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JPRS-CRF-84-018

3 October 1984

China Report

RED FLAG

No. 15, 1 August 1984

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CHINA REPORT

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No. 15, 1 August 1984

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

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BUILDING CHINESE-STYLE MODERNIZED ARMED FORCES

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 2-8

[Article by Yang Shangkun [2799 1424 2492]]

[Text] A powerful trend of reforms is sweeping across all China with the force of a thunderbolt. China is marching amid reforms, and so is our army. All officers and men of the PLA are full of enthusiasm for building a Chinese-type modernized, regularized, and revolutionary army to greet the 35th anniversary of the founding of the People's Republic, and the 57th anniversary of the founding of the army.

Strengthening the building of a modernized army is a basic task of our army during the new historical period. It is also a matter of primary importance for safeguarding the security of the motherland and defending the four modernizations. The entire party and people throughout the country are paying a good deal of attention to this matter. Over the past 35 years since the founding of the People's Republic, our army has followed a tortuous course of development. We are glad to see that since the 3d Plenary Session of the 11th CPC Central Committee and especially since Comrade Deng Xiaoping took charge of the work of the Military Commission, we have brought order out of chaos and carried out reforms to do away with outdated things and develop new things, so that a new, vigorous situation has emerged in the building of the army. The ideological and political work and military training of our troops have been enlivened to a greater extent and there has been new improvement in the military and administrative areas and in the equipment of our troops. This has strengthened our troops' ability to adapt themselves to modern warfare. Our successes in carrying out combined operations maneuvers between the various kinds of services, in launching long-range carrier rockets and launching carrier rockets from submarines, and our victory in the self-defense battles against Vietnam have fully shown the new achievements in developing China's PLA under the new historical conditions. Our People's Army, with a glorious history of battle, has further enhanced its powerful combat effectiveness. We can say with pride that China's PLA is a steel great wall on which the people of our whole country can entirely rely.

The 12th CPC National Congress pointed out: "We should exert great efforts to strengthen the building of the PLA, and build it into a powerful,

modernized, and regularized revolutionary army. We should also further enhance the self-defense combat effectiveness of our army under the conditions of modern warfare." Comrades of the entire army have regarded the attainment of such an objective as their own glorious historical task. They are exerting unremitting efforts to fulfill the task. Although we have scored great successes, we still face arduous tasks. We should make every effort to strive for this end.

The Building of Our Army Should Center on Modernization

To build a Chinese-type modernized and regularized revolutionary army, we should promote the revolutionization, modernization and regularization of the army. These are interrelated and promote each other, and none is indispensable. We should take the modernization of our army as our key task.

Taking the modernization of our army as the key task is determined by the history and practical conditions of our army. This is an inexorable demand placed on our army by modern warfare. This is also the road our army should follow in order to advance to a higher stage. Generally speaking, the level of revolutionization of our army ranks first in the world. Armies of capitalist countries simply cannot attain such a high level of revolutionization. This is the absolute superiority of our army. The level of modernization and modern scientific knowledge of our army is not high and its weapons and equipment are comparatively backward. These are the weak links of our army. Modern warfare has manifested unprecedentedly new characteristics, and placed higher demands on the modernization of the army. If we fail to enhance the level of modernization of our army, it is difficult to adapt ourselves to modern warfare, and fulfill the sacred tasks of safeguarding the motherland the defending peace.

After the birth of new China, in accordance with Comrade Mao Zedong's strategic thinking on strengthening national defense and building modernized revolutionary armed forces, we established various kinds of services, ran various kinds of military schools and institutes, gradually renewed our weapons and equipment, reformed army establishments, strengthened comprehensive training for various kinds of services, worked out various kinds of rules and regulations, and published various kinds of manuals. In such a way, our army made a gratifying step on the path of modernization. However, due to the influence of the "leftist" guiding thought and the severe interference and sabotage of the Lin Biao and Jiang Qing counterrevolutionary cliques in particular, the building of our army gradually deviated from this key task. Stuff such as "putting politics first," "politics overwhelm everything else" and so forth advocated by Lin Biao were greatly harmful, and produced enormous adverse influence. For a very long time the fallacy of "trusting spirit as omnipotent" made a lot of noise. People did not dare to talk about modernization and regularization of the army. Military cadres did not dare to grasp training, and vocational cadres did not dare to grasp the work of promoting professional skills. The modernization and regularization of our army stagnated for a time, or even retrogressed in certain aspects. This was a bitter

experience. Since Comrade Deng Xiaoping has taken charge of the work of the Military Commission, he has made a series of strategic decisions and again shifted the focus of work to the modernization of the army. In such a way, the building of our army has gotten onto the right track of Marxism-Leninism-Mao Zedong Thought again. This is the way we bring order out of chaos with regard to the orientation of building our army, and the development of Mao Zedong's military thinking under new historical conditions.

A correct guiding principle is a banner for mobilizing millions upon millions of the masses who are fighting with one heart. The 3d Plenary Session of the 11th CPC Central Committee has decided to shift the focus of work to socialist modernization. The 12th CPC National Congress has pointed out that the realization of the four modernizations is a general task of the party in the new historical period. All these have played a great role in mobilizing the entire party and people of the whole country. To keep abreast of this situation, we should also regard modernization as a key task in building our army. However, with regard to the problem of building the army, some comrades have not yet clearly realized the importance of the key task of modernization. In practical work they have not yet truly shifted their attention to modernization. This situation should be rapidly changed. We should be bold and assured in adhering to the key task of modernization, and all other work should be arranged around this key task.

We stress the key task of modernization. Does this mean that we are allowed to neglect and weaken the revolutionization and regularization of the army? The answer is no. On the contrary, we should strengthen the revolutionization and regularization of the army; a higher level is attained with regard to the modernization of our army. Stricter demands are set on its revolutionization and regularization. Comrade Mao Zedong said: To keep abreast with the modernization of the weapons and equipment, regularization of our army is required. In other words, we should follow a unified command, system, establishment, discipline and training. Close and coordinated operations of various kinds of services are needed. He added: We should strengthen our sense of organization, planning, accuracy and discipline in the entire work and command. Our ability in this regard should first of all be fostered in the course of education and training. The modernization of the army has necessitated its regularization. Regularization is needed in order to modernize the army. In this sense, the regularization of the army is an important content of the modernization of the army. Revolutionization is a basic guarantee for modernization. Powerful revolutionary political work is indispensable in order to ensure the socialist orientation of our army building and the proletarian nature of our troops, to give full play to the enthusiasm and creativity of the broad masses of officers and men in the army building, to overcome various kinds of obstacles and difficulties arising in the course of the modernization, and to speed up the progress of army building.

The Modernization of Our Army Should Have Special Chinese Characteristics

The modernization of an army is closely related to the political system, economic strength, military strategy, and scientific and technological level of a state. The orientation and path of its building and the focal point of its development are particularly restricted by the politics, tactics, and military strategy of the state, the combat tasks shouldered by the armed forces in future wars, and the conditions on the battlefields. The conditions in our country and in our army differ from those in other countries; therefore, in modernizing our army, we cannot copy the patterns of other countries, but must adhere to a "Chinese pattern," adapt ourselves to China's national conditions, and have our own special characteristics. We will always lag behind others if we copy other people in modernizing our army. If we are divorced from the realities in our country, even though we are armed with new weapons and equipment, these weapons and equipment will be mere show and will not form any real combat strength. In order to build a modern army with special Chinese characteristics, we should proceed from the realities in our country and in our army, put forth clear and definite guidelines and requirements of principle on the orientation of development and the basic content of modernization, and formulate plans for various periods. In so doing, we should rely on the exploration and creativity in the practice of the masses. Judging from the existing conditions, a modernized and regular revolutionary army with special Chinese characteristics should be one which conforms to our national conditions, which flexibly integrates advanced military thinking and fine traditions with modern weapons and equipment and competent military personnel, and which possesses the capacity to defend itself in modern warfare; in other words, a developed people's army with the tradition of people's war plus modern military science, weapons, and equipment.

How should we reflect special Chinese characteristics in the modernization of our army?

We should develop the most urgently needed new types of weapons and equipment as soon as possible. The development of modern science and technology has enormously expanded the destructive force of weapons. In future wars against aggression, we should still stress the decisive role of man but under no circumstances should we neglect the important role of weapons. Without advanced weapons and equipment, we shall pay a higher price and prolong the time for winning the war. We should make the best use of our time and strive to change the backwardness of our weapons and equipment. In the new historical period, the central task of our party is to lead the people in carrying out socialist construction. The modernization of our army must be suited to the development of the national economy. We have a large population, a poor foundation, and limited funds. Therefore, we should not incur huge military expenditures as the superpowers do. Nor should we blindly pursue large-scale and rapid modernization of the army regardless of our national economic conditions. In developing weapons and equipment, we should make overall arrangements and scientific planning. First of all, we should stress the main points and concentrate our forces on developing the most urgently needed defensive weapons and equipment.

Second, we should update the equipment in an orderly way and step by step, allowing the coexistence of outmoded and modern equipment and of ordinary and advanced technology. In order to stress the main points, we should give up some things of secondary importance. One must lose one thing in order to gain another. If we attend to too many things at the same time, we shall end up by developing nothing. In modernizing our army, we should import some necessary and advanced technological equipment. However, ours is a big but developing country. It will not do to rely on purchasing advanced technological equipment to achieve the modernization of national defense. Nor can we afford it. We may purchase some weapons and equipment but they will not necessarily conform to the specific conditions in our country, such as topography and weather. We should base ourselves on independence and self-reliance and rely on our own strength to develop weapons and equipment. We have developed and produced sophisticated strategic weapons, such as atom bombs, hydrogen bombs, and long-range guided missiles, as well as excellent conventional weapons for self-defense. We should continue to tap this potential and at the same time integrate it satisfactorily with mass technological innovation. The masses are the operators of weapons and equipment. It often happens that a small invention can solve a big problem. We stress the main points and self-reliance, but under no circumstances should we comprehend "distinguishing Chinese characteristics" and "low standards" and thus lower the objective of our modernization. At present the modernization level of our troops is not very high, but it should be noted that the development of the national economy in the past few years has been gratifying. According to the Marxist theory of economic strength being the material basis of force, it can be expected that with the development of the national economy, encouraging prospects will certainly emerge in the modernization of the army.

We should establish scientific forms of organization and basic scientific regulations that are suited to modern warfare. In the middle of the last century Marx pointed out: "With the invention of a new instrument of warfare, firearms, the entire internal organization of the army necessarily changed; the relationships within which individuals can constitute an army and act as an army were transformed and the relations of different armies to one another also changed." ("Selected Works of Marx and Engels," Vol 1, p 363) The development of modern military science and technology, weapons, and equipment has caused and will continue to cause great changes in the mode of operations and it also calls for corresponding changes in the organization of the army. In 1982 the Central Military Commission put forward the principles of training better and combined troops, combining peacetime with war preparedness, and improving efficiency. By streamlining and reorganizing the forces and carrying out structural reform the past 2 years, we have made a big stride forward in this direction. However, tremendous efforts should still be made in order to achieve this objective completely. With the improvement in the sophisticated standard of weapons, equipment, and command systems, the number of soldiers can be properly reduced. On the basis of being able to deal with a partial war or an unexpected incident, we should be determined to further reduce the quantity and improve the quality of our army. Following the high automation of operational command and weapons control, the command organizations should

be highly efficient and be able to make quick responses. If the organizations are overstaffed and unwieldy, they will not easily deploy them, still less to direct operations. In order to increase our combat strength, we should increase the work efficiency of our troops, streamline organizations, and simplify the administrative structure so that they can be highly trained and flexible. We should abolish some units which should be abolished and amalgamate those which should be amalgamated. Naturally, it is also necessary to establish new units which should be established according to the requirements of modern warfare. The most important thing in the scientific organization of the forces is to strengthen the combination of the forces. Only by combining the various arms and services in a genuinely flexible way in various aspects, such as structural establishment, training, command, and management, will it be possible for our troops to constitute a powerful combat force. We should explore the new scientific system of combined army units, establish a corresponding command system, and formulate a set of rules and regulations for directing and managing the modernized combined army units. In building the army, we should satisfactorily integrate peacetime with war preparedness and the maintenance of the army with the use of military forces. While reducing the standing army, we should step up the building of the militia and reserve service and build up specialized technical soldiers and reserve officers in accordance with the new military service law promulgated some time ago. China has a large population and is rich in manpower resources. Provided that the people are well-trained, it does not make any difference if we have fewer troops in peacetime. As soon as a war breaks out, we can expand them immediately.

It is necessary to train a large number of able troops. The key to the modernization of our army lies in training able troops. Without them there will be no modernization of our army. We have all along stressed the human factor in war. Bravery, consciousness, and the spirit of sacrifice are a part of the human factor, on which we must continue to lay due stress, but they are not the whole. The whole of the human factor should include vigor in health, spirit, knowledge, and ability. While training modern military forces, we must pay particular attention to this point. To train modern military forces, the most important approach is to make the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent. For many historical reasons, most of our troop cadres, and particularly high-ranking cadres, are now advanced in years, and they do not have a sufficient knowledge of culture and science or of modern military science. In the past year, we have readjusted leading groups of the army units in line with the principle of promoting outstanding younger cadres and helped PLA men learn science and acquire general knowledge extensively and thoroughly. As a result, the ranks of our army's cadres have made big strides in the four modernizations, yet they still cannot meet the needs of army building. In view of the present situation, the training of modern military personnel, the structural change in the ranks of cadres, and the acquiring of new knowledge are still very pressing problems for our army. "We should not be afraid that generals are incompetent, the important thing is to train and enlighten them." We must indeed place education and training in a strategic position by strengthening education and training in military academies, making a success of in-service

training, and encouraging self-study. Through strict, regular, and systematic military and political training, we must give full play to scientific and cultural knowledge in improving military ability and political consciousness and in enhancing cadres' command and combat ability in adapting themselves to modern warfare.

We should carry on and develop the military thought of Mao Zedong and formulate new forms and combat methods of people's war under modern conditions. The modernization of military thought is the precursor of the modernization of our army. If military thought stays in a rut, we cannot move a single step forward in the modernization of our army. In the past, Mao Zedong's military thought guided us to defeat the enemy at home and abroad, its fundamental viewpoints and tenets are still applicable today and will be applicable tomorrow. However, as the practice of war develops, theory can in no way stand still. To win a war in future, we must have new military theory as a guide. We must insist on developing Mao Zedong's military thought while carrying it on, and insist on carrying it on, while developing it. Some people think that we can hardly create new military theory, as our weapons and equipment are backward. This is obviously a lopsided view. Inventors of new weaponry may not be creators of new warfare, and countries which lag behind in military technology may often stand in the fore in the development of military thought, if they can make good use of the achievements of the world's most advanced military technology. This is a common sight in world military history. New military thought is also a reflection of new relations of production in the military sphere. During the revolutionary war years, our weapons and equipment were terribly poor, yet we created the world's most advanced thought on people's war. It is thus clear that we should and certainly can create advanced military thought in the course of modernizing our army. In accordance with the objective realities in our country and our army and in the light of the characteristics of modern warfare, we should make further study of Marxist military theory so as to develop Mao Zedong's military thought to a new stage. The thought on people's war is a major component part of Mao Zedong's military thought. Fighting a people's war is a strong point and characteristic of our army. Our socialist system and strategic principle of positive defense decide that any war in which we engage will be a self-defense war against aggression. We must continue to depend on people's war and give play to human subjective activity so as to defeat an enemy with superior equipment with our inferior equipment. However, what we mean by inferior equipment and superior equipment today is by no means the concept of using millet plus rifles to fight against aircraft and guns. Great changes have taken place in "yours" and "ours"; neither should we abandon the idea of people's war and copy indiscriminately the military theory of other countries just because our army is modernized to a certain extent, nor should we keep our past strategy and tactics intact only because we want to engage in people's war. In view of the new characteristics and new requirements of modern warfare and of the changing situation, we should work hard to explore the law of modern warfare and to study the strategy and tactics of people's war under modern conditions so as to enrich and develop our military thought.

Making our army revolutionized is an important mark which distinguishes our army from the army of any capitalist country. In order to build up a modern army with special Chinese characteristics, we should in no circumstances forget this major, distinguishing feature. The proletarian nature of our army should never be changed, even though it is highly modernized. We must insist that the party should exercise absolute leadership over the army and the purpose of the army is to serve the people wholeheartedly. In all army building work, we should carry out the four basic principles and implement the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee. During the prolonged revolutionary war, our army established a series of fine traditions in political work, such as educating the army units in the line, principles, and policies of Marxism-Leninism-Mao Zedong Thought and of our party, enforcing the three main rules of discipline and the eight points for attention, carrying out the principle of unity between officers and men, unity between the army and the people and the disintegration of the enemy, carrying on democracy in the three main fields--political democracy, economic democracy, and military democracy--and cultivating in the army units a revolutionary and death-defying spirit, a spirit of strictly observing discipline and self-sacrifice, a spirit of unselfishness and putting others before oneself, a spirit of vanquishing all enemies and despising all difficulties, a spirit of revolutionary optimism, and a spirit of surmounting every difficulty to win victory. These fine traditions were established and developed in blood over scores of years in our revolutionary war. They are our invaluable assets. In building up our army into a modern one, we must absorb and carry on the essence of our army and should on no account throw away our "invaluable assets." In line with the current actual conditions, we should enrich and develop these fine traditions so as to suit the needs of modernizing our army under the new situation and to ensure the smooth development of the modernization.

The Modernization of Our Army Should Progress Amid Reforms

The modernization of an army is a continuous process of reform. Only through reform can there be hope for the modernization of our army and can it make progress.

An energetic army constantly changes itself. The history of the building of our army is a history of unceasing reform. Since Comrade Deng Xiaoping took charge of the work of the Military Commission, with modernization as the focus of its attention, our army has carried out some reforms with notable success. For example, we have streamlined and reorganized the army, carried out structural reform, attached strategic importance to education and training, restored the military academies and institutions, readjusted army, divisional, and regimental leading bodies, jointly built a socialist spiritual civilization with the people, acquired some scientific and cultural knowledge, trained people to be capable of doing both army and civilian work, revised various rules and regulations, and so on. These reforms have brought about a new situation in all areas of the work of our army. However, the reform of the entire army, we should say, has just begun. In order to build our army into a really modernized and

revolutionary regular army with special Chinese characteristics, it is necessary to persistently carry on with the reforms in an even more comprehensive and in-depth manner.

In order to carry out the reforms in an in-depth manner, it is necessary to aim at attaining loftier goals and to broaden our field of vision. "I am going to conquer the highest mountain and see how small the other mountains really are." Only by sweeping down irresistibly from a commanding height can we advance victoriously everywhere. Thus, we must study history, pay close attention to the current situation, face the world, and have the future in mind.

In the past, some political activities organized under the influence of "leftist" ideas, particularly the 10 years of internal disorder, had confused important matters of right and wrong in the area of army building. In addition, as the situation kept changing, there was also the question of adapting the good things to the circumstances. If we are to draw lessons from history, we should renew our understanding of the history and tradition of our army. Having carried out construction and fought for decades, what strong points and weaknesses has our army displayed? Which elements of our tradition are still applicable today? Which elements are outmoded? Which elements can still be useful after being transformed? We must have a very clear idea of all this. Otherwise, we will not know what to change and will not be able to find the starting point. The study of history includes the study of the history of the modernization of our army. In the course of modernization, our army has taken crooked roads, achieved success, and learned historical lessons as well. Today, when we propose the building of a modernized army with special Chinese characteristics, we should pay close attention to summarizing experience and lessons.

The current situation is a bridge joining history to the future. In addition, it is also the point from which we march forward. In order to carry out reforms, it is necessary to study the current situation. What problems are there in the modernization of our army? What are the major contradictions? Which things should be changed? Which things should be changed first and which later? All these and more are questions that should be thoroughly studied and investigated. If we do not study the current situation, we will not have a clear picture of things and it will be difficult for us to seek truth from facts. For example, China is a country with a vast territory and long borders, its topography is complicated, and the circumstances on the battlefields vary. Thus, troops advancing in different directions are assigned different combat tasks. There are contradictions, in terms of the army's equipment and forms of organization, between diversification and uniformity. It is necessary to properly study how this practical problem can be scientifically solved.

In the area of economic construction, China is pursuing a policy of opening the country to the world. Similarly, we cannot build our army with the whole world shut out. We should be good at observing problems in the wide scope of the whole world and at learning from the good things in foreign countries in order to learn from other people's strong points to offset our

own weak points. This means that we should pay close attention to trends in world strategic developments, pay attention to collecting new information about world military developments, research into new development trends among foreign armies, and combine what we learn from foreign armies with what we have created independently. Lu Xun advocated a takeover policy. I am of the opinion that anything useful for the development of our army should be taken over and utilized by us. Armies that implement a closed-door policy are shortsighted and shortsighted armies cannot help but fall behind the development of the times.

Military science and technology develop with each passing day and this requires us to be farsighted in modernizing the army. Military affairs are the area of social life in which the latest scientific and technological achievements are most speedily and extensively applied. In addition, many scientific and technological discoveries and innovations have first resulted from the work and needs in the area of military affairs. At present, a new worldwide technological revolution is under way. Although at present it is still difficult to comprehensively, accurately, and scientifically predict its effects on military affairs, we are entirely free to probe some important and relevant questions in an in-depth manner. In formulating long-term plans for building the army, if we thoroughly study the trends, we can avoid being blind, make our goals more scientific and more reasonable, and avoiding taking redundant, crooked roads.

In order to carry out reforms in an in-depth manner, it is necessary to brilliantly combine centralized, unified leadership with efforts devoted to giving play to the spirit of innovation and the initiative of the masses and to do so in a guided, planned, and step-by-step manner. Our army is an armed force which discharges revolutionary and political tasks. It is necessary to preserve a high degree of unity and centralism, to have a strong sense of organization and discipline, and not to take independent courses of action individually. Reforms affecting the overall situation should be decided on by the CPC Central Committee and the Central Military Commission and should be carried out under unified command. The reforms should be centered on the goal of building a modernized, revolutionary regular army with special Chinese characteristics and be favorable to adding to the combat strength of our army. However, this does not render it unnecessary to arouse the enthusiasm and creativity of the masses. Those reforms strongly recommended and enthusiastically carried out by the masses are ones best suited to the needs of the army. Thus, they have exuberant vitality and special Chinese characteristics. Actually, many reforms have begun with the creations of the masses and have been speedily perfected and popularized under centralized and unified leadership. In recent years, our army has carried out many successful reforms. They are creations produced by the masses in light of the needs resulting from new circumstances. Thus, in regard to the important reforms in army building, all units should enthusiastically offer suggestions on the basis of the overall situation. It is necessary to boldly and resolutely reform without delay war preparation work, education and training, instruction in the academies and institutions, and logistical and security work provided that it is our duty to do so, that we make sure that it is necessary to do so, and that the

conditions are ripe. Malpractices having to do with ideological style and methods of work, such as bureaucracy and the practices of seeking personal gain by capitalizing on one's powers, of paying lip service, and of holding back unpleasant information, should be reformed immediately and the sooner the better. Reforms in this regard do not affect the overall situation. There is no need to spend much money or to recruit more people. The only thing that counts is our attitude. In the course of reform, it is necessary to emphasize the need to listen to experts and specialists, to give full play to the role of research organs, to perfect the things created by the masses, and to translate the research results achieved by the special organs into actual mass action.

In order to profoundly institute reform, the most important thing is to remove some ideological obstacles.

Totally negate the "Great Cultural Revolution" and eliminate the influence of the "left" deviation. In order to institute reform in the army, the key is to eliminate "left" deviation. The influence of "left" deviation has been deep-rooted in military work. In the past few years, although we have made successes in eliminating the influence of the "left" deviation, the work still lacks profoundness and thoroughness. Today the influence of the "left" deviation still constrains to varying degrees the thinking of some comrades. Only by totally negating the "Great Cultural Revolution" can we eliminate the influence of "left" deviation, keep in ideological and political unity with the CPC Central Committee, and genuinely seek truth from facts and emancipate our minds. Naturally, we should also take note of preventing and straightening out "right" deviation.

Break with the idea of sticking to old ways. As reform is a process of destroying the old and establishing the new, it is bound to encounter obstructions from outdated conventional ideas and force of habit. It usually happens in the history of war that a triumphant army always fondly regards its past successful experience to the hindrance of its progress, thus following the beaten track in the face of development in warfare. We should be proud of being a victorious army, of winning numerous battles, and of attaining earthshaking achievements. However, this pride may easily become a burden. Since the 3d Plenary Session of the 11th CPC Central Committee, the comrades of our army have constantly emancipated their minds, smashed some "restricted zones" in the military field, and reformed old practices which were forbidden in the past. Due to the practice of self-seclusion for a long time which limited the people's field of vision, instead of having a clear understanding of the new military science in the contemporary world some comrades are content with their old way of doing things. Although they agree with reform in words, they pursue the old practices when they encounter concrete problems and they are used to judging and solving new problems by old standards. Some comrades have not attached due importance to the creation of new military theories and operational tactics but only try to mend the traditional practices in a conventional manner. They do not believe that new science and technology can produce a great impact on war and they regard the scientific prediction of future military development as creating something new and original. We

should admit that past experience can be used for reference. Since we are confronting constantly developing and changing circumstances, we should draw from historical experience the things useful for the present and future, instead of regarding historical experience as an "omnipotent magic weapon" which can be mechanically applied in everything. "As the world develops, things change accordingly" and "as things change, we should adapt ourselves to new circumstances." This progressive historical point of view put forward by Han Fei is still useful for us today in adapting to and catching up with the situation of reform.

Break through the idea of settling things once and for all. The reform of our army cannot be accomplished in one or two attempts. This is because we need a process for the understanding of objective things and it is impossible to achieve the unity of subjective ideas with objective reality in a single stroke. Moreover, objective things are constantly developing and changing, therefore, after acquiring understanding of the past process of objective things, we should continue to acquire understanding of the new developments of objective things. Due to the constant development of military science and technology and the emergence of new characteristics in modern wars, we should deepen our understanding and carry out reform accordingly. Otherwise, we may lag behind. It is thus obvious that we should regard reform as a protracted task.

At present, the party rectification work of the army is developing in depth. Fundamentally speaking, the purpose of the current party rectification is to realize the general objective and task put forward by the 12th CPC National Congress. With regard to the army, it is to build a modernized and regularized revolutionary army with special Chinese characteristics. We should appropriately combine party rectification with reform and use party rectification to impel reform. In the course of studying documents and comparison and examination, a number of units of the first group to undergo party rectification have discussed major issues centered on building a modernized army with special Chinese characteristics, have grasped reform, and have aroused their initiative in innovating and creating, thus presenting a new image of people forging ahead. We must push on in the flush of victory, take reform as the key link of party rectification, and concentrate a period of time to develop the work in depth. Apart from straightening out the malpractices of bureaucratism, abusing power to seek personal gains, and so on, we must clearly define the guiding principle for army building and must study and solve the major issues concerning the building of army modernization.

A new chapter in the glorious history of the PLA has been opened. We often say that a man can devote his life to only a limited number of struggles. In the course of 57 years of struggle, our army defeated the Japanese aggressors in the first struggle; overthrew the three big mountains in the second struggle; and victoriously defended the socialist motherland in the third struggle. Now we are carrying out the new struggle of building a modernized army with special Chinese characteristics. Many of our veteran comrades have made their contributions to the life-and-death struggles. Today the commanders and fighters of the whole army, whether they are of

the older generation who have devoted themselves to military life or of the new generation who have just joined the army, should unite and be of one heart and mind under the correct leadership of the CPC Central Committee and the Central Military Commission, should boldly carry out reform and forge ahead, and should make their contributions to the building of a modernized and regularized revolutionary army with special Chinese characteristics.

CSO: 4004/86

SEVERAL QUESTIONS ON IDEOLOGICAL EDUCATION FOR YOUNGSTERS

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 9-14

[Article by Song Renqiong]

[Text] In the last few years, gratifying progress has been made in the work of ideological education among youngsters in our country. The entire society shows concern about the healthy growth of the youngsters, and more and more people from various circles become interested in the youth work. In the course of our work, we are striving to eliminate the "leftist" influence, inherit and develop the fine tradition and experience in ideological and political work, actively study new conditions and new problems, strive to explore and create new experiences in ideological and education work, and have achieved very good results. As an enthusiast about youth work, I wish to express some personal ideas on further strengthening and improving the work of ideological education among youngsters, so that we can carry out studies together.

New Questions Faced by the Work of Ideological Education Among Youngsters

Since the 3d Plenary Session of the 11th CPC Central Committee, the key points in the work of the party and the state have been shifted to the aspect of economic construction, and our country has entered a historical period of opening up a new overall situation in building socialist modernization. The people of the country are striving for building a highly civilized, highly democratic, modern socialist country with Chinese characteristics. Because of the series of important policies adopted in opening to the outside world and enlivening the domestic economy, and especially the reforms currently taking place on various fronts, many new changes have taken place in various aspects of our social life. The development of history requires us to strengthen and improve the work of ideological education among youngsters, so that the work can better suit the great historical change and meet the requirements in the reforms on various fronts, and can train and nurture a new generation of youths who are bold in exploring new paths and in conducting reforms and can open up a new situation in building the socialist modernization. This requires us to conscientiously sum up the positive and negative experiences of the past youth work, analyze the characteristics of the young people of the present times who have grown up in the new historical environment, adopt methods

suitable to the characteristics of the young people in the new period, and create new experiences in the work of ideological education with the characteristics of the times. This is the new question faced by the work of ideological education among young people. However, there are still many shortcomings in this respect. The key points of the work of the party and the state have shifted, and we are still not good at developing the work of ideological education with economic construction as the central point so as to enable the work to become an impetus in promoting economic development. With the deepening of the reform and the development of the building of the material civilization, new conditions and new problems crop up among youngsters. We have not done full justice to the initiative of the young, and, on the other hand, are not adequately prepared to deal with problems among them. The work of ideological education lacks foresight, and is sometimes weak and not to the point. We are often accustomed to adopting old methods which are not completely compatible with the new situation, and using some formalistic and simplistic approaches to handle problems which may not be in keeping with the reality of the ideology of youngsters. And there are also other problems such as the comparatively poor results of ideological education.

The young people are an important force in building the socialist material civilization and spiritual civilization. In the next 10 or 20 years, the young people of today will become the main force on various fronts of our country, and part of them will become key leading members at various levels. Therefore, striving to overcome the defects in our work and further strengthening and improving the work of ideological education among youths so that the younger generation can grow up healthily is a strategic task having a significant bearing on the future and destiny of our party and our country, which should have the attention of the whole party and the entire society.

The Young People of Today Are Very Promising and Are Fully Trustworthy

The young people constitute a very large percentage of workers, peasants, and servicemen of our country. When the number of young students is added, the total number is over 300 million. The formative years of a big segment of them coincided with the turmoil of the 10 years of the "Cultural Revolution." They witnessed the perverted actions of the Lin Biao and Jiang Qing counterrevolutionary cliques, which plunged our country into serious setbacks and losses, personally experienced the great struggle of defeating the two counterrevolutionary cliques, and have personally seen the excellent situation since the 3d Plenary Session of the 11th CPC Central Committee was held--order has been brought out of chaos, various kinds of work of the party and the country have been carrying on with daily increasing positive results, and the life of the people has been constantly improving. Although they lack the experience of comparing the new society with the old, they have personally experienced the 10 years of turmoil and seen the sharp contrast between the situations before and after the 3d Plenary Session of the 11th CPC Central Committee. This is a very important kind of social practice, and they have received very profound education from their own experience. The young people who have grown up under these historical

conditions are good at thinking and reasoning and not so prone to blind following. In this process of thinking and reasoning some may deviate somewhat, but once they recognize and accept the truth, they will stand firm, and will dedicate their lives to truth without reservation. This is an important hallmark of the young people of the 1980's.

Through the above-mentioned comparison of the positive aspects with the negative aspects, the young people realize still more deeply that the prospects of an individual are closely linked with the destiny of the country. They wholeheartedly support the party's line, principles, and policies implemented since the 3d Plenary Session of the 11th CPC Central Committee, engage in the cause of building the socialist material civilization and spiritual civilization with a high sense of responsibility as masters of the country and with tremendous political enthusiasm, and have become very active forces on various fronts of our country, and many outstanding members among them have been selected and promoted to leading posts at all levels. They are full of energy and active in thinking, quick to respond to new ideas, have less conservatism, and dare to reform and explore new ways--this is another prominent feature of the young people in the 1980's. This spirit of conducting reforms and breaking new ground is particularly precious today when we are opening up a new situation in the building of socialism.

A thirst for knowledge and diligence in studies is also an important feature of today's young people. Today's world is confronted with a new technological revolution, science and technology develop very rapidly, and various kinds of new technologies and new industries are springing up. In the field of social science, there have also emerged many new problems which are in urgent need of further investigations and studies. With the active call and organization of the party and the country, there appears a great upsurge of studies among youths, which has never been witnessed before. Millions of youths take part in various forms of studies. They display a thirst for knowledge and great efforts in studies with the aim of realizing the four modernizations as soon as possible and making our country rank among the powerful countries in the world. Many of them have achieved gratifying results, and there has been a large batch of moving examples of successes in self-study.

While we fully affirm the mainstream of the young people, we should also note their shortcomings. Young comrades are bold in seeking truth, and are relatively sensitive to problems and defects in realistic life, but they should also learn to use the stand, viewpoints, and methods of Marxism to understand and handle problems all-sidedly and historically, so as to guard against one-sidedness and simplism. The young people have a strong sense of responsibility and enterprising spirit, but they should also be good at listening to different kinds of opinions, especially the opinions of dissent, and be good at uniting with more people to do work together. It is good for the youths to have a thirst for scientific and cultural knowledge, but they should also pay attention to going deep into practice, and being in close contact with the masses so as to enrich their experience. It is hard for them to be rid of all these shortcomings which we

also once possessed when we were young. It is hoped that the young comrades can fully realize the earnest expectations placed on them by the people and the heavy responsibility placed on them by history, learn from the old comrades, learn from the masses, and learn from practice. I believe that through the enthusiastic assistance of the old comrades and through the tempering and nurturing in the studies and the practice in work, the young comrades will certainly become increasingly mature and will grow up to be a new generation capable of shouldering the great responsibility of history.

We should also see that among a considerable number of young people, there exists a great gap between their ideological and political conditions and the requirements of the times for them. They have been rather seriously affected by the ultra-left ideology of the 10 years' turmoil of the "Cultural Revolution" and other erroneous ideological trends in society, and there are individualism, anarchism, and bourgeois liberalization, as shown in their lack of a sense of social responsibility. Therefore, we should not make light of but should pay enough attention to the influence of various kinds of erroneous ideology in the young people. At the same time, there are still a very small number of young criminals and a few elements hostile to socialism, and we should never underestimate the seriousness of the harmful effects caused by these people on society. However, it should be fully affirmed that the overwhelming majority of the youths are good, and with the development of the construction of the socialist material civilization and spiritual civilization, the strengthening of the ideological and education work, and gradual perfection of various kinds of systems and the improvement of the entire social trend, the overwhelming majority of the problems existing among youths can be solved, and it is certain that more and more youths will become advanced citizens, and that many passive factors will gradually turn into active factors.

Marxism is a scientific truth, and we should firmly believe that Marxism will certainly embrace the young generation. We should also have the conviction that the young generation, being keen on making progress and aspiring for truth, will prove themselves capable of embracing Marxism. These two points are the starting point of our work of ideological education. We can say with conviction that the young people of today are very promising and are fully trustworthy, and it is certain that they will surpass the older generation.

Train a New Generation Capable of Opening Up a New Situation

The current situation at home and abroad provides an excellent opportunity for our country to speed up the economic construction and rejuvenation of our nation. We should grasp the opportunity to boost our economy as soon as possible. The central task of the work of ideological education for young people in the new period is to make the youths conscious of their historical task, and to train and bring up a new generation capable of creating a new situation in building socialist modernization.

What qualities should this new generation possess? They should have firm faith in socialism and communism, have the interests of the state and the

people at heart, and have a strong sense of responsibility toward the missions assigned by the times. They should be active and persistent in their studies and research, be able to grasp modern scientific and cultural knowledge, and have the ability to effect modern management. They should emancipate their minds, have broad vision, and dare to break new ground and explore new ways. At the same time, they should be practical people who can persist in their missions and be good at uniting with the broad masses. Such youths and cadres are the best youths and cadres for the new period.

Due to historical reasons, a considerable segment of today's young people have not been educated with systematic ideological and political education as well as the basic principles of Marxism-Leninism-Mao Zedong Thought, and they lack the ability to identify and resist various erroneous trends in society. Therefore, educating youths in this respect systematically and in a planned way is an urgent task and is a requisite task for capital construction in training and bringing up a new generation. In carrying out political and theoretical education, we cannot adopt a method of dogma, but should proceed from practice in close association with the ideological reality of the youths and with the party's line, principles, and policies. At the present stage emphasis should be laid on education in patriotism and on education about the party's line, principles, and policies practiced since the 3d Plenary Session of the 11th CPC Central Committee. Patriotism is a great banner for uniting and encouraging the broad masses of young people in building and defending the motherland, and is also a starting point for embracing communism and establishing a revolutionary life outlook and world outlook. The history of civilization of the Chinese nation in the last several thousand years, especially the modern history in the last 100-odd years, as well as the history of the party in the last 60-odd years, are good teaching materials for conducting education in patriotism for youths. We should not only make the youths understand the history of the motherland, but should also guide them to have a good understanding of today's motherland and to explore the future of the motherland. At present an important part of conducting education in patriotism is to educate the youths to realize their historical responsibility and to mobilize their efforts and ambition in realizing the four modernizations and rejuvenating China. The line, principles, and policies implemented since the 3d Plenary Session of the 11th CPC Central Committee have been formulated by our party on the basis of earnestly summing up the experiences both at home and abroad and of systematically and intensively studying many important practical problems, and are the enrichment and development of Marxism-Leninism-Mao Zedong Thought, which should become an important part of educating youths with ideology and politics. Through the systematic ideological and political education and the education of the basic principles of Marxism-Leninism-Mao Zedong Thought, a basis will be laid for their gradual mastery of the Marxist world outlook and methodology, so that the Marxist theory can truly become the scientific weapon for the young people to correctly realize, understand, and solve their various kinds of ideological and practical problems.

The most important method for training and bringing up the new generation is to boldly promote young cadres, assign heavy responsibilities to them, and let them have the opportunity of striving to open up a new situation on the forefront. At present the reforms on various fronts, especially the efforts made in resolutely changing the defect of "eating from the same big pot" in a planned way so as to award the diligent and punish the lazy, are beneficial to the mobilization of the initiative of the young people, motivating them to give play to their enterprising spirit, to make bold reforms, and to provide a broad stage for them to display their abilities and ambitions. The practice of reform is also a broad one, whereby young people can obtain training and improvement and transform their subjective world while changing the objective world. It is as some people say: "Reforms punish the lazy, turn out able persons, and temper the young." Of course, deviations and mistakes are bound to occur among the young people because of their lack of experience, and some of them have certain shortcomings and defects. However, as long as they have good qualities and talents and are able to open up a new situation, we should give them patient assistance and enthusiastic support so as to make up for their deficiencies. When they are unjustly treated, we should speak up for them and give them due protection. Their talents should not be slighted and their achievements and contributions should not be negated just because they have shortcomings.

The realization of the grand objective put forward in the 12th CPC National Congress requires the common efforts of this generation and successive generations. When training and raising a new generation, we should not only resolutely promote the outstanding young cadres to leading posts, but should also focus our attention on the whole young generation and mobilize all their initiative. This is just like building a house--not only do we need supports, beams, and rafters, but we also need bricks, tile, lime, sand, and stones, and none of these is dispensable. Hence we should show concern for our youngsters, help them solve their practical problems, and create conditions for all the young people to grow up healthily and make progress. It is necessary to enable each one of them to possess certain specialized skills which can be put into good use, and to provide a good environment for them to display their talents and become specialized personnel in their respective trades. In this way we will be able to build our grand and magnificent socialist mansion with the best supports, beams, and rafters, and with the best bricks, tile, lime, sand, and stones.

Carry Out Enlightenment and Guidance, Straighten Out Ideas, and Attach Importance to Practice

When we carry out ideological education of youths, it is essential to proceed from the characteristics and realities of young people, adopt the method of enlightenment and guidance and the correction of ideas, and attach importance to the role of practice.

When imparting cultural knowledge to students, all of us uphold comprehension rather than cramming. It is especially so in conducting ideological education. I propose that the leading comrades at all levels and all the comrades engaged in youth work should often go among the youths, make

friends with them on an equal footing as comrades, get a good understanding of their ways of thinking, and, in close association with social practice and their ideological reality and level of understanding, use active and brisk methods acceptable to youths to guide them, through their studies, thinking, and practice, to consciously accept the party's line, principles, and various ideas, accept the truth of Marxism, and gradually learn to use the correct stance, viewpoints, and methods to comprehend and deal with problems.

With regard to the erroneous ideas and actions among youths, patient guidance and persuasion rather than censure and prohibition should be employed. If they are not convinced for a time about certain problems, repeated education should be conducted and patience should be practiced so as to allow time for their enlightenment. It will not do to simply resort to administrative measures such as banning and prohibition to tackle problems in terms of ideology and understanding, even serious problems. On the contrary, inappropriate censure and prohibition may yield passive or negative results. Just as in the case of water conservancy, if we only resort to building dams without dealing with the source of the floods, our objective of bringing the floods under control cannot be truly realized. Strengthening afforestation and vegetation at the upper reaches and along the slopes of river banks so as to prevent soil erosion and mud and rock flow, while at the same time broadening and deepening the river so as to increase dredging ability, will enable the water to flow smoothly and will turn the harmful into the beneficial. This truth has been expounded in the legend in which Gun [7641] and Yu [4416] adopted different methods of blocking and dredging in water conservation, leading to entirely different results. Problems among young people should generally be tackled by way of dredging rather than by way of blocking, just as in the case of handling water conservation work, so that passive factors can be turned into active factors. Even for those youths who have committed serious mistakes and have extreme sentiments, most of them can be changed after enlightenment work is repeatedly conducted. Naturally, it does not follow that those few youths who have committed serious crimes should not be punished by law. The implementation of the law itself is also a form of education for the broad masses of youths, which is in no way contradictory to the work of enlightenment and education. With respect to the decadent and evil ideology and lifestyle of the bourgeoisie and other exploiting classes, naturally we should resolutely resist them and prevent them from polluting our youths, but it is more important to provide them with healthy spiritual food in various forms, so as to enhance their feelings, enlighten their minds, enrich their socialist cultural life, and improve their ability to discern and resist various kinds of erroneous ideas. In recent years, many units have done a lot of work and made useful attempts in this regard. These activities are warmly welcomed by young people and have achieved good results because of their rich contents and vivid forms.

The Marxist theory of knowledge holds that practice is the criterion for assessing truth and is an important path for understanding truth. It is necessary for us to provide youths with the opportunity to practice, encourage them to make investigations in society and among the masses, and

to participate in some productive labor and social work so that they can broaden their vision in the course of social practice and enrich their practical knowledge. Through repeated practice they will be able to deepen their understanding of the truth of Marxism as well as the party's line, principles, and policies. Some units have organized youths to investigate the situation in various fields since the 3d Plenary Session of the 11th CPC Central Committee, especially the situation in the rural areas, so that they can definitely see the correctness of the party's line and principles from the abundant and vivid facts, and personally perceive what a great material force will be created once the party's correct ideas are grasped by the masses. Some other units have also organized youths to interview revolutionary veterans, to help write memoirs, and to investigate and write the history of villages or factories, and very good results have been achieved in these areas.

The images of advanced people and their deeds have a great impact on the growth of youths. In the work of ideological education for youths, our party has always attached importance to the utilization of examples. The examples of Dong Cunrui and Huang Jiguang in the years of war, Lei Feng in the 1960's, and Zhang Haidi in the 1980's have educated hundreds of thousands of youths. In the new historical period in which the economic construction has become the central task of the party and the country, we should continue to propagate heroic figures such as Dong Cunrui, Huang Jiguang, and Lei Feng, because their brilliant deeds and dedicated spirits still have educational functions and realistic significance for the new generation of youths. At present it is especially important to propagate those new advanced models that can manifest the features of the times, and to propagate those models that dare to shake the fetters of old ideology and old conventions, dare to carry out reforms and innovations, and can open up a new situation in their respective fields, so as to motivate young people to actively make contributions to the construction of the four modernizations, particularly to the current reforms. When publicizing model people, it is necessary to do the work with an eye to the majority of the young people, so that they can feel the truth of the contents and the intimacy of the figures and understand the benefits of learning from them. Praising the advanced people to the skies or idolizing them will only produce adverse effects. This practice should be prohibited.

Start the Work With Juveniles and Children

Most of the present juveniles and children were born and have grown up in one of the best periods in the history of our party, since the smashing of the "gang of four." They have enjoyed the care of the party, the state, and various sectors of the community, which is very beneficial to their healthy growth. However, it must be seen that the traces of the 10 years' turmoil and the erroneous ideological trends and evil practices in society have also affected our children to varying degrees. Today the number of children of one-child families is daily increasing, and not just a few parents have raised their children with too much attention and luxury, and there is a lack of strict and scientific education. In addition, certain defects also exist in kindergartens and primary schools. Among the

juveniles and children there exist some problems that should not be neglected. For example, some children are rather selfish, and some lack the concept of collectivism or mutual help, some have relatively improper ideas toward labor, and so on. We should pay attention to these problems.

The sport of table tennis in our country has been popular up to the present without any signs of decline. One of the important reasons for this is that it has been popularized with juveniles and children. Among them the sport is very popular and has a firm foundation. That is why we emphasize the importance of the work with juveniles and children. This is the period for laying a good foundation. Grasping well education during this period and training the children to have sound ideology and healthy habits from the early years of their lives is very significant for healthy growth in their later years.

Today many countries in the world attach great importance to preschool education, which is very progressive. We should also place the problem of preschool education on our agenda, strengthen the leadership over the work of preschool education, run well the normal schools for preschool education, make great efforts in training teaching and working personnel for kindergartens and nurseries, and provide an adequate supply of teaching materials and apparatus for preschool education, so as to enhance the level of the preschool education. While doing a good job in intellectual education, the preschool educational organs and parents should attach importance to the moral education of the children, and should guide the children in doing small things in their daily life so that they will grow up with a love for labor, science, the collective, the motherland, and the people. Research should be conducted as to the methods of education in accordance with the age level of youths and children, so as to give vivid, concrete, and appropriate guidance to them. It is not feasible to apply the principles and practice of adult education to preschool or primary education, and no method bordering on pulling up seedlings in a vain bid to help them grow should be practiced.

At present the assignment of homework for primary school pupils in many cities is quite heavy and affects the all-round development of the children in terms of morality, intellect, and physical culture, and strong complaints have been voiced in society. This involves reforming the entire educational system. At present it is necessary to proceed from straightening out the ideology in running education, enhancing the quality of teachers, and improving teaching methods, so as to gradually change the present condition.

Various departments and units should coordinate their efforts to provide juveniles and children with more reading materials, films, songs, plays, and television programs which are to their liking, and more grounds for conducting activities should be provided. Elderly comrades who have retired or have left their posts should be encouraged to take up more work for juveniles and children.

When the children have reached the age of 12 or 13, important changes will take place in their psychological, physiological, and ideological make-up. Their curiosity and ability to imitate are great and they have a great degree of flexibility. Therefore, grasping well the education of children within the 12 to 13 or 16 to 17 age bracket plays a very important role in consolidating the results of ideological education for juveniles and children, especially in forming a revolutionary world outlook for them in the coming years.

The work for youths has a direct bearing on the future of the party and the country, and for every household. It is hoped that all relevant units, particularly the CYL, the educational departments, unions, and women's associations, and all comrades engaged in youth work can coordinate their efforts to further strengthen and perfect the work of ideological education for youths in the new historical period, and can open up a new situation in the work of ideological education for youths, so that the generation of youths can grow up healthily.

CSO: 4004/86

GRASP THE TWO CIVILIZATIONS AND CARRY OUT THE TWO CONSTRUCTIONS
SIMULTANEOUSLY

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 15-21

[Article* by Deng Liqun [6772 0500 5028]]

[Text] This time the Central Commission on the five stresses, four beauties, and three loves activities decided to hold a work meeting in Sanming city, Fujian Province, with a view to learning from the experiences of Sanming city and many advanced localities in building socialist spiritual civilization in cities and exchanging experiences in building spiritual civilization in big, medium-sized, and small cities throughout the country. Before I attended the meeting, Comrade Hu Yaobang asked me to pass on his words to you all that in building civilized units and cities, we should do a solid job and not indulge in formalism and Comrade Wan Li and others checked and approved the agenda and main reports of the meeting. During the meeting, many comrades passed on their experiences and made good proposals. It can be said that this meeting is a grand meeting for exchanging experience in building spiritual civilization. The whole nation should learn from Sanming city and vice versa, and all cities should learn from each other. Our comrades said that the meeting was a success, with substantial contents, which had enabled all participating comrades to broaden their horizons, to enhance their confidence, and to rouse their enthusiasm, and it thus played an important role in bringing a fundamental turn for the better in the country's financial and economic situation, in the standards of social conduct, and in the work style of the party.

Comrades Zhao Ziyang and Li Xiannian inspected Sanming city and affirmed its experience in building spiritual civilization. All our comrades said: Sanming city is a model which is of universal significance. This is not only because they started the building of spiritual civilization at an early date and carried it out through to the end successfully but because their experience is quite comprehensive and systematic. The comrades from Sanming city not only have foresight but are also really up to the mark.

*This article is based on a speech delivered by Comrade Deng Liqun at the national work meeting on the five stresses, four beauties, and three loves activities on 18 June 1984. The speech was slightly abridged by our editorial staff for publication.

They have grasped the two civilizations and carried out the two constructions simultaneously, thus scoring outstanding achievements in the building of both material and spiritual civilizations. Big, medium-sized, and small cities are encouraged to learn from the experience of Sanming city and both new and old cities and even small towns below the county level are also encouraged to do so. If all cities which already have adequate conditions reach the current level of Sanming city in the building of the two civilizations, there will be a significant change in the face of the whole country. When Sanming started its drive to build socialist spiritual civilization, the total output value of its industrial and agricultural production was 400 million yuan and more but through its hard efforts over 3 or 4 years, it now totals at least 700 million yuan. Naturally, it will take longer for cities which do not have a certain material foundation and adequate economic and cultural levels to build themselves into cities like Sanming. Thanks to our efforts to resolutely implement the line, principles, and policies adopted since the Third Plenary Session of the CPC Central Committee, our economic and cultural development has entered the best stage ever seen since liberation. If we continue to resolutely implement the line, principles, and policies of the CPC Central Committee, this momentum can continue and, compared with the previous 10 years, the economic and cultural development in the coming decade will be wider in scope and at a faster pace. It can, therefore, be envisaged that by the end of this century, it will be possible to build the counties with a population of over 200,000 or 300,000 people each throughout the country into cities like Sanming or cities with a level nearly equal to that of Sanming city so long as the total output value of their industrial and agricultural production reach 300 or 400 million yuan and work in all fields is done conscientiously.

In the five stresses, four beauties, and three loves activities over the last few years, various localities have gained successful experiences, which merit close attention. In addition to the experience of Beijing passed on at the meeting, the Beijing Municipal CPC Committee also has a plan for conducting the five stresses, four beauties, and three loves activities and striving to bring about a fundamental turn for the better in the standards of social conduct in the country's capital ahead of schedule. Tianjin also has the experience of the army and the people working together to build a civilized street and that of city dwellers building gardens along the seashores and riverbanks through voluntary labor. Raising the slogan of eliminating spiritual pollution but not blindly opposing everything foreign, Shenzhen has done a lot in importing foreign capital and advanced technology and equipment and in resisting the corrosive influence of bourgeois ideology, thus correctly handling the relationship between leniency and strictness and between blocking the inroads of bourgeois ideology and doing enlightenment work in ideological matters. Anshan city's "eight prevailing practices," namely, practices prevailing in factories, hospitals, shops, schools, public security organs, villages, neighborhoods, and five-good families, are in fact experiences in building civilized units of eight different types. It is also a good way to discover and encourage models of different types of organizations and to gradually spread them over all units and areas from the ones selected.

There is also the experience of the army and the people working together to build the civilized Sichuan-Xizang communications line running from Chengdu to Lhasa and covering a distance of 2,400 kilometers. The comrades who worked under difficult circumstances, such as extreme cold, lack of oxygen, and frequent snowstorms and avalanches, surmounted difficulties and succeeded in building spiritual civilization there and this in turn boosted transportation and averted many accidents. Comrades Hu Yaobang and Zhao Ziyang pointed out: It is necessary to seek the experience of the workers and peasants working together to build socialist spiritual civilization. This involves the question of consolidating and developing the alliance of workers and peasants in the socialist modernization program. We have for many years not touched on the worker-peasant alliance and consequently, the relations between the workers and peasants in some local enterprises and rural areas are not satisfactory. This is a serious problem. The PLA now has 50,000 units or places where army-civilian joint efforts are involved and it should continue to make efforts to increase their number and improve their quality. If a considerable number of the more than 400,000 big and small enterprises all over the country work together with their nearby rural areas to build socialist spiritual civilization in the light of the varying conditions and if this number is added to that of units or villages where army-civilian joint efforts are involved, there will be a significant increase in the number of our civilized units or villages and the flowers of civilization will blossom everywhere throughout the country.

What should we start with in studying and spreading Sanming's experience? I am going to discuss my personal views based on this question for your reference only.

First, we should make, proceeding from the actual conditions of specific localities, a scientific and objective estimation of the possibilities and trend of the economic and cultural development of the localities and draw up plans for urban construction on this basis.

After liberation, there emerged a large number of new cities and great growth was recorded in the old cities. However, due to the lack of overall planning, although the built-up area of new cities and expanded old cities is many times larger than before liberation, many cities have not yet formed a relatively ideal pattern. The building is more often than not scattered here and there in a disorderly manner. The fundamental reason for this state of affairs is that we suffered such repeated setbacks in our previous work under the guidance of "leftist" ideology that we failed to genuinely shift the focus of our work to economic construction until the Third Plenary Session of the CPC Central Committee. Of course, in carrying out urban construction, we are indeed neither experienced nor sufficiently knowledgeable and have failed for quite some time to realize that urban construction is a big systematic project, as the comrades from Sanming city put it. Urban construction is a business of three dimensions and not just one and covers many and varied trades instead of only one. After the 3d Plenary Session of the 11th CPC Central Committee, the focus of work had already been shifted to economic construction. Comrade Deng Xiaoping said: So long as there are not large-scale foreign intrusions, we must give

priority to economic construction unswervingly and consistently. Over the last few years, the development of our economy, the improvement of our cultural development, and the accumulation of experience by our cadres have provided our urban construction with better conditions. We must master the science of urban construction, work out comparatively sound plans for urban construction for both the short- and long-term and put them into practice.

Second, we should grasp the building of both material and spiritual civilization simultaneously. This is a common conclusion we reached after comparing our positive and negative experiences.

The building of material civilization needs manpower and financial and material resources. This is a truth already known to all. Does the building of spiritual civilization deal only with spiritual matters? The experience of Sanming city tells us that without the necessary manpower and financial and material resources and without necessary material facilities, the building of spiritual civilization will get nowhere. The comrades from Heilongjiang said: The reason for Sanming city's success in building spiritual civilization lies in its improved methods of spending and its legal, appropriate, and correct use of money. I think I have one point to add, namely, the improved method of accumulation. The total industrial output value of Sanming city amounted to more than 450 million yuan in 1978 and reached over 670 million yuan in 1983, an increase of 51 percent. On this material base, considerable funds have been poured into the construction of public utilities, cultural and recreational facilities, houses, and commercial establishments. During the 4 years from 1980 to 1983, according to relevant state stipulations, 40.18 million yuan was spent on urban construction, an average of 10 million yuan a year. In addition, some achievements were also made in fund collection.

By the aforesaid legal use of money, we mean that funds amounting to over 400 million yuan were properly, rationally, and legally acquired. Details of five accounts in this connection are as follow: Industrial and commercial taxes and operational expenses for public utilities totaled 9.71 million yuan; profits retained by industrial and commercial enterprises at the rate of 5 percent amounted to 14.7 million yuan; profits retained by communal enterprises (such as running water supply companies and public transportation companies) at the rate of 80 percent were 7.91 million yuan; urban maintenance and protection fees within the budget reached 2.54 million yuan; investment in housing allocated by the provincial authorities was 2.1 million yuan; and environmental protection fees, the circulating fund for public houses, and the income from gardens totaled 3.22 million yuan. In addition to these funds totaling 40 million yuan, they also used a bank loan of 17 million yuan in building houses and waterworks. After being completed, the houses were sold as commodities and the money gained from housing sales was used to repay the bank loan. The money was thus rationally, legally, and appropriately used. They are practicing a "three a-littles" method, namely, the city financial department contributes a little, the collective units contribute a little, and individual residents contribute a little on a voluntary basis and they used the money raised in this way to operate public welfare undertakings, such as the administration

of small streets and lanes. The voluntary contributions made by the masses are manifested mainly in the form of voluntary labor and their cash contributions were very insignificant. This practice can help all units and individual residents concerned take more interest in and help them pool their wisdom and strength to do a good job in the construction of public welfare undertakings.

By the appropriate use of money, we mean that all the funds were used wholly in urban construction and were absolutely not diverted to other purposes. In the expenses for urban construction, they resolutely tightened control over personnel expenses. It is said that the personnel expenses of many localities constitute one-third and even a half of the total outlay for their urban construction. In Sanming city's construction funds, the per capita personnel expenses are limited to one-tenth. For this they have worked out many ways and measures. For example, the city engineering company is an establishment which operates itself in a way similar to an enterprise and contracts for construction projects, thus saving personnel expenses on the one hand and boosting labor productivity many times on the other hand. Again for example, as a result of strictly controlling the number of environmental protection personnel, the construction of public utilities has increased but the environmental protection staff in charge of the sanitation and hygiene of main streets still remains at 230 people. The hygiene of small streets and lanes is contracted to neighborhoods which organize retired workers and family members of staff and workers for that purpose. Only when personnel expenses are put under effective control can 90 percent of the urban construction funds be genuinely used in the construction of public utilities. All cities are encouraged to make calculations according to state financial stipulations, in other words, how much money can they accumulate and how should they use the limited urban construction funds in speeding up urban construction? Where is the way out? The way out lies in the above-mentioned method of Sanming city, namely, controlling expenditures for per capita personnel expenses and striving to find money to be used in the construction of public utilities. Sanming city also had typical experience in using money appropriately. They leveled rubbish heaps along the river and built up the 256-meter-long Hongxing market with bank loans. It was reported that the construction of the market took only tens of thousands of yuan. Each stall has to pay 0.5 yuan a day as rent. Bank loans were repaid within a year or more, with some surplus money in hand, which could, in turn, be used in building up more new markets. In the market, all shops, be they state-run, collectively run, individually run, or jointly run by the aforesaid sectors, traders from other provinces and cities, or local peasants are allowed to set up stalls and compete with one another and there is a wide range of products ranging from articles for everyday use to foodstuff, and moreover, their supply is ample. This makes things convenient for the residents. This practice can genuinely be called "turning what is rotten into a wonder," of which we can use a lot as reference.

By the correct use of money, we mean that money is used in improving every aspect of the people's livelihood. This has not only eased some strain on housing matters but also managed to bring about an improvement in road

surfaces and sewage networks and to ensure a good transport service, thus beautifying the environment. Out of their urban construction fund amounting to 400 million yuan, they spent 2.8 million yuan on cultural, educational, and public health undertakings. In this way, the masses of people can also carry out healthy and useful cultural and recreational activities after working 8 hours.

The above-mentioned Sanming city construction projects also include the houses and cultural and welfare facilities undertaken independently by various enterprises and establishments. They used the welfare fund put aside from the profits they had retained under the profit-appropriation system to build houses and cultural and welfare facilities, such as workers' clubs, workers' homes, schools, hospitals, and kindergartens. These units also mobilized their staff and workers to engage in flower nurseries and small gardens so as to beautify the environment. During the 5 years between 1979 and 1983, the Sanming steelworks netted 97 million yuan and retained 28.75 million yuan under the profit-appropriation system for their own disposal, of which 10.18 million yuan was earmarked for the welfare fund. They used this fund to build 65,000 square meters of housing floorspace, a hospital with 250 beds, a club with 1,900 seats, and more than 4,000 square meters of floorspace in school buildings and to run child-care centers, kindergartens, and health centers. They also mobilized their staff and workers to engage in flower nurseries, ponds, and sculptures by doing voluntary labor.

Sanming city's experience in raising and using funds in the construction of public utilities and cultural and recreational facilities and in beautifying its appearance is worth spreading widely. Every city has its own rationally and legally acquired money. This city's experience tells us that it is possible to raise funds for urban construction through various proper channels, so long as the leadership attaches importance to the fund accumulation work and carries it out through to the end. Although the amount of money raised through proper channels may be limited, through our efforts of several years, we can bring about a significant change in the features of cities and do a lot of good things for the masses of people if only the money is used legally, appropriately, and correctly. Being new, not big in size, and less densely populated, Sanming city could carry out urban construction at a faster pace and needed fewer funds for maintenance and transformation use. Just as Comrade Mao Zedong put it, on a blank sheet of paper free of any mark, the freshest and most beautiful pictures can be painted. It is true that big or old cities have a lot of difficulties in this aspect. Nevertheless, they still can do a lot of work if they cut expenditures on per capita personnel expenses and use the welfare fund put aside from their retained profits and bank loans in carrying out urban construction as Sanming city has done. The experience of Sanming city indicates that the building of spiritual civilization similarly needs a proper amount of manpower and financial and material resources in addition to laying stress on spiritual matters. Our comrades said: While talking about the building of spiritual civilization, we used to attach importance to spiritual encouragement to the neglect of material encouragement. Although our tentative plans were well-conceived, they could hardly be

implemented. Through our visit to Sanming city this time, we have learned one experience, namely, in building spiritual civilization we must integrate spiritual encouragement with material encouragement.

Third, in transforming old cities and building up new cities, we should put greening work in an important position.

The moment one arrives in Sanming city, the first thing he sees is that the hills surrounding the city are covered with greenery. The plant cover here has reached 85 percent. One can see flower belts and flower beds along the streets and lanes of the city and small flower gardens and flower nurseries everywhere in the city. The average per capita greening area of the city proper is 3.7 square meters. The city CPC committee and government are planning tentatively to change high enclosing walls into wattled walls or railings and to encourage neighborhoods, buildings, and houses to plant trees and flowers so that there will be trees, flowers, and grass everywhere along the roads all residents take. All households are encouraged to have their own flower beds in the light of actual conditions. In this way, there will be trees and flowers in every corner of the city. This is a good tentative plan. As for the transformation of old cities, before removing old houses and erecting new buildings, we should reserve enough open ground to use for greening between construction areas and between the buildings along the streets. As for the plan and construction of new cities, we should ensure everyone of at least an average greening area of 3 to 5 square meters as stipulated by the state. All cities surrounded by hills, both old and new, should work out plans for greening work and put them into effect gradually. It is necessary to mobilize the masses to contract for the greening work of areas section by section and to persist in planting trees and growing grass through voluntary labor. Every city should operate several nurseries for young plants. It is necessary to plant trees and flowers and to grow grass in residential quarters and their nearby areas. We should make long-term efforts to carry out the work of covering the country with greenery to benefit our future generations and do it year after year, from this century to the next one.

Fourth, in building the two civilizations, we should put more stress on doing more good things for our children and youngsters.

We make revolution for the sake of our future generations. In every job we do, we must always think of creating the best possible working and living conditions for our future generations. In old China there was a fine tradition, that is, what was good to eat, good to wear, and good to use in one's home was given first to one's parents but as for children, most parents failed to give them preferential treatment in this regard even if they wanted to do so. Since family planning work has been carried out, things have changed. Only sons and daughters have more and more become "key targets of protection" and their parents, willingly choosing to live frugally, try hard at any cost to let their little darlings eat, dress, and play better. This is a good phenomenon. We should inherit our fine traditions and respect the aged but, moreover, we should also place work concerning children and youngsters in an important position and always

think of our children in all matters. While quality childbirths, scientific nursing methods, and quality child care are advocated, we have a lot of work to do. Beginning from the day when women become pregnant, hospitals, neighborhoods, and units must take care of their health, give them regular medical checkups, ensure that they have proper nutrition and rest and conduct education among them in knowledge about pregnancy hygiene and health care and child hygiene. Beginning from the day children are born, a good job should be done in child care and nutrition, children's clothing, articles, education, books, films, plays, and playgrounds. All these should be put on the itinerary of our leading organizations and cadres. As the children grow, we should promptly resolve problems cropping up in the various aspects of children's work. Whether in terms of building material civilization or spiritual civilization, we still have a lot of work to do in child care. If things in this connection are done well, our children and youngsters can develop morally, intellectually, physically, and aesthetically. In this way, the quality of our population can be improved significantly and our future generations can be superior to their forebears. This is an important thing which is of strategic significance to the future of our nation and state. So long as the constitutions of the descendants of the Chinese nation become sounder and sounder, their intellectual level higher and higher, and their moral characters better and better generation after generation, our socialist cause can be handed down from generation to generation and can develop more quickly.

The party and the whole society must consider the interests of our children and take care of them. In this connection, the comrades engaged in building spiritual civilization should undertake greater responsibilities. In this way, all families and parents can be in perfect agreement with the party, the government, and the comrades engaged in building spiritual civilization. During the revolutionary war years, we would never have balked at shedding our blood for the sake of our future generations. In carrying out peacetime construction, if we fail to put the work concerning our children and youngsters in a proper position, we will lose touch with the masses.

Fifth, we should always think of the people and do everything in the interest of the people. This is the sole purpose of our party and also the key substance of this party rectification. A salient feature of Sanming's success in work is its adherence to this purpose. In carrying out the building of spiritual civilization, they started with the problems, which the people strongly criticized and demanded to be urgently checked. For example, to solve the problems existing in public transportation, the leading comrades of the city authorities personally rode in buses, sharing weal and woe with the masses, and their measures were thus highly effective. Near to the entrance of an experimental primary school there was a lavatory where excrement and urine spilled over the ground. This state of affairs was left untouched for a decade during which the school authorities and residents had complained. The city CPC committee invited the responsible comrades of the departments concerned to hold an on-the-spot meeting near the lavatory and sobered them up with the offensive smell. Then the leading comrades of the city authorities took the lead in removing the

excrement, filling the pit with earth, and pulling down the lavatory, thus solving the problem on the spot. This act of theirs won unanimous praise from the masses. At the beginning of the year, on the basis of investigation and study, they would list the problems which were most strongly criticized and objected to and for which the most urgent solutions were demanded and would work out solutions to them. They conducted a sectional checkup on general work every 2 to 3 months and a checkup on a special field of work every month. Every week, members of the standing committee of the city CPC committee and the mayor and vice mayors had dinner together six times. In this way, they could exchange information and ideas and some questions could be settled very quickly. This kind of leadership and these work methods are entirely different from the practice in which people rack their brains for solutions only in their offices. All our comrades want to do something for the people but if they do not have correct work methods and style and if they confine themselves to offices and direct their work out of wishful thinking and fail to investigate and study the problems for which the masses demand urgent solutions, they will hardly attain any desired results even though they exert herculean efforts. This is also a manifestation of bureaucraticism. Since the founding of the PRC, national political power has been in our hands. We are already in a position to do a lot of work through administrative orders. However, if we fail to understand the wishes of the masses and to find out their difficulties and fail to start our work with these aspects, we will divorce ourselves from the masses and arouse their dissatisfaction. During the "Great Leap Forward" period and the 10 years of internal disorder, the relations between the party and the masses became estranged and the masses had a lot of complaints about us. To put an end to this situation, the only way out is to restore and develop our party's fine traditions. Since the 3d Plenary Session of the 11th CPC Central Committee, the comrades from Sanming have not only restored but developed our party's fine traditions. We stand for quality service. All leading organizations and cadres and communists must first serve the people excellently, improve the quality of service work effectively, and take a correct attitude on serving the people. The comrades from Sanming city have provided us with successful experience in this aspect. Our comrades must really study their experience, find out what the wishes and difficulties of the masses are and for which problems they demand urgent solutions, take measures, and solve problems one by one. After these problems are solved, the question of the quality of service in various trades and professions can be solved quite easily.

Sixth, we should adopt forms loved by the masses and vigorously improve ideological and political work.

The comrades from Sanming city have come to realize in practice that the improvement of material life does not mean the simultaneous enhancement of political consciousness and that communist ideology can hardly take shape spontaneously. Like spring rain moistening all things on earth, their ideological and political work, which is imperceptibly influential, has enabled the masses, young people in particular, to heighten their patriotic, collective, socialist, and communist consciousness. The various ways they took in conducting ideological and political work are well worth studying

and using as a reference. The line, principles, and policies adopted by our party since the 3d Plenary Session of the 11th CPC Central Committee are Marxist. To strengthen and improve ideological and political work, it is necessary to integrate the universal truth of Marxism with the realities in China's construction and to implement the party line, principles, and policies down right to the masses both in thinking and action and it is also necessary to complete the tasks put forth by the CPC Central Committee through the endeavors to heighten the political consciousness of the masses and their own conscious history-making activities. Since the 3d Plenary Session of the 11th CPC Central Committee, we have made achievements in ideological and political work and built up a contingent of long-tested workers engaged in ideological and political work. The shifting of the focus of our work, the bringing of order out of chaos, and the study, publicity, and implementation of various principles and policies have liberated our ideological and political work from the trammels of "leftism" of the past and have enabled us to better inherit, develop, and enrich the previous fine traditions under new circumstances. Ideological and political work is a creative undertaking. It must advance hand in hand with the times, adapt itself to new circumstances, uphold the basic tenets of Marxism, persist in combining the basic tenets of Marxism with various new developments in practice, and play a positive role in the course of people's endeavors to change the objective world and to remold their subjective world. The new tasks of restructuring the economy and further opening to the outside world are ahead of us. We must seriously study and implement the spirit of the government work report delivered by Comrade Zhao Ziyang at the Second Session of the Sixth NPC, find out the various ideological developments arising in the reforms instituted in the cities and the drive to open further to the outside world, and ensure the correct implementation of the principles and tasks set in the government work report by doing patient and painstaking ideological and political work. The party's ideological and political work is indispensable to reform and the improvement and strengthening of ideological and political work can in turn promote the development of reform. Those who engage in ideological and political work must take a correct and positive attitude toward reform, strive to promote the development of reform in various fields, be bold in making innovations, enhance their abilities in work, brave all tests in practice, significantly improve work efficiency, and bring their positive role into play.

Seventh, we should seriously study and resolutely implement the scientific thesis of the 12th CPC National Congress report concerning the building of two civilizations.

The question of grasping the two civilizations simultaneously was settled ideologically and theoretically during the 12th CPC National Congress. The problem is that a considerable number of our comrades failed to act according to the requirements set by the 12th CPC National Congress due to their lack of keeping abreast of the demands of the times ideologically. In order to constantly deepen our understanding, it is necessary to frequently study and repeatedly understand the scientific thesis in the political report delivered by Comrade Hu Yaobang at the 12th CPC National Congress concerning the two civilizations. When ideological problems crop

up and misunderstandings arise, the best way is to restudy the 12th CPC National Congress report, the section dealing with socialist spiritual civilization in particular. We must always bear in mind the thesis raised in the report, a thesis which has been proved correct by practice.

The report says: "While working for a high level of material civilization, we must strive to build a high level of socialist spiritual civilization. This is a strategic principle for building socialism. The history of socialism and the present situation in China both tell us that the success or failure of socialism depends on whether or not we adhere to this principle."

The report says: "Material civilization provides an indispensable foundation for socialist spiritual civilization which, in turn, gives a tremendous impetus to the former and ensures its correct orientation. Each is the condition and objective of the other." "Socialist spiritual civilization constitutes an important characteristic of the socialist system and a major aspect of its superiority." In addition to its other characteristics, socialism "must also possess one more characteristic, that is, socialist spiritual civilization with communist ideology as its core. Without this, the building of socialism would be out of the question."

The report says: "We must demand that party members, CYL members, and all other advanced elements acquire communist ideology, and we must, through their instrumentality, educate and influence the broad masses. If the great task of building a great socialist spiritual civilization guided by communist ideology is overlooked...we will not be able to safeguard the socialist orientation of China's modernization, and our socialist society will lose its ideals and objectives, its spiritual motivation and fighting will, lose the ability to resist the inroad of corrupt influences, and even develop distortedly and degenerate."

The report says: Socialist spiritual civilization consists of two aspects--cultural development and ideological education. "All our cultural construction must, of course, be guided by communist ideology." "The socialist character of our spiritual civilization is determined by ideological education." "All party members and other advanced persons in our society must continuously propagate advanced ideas and set an example by their own deeds so as to inspire more and more members of our society to become working people with lofty ideals, moral integrity, education, and a sense of discipline."

The report says: "To build a socialist spiritual civilization is a task for the whole party and the common task of our people in all fields.... In production and construction we should try not only to turn out more and better material products, but also train successive generations of socialist-minded people of a new type. We must not allow our policies or work in any field to impede or, still worse, to undermine the building of a socialist spiritual civilization.... From now on, when checking up on the work of a locality, department or unit, the CPC Central Committee and the local party committees at various levels must take into consideration not only its material side, but also its spiritual side."

The 12th CPC National Congress report including the scientific thesis concerning the building of material and spiritual civilization was adopted by the supreme power organ of the party, namely, the party's national congress, and it should be strictly followed and implemented by all party members, all party organizations at various levels, and all cadres. All organizations at each level and all comrades are obliged to implement it faithfully and definitely do not have the right to violate it. The way we attach importance to building material civilization to the neglect of spiritual civilization or vice versa is one-sided and contrary to the spirit of the 12th CPC National Congress. This party rectification is aimed at unifying the thinking of the whole party including the notion of grasping the two civilizations simultaneously. Where should our thinking be unified? It should be unified in the spirit of the 12th CPC National Congress. If one-sidedness does exist in one form or another as verified through earnest examination and study, it should be corrected no matter what one thinks about it. Now the economic situation in the country as a whole is fine and it will get better and better in the days to come. With the development of the building of material civilization, the people will set increasingly more and higher demands on the building of socialist spiritual civilization. If we fail to have a clear picture of this situation and fail to adhere to the principle of grasping the two civilizations simultaneously, we will fall behind the situation and the masses and even divorce ourselves from the masses. In grasping the two civilizations simultaneously, what counts is that first of all the leadership must have a correct understanding of the matter. Only when the leadership attaches importance to it can many problems coming up in such specific areas as organization, expenses, and all kinds of back-and-forth arguments be easily solved. The experiences of Sanming and other localities have proved this point.

CSO: 4004/86

SPIRITUAL CIVILIZATION AND THE SPIRIT OF REFORM

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 22, 29

[Speech by Xiang Nan at the National Work Conference on the Five Stresses, Four Beauties, and Three Loves Campaign]

[Text] In connection with the building of a socialist spiritual civilization, Sanming city has done some work and made an early start. However, many party committees in Fujian have not taken this important issue in hand. Some localities sometimes pay close attention to the issue and are lax at other times. Our work has yet to be strengthened and improved.

The building of a spiritual civilization must be centered on economic work. If economic work is not successful and if the foundation is not solidly laid, it is difficult to build a high degree of spiritual civilization. On the other hand, we must not start building the spiritual civilization only after economic work has been successfully done. We should pay close attention to the two issues at once. That is to say, we should pay close attention to building the material and spiritual civilizations at the same time, facilitate the building of a material civilization with the impetus given by the spiritual civilization, and make them supplement each other and spur each other forward. This is of particular importance to Fujian, which is opening itself to the world, building special economic zones, and implementing special policies and flexible measures. At present, a prevalent trend in Fujian is that people pay little attention to building a spiritual civilization, and that the efforts devoted to this are not vigorous enough. There are still a considerable number of comrades who are of the opinion that economic work is a tough task and the building of a spiritual civilization an easy task. This is the principal factor which accounts for the sometimes vigorous, sometimes lax efforts devoted to building a spiritual civilization, as well as for people's inability to persistently continue this work for a long time.

One of our party's long-term, fundamental tasks is to arm the people with communist ideas, patriotic ideas, and collectivist ideas, and to successfully build a socialist spiritual civilization. It is wrong to regard this as a temporary task with the characteristics of a surprise attack. This should be corrected first. If we ask people to finish a piece of work which will take several years or even several decades within 1 or 2 years

or even within 1 or 2 months, we will have to spend a lot of money. This is simply pursuing formalism. This way of doing things is not practical and is harmful. We should adopt a long-term point of view, seek truth from facts, discard formalism, do things by stages and in groups, and do what we are capable of doing.

It is necessary to make the building of a socialist spiritual civilization a success, to persistently pay close attention to the reforms from beginning to end, and to act in the spirit of reform. The purpose of paying close attention to structural reform is to enable the superstructure to serve the economic basis better and to make production relations more vigorously aid the development of productive forces. The building of a socialist spiritual civilization is in itself a profound revolution whose purpose is to transform the objective and subjective worlds. Samming's practice has demonstrated that from putting end to "dirt, chaos, and poor service" to guiding the people to launch the "five stresses, four beauties, and three loves" campaign, and from consuming water; queuing up for buses; buying coal; dealing with the problems caused by birth, old age, illness, and death to developing the sciences, culture, education, and public health, reforms are needed in every field. The efforts devoted to turning filthiness into cleanliness, the chaotic state of traffic into the observance of traffic regulations, and poor service into civilized service constitute a reform. The transformation of the uneducated into educated people, not to mention the transformation of the idea of putting oneself first in everything into the idea of putting the collective first in everything and the practice of grumbling every day into a will to make progress, is also a kind of reform.

In order to build a spiritual civilization, it is naturally necessary to principally rely on spiritual qualities. For example, in persuading people to queue up for buses and in improving service, money is not indispensable, but we should chiefly rely on the heightening of ideological awareness and education. However, in building children's facilities, young people's facilities, libraries, and children's playgrounds, and in developing the scientific, cultural, medical, and public health undertakings, manpower and financial and material resources are indispensable. Some comrades can spend several million yuan on building a factory with great determination. However, they are not quite willing to spend several hundred thousand yuan on building educational facilities for children. This shows that they attach importance to material civilization but do not want to build a spiritual civilization. This concept must be corrected. In addition, the economic system must also be reformed. Without the reforms, we cannot make progress or delegate greater decisionmaking power to the enterprises and localities. If everything is under strict control, our economic work and the building of a spiritual civilization will not be successful. The reforms are inseparable from building a spiritual civilization. Only by boldly and persistently carrying out reforms and tackling tough problems in a down-to-earth manner can we make great achievements. The kind of mentality that encourages the observance of outmoded conventions but not innovation can absolutely not help us make a success of the building of spiritual civilization.

Sanming city's experience is precisely nothing but paying close attention to building a spiritual civilization and having the courage to resolutely pay attention to building a spiritual civilization, to tackle tough problems, and to carry out the reforms in a down-to-earth manner. Last time, when Comrade Zhao Ziyang came to Sanming city to inspect its work, the city CPC committee reported to him on how they had enlivened commodity circulation, how they had reformed the supply and marketing system, and how they had gone about building a spiritual civilization. Comrade Zhao Ziyang encouraged the city CPC committee and told them to carry on with their way of doing things. In my opinion, Sanming city's changes are principally a result of their having the courage to reform and tackle tough problems. It is a pity very few localities in the province have followed the example of Sanming city. Even if they have done so, they have not done it well. We should strive to gradually increase the number of such localities and to help them do their work better.

CSO: 4004/87

SIT WITHIN A COMMAND TENT AND DEVISE STRATEGIES THAT WILL ASSURE VICTORY A THOUSAND LI AWAY--UNDERSTANDING GAINED BY READING VOLUME II OF THE 'SELECTED WORKS OF CHEN YUN'

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 23-29

[Article by Xue Muqiao [5641 2550 2890]]

[Text] Volume II of Comrade Chen Yun's selected works has come off the press. This volume is the record of how Comrade Chen Yun guided our country's economic work. A conscientious reading of the book will not only enable us to understand Comrade Chen Yun's guiding thoughts on our economic work but will also help us comprehend the arduous process of starting to develop our country's socialist economy. Collected in this volume are his articles written in the period from August 1949 to July 1956. During this period, I always worked under Comrade Chen Yun; therefore, I know some of the detailed historical background to the works. That is why I am recalling the situation at that time and shall say something about my understanding of how Comrade Chen Yun directed one by one the battles in our economic field.

The core of Comrade Chen Yun's guiding thoughts in directing our economic work was to seek truth from facts. He always repeatedly analyzed the situation at that time, often started from the worst possible outcome, concentrated our strength, and worked steadily and soundly. That was why he won every battle and often won greater victories than were expected. He never became blindly optimistic when the situation was very fine, nor was he pessimistic, nor did he cover up problems when we met serious difficulties. On the contrary, he led us to fully understand the nature of the difficulties and thus led us to find a way to victory. This virtue is something that every member of the CPC must conscientiously learn from. Now, I shall divide that period into several short ones, and talk about the historical situation and Comrade Chen Yun's contribution in each of these short periods.

I

In early February 1949, when Beijing had just been liberated, I came to Beijing, at Premier Zhou Enlai's order, to check, together with Comrade Nan Hanchen, the banknote-printing machines and paper that had been left by the KMT, and to calculate the capacity of the machines for printing

banknotes. The reason Premier Zhou sent me to do this was that at that time, renminbi were the main financial resource that we used to support the large-scale war of the PLA that was sweeping the whole country. Premier Zhou also enjoined me to ask for the instructions of Comrades Chen Yun and Dong Biwu in drawing up the plan for issuing currency. At that time, I and some other comrades thought that as the liberated areas were expanding, it was already possible for us to stabilize the value of the renminbi and the prices of goods. However, Comrade Chen Yun was not optimistic about this. He was of the opinion that as the scale of the war grew day by day, our revenue would not be capable of meeting our financial expenditure; therefore, in drawing up our plan for issuing currency, we had to give priority to fully satisfying the needs of the war, and put the stabilization of the prices of goods in second place. He estimated that the prices of goods would continue to increase. As our capacity for printing banknotes was limited, we had to print, in a planned manner, banknotes with face values of 500 and 1,000 yuan. (At that time, we had already printed banknotes with face values of 50 and 100 yuan.) Otherwise, it would have been impossible for us to satisfy the needs of the war. In fighting a war on such a large scale, inflation and rises in the prices of goods were unavoidable. Only when the whole country was liberated would we be able to eliminate our financial deficits and lay a sound foundation for the stabilization of prices. I returned to Xibaipo, Fuping to report to Premier Zhou, who agreed with Comrade Chen Yun's opinion and told me to help with the work of calculation in drawing up the plan for printing renminbi banknotes and in drawing up detailed plans, and immediately sent a telegram to Comrade Nan Hanchen informing him of this plan. Premier Zhou also told me that in the future Comrade Chen Yun would be in charge of our economic work and that I had to obey Chen Yun's orders.

In early April, the organizations of the central authorities moved to Beijing and in early May, Comrade Chen Yun also arrived in Beijing. He ordered me to gather the cadres of the central financial and economic department and the north China financial committee, both of which were headed by Comrade Song Shaowen, and to make preparations for the establishment of the central financial and economic committee. Soon afterward, an economic leading group, with Comrade Chen Yun as the head and Comrades Li Fuchun and Bo Yibo as deputy heads, began to be set up. When the central people's government was set up, more than 10 departments were created to be in charge of various parts of our economic work. All those departments worked under the leadership of the central financial committee. The decisions of the central financial committee were to be reported to the premier of the government administration council for approval. At that time we took over thousands of enterprises of bureaucratic capital over the whole country and turned them into a state-run economic sector. We had also to administer tens of thousands of private industrial and commercial enterprises and to carry out overall planning and arrangement for our finance, financial activities, markets, and prices of goods. There were indeed thousands of things to do every day. Comrade Chen Yun assigned the daily work to Comrades Fuchun and Yibo and he himself focused all his energy on studying and solving the key issues of the economic work at that time. He time and again thought over these problems and made wise policy

decisions. As a result, he step by step brought a radical turn for the better to the crippled economy that had been destroyed by 12 years of wars.

In 1949, the liberation war was going on throughout our country and the military expenditure was tremendously great. At that time, we collected our financial revenue mainly by the levy of grain in the old liberation areas in northern China in the first half of the year, and we had not yet established our taxation system in our urban areas. Beginning from May, the areas in eastern, middle, and northern China were liberated one by one, but for a time, we could not collect the levy of grain and taxation in the newly liberated areas. Therefore, we had little financial revenue and had to rely mainly on issuing currency for our financial expenditure. The volume of currency we issued increased by 100 to 150 percent every 2 months. As a result, it was inevitable that the prices of goods should rise. In 1949, the prices of goods rose three times, in April, July, and November, and in February 1950 there was a final rise in prices. As Comrade Chen Yun foresaw this situation and made satisfactory arrangements beforehand, these difficulties were overcome one by one. In April, the rise in prices occurred in north China and northwest China only. At that time the central financial and economic committee had not been established and we relied on these areas to quickly put an end to the problem themselves by means of placing their goods on the market in large quantities. In July, there was a second price rise. At that time, the rise extended to the areas in east and middle China, including Shanghai and Wuhan. In July, prices increased by more than 100 percent. Comrade Chen Yun made a journey to Shanghai, and from 8 to 15 August held a financial and economic conference of five areas, comprising east China, north China, central China, the northeast, and the northwest. He made two speeches at the conference, in which he made a detailed analysis of the relations between the rise in prices and inflation and between inflation and financial deficits. He pointed out that under the circumstances at that time, it was impossible for us to reduce financial deficits and the level of currency issue; therefore, the prices of goods would continue to rise. We had to control the important materials and goods, such as grain and cotton cloth, and place them on the market in large quantities and in a planned manner in order to control the extent of the increase in prices. At that time the grain we levied exceeded our needs, to ensure the food grain supply for the personnel to whom we gave payment in kind, and we could spare some grain to supply the need in the market. This, with the grain our supply and marketing cooperatives purchased, could roughly meet the market demand. The Chinese Textile Company controlled about half of our output of cotton cloth, which was also able to play an important role in regulating the market. The problem was that the volume of currency continued to increase and there was a strong possibility that speculators would rush to purchase all the large amounts of materials and goods we placed on the market, hoard them to corner the market, push up the prices, and earn windfall profits. Therefore, it was inappropriate to blindly place large quantities of materials and goods on the market to force prices down. In November that year, there occurred the third increase in prices, and from 15 October to 13 November, the prices of goods rose by 150-180 percent. On 13 November, Comrade Chen Yun gave an instruction on "controlling the sharp increase in the prices of goods" and pointed out

that the fundamental reason for the rise in the prices of goods was the sharp increase in the volume of currency that we had issued. From the end of July to that time, the volume of currency rose from 280 billion yuan (10,000 yuan at that time was equal to 1 yuan now, the same being true hereinafter) to 600 billion yuan. As the places where renminbi were used doubled in area, the prices of goods would more than double. At that time, we told the trade companies in various localities that for a while, it was not advisable to sell the principal goods and materials in large quantities, except to maintain normal sales, and that they should concentrate the principal goods and materials from different places in the main sites. In advance, we fixed dates at the end of November and in early December as the time to simultaneously sell goods and materials in large quantities in the principal cities all over our country. By so doing, using as a base the price index in Shanghai and Tianjin at the end of July, we wanted to make every effort to limit the rise in prices of goods within the range of 100 percent or 120 percent. The trade companies in all parts of the country strictly followed Comrade Chen Yun's direction and, therefore, the rise in prices at that time was rapidly stabilized in early December within the range fixed by Comrade Chen Yun.

At that time, the liberation war was drawing to an end, but there was still quite a big financial deficit and, moreover, with the state purchasing grain and cotton on a large scale after the autumn harvest, the volume of currency issued increased continuously. By the end of November, the renminbi we had already issued totaled 1,890 billion yuan. Comrade Chen Yun estimated that in December 1949 and in January and February 1950, there would be another financial deficit of 2,500 billion yuan, that the volume of currency issued was bound to increase continuously, and that it would be difficult to stabilize the prices of goods for a long time. Therefore, he pointed out that we had to adopt the measure of issuing state bonds, to withdraw currency from circulation, in order to prevent another sharp rise in prices. Beginning from 1 January 1950, we began to issue 1,200 billion yuan of state bonds, but in the first 2 months--January and February--only our staff and workers paid for a small quantity of state bonds, while the capitalists had not paid for the state bonds for which they had subscribed. High levels of payment began in March. Therefore, at the end of February 1950, the volume of renminbi we had issued totaled 4,100 billion yuan, and the prices of goods rose continuously. However, at that time, we already controlled large amounts of goods and materials and were able to control prices in a planned manner. At the end of that lunar year (on 16 February), we first stabilized the price of grain and, because the price of cotton cloth was too low, we allowed it to continue to rise. In early March, we placed large quantities of goods on the market simultaneously, and thus all the prices of goods were stabilized. From the end of 1949 to the end of February 1950, the prices of goods in the whole country rose by around 100 percent. After March, the prices of goods were not only entirely stabilized, but also dropped one after another. Since that time, inflation, which had continued for 10-odd years, has gone forever.

Beginning from March, the CPC Central Committee administered our financial and economic work in a unified manner and thus the situation rapidly took

a turn for the better. In January and February, there was still a financial deficit, but beginning from March, our financial revenue and expenditure were basically balanced. Comrade Chen Yun never made an optimistic assessment too early. Therefore, he still prepared himself for both the best and the worst possible developments in stabilizing the prices of goods. On the one hand, he had to make preparations for a situation whereby, because of the stabilization of the prices of goods, there would be a great increase in bank deposits. Therefore, if the prices of goods rose, there would still be the danger of a run on our banks and a rush to purchase materials and goods. On the other hand, after the prices of goods were stabilized in March, the speed of circulation of our currency slowed down, so that the volume of currency issued did not satisfy the needs of our markets and quite many commodities could not be sold after their prices dropped. In May and June, the prices of goods dropped by about 30 percent. Therefore, we immediately allocated funds to purchase goods to increase our stock, in order to stop the fall in prices of goods and to enable the private industrial and commercial enterprises to restore their production and business. In the second half of the year, there was a small rise in prices, but they were still lower than the peak prices of March.

In May 1950, in accordance with the instructions of Chairman Mao Zedong, Comrade Chen Yun put forth the new task of readjusting the private industrial and commercial enterprises, and decided to purchase, on a large scale, the stockpiled goods of the capitalist industrial and commercial enterprises in order to help them restore their production. We began to give orders to their textile and flour mills for the processing of goods. We supplied them with raw materials, took back the finished products, and paid them the processing fees. As a result of these measures, we enabled the private industrial and commercial enterprises to rapidly overcome their difficulties and to restore their production and business. For the sake of further readjusting the relationship between the public and private sectors, on 8 May, we began to convene a meeting of the chiefs of industrial and commercial bureaus of seven big cities. The representatives of capitalists of the industrial and commercial enterprises all complained because they suffered from the slow sale of their commodities and because they wanted to increase the export of their commodities. When I reported to Comrade Chen Yun, he said that the main cause of the current slow sales of various kinds of commodities was that after the stabilization of prices, the false purchasing power (the rush to purchase and hoard goods for speculation) which emerged at the time of inflation abruptly disappeared. He said that it was a temporary phenomenon. He predicted that after the land reform, the purchasing power of our peasants would increase rapidly and the state would purchase all the commodities which could not be sold and which were suited to the demands of our people. At the meeting, the chiefs of industrial and commercial bureaus of various areas also wanted the state to purchase local and special products from our peasants. Because of 12 years of war, commodity exchange between the urban and rural areas was suspended, both Guangdong's bananas and Sichuan's hot pickled mustard tuber were unmarketable. All the various localities wanted the state to purchase their products. Therefore, we again convened a meeting of the heads of the industrial and commercial departments of various

provinces and put forth a new task of restoring the circulation of commodities between the urban and rural areas. All localities held trade fairs for exchanging materials and goods between urban and rural areas in order to increase the sales of local and special agricultural and sideline products. Comrade Chen Yun pointed out that this was not only an issue for our rural areas, but was also the key to enlivening China's economy at that time. When there was a market for the sales of local and special agricultural and sideline goods, there would be an increase in the purchasing power of our peasants, which would in turn promote the development of the industries and commerce in our urban areas and thus reduce or eliminate the phenomenon of unemployment there. As a result, urban purchasing power would also increase. The prosperity of industries and commerce would increase the state's tax revenue, reduce its financial difficulties, and thus further stabilize the prices of goods. From the above-mentioned measures we can see how Comrade Chen Yun stood high and saw far in directing our work, was good at grasping the key links of our economic work to the end, and could thus enable China's crippled economy to recover rapidly and develop smoothly.

II

On the eve of the founding of the new China, Chairman Mao Zedong put forth the economic policy of allowing five kinds of economic sectors to cooperate with one another and each play its proper role under the leadership of the socialist state-run economic sector. As we quickly liberated the whole country, we confiscated a large amount of bureaucratic capital and transformed it into a socialist state-run economic sector. The fixed assets of the state-run economic sector greatly exceeded those of the private economic sector, but because of the destruction done by the KMT when it fled, many enterprises could not restore their production immediately. That was why, in 1949 and 1950, the output value of the state-run industries was lower than that of the capitalist private industries, and the turnover of state-run commerce was smaller than that of private commerce. In particular, before the prices of goods were stabilized, speculator capital continued to control the market and the leading position of the state-run economic sector had not yet been established. The struggle to stabilize the prices of goods was in fact a struggle in which the state-run economic sector seized the power of leadership over the market from speculator capital. After the prices of goods were stabilized, a large amount of idle funds in society was deposited with the People's Bank of China, which absorbed over 90 percent of all the bank deposits in the country. As the relationship of placing orders for the processing of goods was established between the state commercial sector and the private industrial sector, the leading position of the state-run economic sector began to be established and was soon consolidated and developed. At that time the restriction versus anti-restriction struggle between socialism and capitalism was very fierce. However, as the state-run industrial sector quickly recovered and developed, the state-run commercial sector gradually expanded the relationship of placing orders for the processing of goods between it and the private industrial sector. As a result, the private industrial sector was transformed into an elementary state capitalist economic sector under the

control of the state and was governed by state planning. This determined that socialism had already defeated capitalism.

At that time, I was the chief of the private enterprises bureau and adopted a blindly optimistic attitude toward the socialist transformation of private industry and commerce. Comrade Chen Yun understood that because China's economy was backward and had been destroyed by prolonged wars, we could not rely solely on the state-run economic sector to meet the demands of the people of the whole country, and we had to allow private industry and commerce to recover and to some degree develop. Therefore, whenever private industries and commerce were in difficulties, he used the methods of increasing orders for the processing of goods, assigning private firms as agents for sales, and so on to help them overcome difficulties, and thus also strengthened the control over private industry and commerce. On a document that I had drawn up on private industry and commerce, he wrote the following instructions: "Long live the PRC," there is still lots of time, what need is there to make such a haste to restrict them! He also said to me that we had to allow private industries to develop and that when they were developed, they would still be in the PRC and could not move abroad, and thus would finally become the property of the state. Comrade Chen Yun was farsighted, and all through his works we can see that he has indeed conscientiously carried out the policy of taking into account the interests of both the public and private economic sectors and making all-round arrangements for both of them. As a result, he not only speeded up the recovery and development of our national economy, but also united with industrial and commercial capitalists and caused them to willingly undergo the socialist transformation. When he fixed the industrial products and processing charges of the private factories, Comrade Chen Yun allowed the capitalists to earn about 10, 20, or even 30 percent profit in light of the social demand for the products. For this, he was praised by foreign capitalists. As a matter of fact, after the deduction of income tax (the average rate of which was 25 percent and the maximum rate of which was 35 percent), the amount transferred to reserves (20 percent), and the funds for the welfare of the staff and workers, the capitalists, in fact, did not get much. At that time, he also encouraged them to establish new factories. As the state did not have much capacity to invest in economic construction at that time, the private industrialists and businessmen in Shanghai made a greater investment than the state. Now all those factories have been turned into state-run enterprises.

Through 12 years of wars, the equipment of the private factories had already become outdated or even broken and had to be renewed by new investment. The factories that society had a particularly great demand for had to be rebuilt and extended, but the capitalists could not or would not make the investment. Therefore, the state had to make investments and turn the factories into joint state and private enterprises. In 1952, Comrade Chen Yun selected the Nanjing water conservation chemical plant as the site to carry out a pilot project in turning an enterprise into a joint state and private enterprise. This factory was the only factory in the whole country that produced chemical fertilizer. In the first 2 years after the liberation, because agricultural production had not recovered, chemical fertilizer was

unmarketable and was purchased entirely by the state. Comrade Chen Yun foresaw that as agricultural production developed, the demand for chemical fertilizer would grow day by day. Therefore, he decided to invest in rebuilding and extending the factory. Comrade Hou Debang, the manager of the factory (who was later appointed vice minister of chemical industry), accepted the offer of transforming the factory into a joint state and private one. After the factory was rebuilt and extended, the output of fertilizer quickly increased and the profits also increased. Except for dividends, the factory had never paid bonuses before the transformation. After the transformation, the factory paid bonuses, which pleased the shareholders. The success of this pilot project made many private factories apply to be turned into joint state and private factories. In 1954, the CPC Central Committee decided to develop the joint state and private sector and soon there was a high tide in which all factories applied to be transformed into joint state and private ones. In 1955, the socialist state-run industrial sector contributed 67.7 percent of the total industrial output value of our country, the joint state and private industrial sector contributed 16.1 percent, the output value of the private enterprises in processing goods at the orders of the state constituted 13.2 percent, and the value of the products produced and marketed by capitalist enterprises on their own constituted only 3 percent.

Most of the joint state and private factories were of relatively large scale and were relatively better equipped. The quick development of the state-run and joint state and private factories put the remaining private factories (which constituted a majority in numerical terms) in an even more difficult position. Mr Chen Shutong, chairman of the National Association of Industry and Commerce, came to the central financial committee and said that "the state has eaten all the meat and should not throw the bones that it has left over into the rubbish bin, as capitalist countries have done." He asked Comrade Chen Yun to transform all the enterprises of the private sector into joint state and private ones. Before Chen Shutong raised the request, a small number of cities had succeeded in carrying out pilot projects of turning a few trades into joint state and private ones. By that time, there was an irresistible high tide of turning trade after trade into joint state and private ones. In the past, we often said that private industry and commerce voluntarily accepted the socialist transformation and that the government had not forced them to accept it. This was indeed the case. We did not rely on compulsion by government force in transforming private industry and commerce. We relied on the powerful socialist state-run economy, the superiority of the socialist economy, the correct policy of taking into account the interests of both the public and the private sectors, the measures of adroitly guiding actions according to circumstances and of carrying out transformation step by step, and the practicing of state capitalism, and thus achieved the great victory in transforming private industry and commerce.

The transformation of the whole private sector into a joint state and private one began in Beijing. In the Spring Festival of 1956, the industrial and commercial capitalists and the staff and workers of all the private enterprises in Beijing gathered in front of the Tiananmen and beat

drums and gongs to celebrate the transformation of all the private industrial and commercial sector into a joint state and private sector. This high tide soon spread to all the large, medium-sized and small cities in the country. The transformation of the entire private economic sector into a joint state and private sector gave rise to many new problems.

1. Most of the newly transformed factories were of small scale and had backward equipment. Of course, it was impossible to transform and reform all of them. Comrade Chen suggested that we merge some small factories into large ones and thus let the advanced take along the backward, and that many small factories had to be merged into big factories in order to facilitate the reforms. Those that were left and which were too backward could only be closed down, but when the factory owners handed over their factories to the state, their assets would also be evaluated and they would also be paid fixed interest. This would be a large-scale restructuring of the industry of the whole country. Only by so doing, could we meet the demands of society and make rational arrangements. During the process of merger and reorganization, Comrade Chen Yun suggested that we should not merge too many small handicraft firms into big firms, and had to let most of these firms continue to operate separately. For big factories were only willing to produce general goods in large batches, and mergers would result in a reduction in the variety of goods. It would also be very possible that the production of some of the commodities produced in small numbers, for which there was not a large demand, but which were indispensable in the lives of some of our people, would be suspended. Many commodities produced in small numbers and with traditional distinguishing features had to continue to be produced independently by the original producers. The commercial and service trades had to be even more scattered. Only thus could they bring convenience to our inhabitants. Many small handicraft firms and small shops that continued to operate independently, and the newly merged cooperatives, had to continue to shoulder sole responsibility for their profits and losses and could not "eat from the same big pot." This was a very important principle, for at that time the transformation into joint state and private enterprises was in such vogue that if we did not acknowledge that these firms were joint state and private ones, they would feel ashamed. However, if fixed wages were paid and the practice of "eating from the same big pot" was implemented as soon as these firms were labeled as joint state and private ones, they would become too heavy a burden for the government.

2. When a single enterprise was turned into a joint state and private one, its profit and loss was calculated independently and its profit was distributed in accordance with the numbers of shares held by the state and individuals. The transformation of the entire private sector into a joint state and private sector required large enterprises to bring along small ones and advanced ones to bring along backward ones. However, large enterprises were not willing to shoulder these burdens. The method of solving this problem was to put an end to the practice of each capitalist shouldering the responsibility for the profits and losses of the enterprises related to him and to replace it by the practice of the state shouldering all the profits and losses. Therefore, all the assets of the

enterprises were evaluated and a fixed 5 percent interest was to be paid for all the private capital. Previously, the joint state and private enterprises had earned different rates of profit and did not distribute their profits if they did not make money. At that time, the capitalists were sure to get 5 percent interest. They found this was the general trend and agreed to it. When a single factory was transformed into a joint state and private factory, the capitalists had been concerned with the amount of profits and still took part in the management. At that time, the state took over the responsibility to pay the fixed interest and the capitalists handed over all the power of administration and management to the state. As a result, the state was able to merge and reorganize the industrial and commercial enterprises in accordance with the demands of production and society. The enterprises in the joint state and private sector differed greatly in nature from the previous, separated joint state and private enterprises. For, except for the payment of a fixed interest to the capitalists, these enterprises were the same as state-run ones. They were not half socialist but 90 percent socialist.

3. How had we to deal with the private management personnel of the enterprises after these enterprises were turned into joint state and private ones. After the entire private economic sector was transformed into a joint state and private one, the capitalists got fewer profits than before and would get no profits after a certain number of years. Therefore they showed greater concern for their jobs and hoped to become "laborers who live on their own labor" a certain number of years later. Comrade Chen Yun suggested that as long as the original private management personnel had some administration and management ability, they had to be assigned to appropriate posts. Those who were originally factory directors could be appointed deputy factory directors or even factory directors. Moreover, we had to do our best to enable them to have their power of office under the leadership of the responsible departments of the state. These private management personnel were originally paid salaries higher than those of the personnel in state-run enterprises and those of the personnel sent by the state to the joint state and private enterprises. In order to avoid an excessive fall in their living standard, he decided that with a very small number of exceptions, these private personnel would generally be paid the same salaries as before. After the transformation, many comrades continued to regard the former capitalists' management personnel as exploiters and as burdens, and the staff and workers in their enterprises were not willing to work under their leadership because they had exploited the staff and workers in the past. Comrade Chen Yun time and again persuaded these comrades and staff and workers. He pointed out that since the transformation, those former management personnel of the capitalists' who were later appointed by the state were already in a different position from their previous one. They were leading staff and workers, on the same footing as those management personnel sent by the state or selected and promoted by the state from among staff and workers. As ours was an economically backward country, in which the educational level of the staff and workers was generally low, and as we lacked administration and management experience, it was necessary for us to employ and modestly learn from the management personnel formerly appointed by capitalists. Comrade Chen Yun said that we must not regard the

management personnel of the capitalists' as burdens, but must regard them as valuable assets, which were more important than the property that the capitalists had handed over to the state. To implement these policies, we had to pay over 100 million yuan of fixed interest each year (for 10 years) and thus bought out the entire bourgeoisie. Lenin once put forth the policy of buying out the bourgeoisie, but this policy had not been carried out in the Soviet Union, but has been carried out in China, for the first time.

Comrade Chen Yun not only put forth the suggestion of making steady progress during the socialist transformation (on the surface, steady progress was slow, but in fact, it was quick and left no aftereffects), but when the reform was roughly completed, he delivered at the Eighth CPC National Congress, in September 1956, an important speech entitled "New Issues After the Completion in the Main of the Socialist Transformation," pointing out that in the past we had adopted some measures which were too rigid in administering private industry and commerce and that these measures had to be changed in a timely manner. For example, state commerce had imposed a monopoly over the purchase and sale of many industrial products, but in the future, except for a small number of products in short supply, which had to be purchased by the state-run commercial departments according to plans, or for which the state-run commercial departments had priority in purchase, we had to allow factories to market on their own, or assign commercial departments as agents of sales for, many products, particularly commodities produced in small quantities. As for some of our agricultural and sideline products, they need not continue to be purchased solely by our supply and marketing cooperatives. On the contrary, we had to allow various state-run and cooperative shops to freely purchase, take away, and sell them. We had to make our pricing policy facilitate the development of production. We need not simply regard the stabilization of prices as "unifying prices" or "freezing prices." We had to relax our price management over the small local products that were purchased and sold freely. We had to change the method of planned management of the state. In order to make our commodities meet the demand of the markets, we had to regard some of the targets of the plans as targets for reference and allow the factories that produced articles of daily use to operate in accordance with market demand and to be free from the restrictions of the targets. Finally, he made a pithy analysis of the relation between the state-run economic sector as the core and the collective and individual economic sectors as the supplement, and of the relation between the planned economy as the core and free production as supplement. These principles are still of guiding significance today.

III

During the 3 years of recovery and the period of the First 5-Year Plan, our country's economic construction was entirely or chiefly carried out under the guidance of Comrade Chen Yun.

During the 3 years of recovery, our economic work was carried out entirely under the guidance of Comrade Chen Yun. At that time, Comrade Chen gave first priority to stabilizing the market and the people's livelihood. He

time and again said that our financial strength was first to be used to stabilize the livelihood of the people, and then we would use the surplus strength in production and construction. He never pursued a high growth rate. However, the implementation of this principle resulted in a quick increase in production. The annual average growth rate of our industry was more than 30 percent and that of agriculture was more than 10 percent. The output of most industrial and agricultural products was greater than the maximum output before the wars. At that time, we did not formulate national economic plans. Through the implementation of the measures of making the private industries produce their major industrial products at the state's orders for the processing of goods, of imposing a state monopoly over sales and purchases, of assigning private enterprises as agents for sales, and of fixing the difference between retail and wholesale prices, we caused the private industrial sector voluntarily to obey the guidance of the state. Through our pricing policies, we made agricultural production meet the demands of the state. At that time the planned management of our national economy was very flexible and, under the leadership of the CPC Central Committee and the CPC committees at all levels, our state-run commercial departments promptly readjusted prices and processing charges in accordance with market demand; therefore, there were no dislocations in proportion and production and sales were never disjointed.

The First 5-Year Plan was drawn up with the help of Soviet specialists. Generally speaking, it was carried out smoothly. The gross industrial output value rose by an average of 18 percent every year and that of agriculture rose by an average of 4.5 percent every year. However, there were some small twists and turns. Because of the quick recovery and development of industrial and agricultural production from 1950 to 1952, there emerged a trend of "leftism." The plan for the year 1953 was aimed at somewhat rash progress. It allocated the 3 billion yuan of financial surplus left from the previous 2 years to economic construction. As a matter of fact, the 3 billion yuan that the Ministry of Finance had deposited in the bank had been lent to the state-run commercial departments long before. In order to ensure market supply, state-run commerce must have control of large quantities of goods (in 1952, the wholesale turnover of state-run commerce accounted for over 60 percent of the wholesale turnover of the whole country), the state-run commercial departments used a large amount of bank loans to purchase industrial and agricultural products. The spending of this sum of 3 billion yuan forced the state-run commercial sector to sell its stocks to private businessmen and thus caused a disturbance in the leading position of the state-run commercial sector in the market and fluctuations in the prices of goods. In the summer of 1953, the government administration council called a 1-month financial and economic meeting. On 14 September, Comrade Chen Yun pointed out some of the mistakes in our economic work at that time and then adopted the measures of "increasing production and practicing thrift" to overcome the difficulties.

In 1956, as the socialist transformation developed in victory, there was further rash progress in our economic construction. Our investment in capital construction was sharply pushed up, from 8.85 billion yuan to 13.96 billion yuan. There was a rush to purchase double-wheel plows all

over the country. Premier Zhou Enlai and Comrade Chen Yun called many meetings to overcome this mistake. In the summer of that year, in his proposal on drawing up the Second 5-Year Plan, a proposal that he put forward at Beidaihe, Comrade Chen Yun summed up the experiences gained in the previous years and put forth the idea of striking three major balances--a balance between financial revenue and expenditure, a balance between lending and borrowing, and a balance between the supply and demand of materials and goods. (In 1956, there was a financial deficit amounting to 1.83 billion yuan and an increase of 1.7 billion yuan in the currency issued, 42 percent more than the year before.) These three major principles for drawing up national economic plans were written into Premier Zhou's proposal for the Second 5-Year Plan and delivered to the Eighth CPC National Congress for approval. For a long time, they have been a guideline for us in drawing up plans. Then a plan was formulated for the year 1957 to sharply reduce the scale of investment in capital construction. As a result, we put an end to the deficit and gained a surplus of 600 million yuan, withdrew from circulation in the market 450 million yuan of currency, and brought a marked turn for the better in our economic situation. Unfortunately, in December 1957, Chairman Mao criticized the view that opposed "rash progress" and unveiled the "Great Leap Forward." This caused the development of our socialist economy to deviate from the correct path. This lesson was very profound.

The 3 years of the "Great Leap Forward" caused our country's national economy and our people's livelihood to suffer tremendously serious difficulties. Comrade Chen Yun made tremendously great contributions in bringing a turn for the better in this difficult situation and to bringing a quick turn for the better in our national economy. The articles written in this period will be included into Volume III of his works.

The "Selected Works of Chen Yun" is a book all CPC members, particularly cadres engaged in economic work, must read. In reading this book, we must understand the spirit and essence of the articles in the light of the economic situation at that time. I hope that all the comrades who took part in leading economic work at that time will also tell us about the historical situation at that time in order to help our middle-aged and particularly young cadres improve the results of their study.

CSO: 4004/86

PARTY RECTIFICATION SHOULD BE LINKED WITH ECONOMIC WORK

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 30-33

[Article by Zhang Gensheng [1728 2704 3932], secretary of the Standing Committee of the Jilin Provincial CPC Committee]

[Text] Party rectification and economic work are the two major tasks being grasped by the entire party. Our practice makes us feel that party rectification must be integrated with economic work, that we must not isolate the two tasks from each other and perform them separately, and, what is more important, that we must not pay attention to one at the expense of the other.

The building of our party is closely related to economic construction. In order to satisfactorily accomplish economic construction, we must first satisfactorily build our party, because in the magnificent cause of socialist modernization, our party shoulders the responsibility for leadership which history has entrusted to it and which cannot be shirked. The condition of our party is directly related to the success or failure of the socialist modernization cause, to our country's future prospects, and to the people's destiny. The aims of our current party rectification are to solve the problem of impurity in our party in matters of ideology, organization, and work style, to solve the problem of incompatibility between the building of our party on the one hand and the new situation and our new tasks on the other, and to build our party into a strong core of leadership over our socialist modernization undertakings. Party rectification must promote economic development. The vast numbers of party members and the broad masses also strongly demand that economic work should be pushed forward through party rectification. If, despite our party rectification, the major problems about which the broad masses show great concern cannot be really solved, economic development cannot be effectively promoted, and visible benefits for people cannot be achieved, then we will not be able to win the confidence of the vast numbers of party members and the broad masses. Moreover, we must also note that the problems of our party will inevitably be reflected in economic work. For example, without a consideration of the fulfillment of general tasks and general goals, it will be very difficult to clearly judge whether the leading group of a locality or unit does resolutely and correctly implement the party's line, guiding principles, and policies, and whether it is in political unity with the

CPC Central Committee. How, at present, can we more satisfactorily open our country to economic intercourse with other countries? How can we further enliven our economy? With the implementation of the responsibility system in the countryside, whereby contracts for households are linked to output, how can the commodity economy be vigorously developed? How can the experience of rural economic reforms be successfully applied to the cities? How can the enthusiasm of the intellectuals be brought fully into play? How can the four modernizations of the cadres be achieved? Providing answers to these and other questions is an urgent task for us. It is very difficult to envision a satisfactory accomplishment of party rectification without these problems being correctly solved.

In this new historical period, the focus of our party's work is socialist modernization. Comrade Deng Xiaoping said: "Our modernization tasks cover many aspects. Comprehensive equilibrium in various aspects must be achieved, and we must not concentrate on a single aspect only. However, in the final analysis, we must have economic construction as our center. If we deviate from this center, we will face the danger of losing our material foundation. All other tasks must be subordinated to this central task, must revolve around it, and must not interfere with or undermine it." ("Selected Works of Deng Xiaoping," p 214) Party rectification must not, as in the past, develop into political campaigns divorced from economic work. In this respect, our past experience was much too bitter. During the 10 years of internal disorder, the counterrevolutionary cliques headed by Lin Biao and Jiang Qing preached that "politics could produce an impact on everything" and vigorously criticized the "theory of the sole importance of the productive forces." They set politics against economics, causing grave sabotage to the economy and immense calamities to our party and the people. Today we must not repeat the past error of turning politics and economics into "two thin layers of skin," or engage in "empty-talk politics" which "bears flowers but no fruit." The integration of party rectification with economic work represents the further bringing of order out of chaos in practical work subsequent to the accomplishment of the arduous task of bringing order out of chaos in the realm of guiding ideology. Whether party rectification is satisfactorily integrated with economic work is an important criterion for testing whether the ideology of having economic construction as the center is firmly adhered to and whether the influence of "leftist" ideology is eliminated.

In view of this, how can party rectification be integrated with economic work? We think the most important thing is to vigorously grasp the central issue of fulfilling the general tasks and general goals put forth at the 12th CPC National Congress. What should be rectified in our party rectification? Our party rectification aims to remove through rectification anything which hinders the fulfillment of the general tasks and general goals. In party rectification, only by proceeding from the fulfillment of the general tasks and general goals can we achieve new improvements in economic work. The main feature of the situation in our province is that the following several things have been grasped:

First, we pay attention to eliminating "leftist" influences and rectifying the guiding ideology governing economic work. Over the past several years, our provincial party committee has maintained ideological and political unity with the CPC Central Committee, and the development of economic construction throughout the province has been relatively rapid. However, "leftist" influences on our ideology have not been completely eliminated. This is reflected in economic work, mainly in the following aspects: Policies have not been adequately relaxed, the economy has not been enlivened, and overconcentration of power and overly rigid centralization exist in industrial and agricultural production and in the realm of circulation; major breakthroughs have not been achieved in implementing the policy of opening our country to economic intercourse with other countries, and basically a new situation has not been opened up in importing technology, recruiting qualified personnel from other places, and organizing joint ventures; in dealing with the question of many, varied economic sectors, control over the development of collective economy and individual economy has not been relaxed, the development of the collective and the individual has been limited by restrictions, and the state sector of the economy, collective economy, and individual economy have not been made to promote each other through the development of their own superiorities; importance is attached to production alone at the expense of circulation, and operational work is poorly done, so that the transportation, processing, and so on of large quantities of grain, oil crops, local products, and specialties have not been satisfactorily developed, and superiority in natural resources has not been turned into superiority in economic development; and so on. In studying the party rectification documents and examining ourselves according to them, we analyzed the problems of the leading group of the provincial party committee in relation to the guiding ideology governing economic work, and found the main problem to be the tendency to remain conservative, working merely according to rules, being content with things as they are, and the absence of major breakthroughs. In the light of practice, we further laid bare the manifestations of "leftism" and discussed the harmful effects of "leftism," and felt deeply that "leftist" influences could thwart economic development if they are not eliminated. However, it is not easy to overcome the influences of "leftist" ideology. Some comrades always revere the set of policies, systems, rules, regulations, and methods of the past, formed under the domination of "leftist" ideology, as an unalterable model of socialism; and slight deviation from those things can be considered to be capitalism. In order to solve this problem, the standing committee of our provincial party committee concretely analyzed a collective enterprise run by neighborhood authorities in Changchun and a specialized fruit growing household in Liuhe County. These two typical examples fully demonstrate that our party's policies are correct and conducive to making our country and the people better off. However, some people wonder whether they represent "socialism" or "capitalism." Through a concrete analysis of these two typical examples, the standing committee of the provincial party committee has enhanced consciousness in overcoming the influences of "leftist" ideology and has further rectified the guiding ideology governing economic work.

Second, through party rectification, we must develop a general mood of firm determination to undertake reforms and to make China strong, and a new situation of opening up new prospects and achieving progress with full fervor must be developed. In order to quicken economic development, we must undertake a series of reforms, but resistance to reform is substantial. The leading comrades of the CPC Central Committee have recently said that this resistance does not come from the workers or the engineering and technological personnel, but from the leading bodies of our party, the leading economic work departments, and the leading cadres of our enterprises. This assertion pinpoints the crucial point. There are two main reasons why the leading comrades of these departments or bodies have not adapted themselves to the situation of reform: First, "leftist" influences in their minds have not been eliminated; and second, the force of habit, formed over a period of many years, still exists. These comrades judge new things by old standards and hate to see the reforms; they denounce the reforms as heresies and willfully obstruct them. Some other people seriously indulge in bureaucracy; they show no concern for the reforms, do not treat the reforms in an enthusiastic way, do not support the reforms, and are indifferent and apathetic toward the difficulties of those who are courageously engaged in reforms. These problems must be solved through party rectification. Through a study of the instructions concerning economic work issued by the leading comrade of the CPC Central Committee, which call for: first, grasping reforms, and second, grasping the opening of our country to economic intercourse with other countries, the members of the standing committee of our provincial party committee have further freed their minds from old ideas and have further widened their field of vision; they have begun to devote their efforts mainly to grasping reforms in the cities. Applying the basic experience of the countryside in using contracts based on output, and giving consideration to the characteristics of the cities, we have formulated 10 measures for making our policies more relaxed and quickening the progress of our reforms. These measures mainly include the following: In industry, for large and medium-sized state-run enterprises, bonuses are linked to profits, without any ceilings or floors; for small state-run industrial enterprises, they are put under ownership by the whole people and operation by the collective, and they practice independent accounting, pay taxes according to rules and regulations, and assume sole responsibility for profits and losses; for collective enterprises, they practice the method of assuming responsibility for task completion in the broad sense, like that used in the countryside, whereby they pay taxes in full, retain adequate amounts of funds, and distribute the remainder as remuneration; for enterprises run by provincial authorities, they will be handed over to lower authorities in separate groups at different times; and moreover, systems of factory directors' responsibility are implemented, and the enterprises' power over personnel and labor management is increased. In commerce, "assigning power to lower authorities and practicing the assuming of sole responsibility" is carried out; for large and medium-sized enterprises, bonuses are linked to profits under the precondition that the payment of taxes and the turning over of profits to higher authorities are fulfilled; for small commercial departments and retail agents, they are put under ownership by the whole people and operation by the collective, the state levies taxes on them, and they

assume sole responsibility for profits and losses; for some small service trade enterprises, they can be rented to individuals or turned into enterprises operated by individuals; the development of neighborhood collective commercial units and individual commercial units is vigorously supported; urban trade centers are built and wholesale, purchasing, and marketing activities are extensively launched. In municipal construction, residential housing projects and urban services projects are built by the method of inviting tenders and assuming sole responsibility for task completion with responsibility linked to investment funds used; housing units to be sold as commodities are built, and urban residential units are sold as commodities instead of being distributed at low rents. The broad masses and the vast numbers of cadres are highly satisfied with these reforms. Although party rectification has been carried out for merely several months, ideological unity, determination to undertake reforms, great enthusiasm, and confidence in doubling our output have really been built. The slogans and goals for endeavor put forth by the provincial party committee are: Free ourselves from old ideas, satisfactorily bring about "two categories of changes" (the reform of systems and technological transformation), speed up "the acquisition of three things from other places" (the acquisition of capital funds, technology, and personnel), improve economic results, and double our output in 7 years.

Third, we must adhere to the ideological line of seeking truth from facts and proceeding from reality in all undertakings. Ours is a large country; various localities have different local conditions and have their own characteristics and superiority. In implementing the guiding principles and policies formulated by the CPC Central Committee, each department or unit must do so in the light of its own actual conditions, discover its own problems, and overcome the shortcoming of "making changes in view of the general nature of the guiding principles and policies." Only thus can we have a definite objective in mind and achieve solid results. In party rectification, we made an in-depth analysis in the spirit of seeking truth from facts and have realized that our province enjoys three categories of superiority in economic development: First, in agriculture, the output of grain and output of local and special products of the forestry and animal husbandry sectors are great; second, we have a relatively good foundation in the forest industry, the chemical industry, and the transportation machinery industry which mainly produces motor vehicles; and third, we have a relatively good foundation in scientific research and educational work, and we hold an important position in our country in applied chemistry, optics, and so on. In order to fully develop our superiority in these areas, we have convened various categories of forums, solicited opinions from various quarters, summed up the lessons of past experience in economic development, unified the understanding of the leading group of the provincial party committee, and put forth the following preliminary plans for economic development: We must vigorously develop the foodstuffs industry, the feed making industry, and the pharmaceutical industry, which use as raw materials grain and other local or special agricultural and sideline products; we must vigorously develop animal husbandry, thus turning grain into meat, eggs, milk, and starch, and turning agricultural products into industrial products; we must vigorously develop those categories of

industrial production which are complementary to the transportation machinery industry; we must vigorously develop the chemical industry and the in-depth processing and fine processing of timber, thus gradually changing the economic structure of our provincial industry, which is marked by reliance on raw materials production and by poor results; we must satisfactorily integrate scientific research with production, adopt many varied measures to encourage and promote the application of the fruits of scientific research in production, and thus promote economic development. Because we have paid attention to proceeding from reality to study the superiority of our province in economic development, our confidence in quickening economic development has been strengthened.

Fourth, we pay attention to changing our work style and improving our methods of work. In recent years, the leading comrades of the CPC Central Committee have repeatedly stressed that we must pay attention to methods of work and overcome bureaucracy. This is an urgent task facing us. Bureaucracy is often overlooked and does not so readily attract attention as the practice of striving for private gains by using one's powers. Actually, its harmful effects on the cause of construction are serious. Sometimes, because one makes a decision according to subjective judgment without satisfactorily conducting investigations and study, or because one lacks foresight, one may make a mistake which causes a grave economic loss to the state amounting to several hundred thousand yuan or over a million yuan. Bureaucracy can also mean an irresponsible habit of putting off work. Nowadays, society depends heavily on information; time is money and efficiency is life; but some of our comrades often put off their work, resulting in the loss of opportunities. Some things are not done as soon as a correct judgment on them has been formed, but those in charge worry about many things and remain hesitant, so that after several years, the things still remain undone or are done only when the time and the circumstances are no longer appropriate. The import of a project entails going through many levels for submitting reports and getting approval, and perhaps more than a dozen seals must be stamped on the relevant documents. Because the formalities are tedious and time consciousness is lacking, many beneficial things have fallen through because of numerous delays. If the problem of bureaucracy is not solved, how can economic work develop quickly? Moreover, the methods of leadership are not compatible with the situation. In many arenas reforms are being carried out, and methods of leadership should also correspondingly change. In the current party rectification, we stress the need to simultaneously undertake rectification and correct mistakes, to pay attention to improving the style and methods of leadership, and to vigorously take action as soon as correct judgments on certain things have been made; we stress that what is said must be done effectually.

Because we pay attention to integrating party rectification with economic work, because we do the two things simultaneously without negligence in any one of them, economic development has been forcefully promoted. Since party rectification started in November last year, we have made satisfactory arrangements for both party rectification and economic work. The provincial party committee has organized two groups with division of labor between them, one being responsible for grasping party rectification while

the other for grasping economic work; each specialized in one category of work. Since the start of the party rectification, we have twice organized nearly 1,000 cadres, who belong to industrial, communications, financial, and trade departments directly under the provincial authorities, to go deep into the factories and mining enterprises to conduct investigations and study and to help them solve problems. Early this year, we also organized a group of cadres to go deep into the countryside to propagate the implementation of the gist of Document No 1 and to organize production work which includes preparations for plowing and sowing and also spring plowing. Thus, a good start has been made in economic development. This year, the spring season has been dry and cold in our province, but the progress of sowing has been faster than in previous years and the growth of crops is highly satisfactory; relatively great development has also been achieved in forestry and animal husbandry. In industry, the simultaneous growth of three things, namely, output value, profits turned over to higher authorities and tax payments, and fiscal revenue, has been sustained through the first half of this year. In the January to June period, the total value of industrial output, the industrial profits turned over to higher authorities, and fiscal revenue increased by 12.9 percent, 34 percent, and 32.9 percent respectively over the same period last year. Our party rectification has powerfully promoted reforms in the cities in industry, commerce, and the building and construction industry; it has enormously helped mobilize the enthusiasm of the vast numbers of workers; and it will thus surely speed up economic development.

CSO: 4004/86

GREAT ACHIEVEMENTS IN ECONOMIC AND SOCIAL DEVELOPMENT IN THE 35 YEARS
FOLLOWING THE FOUNDING OF THE PRC (STATISTICAL DATA, PART V)

Beijing RED FLAG in Chinese No 15, 1 Aug 84 p 34

[Article by the State Statistical Bureau]

[Text] Overall Increases in Agricultural Production

	Units	1949	1952	1978	1983	1983 figure as a multiple of 1949 figure	Per- centage for 1983 against 1978
I. Gross Agricultural Output Value	100 mil- lion yuan	326	461	1,567	3,121	5.0	146.3
II. Major Agricultural Output							
Grain	10,000 tons	11,318	16,392	30,477	38,728	3.4	127.1
Cotton	10,000 tons	44.4	130.4	216.7	463.7	10.4	214.0
Edible oil crops	10,000 tons	256.4	419.3	521.8	1,055.0	4.1	202.2
Sugar crops	10,000 tons	283.3	759.5	2,381.8	4,032.3	14.2	169.3
Tea	10,000 tons	4.1	8.2	26.8	40.1	9.8	149.6
Flue-cured tobacco	10,000 tons	4.3	22.2	105.2	115.1	26.8	109.4
Fruits	10,000 tons	120.0	244.3	657.0	948.7	7.9	144.4
Meat, beef and mutton	10,000 tons	220.0	338.5	856.3	1,402.1	6.4	163.7
Aquatic products	10,000 tons	45	167	466	546	12.1	117.2

	Units	1949	1952	1978	1983	1983 figure as a multiple of 1949 figure	Per- centage for 1983 against 1978
III. Posses- sion of Major Farm Machinery						(Multiple figure against 1952)	
Total motive power of farm machinery	10,000 horse- power	-	25	15,975	24,503	980.1	153.4
Large and medium tractors	Combined units	-	1,307	557,358	840,776	643.3	150.9
Walking tractors	10,000 units	-	-	137.3	275.0	-	200.3
Heavy- duty trucks	Units	-	280	73,770	274,751	981.3	372.4
IV. Mechan- ically Farmed Acreage	10,000 hectares	-	13.6	4,067.0	3,357.2	246.9	82.5
Irrigated acreage	10,000 hectares	-	1,995.9	4,496.5	4,464.4	2.2	99.3
Amount of chemical ferti- lizers applied	10,000 tons	-	7.8	884.0	1,659.8	212.8	187.8
Rural electricity consump- tion	100 million kilowatt- hours	-	0.5	253.1	435.2	870.4	171.9

Note: The first item is calculated on the basis of the price of that year and the rate is calculated according to comparable price (the same below).

	Unit	Absolute volume of average annual growth		Annual average growth (percentage)	
		26 years from 1953 to 1978	5 years from 1979 to 1983	26 years from 1953 to 1978	5 years from 1979 to 1983
Total output of agricultural products	100 million yuan	43	311	3.2	7.9
Grain output	10,000 tons	542	1,650	2.4	4.9
Cotton output	10,000 tons	3.3	49.4	2.0	16.4
Oil crop output	10,000 tons	3.9	107.0	0.8	15.1
Meat, beef and mutton	10,000 tons	19.9	109.2	3.6	10.4

CSO: 4004/86

LITERATURE AND ART SHOULD BE PERMEATED WITH THE IDEAS OF MODERN REFORMS

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 35-39

[Article by Chen Danchen [7115 0030 2525]]

[Text]

I

A stupendous change which has the restructuring of the economic system at its core is currently shaking social life with great force. This is a matter of great importance which has a vital bearing on the life and destiny of millions and millions of people. It will bring about changes in the interrelationships among people, as well as new evaluation and understanding of different social phenomena. Many concepts and views once revered by people will be looked down on, and many time-honored and regular practices will no longer be adhered to. "Everybody eating from the same big pot" was once considered to be reasonable; now it is deemed immoral. Ideas of he who works more gets more and trying to build up family fortunes were once condemned as unorthodox; now they are positively affirmed. Engaging in rural sideline production was once equated with capitalism; now it is seen as a sign of progress in breaking away from the form of a natural economy and developing into a commodity economy. Even the way people dress and aesthetic concepts in life are undergoing profound changes. All these indicate that whether you want it or not, whether you are conscious of it or not, the world is changing, Chinese society is in transformation, and the demand for change has become the trend of the times. People eagerly hope that under the guidance of the correct course charted by the 3d Plenary Session of the 11th CPC Central Committee, they can promote the prosperity of China, rejuvenate the age-old nation, and build China into a powerful and civilized socialist country.

Should writers and artists enthusiastically plunge themselves into the torrents of changes? Should literature and works of art reflect this great historic picture, bear the imprints of the time, and fill their content with ideas of modern changes? Should corresponding searches and new creations be made in such areas as ideological content, forms of artistic expression, and style so that they can serve as a mirror that helps people know the times and themselves? These are questions that cannot be evaded. Some comrades think with longing of the so-called "gushing period" of literature and art creation around the turn of the 1980's. But, is it not

true that this irrepressible urge to create, this richness of materials on life, and this soul-stirring artistic force precisely came from the decade of hardships and setbacks which the artists had just gone through and from long-brewed indignation and deliberation? Thus, real life developments are by no means something that a writer can regard as immaterial and can be ignored.

Leonardo da Vinci said: "The heart of a painter should be like a mirror, always taking in the colors reflected by things. It should take in however many images that are set before it." ("A Selection of Western Literary Theories," Vol 1, p 183) Victor Hugo said: "Drama should be a mirror that gathers together the shapes and appearances of things. The original color and luster, rather than weakened, should be concentrated and assimilated, so that a dull glow becomes luster, and luster becomes brightness." ("Hugo on Literature," p 62) Belinsky said: "The poetry of a nation is a mirror that reflects its life together with all the distinctive minute differences and special typological features.... Therefore, the poetry of a nation is also the consciousness of a nation." ("Foreign Theoreticians and Writers on Thinking in Terms of Images," p 55) Honore de Balzac said: "The works of a nation in their abundance form a mirror which reflects the overall appearance of the country. Great poets living in a nation should sum up the ideologies of that nation. In a word, they should become the reincarnation of their times." ("Selected Articles of Balzac," p 104) Engels and Plekhanov also likened literature and art to the best mirror of social life. These great masters all meant the same in what they said: Painting, drama, poetry, novels, and other literature and art should all form a mirror that reflects actual life as condensed and assimilated in the minds of the artists. With the torrents of life surging forward, and at a crucial moment when the people are beginning to fight for the realization of their long-cherished ambitions after many sacrifices, this mirror should clearly and vividly reflect this great era of changes. If this is not the case, that is, if it becomes blurred or merely reflects the minor details of the artists themselves, how incoherent will that be! If they still do not understand the far-reaching historic significance of this change, or still do not believe that this change will blossom and bear fruit on the great earth of China, or still stay aloof from social practice and from the life of the people, regarding literature and art as a pastime in their "indulgence in self-admiration," then it will be like Plekhanov said: "Their ignorance of the new ideological trend which aims at the complete transformation of social life makes their viewpoint erroneous, narrow, and one-sided. It also lowers the quality of the ideology expressed in their works." ("Collection of Articles on Aesthetics by Plekhanov," p 849)

II

Almost as soon as the scoundrels of the "gang of four" were toppled, sensitive writers began to deeply ponder about the past and the present. Around the time the party issued the call to set things right and to effect a great historic change, we had our first experience with works that profoundly expose all the contradictions in social life and herald the advance of a new era of reforms. The most talked about one was, of course,

"Factory Manager Qiao Assumes Office." At that time, how people wished they had such an astute and resolute fighter who had good ideas as well as a sense of responsibility to the revolution to drastically make readjustments and put an end to the state of chaos so that their enterprises could embark on the road of sound development. The emergence of Factory Manager Qiao was a product of the times. It was also an artistic image long aspired to by us. Because what the author felt and wrote completely coincided with what the people hoped for, Factory Manager Qiao soon became another name for a person who dedicated himself to reform in real life. But such a tough and heroic person as depicted in the novel still feels dejected in the end. He feels perplexed, not knowing the next step to take. Rather than arbitrarily giving his work a victorious or satisfying ending, the author announced to his readers that more serious and complicated contradictions were awaiting. "At the Rural Fair" and "Chen Huansheng Goes to Town" can be seen as the earliest reflections of the rural economic reform in works of literature. Feng Yao's father casts off the heavy political and spiritual burdens and expresses heartfelt wishes that manifest his own independent will. Chen Huansheng's humble life and miserly nature also begin to show new changes. These works do not simply have a certain bad guy or class enemy as people in the opposition, or give a satisfying ending with the resolution of contradictions after certain people were exposed or toppled. Neither do they win readers by simplistically putting forward acute social problems. Instead, they mirror the various facets of social life and proclaim, either consciously or unconsciously, the advent of social reforms. From these works, the people see themselves. They see the times and they see the future. Inspired and enlightened, they finally wake up with a start and are fired with enthusiasm. The authors of these books did not forget that the responsibility of art is to portray artistic images, to depict people's real life, and to give their protagonists spiritual traits which are true to life, which show unique character, and which bear the imprint of the times. Thus, protagonists like Factory Manager Qiao not only drew a strong response at that time, but continue to impress people as artistic prototypes after all these years and after such profound changes in life.

This is a new phenomenon in the practice of social life and art since the writers emancipated their minds. Having freed themselves from the shackles of vulgar sociology which is clumsy and which runs counter to the laws of art, such as the long popular graphic method and practice of proceeding from subjective propositions and "designing" characters and plots in accordance with fixed political formulas, they began to give free scope to their artistic imagination and fantasies. By naturally linking their artistic creation with the direction of social and historical development, they acquired a wide field of artistic vision complete with a sense of history and a sense of the times. In the surging literary torrent over the last few years, it is precisely this sort of creative works that always occupied a major position and received the close attention and high acclaim of the vast readership. There is no doubt about that. This fact shows that the progressive and revolutionary tradition in literature developed since the May Fourth literary revolution, that is, the glorious tradition in which the force of literature is used to promote social reform and in which

writers closely combine their literary activities with the struggles of the state and the people, is being further developed today.

III

If we examine published works that deal with social reforms, we can see that the scope of thinking and portrayal of the writers is much wider and deeper than before. There are at least three types of works:

The first type directly and positively depicts the life of struggle in reforms in the countryside and in factories and enterprises. Zhang Jie's [1728 3381] "Heavy Wings" was the earliest full-length novel on this theme. It was also a work with distinctive artistic features which touched on many aspects of social life. Before this, almost all outstanding works, including Jiang Zilong's [5592 1311 7893] "The Pioneer" and "The Kitchen Utensils Symphony," Shui Yunxian's [3055 6663 2009] "Troubles Within the Home" and "The Thunderstorm," Li Guowen's [2621 0948 2429] "No 5 Fayuan Street," Zhang Xianliang's [1728 6343 0081] "Man's Style," Chu Liang's [2806 5328] "Marina the First," the drama and film versions of "Blood Is Always Hot," and countless reportages, focused on the hard and bitter struggles waged by determined reformers. These works depicted the astuteness, resourcefulness, wisdom, and courage of the reformers, as well as their failures, setbacks, difficulties, frustrations, and misfortunes. They depicted the ups and downs experienced by these people in the course of reform, as well as the disputes in their family and married life. In these works, the authors not only commented on certain theoretical and practical problems in the restructuring of the economic system, but also discussed ethical, moral, philosophical, and social issues at length. The characters in these works came from all strata, from vice premiers, ministers, bureau chiefs, factory managers, and provincial and municipal leaders at the top, to restaurant managers, grocery store attendants, workers, peasants, intellectuals, and ordinary cadres at the bottom. All sorts of people mounted the literary stage, forming colorful and fascinating scrolls of social life. From these works, people can see the irresistible force of reforms, the difficulties involved, the impact produced by reforms on their material and spiritual life, as well as their response and sharp conflicts in thoughts, feelings, and actions. These living pictures are familiar yet strange to the people. They can be touched and sensed. They are being pondered on but cannot as yet be clearly discerned and thoroughly comprehended. Now people may get inspirations and stimulations through these artistic images.

The second type depicts the reactions of certain strata or quarters under the impact of social reforms, or concentrates on the shocks, depressions, and changes in the life, thoughts, and feelings of certain people. From the film "A Story That Should Not Have Happened," the novels "Labor Pains" and "Lao Xiang's Depression," and other works, we can see many portrayals that call for deep thought. In "A Story That Should Not Have Happened," a communist who has always played the role of vanguard in rural life is left in the cold while the system of responsibility in production is being promoted. In "Labor Pains," Guo Dazhu proved very capable in conducting political criticism, propaganda, liaison, and other activities which

required a ready tongue during the years when ultraleftist trends of thought ran rampant. He was even named an "advanced worker" because of this. During the current factory reforms, he returned to the workshop. This time he was a good-for-nothing, always in somebody else's way. Poisoned by ultraleftist ideas, a capable person thus became some kind of "parasite" who is of no use to the state. "Lao Xiang's Depression" tells of a guileless old peasant who, after waging revolution under the party for 30 years and more, still views new changes in the countryside in the old ultraleftist light. He often climbs over the wall and lies there spying on his neighbor Lao Mao and his "capitalist activities." He feels dejected in the face of new changes and cannot comprehend them, yet he is proud of and pleased with his conservative behavior. He thinks that he is serving the party and the collective with all his heart, and for this "he is willing to die poor and wronged." These works do away with outmoded and conventional patterns of always depicting the struggle between reform and opposition to reform, between the factory manager who advocates reform and the party secretary who is opposed to reform. With an artistic pen as incisive as a scalpel, they dissect the inner soul of people from all strata, including ordinary workers, peasants, and communists. Many concepts about morality, right and wrong, and the beautiful and the ugly are subjected to new tests by history. Most of them show depth of thought although they only depict a limited number of aspects.

The third type concentrates on exposing various malpractices and seamy aspects of social life. They enable us to see that reforms carried out under the leadership of the party are precisely aimed at these unreasonable rules and regulations, old conventions, and forces of habit which are outmoded and which fetter people's enthusiasm. In these works, the authors do not rest content with merely "designing" someone with ossified thinking or who indulge in corruption and dereliction of duty and then exposing and lashing at them for obstructing reforms. Neither are they keen on distinguishing between the advanced reforms and the backward from their disputes over plans for engineering and technological reforms or for the restructuring of the system. Rather, they begin to direct the spearhead of criticism to the chronic maladies of backward systems and bureaucratism and to the frightening social atmosphere. A special effort is made to reveal the different spiritual conditions, psychology, and ideological and character traits shown by people before these malpractices and seamy aspects. In "The Diary of a Factory Secretary," Factory Manager Jin Fengchi is an honest and upright cadre who is determined to run his factory well and to work for the good of the workers. But in a social atmosphere plagued by bureaucratism and unwholesome practices, he becomes worldly wise and very practiced in achieving his legitimate goals by establishing relationships, entering by the back door, and such methods. This cannot but make him mentally unbalanced and fill him with complicated secret anguish. In the film "Behind the Defendant," Li Jiangchuan is also this type of person. He is in constant conflict. He wants to put up a struggle and do things according to the party's principles, but he runs into snags everywhere and has no alternative but to succumb to unwholesome practices. Thus, he seems more agitated and anguished than before. "Heading Into a Storm," a teleplay based on a novel, poignantly portrays unwholesome practices as a

spider's web. The "scholar" secretary wants to do everything according to principle, but the effects of his actions are so profound that he almost finds himself in deep waters with no way to get out. In the film "Blood Is Always Hot," Luo Xingang has the same fiery temper as Factory Manager Qiao. He wants to change the backward appearance of his enterprise, but is always handicapped and restricted by all kinds of rules and regulations. Unable to move a single step, he laments: "I wore myself out putting up fights all day, yet I do not even know who my opponents are." Obviously these descriptions are profound ones. They further touch on the essence of social contradictions and are improvements on similar works of the past. They are sharp and ruthless in their exposure of the seamy aspects, but the answer people read from them is the same: Not carrying out reform will not work. Works of this kind arouse indignation and hatred. But, at the same time and more importantly, they kindle enthusiasm for engaging in social reform.

Of course, most of these works have different degrees of slips and faults at the artistic level. Some have not yet completely freed themselves from the framework of reform and opposition to reform. Actually, contradictions in life are extremely intricate and complicated. People who demand reform may have sharp conflicts over what and how to reform. Those who demand reform and those who adhere to old practices may find that they share some common ground. Among the active reformers, there are people who can perceive the issues in question as well as those who cannot. Not all old-liners are influenced by "leftist" ideas. They are so called because practices which had played positive roles once have now become habitual. Whether among the leaders at the top or among the ordinary masses, there are people who adopt a wait-and-see attitude toward reforms, as well as people who raise their understanding and political awareness earlier than others. Among the old-liners, there may be some who lead a very dissipated life. Among the reformers, it is also possible to find the bad mixed with the good. In our literary works, these complicated social phenomena have not by a long shot received the thorough description they deserve. How to discover, understand, and epitomize these rich materials from everyday life and use them as prototypes in works of art pose wide-ranging and interesting questions to our writers. The emergence and resolution of contradictions often alternate with the birth of new ones. Sometimes it is almost impossible to tell one particular phase from another. In particular, changes in people's mental outlook, ideology, and understanding do not take place overnight. Neither can they be accomplished at one go. Thus, if a writer lacks a necessary and deep understanding of the historical development of life and of people's mental characteristics, he might arbitrarily impose his own subjective thinking on his works and "design" a satisfying ending. In "A Story That Should Not Have Happened," "Our Niu Baisui," and other works, the description of changes in the characters and their happy endings often appear overhasty and oversimplified. From one, we can see traces of old formulas of creative writing.

With rural reforms developing in depth and breadth and urban reforms just underway, a new "gushing period" in creative writing may appear in the sphere of literature and a group of up-and-coming writers may come forward.

New outstanding works always emerge in the wake of changing history in the new period. Writers must consciously experience these developments in real life before they can accomplish what they set out to accomplish and go on creating.

IV

Here, we are happy to note that almost without exception writers of existing creative works of this kind devote major efforts to creating the image of their characters. Of course, whether they succeed in this endeavor is another matter. They also pay attention to absorbing and applying new methods of expression, but their concern for writing realistically is mutual. Thus, we can already find some unforgettable artistic images in these fairly outstanding works. For example, there is the experienced, prudent, and determined Che Pengkuan ("The Pioneer"), the new-type entrepreneur Chen Yongming ("Heavy Wings"), the talented reformist Chen Baotie ("Man's Style"), the hot-tempered Luo Xingang ("Blood Is Always Hot"), the honest and conscientious "scholar" Secretary He Da ("Heading Into a Storm"), the resourceful Niu Hong ("The Kitchen Utensils Symphony"). There is also Jin Fengchi ("The Diary of a Factory Secretary") and Li Jiangchuan ("Behind the Defendant") who bitterly fight against unwholesome practices. In addition, they also write about the changes in a variety of characters amidst the torrents of reform. For example, in "A Story That Should Not Have Happened," we find party members suffering, awakening, and rousing themselves after receiving the blow; in "Our Niu Baisui," we see people who used to be looked down upon gaining a new life after the implementation of the production responsibility system.

It is obvious that the variety of characters in any work is closely connected with its exploration and description of the vast sphere of life, and the depth of the disposition of its characters is linked with the writer's understanding of changes in life and with his likes and dislikes. It takes a writer who is well accomplished in ideology, life, and art to turn his artistic eyes to the direction of the development of his times. In this way, he can catch with his sharp eye what is dynamic and vital in real life, and show people's pursuit for the bright future. This is a more difficult kind of artistic creation. Apparently, for a work of art to be fresh and lively, the important thing is that its author must have modern consciousness, that is, he must have the spirit of the times. Consciousness and sentiments roused by past and present destinies are what touched people most. They are of universal significance and can thus penetrate people's hearts and affect them. Even Hegel said: "The most important thing in art is always its quality of being directly understood. In fact, all nations hope that their favorite art pieces will show them as they are, because they wish that in art everything is intimate and lively and belongs to their present life." ("Aesthetics," Vol 1, p 348) In this sense, it is precisely because the great number of vivid images discussed above all embody a certain sense of history and of the times that they are of fairly profound significance as prototypes.

However, it must be noted that in the last few years we have not produced any artistic prototype that is as popular and as widely applied in real life as Factory Manager Qiao. The reasons for this may be quite complicated. For example, some works have the devoted reformers made out as too perfect and capable. Sometimes the images portrayed in them fall into a pattern shortly after the story began: They are all about good-looking all-rounders who are adept at management, who have "many-sided" or "extramarital" relations in their married or love life, who have had the frustrated experience of being wrongly designated as rightists in 1957 in their political life, and so on. The fundamental reason is that the writers have not familiarized themselves with and grasped enough rich materials on reformers in real life for making artistic generalizations and carrying out creative writing. Their grasp of the special historical features and people's mentality in a period of great changes is not profound enough, even imprecise at times. People engaged in reforms are also people who go on exploring and creating in life. There will surely be people who succeed and people who fail, people who express consent as well as people who voice opposition. Sometimes, even something like whether a person should be thrown into prison or commended as meritorious is heatedly debated in real life. All these bring definite difficulties to writers in their artistic creation. Writers must grasp these difficulties, sing in tune with the people in thoughts and feelings, and arouse the people's emotions. They cannot do this without a profound understanding of historical developments. Thus, they are doomed to fail if they engross themselves in idolizing the images of the reformers, or rig up and "design" characters from concepts and conjectures, or impose their own subjective thinking on the characters just for the sake of eulogizing reforms. Very few of the not so satisfactory or unsatisfactory works are able to avoid these shortcomings. Thus, we can only say that writers must proceed from reality in everything and go into the ocean of life to search for, explore, and discover creators of new life. As in all ongoing reforms, there are no ready answers and formulas. This is precisely the time that artists must truly carry forward their invaluable creativity and courage.

CSO: 4004/86

'ON GOSSIP'

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 40-41

[Article by Shi Youxin]

[Text] Some people like to spread "idle tales." "Idle tales" differ in degree from rumors, but their effects are the same. Almost no one with the courage to carry out reforms has escaped this "evil" that is more of a nuisance than a fly! Disgusting as it is, it will not fade out of the scene.

Some of those spreading "idle tales" are prompted by jealousy. As the saying goes: "I have failed. I may as well make you fail even more miserably!" It seems that by underrating others, a person can shine brighter in his field and be the center of attention as a "skilled person." Some exploit the spreading of "idle talk" as a means to attain certain goals. Some use "idle talk" as conversation to vent their own dissatisfaction! Still others delight in eavesdropping and spreading others' secrets and personal stories. Obviously, "idle talk" is improper in its origin, form, and circulation. It is not something aired openly as a view. It is something said to hurt or slander others and is a groundless fabrication. Or it is a matter of attacking something taken out of context or magnifying something trivial and unimportant, or overstating things by presenting a melon seed as a watermelon, or a cat as a tiger. "Idle talk" originates from the selfish nature of small producers and bourgeois liberalization. It is a grave, evil trend.

"Idle talk" is a gust of wind running counter to the line and general and specific policies carried out by our party. It is frost to the tender buds of those new things. It is cold water poured on those with the desire to get ahead or who have achieved something. It is a corrosive, weakening unity among the revolutionary ranks. At a time when there is an urgent need to promote large numbers of skilled personnel in our cause, "idle talk" can only serve as interference, causing cherished skilled personnel to be left out for appointments and to even suffer rejection and blows. At a time when there is an urgent need for reform, "idle talk" can only have the effect of preventing the implementation of many measures seeking to promote the good and eliminate the bad, delaying the affirmation of good typical examples in reform, and even causing the latter to be condemned and discouraged.

The harm of "idle talk" often has to do with our comrades and especially certain leading comrades dreading it and taking it at face value. Often in real life, some of our comrades in charge of leadership work, in the face of "idle talk," show a lack of firmness and even change their original plans, consciously or unconsciously yielding ground. What are they afraid of? One of their worries is said to be that by ignoring idle talk they may be accused of not listening to the views of the masses. But are those "idle tales" really the actual views of the masses? No. They are mostly things that cannot pass study and investigation, or cannot stand exposure to the sunlight. We must not listen to such idle tales and must instead resist them. This is entirely different from failing to listen to the views of the masses. We cannot lump the treatment of "idle tales" with the treatment of mass views.

Another reason why "idle talk" is feared has to do with work style, lack of attention to study and analysis, and failure to distinguish between what is genuine and what is false. If we become deeply involved with reality and become thoroughly acquainted with things, it will be quite clear that it is not difficult for us to make an objective assessment of people and of objects and to form correct judgments on what new creations should be cherished and what ways of doing things should be affirmed. Thus, no matter how those "idle tales" put things in vivid and glowing terms, we can still remain clear-headed and not be swayed.

The fear of "idle talk" on the part of certain leading comrades has to do with their incorrect way of thinking. "No one is perfect." In real life, "idle talk" is often making a big issue of something inconsequential related to a certain person in a certain matter. It is often exaggeration or overstatement. It is actually asking what is required of "a perfect person." It seems that by doing so, the author of "idle talk" can cast himself in the role of someone "perfect"! Under these circumstances, the leading comrades cannot avoid being victimized and swayed by "idle talk" if they are not good at making an overall analysis of the person and the matter concerned and if they treat it from a metaphysical viewpoint.

To be unafraid of "idle talk" calls for guts and drive. In doing things, we cannot have cold feet, torn between fears of dragons in front and tigers in back and disturbed by the slightest sound of wind as the threat of a rainstorm ahead. Before making a decision, we must make adequate investigations and studies and listen to views from all quarters. We cannot make a hasty decision. But once made, it should not be casually dropped without sufficient grounds. Otherwise, if upon hearing "idle talk" we immediately change our course, playing fast and loose, we would end up getting nothing done. Where do guts and drive originate? They are generated only by a profound understanding of the party line and general and specific policies, firm confidence in the realization of the main task of modernization, and a high sense of responsibility toward the people.

What should these comrades who are the targets of "idle talk" do? They should not be afraid and neither should they be swayed by it. Those comrades involved are in different posts and are made the butt of "idle talk"

for different reasons. But they probably share a common trait. These comrades are mainly credited with having achieved something or having destroyed the old and created the new. This explains why people often say: "Trees that thrive and form a forest always run the risk of being destroyed by windstorms." There is no denying that in individual units, "idle talks" may produce a certain effect for a period of time. But this will pass. "Idle talk" must ultimately give way to the truth. It should be noted that the line and general and specific policies defined since the 3d Plenary Session of the 11th CPC Central Committee have left a deep imprint on people's minds. All versions and approaches that run counter to them cannot last long. Any new project undertaken at any time will run into obstacles.

If we are afraid of "what people say" and have "cold feet," we will end up accomplishing nothing. On the contrary, we should have firm faith in what is correct and stick to our guns. Only in this way can we accomplish something big. Wang Anshi, a statesman of the Song Dynasty, put forth the idea: "Don't take gossip seriously." He carried out reforms in spite of the opposition of the conservative forces. How can it be that we Chinese communists and other informed people in the 1980's still lack the drive of Wang Anshi and dread a few "idle tales" in carrying out the great cause of modernization?

In an era when reform is sweeping us with its strong force, we are too busy to bother about those "idle tales." It is especially not right that we should feel disturbed by a few "things said" and lapse into a state of passivity. In the preface to "Das Kapital" (Book I), Marx aptly said: "Every opinion based on scientific criticism I welcome. As to the prejudices of so-called public opinion, to which I have never made concessions, now, as before, the maxim of the great Florentine is mine: 'Follow our own road and let others say what they want to.'" We should learn from Marx.

CSO: 4004/86

REFORM AS VIEWED FROM THE LAW THAT RELATIONS OF PRODUCTION MUST BE ADAPTED TO THE CONDITIONS OF THE FORCES OF PRODUCTION

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 42-46

[Article by Wang Mengkui [3769 1125 1145]; passages between slantlines published in boldface]

[Text] The relations of production must be adapted to the conditions of the forces of production. This is a basic tenet of historical materialism and is also an important theoretical principle on which we base our economic reforms.

Marxism holds that the production of material goods is the basis for the existence and development of human society. Production activity is mankind's most basic practical activity. Social production has two aspects: forces of production and relations of production. The unity of forces of production and relations of production creates the mode of social production. The relations of production must be suited to the conditions of the forces of production. This is a universal law of mankind's social development. This law's basic content comprises the two aspects mentioned below.

First, the forces of production determine the relations of production. If the forces of production are of a particular type, then, in the end, the relations of production will be of a particular type. Historically, whatever the relations of production which emerged, all were, in the final analysis, the results of the development of the forces of production. Marx pointed out: "The social relations within which individuals produce, /the social relations of production, change and are transformed with the change and development of the material means of production, the forces of production/." ("Selected Works of Marx and Engels," Vol 1, p 363) "Hand-operated mills produced a society with feudal lords in control. Steam-driven mills produced a society with industrial capitalists in control." (Ibid., p 108) That is to say, social change is in the end, brought about by the development of the social forces of production. If this point is not acknowledged, then there is the possibility of sinking into historical idealism.

Second, the relations of production react dynamically in relation to the forces of production. That is to say, when the relations of production

accord with the conditions of the forces of production, this promotes the development of the forces of production. When the relations of production do not accord with the conditions of the forces of production, this obstructs the development of the forces of production. The role of the relations of production and the degree to which they promote or obstruct the development of production is not decided by man's subjective wishes. It is decided by the degree to which they accord or do not accord with the demands of the development of the forces of production. If this reaction on the part of the relations of production is not recognized, there is a possibility of sinking into mechanical materialism.

The law that the relations of production must accord with the conditions of the forces of production reflects the intrinsic relationship between the relations of production and the forces of production, and brings to light the most profound reason for changes in social development. This is the basis for the line, principles, and policies formulated by the political party of the proletariat. Our party, in the democratic revolution and the socialist revolution, utilized this objective law and achieved great successes. The socialist relations of production established through the democratic and socialist revolutions were basically suited to the objective demands of the development of the forces of production. But, if this is the case, why do we still wish to carry out adjustment and reform of the relations of production?

Seen from the general law of contradictory movement of forces of production and relations of production, the forces of production are the most dynamic and revolutionary element in the mode of production and the relations of production have a relatively stable nature. Thus, when the forces of production develop to a certain stage, contradictions may arise in regard to the existing relations of production. Relations of production which are not suited to the demands of the development of the forces of production will sooner or later be replaced by new relations of production which are thus suited. Under the socialist system, the adjustment and reform of the relations of production is self-improvement by the socialist system and can be consciously carried out under the leadership of the communist party. Consciously carrying out adjustment and reform of the relations of production is intended to protect and promote the development of the forces of production. This is a demand of the objective law that relations of production must be adapted to the conditions of the forces of production, and is an embodiment of the superiority of the socialist system. Small adjustments can occur frequently. At present the reason we need to carry out major reforms, apart from this general cause, must be explained mainly in terms of our nation's peculiar social history.

Socialist relations of production are not solidified, unchanging things. Adapting the concrete form of the relations of production to the conditions of the forces of production in all periods requires practical exploration and creation. We should recognize that, in our exploration of the various concrete forms of relations of production adapted to the conditions of the forces of production, especially in carrying out the socialist transformation of the privately owned means of production, we have had much success

in creation and achieved a great historic victory. In the socialist transformation there were also errors and shortcomings, the main ones being: the cooperative transformation of agriculture; the overanxious demands, work done with an excessive lack of care, overrapid changes and over-standardized forms in the reform of the handicraft industry and individual commerce; and the unsuitable employment and treatment of some of the former industrialists and business people after the transformation of capitalist industry and commerce was completed. Later, under the guidance of "leftist" ideology, these errors did not receive timely correction, and concepts and inferences of the founders of Marxism in regard to certain principles of socialist relations of production were misunderstood and dogmatized. These were taken as specific schemes for implementation. Some specific Soviet systems and methods were taken as fixed socialist patterns and while lessons were drawn from the successes, the mistakes were also emulated. Methods suited to the conditions of the revolutionary war period were taken and transferred to a social and economic life which had already undergone change. Thus, after the socialist transformation was basically completed, the problem of creating appropriate forms of relations of production which accorded with the conditions of our nation's forces of production could not be resolved well. Particularly in the 10 years of turmoil, the situation of the relations of production not being suited to the conditions of the forces of production grew more intense, seriously obstructing the development of the forces of production. Thus, at the end of the 10 years of turmoil, when the stress in the work of the whole party and the whole country was shifted to the building of socialist modernization, changing the relations of production which were not suited to the development of the forces of production became a major task in arranging our future. If reform was not undertaken, then the building of socialist modernization could not be smoothly carried out.

All the important reforms in the field of relations of production since the 3d Plenary Session of the 11th CPC Central Committee have been carried out in compliance with the objective law that the relations of production must accord with the conditions of the forces of production.

The system of ownership of the means of production is the basis of the relations of production and all economic reform measures are related, either directly or indirectly, to it. Socialism must implement public ownership of the means of production. This is beyond doubt. But the scope and degree of the transfer to public ownership must, in the end, be conditioned by the conditions of the forces of production. In the past, under the guidance of "leftist" ideology, undue emphasis was placed on reaction on the part of the relations of production, even to the point of this reaction being overstated as having a determining role. They divorced it from the conditions of the forces of production and, in an unanalytical way, held that the state-owned economy was superior to the collective economy and that the collective economy was superior to the individual economy. They blindly sought that which was "large in size and collective in nature." In the countryside, they engaged in the "transition through poverty" of the ownership system, while in the cities, virtually everything was undertaken by state-owned enterprises. Many

collective economic bodies were "upgraded" from being individually responsible for profits and losses to unified responsibility for profits and losses, which in essence meant they had become local state-owned operations. The individual economy, in the cities and the countryside, faced many restrictions and attacks, and very few operations remained. The conditions of the forces of production is the point of departure when we consider the specific form of the relations of production and their transformation. But a fact which cannot be overlooked is that although, in over 30 years of construction, our country's economy has made great progress, speaking on the whole, our country is still economically backward and development is very uneven. We can say that automation, mechanization, semimechanization and manual labor exist side by side. Agriculture is still a basically manual activity and in industry, manual labor still constitutes a relatively large proportion. Great differences also exist among the levels of economic development of various areas. In the last few years, it is precisely because of the correct assessment of the basic fact that the forces of production are comparatively backward and development is not even that daring reforms have been made in the composition of the ownership of the means of production. A new policy of coexisting diversified economic forms has been adopted. It has the precondition of insistence on the state-owned economy occupying the leading position, greatly develops the cooperative economy collectively owned by the laboring masses in the cities and countryside, and appropriately develops the individual economy of the laboring masses. Many of those collective economic units which were originally subject to unified responsibility for profits and losses have now become individually responsible for profits and losses. In addition, a number of different types of new collective economic forms have been produced. Under the conditions of opening to the outside world, joint ventures using Chinese and foreign investment have appeared, as have some enterprises which are funded and managed solely by foreigners. These can act as a supplement in our development of socialist forces of production. This has caused our nation's ownership system to assume a diversified form. Practice proves that the rational deployment and development of diversified economic forms conforms with the present conditions of our country's forces of production and is of great benefit in making the urban and rural economies flourish and in making things convenient for the people.

Great reforms have also been carried out in the field of management methods. In the past, our understanding of the relations of production was relatively limited. We paid great attention to systems of ownership but often did not pay much attention to management methods, and saw ownership rights and management rights as completely identical. In fact, ownership rights and management rights can be separated. That is to say, the owner is not necessarily the direct manager. Management methods are an important aspect of the relations of production. By paying attention to resolving the problem of management methods under the condition of an unchanged ownership system, it is possible to cause the specific forms of relations of production to adapt relatively swiftly to the continually developing forces of production. Marx said: "No matter what social form is produced, laborers and the means of production are, from beginning to end, the elements of production." ("Collected Works of Marx and Engels," Vol 24, p 44) The

special forms and methods of integrating the two determine the nature of the relations of production. In regard to this integration, not only must we examine it in terms of the ownership of the means of production, but also in terms of the management methods. The reason for this is that even if the ownership system is the same, the forms and methods of this integration can differ if the methods of management differ. This thereby manifests the stage-by-stage nature of development. In the villages, with the implementation of the system of contracted responsibilities with payment linked to output, the land, which is the basic means of production, is still collectively owned. But through changing the former "frenzied activity with no long-term plan" method of labor organization, implementing decentralized management forms which conform with the present conditions of the rural forces of production, and recognizing the production and management autonomy of the laborers, allowing them to bring into play their spirit of initiative and creative abilities, we have greatly promoted the development of the forces of production. The reforms in state-owned enterprises, whether expanding the autonomy of an enterprise or implementing the system whereby enterprises pay taxes instead of delivering profits to the state, in essence all recognize the relative independence of enterprises. This is also a change in management method. Without independence of this type, associated with centralized management, enterprises would lack great enthusiasm and it would not be possible to enliven the whole economy. Previous systems reforms yielded few results. A major reason for this was the division between central and local and between "departmental" and "area" control administrative jurisdiction. It basically did not touch on the problem of the relationship between the state and enterprises. The reform over the last few years, because there have been quite major breakthroughs in this regard, has enabled the enterprises to have both internal impetus and external power, and thus to be activated.

Exchange is the bond that ties production and consumption, and it occupies an important place in the system of relations of production. Our nation's current system of commercial circulation was formed in the course of the socialist transformation of capitalist and individual commerce, when the commodity economy was not well developed and goods and materials were in short supply. In its early stages it was unable to accord with the needs of the development of production. Now, following the development of commodity production, many industrial and agricultural products are increasing in supply daily. We are also facing new problems of opening up markets and expanding sales outlets. The commercial circulation system has reached a stage where it must be changed. In order to dredge the circulation channels so that goods flow freely, we must take the present single channel, multi-link, closed system of circulation, which was drawn up on the basis of administrative districts and which includes the unified purchase and sale of commodities by administrative levels, and change it into a multi-channel, open system of circulation with few links. In terms of agricultural and sideline production, we must reduce the types and number of products that are subject to unified purchase and assigned purchase and expand the scope of free purchase.

Agricultural supply and marketing cooperatives should change from being "officially administered" to being "administered by the people," and should be made cooperative commercial operations collectively owned by the peasant masses. Small-scale enterprises of state-owned commerce, especially those foodstuff enterprises, service enterprises, repair enterprises, and small retail enterprises that involve a variety of labor, must have restrictions further relaxed and must become operations that are contracted to collectives or leased to individuals. Only in this way can we promote the further development of commodity production and commodity exchange. Taking this further, not only should the commercial system be reformed, but the reform of other fields should promote and not obstruct the development of commodity production and exchange.

Distribution according to work is an important aspect of the socialist relations of production. The reason a socialist society can only carry out distribution according to work and cannot carry out distribution according to need is, in the end, also determined by the level of the forces of production. This is because "essentially, the methods of distribution must ultimately depend on the /amount/ of products that can be distributed." ("Selected Works of Marx and Engels," Vol 4, p 475) This cannot be disputed on a theoretical basis. However, in our country, where small-scale production has had a long history and even now has wide influence, egalitarian thinking is deep-rooted. This presents serious obstacles to the implementation of the principle of distribution according to work. In addition, after liberation the distribution system and many aspects of production and circulation were, to various degrees, continued using the supply system methods of the revolutionary war years. This further fostered the egalitarian tendency. During the "Cultural Revolution," the principle of distribution according to work was even willfully criticized. The result was that everybody ate from "the same big pot," which seriously frustrated the enthusiasm for labor of the vast masses. Changing this widespread situation of eating from "the same big pot" is a major part of economic reform and one of the ways to achieve a breakthrough. The implementation of the rural system of contracted responsibilities with payment linked to output has quite thoroughly removed the malady of eating from "the same big pot" within the collective economy. In the urban industrial and commercial enterprises there has been the implementation of various responsibility systems and the substitution of taxes for profit delivery, as well as the implementation of a bonus method where there "is no ceiling and no floor." These are for the purposes of removing the malady of workers eating from "the same big pot" of their enterprise and the enterprises eating from "the same big pot" of the state, and for establishing distribution according to work. Under the conditions of public ownership, people are sometimes not directly affected by the question of ownership. But distribution is something that every enterprise and every laborer in the socialist relations of production directly feels. We can expect that if, through reform, the principle of distribution according to work is really implemented in every field and the material benefits of the laborers are directly linked with the results of production operations, this will indeed play a great motivational role in developing the forces of production.

The reform in recent years has generally been tentative and exploratory. However, practice has proven that the direction of reform is correct and conforms with the demands of the objective law that the relations of production must be adapted to the conditions of the forces of production. The results are clear. The lives of the people in the cities and countryside have clearly improved. The whole economy has begun to be enlivened. The current economic situation is one of the best since the founding of the PRC. This is a great achievement of the party in bringing order out of chaos on various fronts since the 3d Plenary Session of the 11th CPC Central Committee. It is also clear evidence of the correctness of the policies of economic adjustment and economic reform.

Have we progressed or gone backward in the field of relations of production through this reform? We must definitely say that we have progressed. From the former situation of several aspects not being suited to the forces of production, we have progressed to where this is now so. The standard for determining progress or regression in the relations of production is not an eternal truth or a concept of justice. Nor is it a question of whether something is "large in size and collective in nature." It is only determined by seeing whether the relations of production accord with the demands of the development of the forces of production and whether they promote or obstruct the development of the forces of production. Comrade Mao Zedong, in "On the Correct Handling of Contradictions Among the People," took the swift development of the forces of production and the gradual satisfaction of the continually growing demands of the people to be an indication of the superiority of the socialist relations of production over the former relations of production. Comrade Deng Xiaoping, in discussing periods of reform, also took the rapid development of the forces of production and gradual improvement of the people's material and cultural lives as an indicator for testing whether various systems are good or bad, perfect or imperfect. (See "Selected Works of Deng Xiaoping," p 282) The key is the development of the social forces of production. If we do not stress that the relations of production must accord with the forces of production, or divorce them from the objective demands of the development of the forces of production, then discussing the progress or retrogression of the relations of production will have no positive significance at all.

In the same way, we cannot divorce ourselves from the demands of the development of the forces of production when we discuss a "high level" and "low level" of the relations of production. Marx said: "Regardless of social form, before the total forces of production can be contained in a social form are brought into play, the form will not die. But new and higher relations of production will definitely not appear before the material conditions for their existence ripen in the womb of the old society. Thus mankind, from beginning to end, only sets himself tasks he is capable of overcoming. This is because, as can be discovered through careful examination, tasks in themselves will only be produced when the material conditions for fulfilling them already exist or are at least in the course of being formed." ("Selected Works of Marx and Engels," Vol 2, p 83) This profound classical judgment of historical materialism should similarly become our guide in our examination and handling of the

relationship between the relations of production and the forces of production under the socialist system. The relations of production are determined by the conditions of the forces of production, and cannot be arbitrarily selected. The forces of production in each period, as the products of former actions, are a type of vested force and likewise cannot be arbitrarily selected. Our socialist system is still in the stage of primary development. Only if the forces of production develop can the relations of production gradually develop from a primary stage to a higher level. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" points out: "There is no rigid pattern for the development of the socialist relations of production. At each stage our task is to create the specific forms of the relations of production that correspond to the needs of the growing forces of production and to facilitate their continued advance." This is a principle, based on Marxism, which sums up the conclusions drawn from our former experience and lessons. It is a guiding principle which must be adhered to in carrying out the current reform and future transformation of the relations of production. If we do not proceed from the actual forces of production, and blindly seek a so-called "high level" of relations of production, this will be harmful.

In a socialist society the basic contradictions are still those between the relations of production and the forces of production, between the superstructure and the economic base. Contradictions are produced then overcome, overcome then produced again. This is the dialectical course of the development of socialist society. Reform is in order to overcome these contradictions. Engels once predicted: "I believe that the so-called 'socialist society' is not an immutable thing. We should look upon it, like any other society, as a society that is constantly changing and reforming." ("Collected Works of Marx and Engels," Vol 37, p 443) Our socialist system can gradually advance toward perfection and maturity through this type of conscientious and ordered change and reform.

CSO: 4004/86

WHY IS COMMON PROSPERITY NOT PROSPERITY AT A PAR?

Beijing RED FLAG in Chinese No 15, 1 Aug 84 pp 46-47

[Article by Li Mingsan [2621 2494 0005]]

[Text] At present, large numbers of well-off households and villages and also a number of well-off counties and localities are emerging. The vast numbers of cadres and the broad masses regard this as a breakthrough in the achievement of common prosperity. However, some comrades hold that the fact that some people become well off before others do is incompatible with the principle of common prosperity; some outstanding households which became well off at an early time are not free from worries; they are afraid to be known to be well off, and they may even conceal whatever is good. Thus, some questions arise: What is the relationship between some people getting well off before others do and common prosperity, how can common prosperity be achieved, and does common prosperity mean prosperity at a par?

Our party exercises leadership over the people to carry out revolution and construction; the basic aim of this is to wipe out poverty, to achieve common prosperity, and to enable all people to live a happy and good life. However, nothing develops in the form of a direct ascent with all parts advancing abreast; actually, everything advances in a wavelike manner and ascends along a spiral path. Thus, common prosperity, as a goal of our endeavors, cannot be accomplished at one move. This is because in socialist society workers get their income according to the principle of each making contributions according to his ability and receiving remuneration according to work done, and this inherently involves differences in income. Because workers differ in their physical strength, mental abilities, production techniques, operational methods, and attitude toward work as reflected by the degree of diligence, their remuneration cannot and should not be at a par; moreover, different workers support different numbers of dependents; thus, inevitably some people are richer while others are not yet well off. Furthermore, various localities differ in their objective conditions, so that the development of production will not be identical; and different units in the same locality will not achieve the same economic results because of differences in the conditions of production and in their management standards. Therefore, differences in income or the level of prosperity will inevitably exist among different localities, units, or workers. In the

past, we interpreted common prosperity as simultaneous, synchronous, and one-level prosperity, or as prosperity at a par. Therefore, we practiced egalitarianism in distribution and "leftist" economic policies like "severing the appendage of capitalism" and so on; we obliterated objective differences between various localities, units, or individual workers; we totally blocked the path of some people becoming well off before others; and we seriously hindered the development of the workers' enthusiasm and the development of production; thus, common prosperity became non-prosperity for all or even common poverty. Practice has proved that this interpretation of common prosperity and these practices are incorrect.

Common prosperity must be achieved through wavelike advances. That some people become well off before others amounts to a breakthrough with regard to the former equilibrium marked by the lack of substantial differences in the level of prosperity, but it also amounts to a starting point in the attainment of a new equilibrium. The result of some people becoming well off before others is that diligence and good work are rewarded, laziness and poor work are penalized, and new things are created with the destruction of old things, so that in seeing the examples that should be emulated, large numbers of people will emulate the advanced and work hard in order to become well off. Moreover, thanks to the education provided by our party, many people who become well off earlier and who harbor the communist spirit will also help the backward to catch up with or even surpass themselves. In Shandong, a peasant with his household turned over more than 13,000 jin of wheat to the state in a year, and he told his neighbors that anyone who could surpass him in the following year could get from him free 1,000 jin of fine quality seed wheat and a cash award of 500 yuan. In another case, a specialized household caused the whole village to turn specialized. Examples like these are numerous among people who have become well off early. They have not only sown good quality seeds, but have also propagated the advanced ideology of working hard to become well off. If the backward emulate the advanced and the latter help the former, an increasing number of people will become well off, the level of prosperity will generally rise, and a new equilibrium will be attained.

With the attainment of a new equilibrium, some localities, units, and workers will continue to raise the level of their knowledge, will adopt yet more advanced production techniques, will further improve operation and management, and will thus achieve even better economic results, becoming even richer and advancing ahead of others. Those falling behind them will make efforts to catch up. In this process of each striving to catch up with the others, equilibrium will constantly be disrupted and replaced by new rounds of disequilibrium. The alternate occurrences of equilibrium and disequilibrium will form a wavelike panorama marked by waves before bringing along those behind which in turn drive on the former. As a result, the production forces will continuously develop, social wealth will steadily grow, the workers' income will gradually increase, and the degree of prosperity for the entire country and population will continue to reach new heights.

Thus, it can be seen that the relationship between some people becoming well off before others and common prosperity amounts to a relationship between the particular and the general. Some people becoming well off before others is the starting point of common prosperity, while the latter is a consequence of the former, without which the latter is impossible. If we do not work according to the law of the wavelike advance of things, common prosperity for the people of various nationalities in our country will be impossible.

Allowing some localities, units, and individuals to become well off before others is a major policy of our party and state, a major breakthrough in our understanding, and a major readjustment of our existing policies. This shows that subsequent to a period of tortuous developments, our party has acquired a much deeper understanding of objective laws. The marked results of the implementation of this policy demonstrate its correctness. Of course, some localities and units are still rather poor and some people are still living in relatively straitened circumstances. However, according to the law of the wavelike advance of things, they will surely gradually become well off if they are realistic, if they scientifically analyze their own objective conditions, if they discover methods of becoming well off, and if they vigorously strive for progress.

CSO: 4004/86

HOW IS THE PER CAPITA INCOME OF THE PEASANTS THROUGHOUT THE COUNTRY CALCULATED?

Beijing RED FLAG in Chinese No 15, 1 Aug 84 p 48

[Article by Hong Nongyun [3163 6593 5089]]

[Text] According to a State Statistical Bureau bulletin, the per capita net income for all peasants in our country was 309.8 yuan in 1983. How is this per capita net income calculated? How reliable is it?

Since 1978, two categories of statistical data differing in scope have been used to represent the per capita income of the peasants in our country. From 1978 to 1980, the data used were the earnings distributed by the basic accounting units of all rural people's communes in our country; that is, the average income received by each peasant from the basic accounting units of the collective economy, exclusive of the peasant households' income from sideline occupations or other nonborrowed income. Since 1981, the data used have been those based on sampled surveys of family income and expenditure for all peasants in our country, compiled by the State Statistical Bureau. This data shows the peasants' average net income, which includes four parts: income from collective operations, income from integrated economic bodies, net income from family occupations, and other nonborrowed income. The two categories of data cannot be directly compared because they differ in scope.

Why have two categories of statistical data differing in scope been used over the past several years? We all know that after the 3d Plenary Session of the 11th CPC Central Committee a great change began to take place in the countryside, ushering in a new period of development in agricultural production. However, until 1980, the original system of tri-level ownership (by the commune, the production brigade, and the production team) with the production team as the basic accounting unit, was still basically maintained in the countryside; sideline occupations of peasant households had just revived and started to develop; and income distributed by the collective was still the principal part of the peasants' income. Therefore, the peasants' per capita income distributed by the basic accounting units of the rural people's communes could still generally reflect the level of the peasants' per capita income. Later, with the implementation of responsibility systems that involve contracts linked to output and that are mainly

in the form of contractual systems governing households, with the emergence of specialized households and with the development of production of commodities in the majority of localities the peasants' income from family operations, including income from collective production under contracts and income from family sideline occupations, began to constitute the principal part of the peasants' income. Under this condition the per capita income distributed by the collective could no longer completely reflect the actual level of the peasants' per capita income. Therefore, since 1981 the peasants' per capita net income based on surveys of samples conducted by the State Statistical Bureau began to be used. This is compatible with the actual condition in the countryside.

The peasants' per capita net income, based on surveys of samples conducted by the State Statistical Bureau, is relatively reliable. For example, the 1983 figure for the national per capita net income of the peasants was obtained through a survey, conducted at specified points, of a sample of 30,427 households selected from more than 3,000 communes in 600 counties in 28 provinces, autonomous regions, and municipalities directly under the central government. Principles for surveying samples followed, and the methods of ranking and categorization according to relevant criteria and sampling from equally spaced units were used. In order that the information from the survey could be as accurate as possible and errors could be reduced, the numbers of units at various levels covered by the survey were stipulated in a unified way. For example, in each province, autonomous region, or municipality directly under the central government, 20 percent of the counties were selected for the survey. From each of these counties six communes were selected, and from each of these selected communes one production team was chosen. The counties, communes, and production teams thus chosen, comprising advanced, intermediate, and backward ones, reflected all types of economic conditions. Furthermore, 10 peasant households were selected for the survey from each production team. Considering economic income, the households thus chosen included those with high, medium, and low levels of income. In general, the distribution was even. These households were relatively highly representative of all peasant households in our country. The per capita net income based on the survey of these households is representative of the per capita net income for all peasants in our country. Moreover, the households chosen for the survey were required to keep accounts throughout the year so that detailed records of all family income and expenditures were available. The data thus obtained are more accurate and reliable than those calculated by using information from surveys that take the form of forums attended by cadres and the masses, at which a recollection of relevant figures is made on a one-time basis.

CSO: 4004/86

IN SELECTING QUALIFIED PERSONNEL, IMPORTANCE SHOULD BE ATTACHED TO THOSE WHO BECOME QUALIFIED BY SELF-TEACHING

Beijing RED FLAG in Chinese No 15, 1 Aug 84 inside back cover

[Article by Gan Feng [2413 1496]]

[Text] The method of becoming qualified personnel through self-teaching has become more popular among young people in China over the past few years and it is a good trend for the emergence of such personnel in a great number. The studies of a great number of young people in the country were suspended during the 10 turbulent years, but this new generation did not degenerate. A great number of young people have been tempered through various miseries in reality but in spite of this, they have spared no effort in studying under arduous conditions. Following the downfall of the "gang of four," some have entered into universities and some others have taken the road of self-teaching which is carried out alongside their work. It is a good thing to pay attention to the record of formal schooling, but some units and some comrades do not treat this question dialectically and from the point of seeking truth from facts. On the contrary, they have treated those who have become qualified by self-teaching in an unfair way. They doubt the actual ability and study results of these qualified persons and treat them with a bias. In selecting qualified persons, it is often that the talent of those who have become qualified by self-teaching is marked down "3 points" lower than those who have records of formal schooling. I think it is necessary to protect those who have become qualified by self-teaching against this injustice and change this situation. This involves not only the question of what kind of policy should be taken for the tens of millions who have become qualified by self-teaching, but also the question of whether we will be able to open up broad ways for training countless numbers of qualified persons through study.

In comparing those who have become qualified by self-teaching with university graduates, we will find that the level of the former is not necessarily lower than the latter. Every person has his own different conditions, therefore their standard must be analyzed on the basis of their specific conditions. It is true that it is quite difficult to grasp certain specializations (not all) of modern natural sciences because of the limitations on experiments and many other conditions; but it has been

proven by many facts in ancient times and today and in China and other countries that there have appeared a number of qualified personnel in most professions through self-study, particularly in such specializations as social sciences and linguistics. Quite a number of young employees have carried out their study during spare time. They have theoretical knowledge as well as practical experience. They serve as backbones in their work and they have bright prospects because their practical standard is no lower than that of university graduates. But such young people fail to draw others' attention just because they are not university graduates. There is no denying that some of the existing examination methods (such as the examinations for postgraduates) are in the interest of graduates of formal schools and not of those who have become qualified by self-teaching. The situation is the same with regard to examination papers and the standards for deciding the marks for the examinations and training and preparations before the examinations. In this way, it is difficult to really test the talent of those who have become qualified by self-teaching. If both of them score the same marks in the examinations, why should we attach importance to the students with a record of formal schooling and discriminate against those who have become qualified by self-teaching?

Those who have become qualified by self-teaching are characterized by three features or advantages. First, they study very hard because without such arduous spirit, there will be no way for them to become qualified persons. Second, they have high working capacity and this competency has been formed in the process of self-teaching and through the tests of various difficulties. Third, they have practical experiences. These three advantages are very important in selecting qualified personnel and they are of fundamental significance to the growth and long-term development of these talents. Even if these persons who are qualified through self-teaching are not good enough in grasping knowledge from books and their study is not systematic enough, it does not matter; these defects can be made up later.

We must consider this point from macroeconomic point of view. That is, the state has to spend more than 10,000 yuan in training a university graduate but it is not necessary to spend any money in training those who have become qualified by self-teaching. Our country needs a great number of qualified persons who are specialized in various aspects and yet it is beyond the capacity of the country to build many universities. Is it not necessary for us to encourage more young people to take the road of becoming qualified through self-teaching? Or should we continue to look down upon those who have become qualified by self-teaching and block this road of self-teaching by treating them unjustly?

Universities are divided into "visible" and "invisible" universities. Those who have become qualified by self-teaching have attended "invisible" universities. The comrades who are prejudiced against those who have become qualified by self-teaching have only paid attention to "visible" universities but neglect "invisible" universities. But the comrades with knowledge and insight have treated both "invisible" and "visible" universities on an equal footing and they can get rid of prejudice and select qualified persons regardless of their method of learning.

CSO: 4004/86

'AN OUTLINE OF LITERATURE'--A GOOD BOOK TO BE RECOMMENDED TO THE SELF-TAUGHT

Beijing RED FLAG in Chinese No 15, 1 Aug 84 outside back cover

[Book review by Lan Ting [5695 3060]]

[Text] The book "An Outline of Literature" published by the RED FLAG Publishing House (written by Tong Qingbing) is a relatively good general guidance material for the self-taught in improving their literary and art theory, and it has been welcomed by readers since it came off the press.

The book systemically expounds the basic principles and knowledge on the theory of literature. The writer has resorted to the Marxist point of view in his effort to explore the various relationships between literature and social life. And at the same time, he has also expounded in an overall way the dialectical relations between literature and social life, the relationship between literature and the economic foundation, the relationship between literature and the various spheres of superstructure (such as politics, philosophy, religion and morality), the nature of nationality and people, class nature and party nature of literature, and the roles of literature in society. In particular, in expounding the relationship between literature and politics, the writer has absorbed the results of the study in emancipating thinking and of being bold in probing that have been achieved by literary theorists since the 3d Plenary Session of the 11th CPC Central Committee. He has also discarded the simplified and vulgar point of view which regards literature as being dependent on and a mouthpiece of politics and neglects the unique laws of literature and aesthetic standards of literature. He has also analyzed and criticized the wrong points of view that have emerged in the past few years, which negate the relationship between literature and politics and advocate the manifestation of abstract "humanism" in literature.

The writer has emphasized the study of the nature and law of literature, expounding in an overall way the difference between literature and science, the aesthetic nature and the image of literature, the truthfulness and typicalness of literature, the structure of literary works as well as the process and method of literature creation. In expounding the aesthetic nature of literature, the writer has drawn on the new achievements of study that have been made by literary theorists over the past few years and expressed his own views.

What merits pointing out here is that in expounding on the relationship between literature and readers, the writer has focused his attention on the tendency of only stressing the importance of the role of literature in political education but neglecting the aesthetic role of literature. He has also particularly expounded the emergence of literature appreciation and the difference and consistency of this appreciation and the process, features and significance of literature appreciation.

The book is written in lucid language and it is easy to read; it carries out analyses profoundly and yet in a way easy to understand, coupled with proper presentation and emphasis. Each chapter is followed by questions for reviewing. In his "Introduction," the writer has particularly introduced the method for studying the theory of literature. All these are helpful for those who are carrying out self-study.

Of course, "An Outline of Literature" represents a guidance material for party and administrative cadres who are studying basic subjects on their own and therefore the theoretical depth of this book can still be improved. It is hoped that the writer will revise this book in its next edition so that it can be constantly perfected to become a better guidance material for the self-taught.

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END