinking and could not have led our country into a new historical period of socialist modernization. We must be good at combining our study with irrefutable facts by which we can prove how we realized the great historical change. We must deepen our understanding of the spirit of the third plenary session and clear up some confused and wrong understanding.

In coordination with this study, we have compiled the "Outline for the Study of Important Documents Drawn up Since the Third Plenary Session," in which the main contents of these documents are summarized in seven topics: 1) Emancipate the mind and reestablish the Marxist ideological line; 2) establish the historical position of Comrade Mao Zedong and uphold and develop Mao Zedong Thought; 3) adhere to the four basic principles and correctly carry out a two-front ideological struggle; 4) realize key shifting and build a modernized socialist economy; 5) strengthen political construction, develop socialist democracy and perfect the socialist legal system; 6) strengthen the building of socialist spiritual civilization; and 7) strengthen party building and uphold and improve party leadership. In accordance with the relevant contents, introduction and explanation are given in each topic, in the hope that everyone can have a general and brief understanding of the documents, study the documents more profoundly, combine theory with practice and raise their understanding. Because the documents are very long and cover a wide range of contents, it is impossible to include all the contents in the "Outline." This is only for reference, as conclusions to and summaries of some problems may not be correct.

I. Emancipate the Mind and Reestablish the Marxist Ideological Line

Emancipating the mind and reestablishing the Marxist ideological line have been the party's greatest achievements in bringing order out of chaos in its guiding thinking since the third plenary session. These are the most important signs in realizing the great historical change. With regard to this topic, it is advisable to read the "Communique of the 3d Plenary

Session of the 11th CPC Central Committee"; Comrade Deng Xiaoping's "Emancipate the Mind, Seek Truth From Facts and Unite To Go Forward" and "The Organizational Line Is the Guarantee for the Realization of the Ideological and Political Line"; Comrade Hu Yaobang's "Forewords to the Principle-Discussion Meeting on Theoretical Work"; as well as the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." When studying this topic, we should focus on the following three main points:

1. Emancipating the mind is the prerequisite for reestablishing the Marxist ideological line;
2. The fundamental point of the Marxist ideological line is seeking truth from facts;
3. Correcting the ideological line is the key link in realizing the great historical change.

/We can deepen our understanding of the first main point in three aspects: First, why we should particularly stress the emancipation of the mind; second, the essence and harm of the "two whatever's"; and third, the great significance of discussing the criteria of truth./

In protracted revolutionary struggle, our party has formed a Marxist ideological line, which is the foundation for formulating a correct line, principles and policies and which is the most important guarantee for achieving success in revolution and construction. However, beginning with the late 1950's, the "leftist" tendency gradually emerged in our party's guiding thinking, and dogmatism and personality cult of Comrade Mao Zedong grew. In the "Cultural Revolution," the Lin Biao and Jiang Qing counter-revolutionary cliques pushed this dogmatism and personality cult to an extreme in a vain attempt to usurp party leadership. This greatly hampered the ideology of our cadres, and the party's Marxist ideological line was abandoned. It takes a long time for a river to freeze 3 feet deep. Comrade Deng Xiaoping, in his article "Emancipate the Mind, Seek Truth From Facts and Unite To Go Forward," said that this situation emerged under certain historical conditions. First, Lin Biao and the "gang of four" created restricted areas, prohibitions and personality cult. They confined the people's ideology to their confinement ring of phony Marxism and did not allow anyone to go beyond the minefield. Second, because the system of democratic centralism was undermined, bureaucratism emerged in the party under which power was excessively centralized. Many problems are often decided on by one or two persons, others have to carry out what had been decided. Third, there is no distinction between right and wrong and between merits and errors, nor is there a clear understanding of rewards and punishments. There is no difference whether one does his job or not. Sometimes, those who do well are even repudiated and those who do nothing can live a steady life. Fourth, because the influence of small production is affecting some people's minds, they are conservative and are satisfied with the present situation. They do not wish to go forward and are not willing to accept new things. Under such circumstances, some people are

not willing to use their brains to consider problems. As a result, a rigid or semirigid way of thinking has emerged. Once our way of thinking becomes rigid, we become restricted by conventions, ignore party spirit and principles and act according to what others say, and the habit of copying, transplanting and transmitting without considering specific conditions becomes more and more serious. Such a spiritual status of our cadres is not in compliance with the needs for realizing the great historical change carried out after the smashing of the "gang of four." It has formed a sharp contradiction against socialist modernization. In view of the situation, Comrade Deng Xiaoping clearly pointed out that emancipating the mind is an important political problem in our present work. He put forward the principle of "emancipating the mind, seeking truth from facts and going forward in unity." He emphasized: "Without breaking away from the rigid way of thinking and without emancipating the minds of the cadres and masses, there is no hope to realize the four modernizations." This principle of Comrade Deng Xiaoping's was affirmed by the 3d Plenary Session of the 11th CPC Central Committee. The communique of the third plenary session pointed out: Comrades of the whole party and the people throughout the country must break away from the spiritual yoke of Lin Biao and the "gang of four." In addition, we must resolutely overcome bureaucratism under which power is excessively concentrated, the phenomenon of making no distinction between reward and punishment and the influence of the force of habit of small production so as to emancipate the mind and "start the machine."

When it was imperative for the party to emancipate the mind and bring order out of chaos after the smashing of the "gang of four," a main responsible comrade of the CPC Central Committee put forward the slogan of "two whatever's," which means "we must resolutely support whatever is decided on by Chairman Mao, and we must unswervingly follow whatever Chairman Mao instructs." Shortly after this slogan was put forward, it was opposed by Comrade Deng Xiaoping. In his several speeches, Comrade Deng Xiaoping analyzed and criticized this "two whatever's" and clearly pointed out its essence and danger, which can be summed up mainly as follows: First, the viewpoint of "two whatever's" is to persist, without any alteration, in the erroneous ideology of Comrade Mao Zedong in his late years. If whatever Comrade Mao Zedong did or said cannot be altered, Comrade Mao Zedong's mistakes cannot be corrected. Then, the "leftist" erroneous tendency committed by our party for a long period of time must be continued. Second, the "two whatever's" cuts, distorts and harms Mao Zedong Thought. When we say that we must take Mao Zedong Thought as our guidance, we mean that we must study and apply its stand, viewpoints and methods, that is, its scientific system. If we must uphold every word Comrade Mao Zedong said, we will break Mao Zedong Thought to pieces, and we will not be able to consider, put forward and solve problems according to the system of Mao Zedong Thought. Third, persisting in the "two whatever's" will inevitably create dogmatism and a rigid way of thinking. Comrade Mao Zedong said his words at a certain time, in a certain place and under certain conditions, and many conditions are changeable. Take socialist modernization for example. If we can only do what Comrade Mao Zedong said, how about our work now? How should we solve our problems? In short, in theory, the "two whatever's" violates Marxism-Leninism-Mao Zedong Thought. Politically, it

hinders proletarian revolutionaries of the older generation from participating in work again, checks the great tide of emancipating the mind and bringing order out of chaos after the smashing of the "gang of four," persists in the past erroneous ideological line and defends the spiritual shackles created by the Lin Biao and Jiang Qing counterrevolutionary cliques. In the 2 years before the 3d Plenary Session of the 11th CPC Central Committee, our party was hesitating about bringing order out of chaos. This had much to do with the main responsible comrade of the party Central Committee, who upheld the slogan of the "two whatever's."

The slogan of the "two whatever's" was not only criticized by Comrade Deng Xiaoping, but also resisted by many proletarian revolutionaries of the older generation and opposed by the cadres and masses. It was just under such a historical condition that the newspapers began to clarify that the only criterion for judging truth was practice. In his "Forewords to the Principle-Discussion Meeting on Theoretical Work," Comrade Hu Yaobang pointed out: "The important significance of these discussions is that they have enabled the whole party and the people throughout the country to reunify their ideology on the basis of Comrade Mao Zedong's 'On Practice,' to reiterate the viewpoint of practice first which was always emphasized by Comrade Mao Zedong in the theory of knowledge in dialectical materialism and to reiterate that the social practice of millions upon millions of people is the only measurement for judging truth." "The reiteration of this question hits the crucial point of Lin Biao's and the 'gang of four's' antiscientific ideological system and carries forward the general campaign of liquidating the phony Marxist theory advocated by Lin Biao and the 'gang of four.' Moreover, it has deeply touched the people's fundamental attitude toward Marxism." The discussions about the criteria for judging truth were stifled by the comrades who persisted in the slogan of the "two whatever's." They said that the discussions were something that "threw away the knife," "downgraded Mao" and "felled the red banners." "Due to the resistance of Taihua, the river becomes swifter after coming out of Tongguan; and due to the separation by Wushan, the wind howls more fiercely after coming back to the three straits." These sentences, which were written by Comrade Mao Zedong when he was young, can be used to describe the situation at that time. Because of obstruction, the historical trend of emancipating the mind increased its power to sweep and resist through upheavals and surges, and more heated and profound discussions on the criteria for judging truth spread in the ideological circles and throughout the country. With the support of the leading comrades of the party Central Committee, the discussions turned out to be a success. When talking about the discussions, Comrade Deng Xiaoping pointed out that the argument about the criteria for judging truth was in reality an argument about whether or not we should emancipate the mind and that it was a question that concerned ideological line and politics and a question that had important bearing on the future and destiny of the party and the state. The third plenary session of the party highly appraised the discussions and maintained that the discussions had far-reaching historic significance to promoting the emancipation of the minds of comrades of the whole party and of the people throughout the country and to correcting the ideological line.

/When studying the second main point, it is advisable to focus our consideration on the following three points: 1) Why do we say that emphasizing the principle of seeking truth from facts is the fundamental point of Marxist ideological line? 2) By seeking truth from facts, we mean that we must study new situations and solve new problems. 3) By seeking truth from facts, we mean that we must combine the universal truth of Marxism-Leninism with the concrete practice of socialist modernization./

In the course of bringing order out of chaos, our party emphasized again and again that the fundamental point of Marxist ideological line was seeking truth from facts and that we had to do all our work in line with actual conditions and combine theory with practice. Comrade Deng Xiaoping has talked at full length about this point. In a speech in September 1978, he said: "The quintessence of Mao Zedong Thought is seeking truth from facts. The greatness of Chairman Mao lay in the fact that he could lead the Chinese revolution to victory by applying the principle of seeking truth from facts to practice." In December of the same year, he pointed out: "Seeking truth from facts is the basis of the proletarian world outlook. It is the ideological basis of Marxism. In the past, we won our victories in revolution by relying on the principle of seeking truth from facts; now, we will still rely on the principle of seeking truth from facts in realizing the four modernizations." At that time, why was it stressed again and again? This was because not only the Lin Biao and Jiang Qing counterrevolutionary cliques trampled on the fine tradition of seeking truth from facts, but some comrades in the party also opposed it after the smashing of the "gang of four." According to their viewpoint, it was enough just to copy and transplant the original words of Marx, Lenin and Comrade Mao Zedong. At the meeting on political work of the whole army held in 1978, Comrade Deng Xiaoping seriously criticized this erroneous viewpoint and systematically expounded the importance of upholding Marxist ideological line and the importance of adhering to the fundamental principle of seeking truth from facts. He clearly pointed out: "If we oppose the principle of seeking truth from facts, oppose doing our work in line with actual conditions and oppose combining theory with practice, how can we say that we uphold Marxism-Leninism-Mao Zedong Thought? Where will this lead us to? Obviously, it will only make us embark on idealism and metaphysics, and it will only lead us to failure in work and in revolution." Comrade Deng Xiaoping also emphasized the unanimity between emancipating the mind and seeking truth from facts. He said: "Emancipating the mind means adapting ideology to reality, adapting subjective thinking to objective reality. It means seeking truth from facts. From now on we must continue to emancipate the mind to conscientiously adhere to the principle of seeking truth from facts in all our work." Comrade Deng Xiaoping's speeches played a very important role in reestablishing Marxist ideological line.

By seeking truth from facts, we mean that we must study new situations and solve new problems. Since the smashing of the Jiang Qing counterrevolutionary clique, problems left over from the past have piled up like a mountain, and the people's attention is generally focused on these problems. Solving well the problems left over from the past, particularly correcting

a large number of wrong and falsified cases, are the important contents of bringing order out of chaos. However, we should take the attitude of having the overall situation in mind in dealing with the problems left over from the past. It is impossible and unnecessary to analyze them in detail. The purpose of solving the problems left over from history is to go forward, to smoothly realize the shifting of the key work of the whole party and to enable the party to concentrate its efforts on socialist modernization. Studying the new situation and solving new problems refer to studying various aspects of the new situation and solving various aspects of new problems. In this respect, particular attention should be paid to studying and solving management methods, the management system and economic policies. In short, our purpose is to study and solve problems in socialist construction with China's characteristics.

The course of studying the new situation and solving new problems is the course of combining Marxism-Leninism-Mao Zedong Thought with socialist modernization. The fundamental sign for examining whether we are Marxist-Leninists and our Marxist-Leninist level is whether we combine Marxism-Leninism-Mao Zedong Thought with socialist modernization and how we combine the former with the latter. In his "Forewords to the Principle-Discussion Meeting on Theoretical Work," Comrade Hu Yaobang pointed out: "If we pigeonhole Marxism-Leninism-Mao Zedong Thought and regard it as the deity instead of combining it with practice, it means carrying out swindles and bluffs under the signboard of Marxism; it is phony Marxism and anti-Marxism. If we do not closely combine Marxism-Leninism-Mao Zedong Thought with practice, it is semi-Marxism, or at least, it cannot be called complete Marxism." To combine closely, first of all, we must conscientiously read the works of Marx, Lenin and Mao Zedong; second, we must conscientiously face reality and carry out a systematic and meticulous investigation and study; and third, we must conscientiously develop the fine study style of combining theory with practice.

/When studying the third main point, it is advisable to deepen our understanding from the following two main aspects: 1) We must fully understand the far-reaching significance of correcting ideological line to realizing the great historical change; and 2) we must always remember the experience and lessons in bringing order out of chaos in guiding thinking since the third plenary session, continue to emancipate the mind and further correct the ideological line./

Our party has achieved victory in the great historical change. This is because it has brought order out of chaos in its guiding thinking and reestablished Marxist ideological line.

Owing to this correct ideological line, we have broken away from the heavy shackles of the "leftist" erroneous tendency, changed the political situation in which "10,000 horses were all muted" due to the wrong theory, policies and slogans such as "continuing the revolution under the dictatorship of the proletariat" and "taking class struggle as the key link" and regained vigorous creative power in various fields.

Owing to this correct ideological line, our party has been able to solve in a very short time many long-standing problems which have piled up over many years. For example, it has reversed the verdicts passed on the wronged and false cases during the "Cultural Revolution" and the verdicts passed on wrong cases in history, fairly reappraised the merits and errors of some important leading comrades of the party and state and thoroughly corrected the errors of the antirightist movement and of the "campaign against the rightist tendency." In addition, our party has removed the labels of landlord and rich peasant from 2.78 million persons and corrected the wrong classification of 700,000 small merchants, peddlers and handicraftsmen as capitalists. The appropriate settlement of these problems has solved innumerable political knots which have piled up for a long time and eased the contradictions within the people.

Owing to this correct ideological line, our party has been able to work out a series of principles and policies which are suited to actual conditions, bring into play the initiative of the cadres and the masses and gradually restore the prestige of the party among the masses. This further shows the superiority of the socialist system.

We still remember how great the obstructions were when we began to put forward the slogans of emancipating the mind, seeking truth from facts and correcting ideological line. Some people wanted to wait and see because they could not understand. Some people even regarded the principles and policies drawn up following the third plenary session as "reverting to capitalism," and did not want to carry them out. We can say that we met with all kinds of difficulties and obstructions in every step we took. But our party went forward regardless of these difficulties and obstructions. With the greatest Marxist courage, our party resolutely carried out self-criticism, eradicated the "leftist" pernicious influence, implemented correct principles and policies and finally got rid of the stifling situation under which the party had been hesitating to take a step forward. Most of the comrades who originally could not see why or even held resentment changed their minds after being educated and after seeing what had happened. This historical period is quite good for educating the people. We should conscientiously sum up experiences and lessons and further understand the importance of emancipating the mind and correcting ideological line.

On the whole, our party has realized the task of bringing order out of chaos in its guiding thinking, but we have completed the task of bringing order out of chaos in our actual work. A correct ideological line has occupied the dominant position in the whole party. However, with regard to every comrade, we cannot say that they have completely solved this problem. Some comrades are still influenced by the force of habit, and have not gotten used to or even doubt the carrying out of open policies, the enlivening of the economy and the implementation of the responsibility system. Following the development of socialist construction, it is certain that various new problems will meet with new obstructions. The struggle between emancipating the mind and a rigid way of thinking and between correct and wrong ideological lines will continue to exist for a long time

to come. Whether we can carry out our work smoothly and successfully depends, first of all, on whether we can continue to emancipate the mind and further correct the ideological line.

The important documents drawn up since the third plenary session fully reflect the struggle between the Marxist ideological line and the erroneous ideological line since the smashing of the "gang of four." They have supplied rich teaching materials for emancipating the mind and correcting ideological line. In the past, due to various reasons, some comrades did not study these documents well. Now, they can make up the missed lessons. Comrades who have studied these documents are required to study again in order to deepen their understanding. Only in this way can we understand and implement the line, principles and policies formulated since the 3d plenary session and, in particular, understand and implement the line, principles and policies of the 12th CPC National Congress in order to make new contributions to ushering in a new situation for socialist modernization.

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IS THERE A CONTRADICTION BETWEEN IMPLEMENTING THE CONTRACT RESPONSIBILITY SYSTEM WITH PAYMENT LINKED TO OUTPUT AND THE CARRYING OUT OF COMMUNIST EDUCATION?

Beijing RED FLAG in Chinese No 3, 1 Feb 83 pp 44-45

[Article by Wang Zhimin [3769 5268 3046]]

[Text] Recently some comrades have had difficulty in fully understanding how the party can on the one hand emphasize the implementation of communist education while at the same time also giving active support to the rural responsibility system with payment linked to output, and thus these comrades have felt that the two are contradictory. How, then, should this question be correctly handled and understood?

The implementation of the responsibility system changed the older system of collective labor and distribution according to work points but it did not alter the socialist nature of the system of collective ownership. Land and other essential means of production still belong to the collective and distribution still takes place according to labor (with output standards for all areas of land and contract regulations and producers turning in grain quotas to the state and the collective and keeping the remainder for himself or herself). Thus production and management still take place under the influence of state planning. The style of management and administration is both unified and decentralized so that those things which are so suited are under the unified management of the collective and those things which are more suitable to individual management are distributed and managed by individual laborers and households. The contract system is used to ensure that both unified and distributed management are integrated into an organic whole. In this way both the advantages of the collective and the enthusiasm of the individuals obtain expression and the peasants' own decisionmaking power is increased, while at the same time the advantages of small-scale management are able to express themselves, thereby the drawbacks of overcentralized management, egalitarian distribution and mass but unplanned labor are all overcome.

In this way we carry on the positive results of the previous moves to organize cooperatives, support the system of common ownership as well as the functions of certain kinds of unified management so that the productive forces which have built up over so many years may gain even better

expression. This kind of unified and decentralized system of management has extensive applications in China and today is perfectly suited to situations in which manual labor is predominant as well as being suitable for the characteristics of agricultural production and for the developmental demands of the productive forces found within agriculture under modernization. It is a new form of socialist agricultural cooperative economy, created by the peasants of China and fully in line with the demands and the aspirations of the broad mass of peasants and thus, having already emerged, it very quickly demonstrated its many advantages and its vitality.

In weighing whether one style of economy or one style of management is good or bad, advanced or backward and so on, one must examine whether or not that style promotes the development of the productive forces or whether it inhibits the productive forces. By using such standards we are able to clearly see whether the vast majority of production brigades throughout the country, which are implementing systems of responsibility with payment linked to output, are actually advancing or regressing. Since the implementation of the responsibility system production in rural areas has developed, the peasants' standards of living have improved and many new trends have emerged that have not been seen for years. Agriculture is the foundation of our national economy and thus development in agriculture will by necessity promote development throughout the entire socialist modernized construction program. Obviously in comparison to former collective styles of economy of a more one-sided nature, characterized by such phrases as "large in size and collective in nature" and "the poverty transition," this new style is much closer to the great, true aims of communism.

Only through socialism may we eventually reach communism--and this is a well-known fact of Marxism. In China it takes a long time to construct socialism and today we are in the process of working hard to construct a high degree of socialist spiritual and material civilization and it is this which forms the solid content of our struggle toward communism. Thus whatever is in the interests of developing the social productive forces is also in the interests of and of benefit to raising the communist consciousness of all members of society. Both conform with the great eventual aims of communism. Thus, essentially, carrying the contract responsibility system with payment linked to output in order to promote the development of the productive forces cannot be seen in opposition to the carrying out of communist education in order to raise the ideological consciousness of the masses; in fact the two complement each other and one promotes the other. If we do not overcome egalitarianism, mass and unplanned labor and blind production, then agricultural production cannot develop smoothly and in some areas even the problems of getting enough to eat and clothing to wear will not be solved, and under conditions such as these the natural advantages and superiority of the socialist system will not gain expression, and thus it would be very difficult to convince anyone of the need for communist ideological education.

Of course, this does not mean that development of the productive forces and improvements in standards of living will mean that the peasants' consciousness also will automatically and naturally rise, without a need for

communist education. The carrying out of communist ideological education with the peasants is an item of work that the party has always paid a great deal of attention to; hence it is not something which has simply come up very recently or today. During the period of the democratic revolution there emerged from the peasant ranks a vast number of communist fighters and many of them gave their life for the revolution. Since we were carrying out communist ideological education with the peasants before the period of the land reform, results of this education were very good; so why is it that during the period of socialism, it is only when the contract responsibility system appears that people feel the carrying out of communist education is not correct?

As far as the broad mass of the peasants is concerned they listen to the words of the party and they resolutely follow the socialist road. But sometimes old ways of thinking left over from the old society, such as beliefs connected with small-scale farmer economies, tend to crop up. Thus, with the implementation of the contract responsibility system, if work in communist education is not given ample attention, such ways of thinking could emerge more often. If we ignore this problem then we cannot hope to thoroughly understand and support the importance of communist education and thus we will lose our grip on the party's ideological and political work with the peasants. Only by strengthening communist ideological education can we make the peasants look to the future and to development, and get them to work on the basis of the state and the collective rather than being preoccupied with their own gains and losses. With one hand we must grip the construction of material civilization and with the other we must tackle the construction of spiritual civilization with communist ideological education at its very heart. In this way the rural economy will constantly develop, and the peasants' standard of living will continue to improve while their ideological consciousness and their educational levels also rise. If all economic work in the rural areas is done well, it will provide positive motivation for the development of ideological and political work. Only by strengthening ideological and political work can we guarantee healthy development of all reform work in the rural areas. So many facts prove that as long as we carry out communist ideological education keeping in touch with reality in a bold and assured way, while at the same time steadfastly implementing the present policies of the party, then the peasants will place the common interests before their own in both a spiritual and material sense, even to the extent of sacrificing personal interests for the sake of the interests of the whole.

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INSPIRATION FROM 'THREE VISITS TO THE THATCHED COTTAGE'

Beijing RED FLAG in Chinese No 3, 1 Feb 83 p 45

[Article by Jiang Daoyuan [3068 6670 3293]--reprinted from LILUN YU SHIJIAN [THEORY AND PRACTICE], issue No 12, 1982]

[Text] In the last years of the Han Dynasty, warlords overran the country. They fought petty wars. Liu Bei, sandwiched between these warlords and struggling for his destiny, was anxiously in search of an able assistant in the political sphere. In Jian An, the 12th year (A.D. 207) under Emperor Xian of the Han Dynasty, Liu made "three visits to the thatched cottage" and invited the "Sleeping Dragon" Zhuge Liang, who was living in seclusion in the mountains, for public service. The 47-year-old general ultimately succeeded in obtaining the services of the young scholar who was then only 27 years old. The scholar did not fail the general's trust. Once in public service, he startled the world with his strategies. In the midst of turmoil, he maneuvered skillfully among various political groups. After the battle at Chi Bi, his plan to divide the country into three kingdoms became a certainty and the Han Dynasty's political power was securely established in Sichuan Province. This opened up a new chapter in Liu Bei's career.

Liu Bei's "three visits to the thatched cottage" give us inspiration on at least three counts:

1. Fired with enormous ambition, Liu was extremely "thirsty" for talented people. This was exactly what Du Fu wrote in his poem "Sichuan's Premier": "The three visits determined the country's fate." Liu Bei's wishes were to become lord and emperor of the country and in looking for talented people, he paid three visits to a thatched cottage. Today, we are building a socialist country. What we plan for is a proletarian world. What we hope for is the realization of the four modernizations and China's development. It is thus all the more urgent that we search for, discover, promote and highly use talented people.
2. Lower one's dignity in searching for talented people and respect the sagacious and the learned. Though being a descendant of the imperial family of the Han Dynasty, in status Liu Bei was not as esteemed as an emperor, but he was illustrious and well-known. By being able to show

respect, speak humble words and lower his dignity before country folk in the hills and before an ordinary person, he fully demonstrated the bearing of a great general and the magnanimity of a sagacious ruler. Today, our leadership cadres are all statesmen of the proletariat. They are imbued with a wider breadth of vision and should all the more go down to the grassroots level and seek talented people from among the masses.

3. The ability to use talented people irrespective of status or rank. Zhuge Liang was only 27 years old, without an official status or title and just a common scholar. Yet in his talks with Zhuge, Liu Bei discovered him to be a genius, worthy of becoming a supreme commander and a prime minister. So without hesitation, he broke all traditions and gave him a high appointment, honoring him as prime minister and counselor of the armed forces. "New bamboos can grow taller than old bamboos." Today, if we can discover new bamboos of distinguished quality and higher than that of old bamboos, then we should dispense with all the formalities of seniority or rank and should be bold enough to appoint them to posts commensurate with their abilities.

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STUDY DOCUMENTS OF THE 12TH PARTY CONGRESS TOGETHER WITH THE TWO THEORETICAL BOOKS ON POLITICS

Beijing RED FLAG in Chinese No 3, 1 Feb 83 pp 46-48

[Article by Shanghai Municipal Metallurgical Bureau CPC Committee; passages within slantlines published in boldface]

[Text] From 18 October until 11 November 1982, the Shanghai Municipal Metallurgical Bureau CPC Committee held study classes for secretaries of all grassroots work units and political work cadres in which the main topic was the documents of the 12th party congress as well as integrated study of the major documents to appear since the 3d Plenary Session of the 11th CPC Central Committee and the two books representing the work of Comrade Chen Yun since the founding of the PRC. Concentrated study times during the classes, as well as a solid mass of literature, well-thought-out leadership and conscientious study on the part of the students meant that positive results of the study classes were very much in evidence. These results can be summarized in the following four phrases: broader frames of thinking, deeper understanding, stronger conviction and increased study consciousness.

Advocation of Assiduous Study

The requirements for this study class were detailed reading of the documents of the 12th party congress, integrated study of the two books, unification of ideology and working reality, a historical overview and an assimilation and composition of experiences so that the students may gain a deeper understanding of the essence of the documents of the 12th party congress with the aim of unifying their own thinking with the spirit of the 12th congress. Study was divided into three units. The first unit involved 1 week of detailed reading of the documents of the 12th congress as well as discussion and deep reflection in order to fully digest the essence of the documents. The second unit involved 2 weeks of thorough study of the two books during which importance was attached to individual study with appropriate development of discussion, interspersed with two sessions of exchange of knowledge gained through study, aimed at strengthening understanding of the documents of the 12th congress and clarifying how the central authorities have been leading the entire party and all the people in completing ideological guidance for the restoration of order out

of chaos, which has in fact brought major victories in actual work situations. The third unit of study involved 1 week of integration of personal ideological reality with work reality with particular emphasis on understanding and appreciation of the party's policies, principles and guidelines since the third plenary session; in addition there was a review of the process of each individual's ideological development with a truthful and frank assimilation and summary of experiences, thus completely solving some problems related to ideological understanding.

In addition to the requirements of a thorough grasp of the documents of the 12th congress, the study classes also demanded a great emphasis on the integration of study of the two books but, since they are rich in content and time was short, there were different requirements for different students in different situations. Total study involved a selection of 50 items from important documents produced since the 3d Plenary Session of the 11th CPC Central Committee and 10 items taken from Comrade Chen Yun's work. This total body of work was divided into three areas:

/1. Questions concerning great historical changes./ This comprised mainly "The Bulletin of the 3d Plenary Session of the 11th CPC Central Committee," Chen Yun's "Statement on the Dongbei Sector Central Working Conference," Deng Xiaoping's "Emancipate One's Thinking, Be Truthful and Frank and Unite in Moving Forward," Ye Jianying's "Speech at the Conference to Celebrate the 30th Anniversary of the Founding of the PRC," Deng Xiaoping's "Views on the Drafting of 'Concerning the Resolution of Some Historical Problems Relating to the Party Since the Founding of the PRC.'" A great deal of emphasis was placed on understanding the central authorities' brilliant and decisive solutions to major problems of principle since the third plenary session, how the CPC Central Committee has led the entire party in restoring order out of chaos and once again establishing correct ideological fronts, political fronts and organizational fronts and through such study the students strengthened their understanding of the occurrence of major historical changes.

/2. Questions concerning economic construction./ Here, the main selections included Li Xiannian and Chen Yun's "Concerning a Letter From the Financial and Economics Work Departments to the Central Authorities" and "Readjust the National Economy and Uphold Proportional Development," Zhao Ziyang's "Some Questions on the Readjustment of the National Economy" and "Present Trends in the Economy and Future Directions in Economic Construction." Attention was paid to improving understanding and appreciation of the gradual establishment of a correct path by the party for China's socialist modernized construction as well as clarifying some questions of policy and principles related to economic work in direct connection with enterprises.

/3. Questions concerning aspects of ideological and political work./ Main selections of writing here included Deng Xiaoping's "Present Trends and Tasks," Hu Yaobang's "Speech at the Script Writing Forum," Deng Xiaoping's "Reform in the Party and the State Leadership System" and "Discussion of Questions Related to the Ideological Front," Hu Yaobang's "Some Questions

Related to Setting Up a Good Party Style" and "Speech at Forum on Questions on the Ideological Front," Hu Qiaomu's "Several Questions Concerning the Present Ideological Front" as well as decisions concerning the fight against criminal activities in the economic sector taken by the CPC Central Committee and the State Council. Here the emphasis was on understanding how, in this new historical period, the party's ideological and political work should be strengthened, the importance of developing ideological struggle on two fronts and greater appreciation of the four guarantees for modernized construction.

Clarifying Some Confusions

The most important things to be gained from study are greater understanding of the great historical constructions of the 3d Plenary Session of the 11th CPC Central Committee as well as increased understanding of the accuracy of policies, principles and party lines since then.

/1. A great understanding was gained of correct principle of emancipating one's thinking./

What is in fact emancipating one's thinking? The CPC Central Committee accurately states that emancipating one's thinking means, first and foremost, liberating the cadres and the masses from the shackles created by "leftist" mistakes during and prior to the "Cultural Revolution" as well as liberating oneself from the shackles of the "two whatevers," and finding once again the scientific road of Marxism-Leninism-Mao Zedong Thought. Because in the past some comrades have been unclear about the significance and meaning of emancipation of one's ideology, they have termed the tendencies toward bourgeois liberalization that have emerged since the third plenary session as "overemancipation of one's ideology" and they have regarded the strong support given to the four basic principles as "rectification," mixing up the correct principle of emancipating one's thinking with rightist erroneous tendencies. Many comrades, after having carefully studied the documents to have appeared since the third plenary session, finally understood the principle of emancipating one's thinking as put forward by the CPC Central Committee and understood that it did in fact uphold the principles of Marxism-Leninism-Mao Zedong Thought. At the same time they also gained insight into the central authorities' continuous attention in avoiding one kind of erroneous tendency when overcoming another kind of erroneous tendency during the entire process of implementing the principle of emancipating one's ideology, as well as the attention given to upholding the ideological struggle on two fronts.

/2. A deeper understanding was gained of the fact that one constant principle since the 3d Plenary Session of the 11th CPC Central Committee has been the maintenance of a correct evaluation of Comrade Mao Zedong's historical contributions during this period of restoring order out of chaos by the central authorities, along with a preservation of Mao Zedong Thought./

Some comrades have said that there has been a great deal of ideological difficulty since the third plenary session and the main problem lies in the lack of a genuine solution on how to handle Comrade Mao Zedong and Mao Zedong Thought. In the past the third plenary session was seen as denouncing Comrade Mao Zedong and the four basic principles were regarded as "rectification," while the sixth plenary session and its "decisions" were seen as bringing Comrade Mao Zedong back again. Now, by reading the documents to appear since the third plenary session and an appreciation of their historical sequence, these comrades have seen that ever since the third plenary session, the central authorities have constantly stood to their correct principles and at no time did they denounce Comrade Mao Zedong. There was a particularly positive and ardent reaction by everyone to Comrade Xiaoping's ninth talk on the draft "decisions" and it was added that during the year and 3 months that the nine talks took, the central theme was to clarify Comrade Mao Zedong's historical position and to uphold and develop Mao Zedong Thought. These talks were both moving and educational. In the past, "leftist" influences and the restrictions of the "two whatevers" meant that the erroneous trends in society of denouncing Comrade Mao Zedong and Mao Zedong Thought were incorrectly traced back to the third plenary session. Now it is understood that in order to correctly handle Mao Zedong and Mao Zedong Thought it is necessary to work hard at eradicating "leftist" ideological influences and the mistaken beliefs in the "two whatevers," as well as steadfastly resist and criticize erroneous tendencies in bourgeois liberalization to denounce the four essential principles.

/3. A deeper understanding of the theoretical principles of class struggle under the new historical conditions./

Since the third plenary session, the CPC Central Committee has made the point that the exploitative class no longer exists as a class but that the class struggle still exists within certain spheres. However, some comrades misunderstood this as meaning that there was no further class struggle after the third plenary session. When one looks at the 10 or so documents related to class struggle which have appeared since the third plenary session, everything becomes very clear. The CPC Central Committee has correctly solved problems related to class struggle and although bourgeois liberalist tendencies have emerged on the ideological front along with serious criminal activities within the economic sector, the present form of the class struggle is not like that of before, which involved one class against another class. The present class struggle simply gets to grips with whatever problems arise, maintaining that political movements should not be resorted to, but that legal procedures should be used to ensure solid unity within politics and smooth functioning within economics. In the past there was some confusion about some theoretical principles involved in the class struggle and thus it was easy to either consciously or unconsciously return to the old road of "taking class struggle as the key." It was said by one comrade that not "taking class struggle as the key," as the third plenary session announced, did, he felt, reduce "the bone of contention" and that in the past when someone had come to the factory and kicked up a fuss, one simply had to say to them "You should

concentrate on class struggle" and thus this was apparently a means of suppression. After studying the comrades understood that this was a case of confusing two different kinds of contradictions. In the past both the party and the masses had enough of "taking class struggle as the key" and expanding the class struggle and today practice clearly illustrates that the theoretical principles for the class struggle under the new historical conditions, as outlined by the party since the third plenary session, are entirely correct.

/4. Deeper understanding of the economic policies that have been implemented since the third plenary session./

Since the 3d Plenary Session of the 11th CPC Central Committee the party has drawn up a series of economic policies. Because some comrades are unclear about the theoretical principles that lie behind these policies, a great deal of confused thinking has emerged and in particular there has been a great deal of resistance to the policy of "letting one section of people get rich first" and comrades have mistakenly believed that it encourages profiteering and other erroneous roads. After studying important documents since the third plenary session, and seeing Comrade Xiaoping's talks in entirety, comrades realized that their negative reactions to the above formulated "getting rich" were a result of long-term influence on their ideology by "leftism" with the result that their understanding was only partial and biased. What Comrade Xiaoping clearly discussed was that getting rich through labor and letting one section of people get rich first will in turn cause a chain reaction so that the peoples of all nationalities in China will also get rich fairly quickly. This policy is entirely in keeping with the present situation in China.

Before study there were some comrades who displayed ideological confusion as far as the rural implementation of the contract responsibility system was concerned, the condoning of the individual economy in towns and cities and the implementation of policies designed to enliven the domestic economy as well as the open-door policy. After studying relevant passages in the two books the comrades widened their understanding of such questions as the 12th congress' directives to uphold the state-run economy as the dominant economic style while also developing multi-variety management, to implement a planned economy as a dominant factor and regulation by market adjustments as supplementary and to uphold self-reliance while also developing technological exchange with foreign countries. At the same time everyone had a look back at the course of development since the third plenary session and appreciated even more that the road of socialist economic construction on which China is traveling is getting wider and wider.

/5. Deeper understanding of the principles for upholding the implementation of all party policies./

Since the third plenary session there has been frank righting of incorrect legal and political cases, implementation of policies for former industrialists and businessmen and an eradication of the many tags of landlord

or rich peasant throughout the country. To begin with, many comrades' thinking failed to change. Later they understood that these policies should be implemented but there should not be "total dismissal of the problem" and this was especially true of attitudes toward the implementation of policies for former industrialists and businessmen. After study the comrades understood that these policies were all based on the essential interests of the people and that the implementation of all party policies was of benefit in consolidating and developing solid unity, in motivating and enlivening politics and in strengthening unity between the party and the masses as well as being of benefit in protecting the high esteem of the party and Comrade Mao Zedong and mobilizing every individual's enthusiasm. Furthermore, the implementation of party policies was of great significance in the opening up of a new vista and thus problems of ideological understanding were finally and thoroughly cleared up.

Feelings That Emerged Through Study

Through study, deeper understanding also meant that everyone gained insight and a deeper appreciation of the following three areas:

/1. Increased faith in the leadership of the CPC Central Committee and the central authorities./

Many comrades said that after the third plenary session the party was faced with having to undertake all work that had been left undone before, involving monumental problems. There was a need for overall cleaning up of the "leftist" mistakes in the party's guiding ideology. In the last 4 years the CPC Central Committee has led the entire party and the people without fear of problems and obstacles, and, upholding the principles of Marxism-Leninism-Mao Zedong Thought, the committee has made use of scientific methods involving concentration on major important topics which in turn spur on other topics and thus, in a short space of time there have been historical turnabouts. This proves that our party is rich in experiences and that it is a strong and ardent party and that without its high ideological levels of Marxism-Leninism-Mao Zedong Thought and without revolutionary courage and insight we would not have the solid unity and lively activity to be seen in today's politics, while on the economic side we would not have good trends that we do see today. Under the present leadership of the CPC Central Committee there are great hopes for our cause.

Many cadres said that through their study feelings emerged about the leading comrades in the CPC Central Committee. After reading the 16 pieces by Comrade Xiaoping there was a feeling that Comrade Xiaoping's level of Marxism-Leninism was very high, that his ideology was very profound and that he displayed an admirable character. In relation to certain important policy decisions, Comrade Xiaoping showed great insight and far-sightedness and he had obviously made enormous contributions to the party's cause. What especially stood out was the enormous contributions to the party's cause. What especially stood out was the enormous amount of work he did in protecting Comrade Mao Zedong and Mao Zedong Thought and this gained even more respect from the students. Some comrades said Comrade Xiaoping's

work after the smashing of the "gang of four" was wholly endorsable. After the third plenary session, some problems did arise in society and these to some extent gave rise to misunderstandings but after studying the "decisions" of the sixth plenary session and repeated systematic study of the major documents to appear since the third plenary session there was total belief in Comrade Xiaoping. Everyone also felt that Comrade Chen Yun had made great contributions in putting the economy back onto a steady and developmental path. Some older comrades said that if socialist construction had begun a little earlier along the lines of Comrade Chen Yun's economic thinking then we wouldn't have seen the emergence of the twisting path and changing directions that did occur. Younger comrades who read Comrade Chen Yun's works, especially "High Level Leaders Must Improve Their Revolutionary Consciousness" felt that they had gained a great deal educationally from Comrade Chen Yun's materialist stance. Thus everyone felt that Hu Yaobang's evaluation of the great contributions made in recent years by the older generation of revolutionaries of which he spoke in his opening speech at the seventh plenary session, was entirely correct. Everyone felt very strongly that with this group of older proletarian revolutionaries formed the heart of the collective leadership of the CPC Central Committee, our party's and the socialist cause would without doubt flourish.

/2. More confidence in the opening of a new vista in socialist modernized construction./

The principles and tasks outlined in the 12th congress are the realization and development of the principles, policies and lines laid down since the third plenary session. After studying, everyone's understanding of the accuracy of the principles, policies and lines to emerge since the third plenary session, was considerably deepened, and thus everyone's understanding of the great programs outlined in the 12th congress was also clarified while there was also an appreciation of their suitability to the present condition of China, their conformity with laws and the hearts of the people and thus everyone gained more confidence in the opening up of a new vista in socialist modernized construction. Some comrades said, "When the party line becomes clearer, determination increases and implementation is upheld." During study and discussion everyone linked up their thoughts and words to reality and felt that in order to implement the tasks outlined in the 12th congress the most important thing to do was to strengthen and improve party leadership and increase the party's fighting strength. Many comrades said that on their return to their work units they wanted to steadfastly carry out ideological and political work, upholding the implementation of the party's system of democratic centralism, fostering young and middle-aged cadres and working well in every area so that the glorious targets might be reached sooner.

/3. An improvement in study consciousness./

During these study classes, the classes prepared reading extracts of around 50,000 characters a day and in actual fact many comrades wanted to read around 80,000. Everyone felt that their reading brought out conviction and certain emotions. Everyone's ardor for studying was very great,

illustrated by the phrase "even after studying one's knowledge is incomplete." Many elderly comrades overcame problems and difficulties connected with old age, weakness and eyesight and steadfastly maintained their studying, reading and thinking and reading and taking notes. Some comrades who had gained a very deep understanding said that in the past they had failed to understand certain problems because they had not read enough, and that during their reading they had done no thinking so that their understanding of each problem had only been very scanty. While most comrades had in the last few years read all the important documents and speeches to appear since the third plenary session, a lack of thorough hard work and insufficient thinking had meant that while the documents had entered their heads in a very clear manner, when they came up against concrete problems there was always a great deal of confusion. Some comrades said that their previous good study was comparable to rubbing tiger balm into the skin, after sudden clarity there was confusion again for the problem had not been solved at its roots. These study classes showed that only by studying hard, eradicating "leftist" influences and raising one's own ideological levels could one correctly understand the documents of the CPC Central Committee and correctly implement the central authorities' principles and policies.

CSO: 4004/25

COPYING DOWN A POEM BY MARSHAL CHEN YI

Beijing RED FLAG in Chinese No 3, 1 Feb 83 inside front cover

[Calligraphy by Zhang Aiping [1723 1949 1627]]

[Text] When winter is deep,
No trace of flowers can be found.
But plum trees do not submit to cold weather,
They shine with their red blossoms amid wind and snow.

CSO: 4004/25

LET THE WORLD UNDERSTAND CHINA

Beijing RED FLAG in Chinese No 3, 1 Feb 83 inside back cover

[Poem by Ke Yan [2688 1484]]

[Text] Need there be any other languages
For the world
To understand China!

Youth, willpower and beauty
Constitute her characteristics
Under the five-star red flag that rises with ease.

Of course, there are still many obstacles on the runway for her to take off.
Many highly difficult operations are also necessary.
Oh, a great smiling China
Is striving hard.

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END