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CHINA REPORT RED FLAG

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ODE TO THE ANTARCTIC SPIRIT

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 2-3

[Editorial]

[Text] After experiencing untold hardships and overcoming numerous difficulties, the Chinese Antarctic scientific expedition carried out a comprehensive scientific observation in the great southern ocean and Antarctica and succeeded in building China's first scientific observation station in the South Pole thus receiving the high evaluation and enthusiastic praise from the party and the people. This is a great pioneering undertaking in the Chinese history of oceangoing voyages and scientific expedition. With their indomitable and tenacious will, hot blood, and arduous labor, they have embodied an extremely valuable revolutionary spirit--the Antarctic spirit.

The Antarctic spirit has vividly displayed the Chinese people's unshakable and firm faith in the four modernizations program and their heroic spirit of standing on their own feet in the family of nations. Before the departure of the expedition, Comrade Deng Xiaoping wrote a 13-character inscription reading: "Make contributions to man's peaceful use of the South Pole." These words pointed out clearly the significance and orientation of the Antarctic exploration and enabled the warriors to depart in style. In the history of civilization spanning several thousand years, the Chinese nation has made glorious contributions to mankind and our motherland has always been noted as an "ancient civilized country" throughout the world. However we have lagged behind afterwards. Today we are rousing ourselves to catch up. The successes we have attained in the Antarctic exploration and other fields have once again proved to the world: The Chinese people have both the high aspirations and the capabilities to make their own outstanding contributions to the development of human civilization. Both our era and our people need the Antarctic spirit. By advocating and carrying forward this spirit we will further encourage the Chinese people to hack their way through difficulties and to forge ahead in the four modernizations drive.

The Antarctic spirit is a revolutionary heroic spirit of fearing neither hardships nor sacrifices and giving one's life selflessly. In extremely adverse circumstances, such as the "wind limit," "cold limit," and "ice limit," the warriors exerted themselves day and night and, in the face of

terrifying waves whipped up by a force 12 typhoon, remained calm and collected and discharged their own duties. In this life-and-death struggle, they displayed the heroic spirit of pressing forward with indomitable will, which permits no turning back.

The Antarctic spirit is a collective spirit characterized by observation of discipline, close unity, and coordination with one heart and one mind. Being far away from the motherland and working independently, these warriors only had in mind the determination to finish their tasks. They did not consider personal gains or losses at all, and even less sought the so-called "self-realization." The contingent, consisting of 591 comrades from 60 units under 23 ministries, commissions, and bureaus, merged into an inseparable fighting collective with the same objective and the same orientation. Therefore, they were able to strictly enforce orders and prohibitions. This discipline is one which gives full scope to creativity and initiative in the course of struggle and is one of conscientious observation. This is a basic guarantee for the victory of our cause.

The Antarctic spirit is a scientific and realistic spirit of being earnest, down-to-earth, conscientious, and scrupulous. Carrying out observations in the South Pole is an expeditionary undertaking. But our warriors also profoundly understood that it was also a scientific practice. In carrying out this scientific practice, it was by far insufficient to rely only on enthusiasm and courage. We should also rely on superb science and technology and a strict scientific approach. They had made full preparations beforehand, tried by every possible means to master various data as detailed as possible, and considered various contingencies. This was an important condition for their success in overcoming various unforeseen circumstances and accomplishing the task of scientific observation.

The Antarctic spirit is a patriotic spirit characterized by the will to make the country strong and the determination to rejuvenate the Chinese nation. Comrade Guo Kun, head of the expedition, expressed it well when he said: "Rejuvenate the Chinese nation, win glory for the motherland, and build our new great wall with our flesh and blood." As long as one has a deep love for the motherland, one has the source of strength and acts conscientiously. It was precisely with the lofty aspiration of rejuvenating the Chinese nation that the warriors planted the bright five-star red flag of the motherland for the first time on King George Island in Antarctica.

At the national science and technology work conference, Comrade Deng Xiaoping pointed out: "Why were we able to carry on our struggle in the past under very difficult circumstances, to overcome untold hardships, and to win victory in the revolution? It was because we had lofty ideals and had faith in Marxism and communism." The members of the scientific expedition have told us with their practical actions that the Antarctic spirit they have created is precisely the concrete embodiment of communist ideals. People have always been engaged in practical struggle. In judging whether a person has communist ideals, we must see whether he has the practical ability to work forward, to surge ahead, and to perform his duties to the fullest extent of his strength and power."

the people rich. There are some people who seek small gains without regard to the righteous cause and who are so deeply engrossed in pursuing private ends or the selfish interests of small groups that spare no efforts in infringing upon the interests of the state and the people. Compared with the Antarctic spirit, should not these comrades examine their conscience and have a sense of inferiority?

In the scientific undertaking of carrying out observation in the South Pole, we have just made a start. There are still numerous secrets for us to explore and we will still face numerous new trials. Similarly, we will also meet various difficulties in other fields of the four modernizations program. However, we firmly believe that so long as we carry forward the invaluable Antarctic spirit, we will certainly conquer everything and be invincible.

CSO: 4004/27

EARNESTLY DO A GOOD JOB OF IDEOLOGICAL AND POLITICAL WORK IN THE COURSE OF REFORM

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 3-4

["Forum"]

[Text] Reform is a major readjustment of the relations of production and the superstructure. Because people have different interests and viewpoints, their attitudes toward reform and their understandings of this profound revolution will certainly differ from one to another. Some may be correct and conducive to reform; and some may be incorrect and unfavorable to reform. Therefore, we are required to do ideological and political work to bring people's thinking into line with the party central leadership's line, principles, and policies for reform and to encourage the people to actively explore new ways and to devote themselves to reform and socialist modernization with one heart and one mind by fostering lofty ideals and a sense of discipline.

Since the party shifted the work focus to economic construction, some comrades have neglected ideological and political work to varying degrees. In addition, a trend of thought has appeared in society, not only belittling ideological and political work, but also playing down the guiding significance of Marxism in our political life and in the people's thinking. If we turn a blind eye to this harmful tendency and take no measures to overcome it, our reform and four modernizations may be fouled up. Under the guidance of a correct line, economic work and ideological and political work are not antithetic; instead they are interdependent and mutually promotive. Ideological and political work cannot be separated from economic construction which is the central task, and cannot be separated from reform and opening up which are the most important political affair at present. On the other hand, ideological and political work cannot be ignored in the course of economic construction, reform, and opening up. Since 1979, the party central leadership has repeatedly pointed out that we are to build a socialist country, which not only needs a high degree of material civilization, but also needs a high degree of spiritual civilization. Spiritual civilization not only includes education, science, and culture (all this is absolutely necessary), but also includes communist ideology, ideals, belief, morality, discipline, the revolutionary stand and principles, and the comradely man-to-man relationship. Ideological construction is the core and

soul of socialist spiritual civilization. If we abandon this soul, we will never succeed in building socialism! Therefore, the more efforts we are making to advance reform and economic opening and to enliven the economy, the more attention we should pay to ideological and political work.

We must notice that reform is a process of exploration and there will certainly be many difficulties and problems that we have to deal with. Like all great revolutions in history, our reform will also encounter transient "labor pains." In general, reform will bring about both advantages and disadvantages. Provided the advantages outweigh disadvantages, reform can be regarded as successful. "No gold is absolutely pure, and no person is absolutely perfect." Alike, no reform is completely perfect. In order to help people correctly understand reform, we should do effective ideological and political work, and tell the people all the facts, including the difficulties that we may encounter in the course of reform. We should make realistic analysis of the advantages and disadvantages of every reform measure so as to win the greatest achievements at the lowest costs. This will strengthen people's confidence in reform and will promote reform.

Many contradictions may crop up in the course of reform. They include the contradiction between the interests of the state, the collective (or enterprise), and the individual, or between the working people's individual interests, partial interests, and common interests. We should correctly regulate the relationships between these three categories of interests. To do so, we should rely mainly on the systems, laws, and politics, but this should also be accompanied by ideological and political work. In general, it is easier to see the individual, partial, and immediate interests, but the entire working people's common, overall, long-term, and fundamental interests can be realized only after people use their brains to think. In many cases, the contradictions between the three categories of interests will not be properly settled if we rely merely on laws and administrative orders without the help of effective ideological and political work. Moreover, our systems are being reformed and many laws have yet to be formulated and perfected, so it is hard to draw up detailed policies for various affairs. It is unavoidable that something may be a bit confused in the period of reform, because many things are undergoing changes brought about by the replacement of the new for the old. Therefore, ideological and political work is all the more indispensable in the settlement of the contradictions among the people.

We must not regard the reform of the economic system and the establishment of the director (manager) responsibility system in the enterprises as a step to weaken the party's leadership and to downgrade ideological and political work. Comrade Deng Xiaoping once pointed out: To improve the party's leadership, most importantly, we should strengthen ideological and political work. Party organizations at all levels should devote most of their time and energy to ideological and political work, that is, to conduct ideological education among the masses. In the practice of reform, localities and units which have paid attention to ideological and political work are able to stand against the new unhealthy tendencies and to adhere to the correct orientation. Their experience once again proves that strengthening

ideological and political work is an important guarantee for the smooth development of reform.

Reform needs ideological and political work, and ideological and political work itself should be reformed also. Our ideological and political work always serves the party's general line and general tasks. In the new historical period and under the new situation of reform and opening up and enlivening the economy, how to do ideological and political work well is a major question that we should study. We should accumulate and sum up experience in ideological and political work in the new period so as to establish some systematic theory. As compared with the vivid forms and remarkable results of ideological and political work during the years of the revolutionary wars, our present state of ideological and political work is rather inferior. This can be attributed to various reasons, historical and present, objective and subjective. One of the main reasons is that many comrades often use administrative orders and the party's prestige to inculcate Marxism and the spirit of the central instructions in the masses as dogma rather than giving convincing answers to questions in real life or those posed by the masses by closely linking theory with reality, grasping a great deal of data, employing the Marxist method of analysis, and using the vivid language of the people. We often find that people who know many actual things cannot reason clearly but people who are skillful in arguing know little about the reality. This state of affairs thus impairs the effectiveness and efficiency of our ideological and political work. To change this state of affairs, we should actually orient our ideological and political work to reform and economic construction and should make painstaking efforts to study various problems appearing in the course of reform by going deep into the realities of life and deep among the masses so that we will be able to enhance people's political consciousness and the realm of thought through the settlement of the actual problems.

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CHINA'S DEVELOPMENT IS AN IMPORTANT FACTOR IN SAFEGUARDING WORLD PEACE

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 5-7

[Commentator's article]

[Text] Forty years have passed since the end of World War II. In this war, the justice-upholding and peace-loving peoples of all countries in the world won a great victory over the German, Italian, and Japanese fascists. The battlefields of the conflagration were mainly in Europe and Asia. The Soviet and Chinese peoples made the greatest sacrifices on the two battlefields separately, thus making tremendous contributions to the winning of the war. The peoples of many countries, such as the United States, Britain, and France also made their own contributions to the winning of the war. This victory was of great and far-reaching significance to world peace and human progress. All people who died both on the front and in the rear of the war to resist the fascist aggression and domination will always be held in esteem and remembered by all mankind.

Forty years after the end of the war, the impressions of the Nanjing Massacre and the Oswiecim and Buchenwald concentration camps are still fresh in people's memories and the danger of a new war still exists. The superpowers have been constantly upgrading their conventional arms, strengthening their nuclear arsenals, and manufacturing biological, chemical, and even space weapons. Using the other side's possession of military superiority as a pretext, they have been staging one arms race after another, each striving for military superiority. The unprecedentedly enormous military expenditure has become a heavy burden in the economic development of many countries. Local wars occurring between some countries have brought calamities to the peaceable local people, disrupted regional security and stability, and even affected the peace of the whole world. Striving for economic development and prosperity is a question of the utmost concern to all the peoples in the world. Peace is the precondition for economic development and prosperity. Only with peace can the wishes of the people of each country come true and can their goals be attained. Therefore, how to check the danger of a new war has become a global strategic problem at present, attracting the broad interest of the world peoples.

In accordance with the laws governing the development of history, man should become more clever and more civilized and progressive with each generation.

Relying on his wisdom and labor, man has managed to release nuclear energy capable of producing tremendous might, to conduct space flights, to make intelligent robots, and to develop biological engineering. Therefore, man is also capable of staving off a new world war and preventing his own fate from being manipulated by war maniacs. Man must be able to discover a new way to settle a series of conflicts between different countries and between different nations. The broad masses of people all over the world demand that the United States and the Soviet Union, which possess most of the world's nuclear weapons, settle down to serious talks and take the lead in reducing nuclear armaments by a big margin and ultimately destroying all nuclear weapons so as to ease international tensions and to guarantee world peace, security, and stability. China and Britain are countries with different social systems. The Hong Kong issue, which was left over by history, once presented an obstacle to the friendly, cooperative relations between the two countries. In accordance with the concept of "one country, two systems," China has satisfactorily solved the question of Hong Kong's return to China through peaceful negotiations with Britain. This fact, as the media in many countries has held, has provided an example for peacefully solving international conflicts.

World War II has left mankind with bitter lessons. The Japanese militarists and the German and Italian fascists should be held responsible for unleashing the war. By pursuing the anticommunist and antipopular national division policy, the KMT rulers provided the Japanese militarists with favorable conditions for invading China. In the course of the Japanese militarists' occupation of China's northeastern regions and nibbling at its northern regions, and while the German and Italian fascists were marching into the demilitarized zone on the west bank of the Rhine, annexing of Austria, and occupation of Czechoslovakia, that is, at the crucial moment when the danger of the expansion of the war was drastically increasing, the policymakers of some big powers in the West blindly pursued a policy of appeasement in an attempt to beg for peace at the sacrifice of the interests of other countries. They should also assume responsibility for the war, a responsibility that cannot be shifted onto others. The most important lesson is that people all over the world must squarely face the danger of war and unite to check the danger of war before the forces of aggression are ready to launch a war. In the situation where the aggressors have staged a local war, they should struggle in various ways to force the aggressors to halt the war. Today, although the danger of a world war still exists, a force for checking the war is developing encouragingly. In the present-day world, it is only the two superpowers that are qualified to launch a world war. Most countries in the world are not willing to wage war. Neither Europe nor Japan desires to wage war, not to mention the Third World countries, of which China is a member. This is because they are confronted with the arduous task of developing their own national economies, and no war will benefit them. By relying on the awakening and efforts of the broad masses of people all over the world, the danger of war can be checked and world peace can be maintained.

Over the last few years, the rapid development of China's economy has attracted the attention of the world community and more and more people

have become firmly convinced that the Chinese people can attain the magnificent goal of building their country into a modern socialist country. What impact will the great and profound change which is taking place in a big country with a population of 1 billion people have on the world situation?

Some people with a political bias obstinately say: A strong China will pose a threat to the security of its neighboring countries. However, those who respect the facts and adopt a fair approach in observing and studying problems will acknowledge that in the cause of safeguarding world peace, China occupies an important place. China's becoming strong will mean that the force for world peace will increase and that world peace will have a more reliable guarantee. Comrade Deng Xiaoping has recently told foreign friends more than once: People must make correct judgments about China. China is a force for peace and not a force for war. Every step in China's development will help to increase the strength of the world community to check war and safeguard peace. Chinese development is an important factor in safeguarding world peace, security, and stability.

The reasons for this idea are as follows:

First, in China there exist no classes or social strata which desire to make an illegal fortune by relying on war and no political groups which desire to extend their influence by relying on war. There are also no means whatsoever for China to need war. The Chinese people are going all out to carry out economic construction, to change the outlook of their country, and to improve their living standards through their own labor. Therefore, what they need most is a sustained and peaceful international environment. China wants to spend the next 20 years quadrupling its annual gross value of industrial and agricultural production so that its average national income will reach a comparatively well-off standard of living. This is our first step. The second step is to catch up with developed countries in regard to living standard through 30 to 50 years of construction in the coming century. Without a peaceful environment, nothing can be accomplished in this endeavor. We hope no war will break out within the next 20 years or even within 70 years. We will then have ample time to carry out our socialist four modernizations program in a calm and unhurried way. Thus we earnestly desire peace.

Second, at present the North and the South, namely, the underdeveloped and developed countries, are seriously antagonistic. The intensified North-South conflict is not only an economic issue but an important political issue as well. If some Third World countries are in a state of prolonged poverty and backwardness and in the grip of political disturbances, this will provide the opportunity for the superpowers to meddle and take the advantage of the situation to seek their own goals, and the maintenance of a stable international situation will be out of the question. China's economic development will undoubtedly be a favorable factor in the economic prosperity and development of the Third World countries and will thus help promote the settlement of the North-South issue and contribute to world peace, security, and stability.

Third, China adheres to an independent foreign policy. Internationally, it opposes hegemonism and safeguards world peace. China will neither form an alliance or develop a strategic relation with any superpower, nor will it join in with one big power to oppose the other one. China will not join any military groups, build up military bases, or station its troops on foreign soil, and it will not allow foreign countries to build up military bases or station their troops on Chinese soil. China will absolutely not commit itself to supporting an unjust war launched by any country. China stands for the complete prohibition and thorough destruction of nuclear weapons and for a reduction of conventional weapons. China advocates that conflicts between different countries should be settled through peaceful negotiations, supports the efforts made by all sides to ease international tension, and opposes any global and regional actions of hegemonism. China's stand will undoubtedly be conducive to the safeguarding of world peace.

Fourth, in modern history, China has been subjugated for quite some time to the aggression and oppression of colonialism and imperialism. Since the founding of the PRC, China has persistently upheld a peaceful foreign policy and never occupied an inch of foreign land, interfered in the internal affairs of other countries, or regarded any single country as a state within its "sphere of influence." China does not have any vested interests gained from invading others to protect and it will try its best to settle any encroachments of its interests through peaceful negotiations. China has settled the border problems left over from history with its neighboring countries through friendly consultations. Even with regard to the Vietnamese invaders who have never ceased to encroach upon our border areas and carry out military provocations, we have just staged a restrained counterattack against them in self-defense, holding the same view of seeking peace. Defending one's territory from being encroached upon is the sacred duty of any sovereign country. As a matter of course, China has this right.

Fifth, seeking to live in harmony and engage in friendly cooperation with all countries in the world on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence, as well as surpassing differences in terms of social system and ideology, has been China's persistent stand. This stand has been favorably received by more and more countries and become the only choice in developing new international relations. Hence, it has an extensive and far-reaching impact on safeguarding world peace. Practice has proved that the soundness of relations between countries depends on the observance of the five principles of peaceful coexistence and not on the differences in social system or ideology. If these principles are adhered to, countries with different social systems can live in harmony and maintain amicable cooperation; if they are violated, even countries with similar social systems may face sharp confrontations or even military conflicts.

The Chinese people will persistently pursue their own independent and peaceful foreign policy and are willing to make unremitting efforts together with other peoples in the world to work for world peace, security, and stability. We are aware that only in this way can China play its proper role in world politics, can it achieve a sustained, peaceful international environment for its socialist modernization program, and can it make greater contributions to mankind.

CHINA'S STRATEGY FOR ECONOMIC AND SOCIAL DEVELOPMENT

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 8-12, 7

[Article by Ma Hong [7456 3163]--passages within slantlines published in boldface]

[Text] In an effort to speed up the socialist modernization drive with Chinese characteristics, China's economic circles have, in recent years, conducted extensive studies on the strategy for economic development.

I. Changes in China's Strategy for Economic Development

Since the First 5-Year Plan, in the course of carrying out socialist economic construction, we have started considering the economic problems from the overall strategic situation and the long-term prospects of development and have achieved considerable successes. However, because we still lacked experience in socialist construction at that time and had to indiscriminately copy some practices from the Soviet Union and because we later made "leftist" errors in the guiding thinking, we made great mistakes both in the choice of our strategic objective for economic development and in the methods and path for the achievement of this objective.

The 3d Plenary Session of the 11th CPC Central Committee held at the end of 1978 decided to shift the focus of work of the party and state to socialist economic construction. At the same time, China's strategy for economic development also started to undergo new changes.

First, there has been a change in the guiding thinking.

1. Ours is a great socialist country with a large population, a weak foundation, and very uneven economic development. We must proceed from the reality in our country and fully mobilize our internal resources in carrying out the socialist modernization program. Naturally, this does not mean that we need not pay attention to learning from, and using foreign experience. However, indiscriminately copying the experiences or patterns of other countries has never been successful. We must adhere to the principle of seeking truth from facts, integrate the universal truth of Marxism with the specific practice in our country, follow our own path, and build socialism with Chinese characteristics.

2. For a long time in the past, the "leftist" errors in the guiding thinking of our economic work found concentrated expression in overreaching ourselves and in being overanxious for quick results. Particularly after the "Great Leap Forward" was proposed in 1958, the role of subjective activity was exaggerated and a strategy of rash advance was adopted. This resulted in great fluctuations in the national economy. More haste, less speed. We have paid very dearly for it. Practice has proved that only by acting within our capability, struggling vigorously, and proceeding in an orderly way and step by step is it possible to speed up the four modernizations program.

Second, following the change in the guiding thinking, changes have also been made in the choice of our strategy for economic development and in the methods and path for the achievement of this objective.

/The change from a relatively unitary strategic objective to one with relatively all-round development./ In the past, when we pondered the development strategy, we were inclined to unitarily consider the economic development. This practice could easily lead us to overlook the interaction among the various factors of social life. Since the beginning of the Sixth 5-Year Plan, we have changed our plan for the development of the national economy to one for social and economic development. At the same time, we have also kept a tight hold on the building of material and spiritual civilization in order to constantly heighten the level of thinking of the people throughout the country and to turn them into people with lofty ideals, moral integrity, education, and a sense of discipline. Only in this way can we build a socialist society with Chinese characteristics.

/The change from concentrating on economic growth alone to attaining better economic results and bringing material benefit to the people./ The fundamental aim of socialist economic construction is to constantly meet the needs of the people materially and culturally. The objective of quadrupling the gross value of industrial and agricultural production by the end of this century, as put forward by the 12th CPC National Congress, is precisely based on the attainment of better economic results so that the people can be comparatively well-off both materially and culturally. This fully reflects the unity of results and speed, as well as the unity of the development of production and the improvement of livelihood, making it possible for us to blaze a new trail in developing China's socialist economy, which has a relatively dependable speed, yields relatively better economic results, and brings more benefits to the people.

/The change from stressing the main points in isolation to grasping the main points to promote balance and the coordinated growth of the national economy./ For a very long time in the past, we have one-sidedly given priority to the development of heavy industry and stressed the slogan "taking steel as the key link." The result was that agriculture and light industry, as well as the other products of heavy industry, were squeezed out, leading to serious imbalances in the proportions between the major branches of the national economy. After analyzing the national economy as a whole in an all-round way, the 12th CPC National Congress defined agriculture,

energy and transport, and education and science as the strategic priorities of our economic development and, at the same time, called for the establishment of a rational economic structure on the basis of an overall balance so that the various socioeconomic departments and aspects can develop in a coordinated manner.

/The change from expanded reproduction by extension to one by intension./ In the past 30-odd years we have built quite a few new enterprises, which are quite necessary for the achievement of China's industrialization. However, for a long time in the past, we chiefly relied on the newly built enterprises to develop production and neglected the technological transformation of existing enterprises. In so doing the scale of capital construction projects has become larger, the time limits for the projects have been further extended and because little attention has been paid to technological transformation, the equipment of most of the existing enterprises has become outdated, their technologies backward, and their efficiency very poor. We have now decided that in the Seventh 5-Year Plan period, the focal point of construction will be placed on technological transformation and the reconstruction and expansion of existing enterprises.

/The change from unplanned development of population to planned parenthood, to production and education of good offspring, and to stepped-up cultivation of intellectual resources./ The population problem occupies a very important place in China's socioeconomic development. Man is the most important factor in the productive forces but overpopulation also exerts pressure on a developing socialist country like ours. In order to turn population pressure into a motive force as quickly as possible, it is necessary to practice planned parenthood and to improve the quality of our population. The quality of the people plays a decisive role in the modernization drive but it is also determined by the cultivation of intellectual resources. Therefore, we regard education and science as a strategic priority of development and the "Decision" on reform of the economic structure also regards it as most important to respect knowledge and talented people.

/The change from closing the country to international intercourse to actively carrying out economic cooperation and technological exchange with foreign countries on the basis of maintaining independence, keeping the initiative in our own hands, and achieving self-reliance./ The cause of our modernization must, and can only, be placed on the basis of our own strength. In the past, however, we one-sidedly regarded self-reliance as self-sufficiency, closing the country to international intercourse, thus restricting our own development. Since the 3d Plenary Session of the 11th CPC Central Committee, China has defined the policy of opening up to the outside world as a long-term and basic national policy. This makes it possible for us to learn from other countries' strong points to offset our weaknesses and to introduce foreign funds, technology, and advanced methods of management, which is beneficial to realizing the objective of the four modernizations.

/The most important thing is the reform of the economic structure--the change from a closed and rigid economic pattern to an open one full of vigor and vitality./

The above-mentioned changes in the guiding thinking, the choice of objective, and the methods and path for the achievement of this objective will enable China's socialist economic construction to blaze a brand-new path with Chinese characteristics.

II. The Strategic Objective of China's Social and Economic Development by the End of This Century

The 12th CPC National Congress has set forth the grand objective for the end of this century. Therefore, studying the strategies for economic, scientific, technological, and social development for "China in the year 2000" has become a topic of great concern to us. From the research I conducted with other comrades concerned, I would like to discuss some outline prospects of China's modernization by the end of this century.

1. On the basis of working for better economic results, the objective of quadrupling the gross annual value of industrial and agricultural production of 1980 can be expected to be achieved ahead of schedule. According to the requirement of quadruplication, the gross value of China's industrial and agricultural production from 1981 to the end of this century should progressively increase at an average of 7.2 percent annually. Viewed from the implementation of the Sixth 5-Year Plan, the average growth in the Sixth 5-Year Plan period is expected to exceed 8 percent. The expected average growth in the Seventh 5-Year Plan period will not be under 8 percent. The last 10 years of this century will be a new period of vigorous economic development for our country. The national economy will probably forge ahead in a sustained, stable, and coordinated way. Generally speaking, we are sure that we can achieve the objective of quadrupling the gross annual value of industrial and agricultural production by the end of this century.

In the past, the growth of our GNP [guo min sheng chan zong hi 0948 3046 3932 3934 4920 0237] and national income was obviously slower than that of the annual gross value of industrial and agricultural production. In the future, with the change in China's strategy for economic development, the rational readjustment of the economic structure, particularly the relatively rapid development of the tertiary industry, the improvement of the infrastructure, the drop in material consumption as a result of technological advances, and especially the completion of the reform of the economic structure, better economic results will be attained in an all-round way. All these factors will speed up the growth of the GNP and the national income. Therefore, by the end of this century, our national income will probably grow simultaneously with the gross value of industrial and agricultural production and our GNP will grow faster than the gross value of industrial and agricultural production.

2. The production lineup will become more rational and the proportions between the various departments will gradually develop in a coordinated manner. Proceeding from the national conditions in our country, we have defined agriculture, the infrastructure, and the various services trades as a priority of economic development. It will still be impossible for our country to complete the process of changing our traditional agriculture into

modern agriculture in this century. However, the agricultural growth will be faster than in the past 3 decades. Moreover, the existing contract system operated on a household basis will gradually develop in the direction of coordination, alliance, and cooperation. Within industry, because we shall be confronted in the future with the task of mechanizing manual labor and transforming the technology of the traditional industries the growth of heavy industry will probably be slightly faster than that of light industry but the gap will not be too big. With regard to the development of our industries this century, we should adopt the policy of paying equal attention to the traditional and the developing industries centered on the new technological transformation of the traditional industries in order to form a large number of "technological complexes" integrating high technologies with the traditional ones. The proportion of the developing industries to the gross value of industrial and agricultural production will increase considerably. As to the proportion between the three categories of industries, the growth of tertiary industry will be markedly faster than that of the primary and secondary industries. This will be an indication of the modernization and socialization of China's socialist economy and the attainment of better results.

3. The GNP and the output of major industrial and agricultural products will stand in the forefront of the world. In 1980 our GNP was about \$283.3 billion, ranking eighth in the world after the United States, the Soviet Union, Japan, the FRG, France, Britain, and Italy. After studying the various development forecasts on the developed countries in the world, we have estimated that if we achieve the objective of quadrupling the gross annual value of industrial and agricultural production by the end of this century, our GNP will exceed \$1,140 billion, probably ranking fifth in the world. However, since we are a country with a huge population, our GNP on a per capita basis will probably rise from 151st in the world now to 75th by the end of this century. This order of precedence shows that by that time ours will still be a developing socialist country but the economic strength of the country as a whole will be much greater.

4. We shall extensively apply the advanced technologies popularized by the economically developed countries in the 1970's and 1980's and we shall probably reach the world's advanced level in some sophisticated technologies. By the end of this century, we shall extensively apply in various branches of the national economy advanced technologies which have been popularized by the economically developed countries in the 1970's and 1980's and which are suitable for our country, and form a technological system with Chinese characteristics. The technological structure of our country will still be a multilevel structure of numerous technologies, consisting of advanced technology, intermediate technology, and traditional handicraft art.

5. The population growth will be gradually brought under control. We hope to keep our population within 1.2 billion by the end of this century but this figure will very probably be exceeded. In a strong effort to keep our population within 1.2 billion, we must continue to implement our basic national policy on planned parenthood, encourage each couple to have only one child in this century, and adopt the policy of producing and educating good offspring.

6. The utilization ratio and the processing quality of our resources and energy will markedly improve. A major manifestation of our backward economy and technology is the low utilization ratio and the poor processing quality of the natural resources and energy. By the end of this century, the energy utilization ratio will markedly increase and the energy efficiency will rise from about 30 percent at the moment to about 40 percent. At the same time, the processing quality will also markedly improve.

7. The people's cultural and educational standards will rise markedly. By the year 2000, the cultural and educational conditions in our country will change a great deal. It is estimated that illiteracy and semi-illiteracy will be completely wiped out, that primary education will be made universal in the rural areas, that secondary education will be made universal in the cities, and the number of people with a high or college education throughout the country will notably increase. By that time we shall have 15-20 million intellectuals with a college education--a main force in the modernization drive.

8. The people will be comparatively well-off both materially and culturally. After achieving the strategic objective for this century, the income of our urban and rural population will double and redouble. The GNP on a per capita basis will reach \$800 and the people will be comparatively well-off both materially and culturally. In 1980 the average consumption level of our residents was 227 yuan and, according to a preliminary forecast in the minimum plan, it will reach 617 yuan by 2000, an increase of 2.71-fold over 1980 or a progressive increase of 5.1 percent annually. The consumption gap between the urban and rural residents will narrow and the gap between their consumption levels will drop from 2.71:1 in 1980 to 1.86:1. By that time, the average consumption level of the urban and rural households throughout the country will be higher than that of the middle-income households in the cities at present.

9. There will be an improvement in our ecological environment. The environmental problem is an important issue confronting the world today and we also have this problem. We have begun attaching importance to environmental protection and are taking some necessary measures to protect and improve the environment. Before 1990 we shall concentrate our efforts on curbing the development of environmental pollution. Efforts should be made to solve to a considerable extent the problems of environmental pollution and ecological destruction by 2000 so that the production and living environments of the urban and rural population will be relatively clean and beautiful and the various ecological environments will gradually return to a good condition.

10. The people's socialist--communist--consciousness will be continuously heightened. We shall attach importance to the building of both material and spiritual civilizations. With the development of the building of socialist spiritual civilization with the communist idea as a nucleus, our workers, peasants, and intellectuals will heighten their ideological consciousness day by day and become laborers with lofty ideals, moral integrity, education, and a sense of discipline who integrate manual and mental labor and who consciously build a new society characterized by common prosperity.

Those are some outline prospects of China's economic and socialist development by 2000. If we achieve this objective, we shall have a new starting point and thus will be in a position to reach a higher degree of modernization. By a higher degree of modernization we mean approaching or catching up with the level of the developed countries at that time in major aspects. This historic task will probably be accomplished in the period between the 2030's and 2050's.

III. Measures To Be Taken To Achieve the Strategic Objective

In order to achieve the objective for the end of this century, we should take two steps in our strategic planning: In the first decade, aim mainly at laying a solid foundation, handling various economic relationships properly, accumulating strength, and creating the necessary conditions; and thus, in the second, usher in a new period of vigorous economic development. The economic growth will probably be slightly lower in the first decade and slightly higher in the second. This is because the economic growth in the first decade will be subjected to restriction by various factors. First, the irrational industrial setups, product mix, and the organizational structure of enterprises have not been completely readjusted; second, the various economic relationships have not been handled properly, the regulating system of macro- and microeconomy suited to the development of the socialist commodity economy has not been satisfactorily established and perfected, and the reform of the economic structure has not been completed; third, the shortage of energy and raw materials and the strain on transport cannot be fundamentally alleviated in a short time; and fourth, it takes a fairly long time to tackle major scientific and technological problems, to train talented people, and to conduct technological transformation on enterprises.

In light of the relatively rapid growth in the gross value of industrial and agricultural production in recent years, some economists hold that the growth in the first decade can still be a little faster and will not necessarily be slower than in the second decade. The gross value of industrial and agricultural production from 1981 to 1985 is expected to increase at an average of 8.9 percent annually and the growth rate of the gross value of industrial and agricultural production in 1984 was raised to 14.2 percent. We hold that it is necessary to analyze this situation objectively and soberly. On the one hand, the high growth in recent years has been attained to a large extent by tapping the potential previously stifled by the grossly irrational economic structure and industrial setups and the effect of these factors will weaken to some extent in the future. On the other hand, we should also note that the high growth in recent years also contains some abnormal factors. For this reason, we should not formulate our future development plan on the basis of the growth attained in the past few years.

As a whole, the implementation of the Sixth 5-Year Plan (1981-1985) is fine. It has created very favorable conditions in many ways for the implementation of the Seventh 5-Year Plan. In the Sixth 5-Year Plan period, the GNP is expected to grow at an average of 8 percent annually, approaching the growth

of the gross value of industrial and agricultural production. Production, construction, and the income of residents have risen considerably and the prospects of a benign circle in which the three promote each other have started to emerge. However, there have also been some problems in the course of our advance. This chiefly refers to the excessive grant of credit, the excessive growth of funds for expanded reproduction, and the excessive growth of consumption funds in the second half of 1984, and particularly in the fourth quarter of that year. The conditions characterized by an irrational internal structure of products and a backward technological base have not been fundamentally changed. Supported by an abnormal purchasing power and the relaxation of bank credits, industrial growth reached more than 20 percent in December 1984, making the shortage of raw materials and the strain on infrastructure, such as energy, transport, and communications, even more serious. Therefore, this growth rate must be kept under control. Measures are being taken to rectify this situation. However, the emergence of these phenomena has also enabled us to soberly understand that in formulating our development plans, particularly the medium- and long-term plans, we should never set excessively high demands on the growth rate but should leave some leeway and keep something in reserve so that we can attain better economic results both in the near term and in the medium and the long term.

Basing ourselves on the experiences gained in the implementation of the Sixth 5-Year Plan, analyzing the trends of development in the near term, and looking forward to the objective we should achieve in the year 2000, we may as well make some forecasts on, and tentative plans for China's economic and social development in the Seventh 5-Year Plan period.

1. We should step up the construction of the infrastructure, speed up the development of tertiary industry, strive to rationalize the industrial setups, product mix, and organizational structure of enterprises, and maintain the sustained, stable, and coordinated development of the national economy in order to create conditions for the economic upswing in the second decade.
2. Practical efforts should be made to shift the focus of our economic work to the attainment of better economic results and, on the basis of attaining more and better economic results, the gross value of industrial and agricultural production is expected to increase by 6-7 percent annually and the GNP by 7-8 percent annually. In this way, we can ensure doubling the gross value of industrial and agricultural production and the GNP in the decade between 1980 and 1990. At the same time, we should strive to achieve a basic balance between state revenues and expenditures, between credit receipts and payments, between commodity supply and demand, and between foreign exchange earnings and expenditures, to appropriately improve the living standards of the people, and to fundamentally improve the national financial and economic conditions.
3. We should make use of a whole set of measures and mechanisms to harmoniously integrate planning with market and micro relaxation with macro control, handle the various economic relationships properly and, in line with

the spirit of the decision of the 3d Plenary Session of the 12th CPC Central Committee, initially set up the basic framework of socialist economic structure with Chinese characteristics, which is full of vigor and vitality.

In the meantime, a new outlook will emerge in the building of socialist spiritual civilization.

In order to achieve these objectives, we are confronted with numerous problems that should be solved.

First, the product mix of industry and agriculture must be able to suit changes in consumption patterns. The general trend of consumption needs in the Seventh 5-Year Plan period is: There will be gradual changes in the traditional consumption patterns from having enough to eat and wear to achieving a comparatively well-off living standard. The industrial setups of the national economy and the product mix of industry and agriculture must adapt themselves to this trend and gradually rationalize themselves.

Second, we should handle well the relationship between improvement of the people's living standards and stepped-up technological transformation and construction of key construction projects on the one hand and the reform of the economic system on the other. In the Seventh 5-Year Plan period, the income of the people and investment in fixed assets will increase to some extent but if they grow excessively and too rapidly, thus exceeding the capabilities of the state financial and material resources, they will lead to inflation and affect the stability of economic and social life. For this reason, we should allow for unforeseen circumstances in fixing quotas for the Seventh 5-Year Plan. The scope of construction and the growth of consumption, in particular, must be appropriate. Only in this way can we ensure the smooth progress of the reform of the economic structure.

Third, we should pay attention to solving various problems, such as labor employment and social insurance. In the Seventh 5-Year Plan period, we shall be confronted with a new employment situation. With the reform of enterprises, a number of surplus laborers will have to find alternative employment; a number of backward enterprises will be eliminated in the course of competition and new arrangements should be made for the placement of their workers and staff members; and a portion of the surplus laborers in the rural areas will also move to towns and townships to seek employment. Moreover, some 27 million new laborers emerge from cities and towns every 5 years. This makes it necessary to speed up the development of the tertiary industry, particularly the township industries, the building industry, and the mining industry. In addition to that, it is necessary to study the establishment of a social insurance system in order to increase social security.

Fourth, we must remedy the lack of capital construction funds. In the Seventh 5-Year Plan period, we should appropriately expand the scale of construction for the transport, energy, and raw materials industries. However, having limited funds at its disposal, the state will not be in a position to fully meet needs in these respects. A method to solve this is

to discard the policy of the state taking care of everything and to encourage all people to set to work and to raise funds to run coal, power, transport, and raw materials industries. At the same time, great efforts should also be made to expand the use of foreign funds in order to ensure that the shortage of energy and raw materials and the strain on transport can be considerably alleviated. We should also import some necessary advanced technology and equipment to speed up the progress of modernization.

In short, the Seventh 5-Year Plan period will be a crucial one for the reform of China's economic structure and for laying a good foundation for the vigorous economic development in the second decade. We should seize the opportunity, work hard, and lay a high degree of material and technological foundation for the modernization. At the same time, we should also have a correspondingly high degree of spiritual civilization so that we can usher in a brand-new situation in China's economic and social development.

CSO: 4004/27

THE FLOWING STREAM OF CAPABLE PERSONNEL BRINGS VITALITY TO REFORM--
IMPRESSIONS ON 'RECORDS OF ENLIGHTENMENT FROM NEWS REPORTS'

Beijing RED FLAG in Chinese No 10, 16 May 85 p 13

[Article by Li Rui [2621 6904]]

[Text] Our reform has been in progress for several years already. One of the key problems of the reform is that of capable personnel. The situation we are confronted with is not the lack of capable personnel but concerns the problem of capable personnel being closeted, wasted, and even attacked and harmed. To enable everyone to bring his talents into full play depends on reforming the system of personnel management and having leadership of the "Bo Le" type. The televised play "Records of Enlightenment From News Reports" compiled by Comrade Zhang Guangzhao of the Zhejiang Television Station has attracted a large number of viewers because it penetratingly reveals the relations between talented people and reform.

The televised play "Records of Enlightenment From News Reports" forcefully describes the various contradictions and conflicts in the reform of the personnel system of Nanya University. Reform of the personnel system is rich in contents but the primary content is eliminating the incapable and promoting the capable, so that each is in his correct place. Nanya University's imposing interchange of personnel is precisely an important measure in the performance of this mission. Due to its regressive personnel situation caused by the "overabundance of close relatives" among the personnel and the sequelae ailment left over from a prolonged political campaign, its teaching staff had become enormously inflated in size and outdated in knowledge, and its talented personnel had been irrationally and highly concentrated. This did not meet the demands of the new situation. The various fronts all sorely needed a retrenchment of organs, elimination of excess personnel, interflow of capable personnel, infusion of new blood, and strengthening of vitality. These matters are perfectly reasonable, but to carry them out is not so easy. Nanya University's incomparable showing lies in its daring to be ahead of all and plunge into the work without looking back. Speaking from the standpoint of human feelings, since Ding Jiajun's return to his alma mater after having suffered much from the torments of life, his remarriage, and his beginning of a new life, he deserved sympathy for his fondness for Nanya University and for his cherished feelings for his native land. However, after all, he had been away too long

from specialized research work and this could hardly meet the demands of the teaching profession. Therefore, though with a heavy heart, the day came that Xing Tian, the university party committee secretary, and Zhang Xuen, the vice chancellor, had to resolutely decide on having Ding Jiajun "sent outward." However, they took pains to enable all those "sent outward," including Ding Jiajun, to get the best job so that each could display his worth and create the greatest value. In his new job, Ding Jiajun eventually was able to bring his talents into full play and find a place for a hero to display his wares.

The televised play has told us that the work of recommending capable people to jobs is an extremely difficult task, because vast differences exist in the standards for selecting capable people. Over many years, many people have been accustomed to using cadres who are safe and square on all sides and who can assure a reasonably good harvest despite droughts or rain. Cadres of this kind, though unable to accomplish anything really spectacular, can hardly commit any serious errors. Some people in leadership actually are fond of using this type of yes-man. But if you want to open up your enterprises, or speed up the steps of the reform, you must use cadres who have a modernized mind and are daring and capable although their employment may be challenged by other people. Chu Shen always stood at the forefront of his compatriots, he believed in efficiency and would not commit himself tightly to conventions, but he was subjected to accusations by rumormongers of being irresponsible. Nonetheless, Nanya University chose to give him a high post. Within 6 months' time he was able to make use of the outstanding accomplishment (a joint venture with Hong Kong merchants to launch a computer company) of the university's computer center to serve as a convincing reply to the controversy about the adaptability of the university's employment policy.

In the selection and use of capable personnel, it is important not to question a person's integrity but to dare to proceed in an unfettered manner. In the televised play mentioned above, a director of the personnel office, by the name of Zhao Xuan, was featured as being able to make resolute and on-the-spot decisions. He dared to accept, in a telephone conversation, the application for a job from Zhou Ke, a student studying in the United States. Naturally, this was partly related to his anxious quest for talented people and his highly responsible feelings for the reform, but, more importantly, he enjoyed the full confidence of the university party committee and the university chancellor. This confidence made it possible for Zhao Xuan to make a resolute decision, enabling an accomplished scientist to return with great enthusiasm to the fatherland to work for the four modernizations. This confidence also made it possible for Assistant Yan Yan to proceed courageously to the negotiating table to protect the interests of the fatherland in talks with foreign merchants and to win acclaim for the fatherland. And this confidence enabled Chu Yishen to greatly display his capabilities and to accomplish outstanding feats. The director of this play, using various tactics, including an anecdote describing the relations between the secretary of the party committee who is in charge of the reform, and his daughter, gave a simple but apt description of the party secretary Xing Tian. Xing Tian's following words should rouse the deaf and make the

blind see: "When we value capable people as we do our eyes and life, then the time will indeed have come for this nation of ours to truly rise to the sky."

In artcraft, the "Records of Enlightenment From News Reports" has also adopted certain new and distinguished techniques of expression. It adopted the type of expression of integrating reports on literature and news reports and also chose as connecting links of the play reporters who dare to intervene in life and their conflicts and wrangles with the conservative leadership (without showing themselves in the play) of the news agency, thus showing the enormous role of news reporting work in promoting the reform. What the televised play reflected was only the reform of the management structure of a university but the director weaved the contents into a deep and thick background of a countrywide wave of reform. The supplements and interludes to this background do not appear to be stiff or artificial; on the contrary, they appear to be rather natural and fitting. From this we can see that the reform in this university is not tantamount to the shaking of some tree leaves before a mild wind but to a gigantic tidal wave of nationwide reform. The real background reveals the irresistible of this reform and strengthens the ideological intensity and the infectious force of the play.

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ALSO DISCUSSING 'WORK' IN 'TO EACH ACCORDING TO HIS WORK'

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[Article by Ma Bin [7456 7001]]

[Text] To each according to his work is the principle of distribution in socialism and is also an objective law. Only through a correct interpretation of "work" in the distribution system of to each according to his work is it possible to understand this law and to implement this principle well. Many comrades have already expressed their views on this problem. Below are some of the writer's own views.

Inanimate Labor Is Not a Factor in the Distribution of To Each According to His Work

Distributing to each according to his work means distributing the consumer goods to each individual according to the yardstick of the amount of work the individual has contributed to society. Naturally, the portion of the individuals' consumption consists of the leftover portion of the social gross product after various deductions. To carry out work, it is necessary to have material conditions such as the means of production and so forth. Under the socialist public ownership system, as a result of the means of production being under the common ownership of the workers, the workers are on an equal basis in the ownership of the means of production, but although the means of production provide the prerequisite for work, nobody can, on the strength of ownership of the means of production, proceed to share in the distribution of the fruits of work. The problem is that the conditions of socialism today are not as pure and simple as originally conceived of. There are still in existence different forms of the system of ownership of the means of production and practices like compensation linked to output, and payment of share dividends, and of interest on bank loans have appeared. Hence, some comrades have expressed the opinion that "work" in the distribution of each according to his work not only refers to animate labor but also includes inanimate labor and that compensation should be computed not only on the input of animate labor in the course of production but also on inanimate labor which, after storage, has again been put into the production process.

In reality, benefits derived from the individual's input of inanimate labor (such as, under the system of payment linked to output, the additional payment received as a result of the individual's investment; share dividends) do not come under the heading of distribution to each according to work. While to each according to his work is the basic principle of distribution in socialism, it is not the only principle. This is because distribution according to work cannot explain why it is necessary to have benefits derived from the input of inanimate labor. For the latter, some other basis has to be found.

Inanimate labor is definitely past labor contributed by the worker but this portion of labor is in the hands of the worker because of the compensation he has already received for the animate labor he contributed to society in the past. If he is compensated on the basis of this portion of labor, then it means that he receives compensation for the second time. As for the compensation on the input of inanimate labor into social production, it is naturally necessary, but compensation on inanimate labor is obviously different from distribution to each according to work, of the value of new production. Marx, in his "Critique of Gotha's Program," when discussing distribution according to work, made a necessary deduction from the social gross output of that portion compensating the consumption of inanimate labor and clearly separated it from the portion for distribution according to work.

On What Form of Labor To Base Distribution

Regarding labor as the basis for distribution according to work, does it refer to labor capacity, or expended labor, or labor results? Or, perhaps, we should ask: Is it potential labor, or labor in circulation, or solidified labor? This problem is closely related to the wages system in actual life. Salaries and wages are based on various things such as technological grading, administrative functions, business position or status, scholastic standing, length of service, and so forth, but frequently these are different from the actual expended labor. This makes people feel that distribution is according to labor capacity and not actually on the basis of actual expended labor and is thus inconsistent with the original meaning of to each according to his work. Expended labor is at times different from actual labor results, while the results of use value may also differ from real value. Therefore, the problem is generated of whether distribution according to work should be based on labor results.

In the "Critique on Gotha's Program," when discussing distribution according to work, Marx said: "He procures from society a certificate attesting to the amount of labor he has contributed (deducting the portion for the social welfare funds) and on the strength of this certificate he procures from social storage a portion of means of consumption equivalent to the value of labor input he contributed." ("Selected Works of Marx and Engels," Vol 3, p 11) Here, it is clearly pointed out that distribution is based on the quantity of labor input contributed to society. It can thus be seen that the original idea of distribution according to work is distribution based on the individual's labor input contributed to society. In other words,

distribution is not based on labor capacity or on the products of labor or the fruits of labor. However, realistic life is complex. It is necessary to grasp the scientific and abstract method employed by Marx and, by means of the phenomena, clarify the nature of the matter.

First, we must admit that actual wages include factors not susceptible to distribution according to work. For example, in the composition of wages, of basic wages, length-of-service subsidies and other compensations and subsidies, some have the nature of social welfare and social assurance. Although these are indivisible from the labor input of the staff members and workers, their distribution is not in accordance with the amount of work. We have no necessity to refute them for the sake of stressing distribution according to work and at the same time we cannot, because of recognizing them, proceed to alter the meaning of distribution according to work. Naturally, this portion must maintain an appropriate proportion with the portion subjected to distribution according to work. The case of the secondary superseding the primary should not happen and the system of distribution according to work should not be weakened.

Next, it should be noted that expended labor and labor capacity differ from each other but are mutually related. Distribution according to labor capacity does not correspond with the original idea of distribution according to work. However it is necessary that assessment of the grade of basic wages be based on labor capacity and on labor attitude. In fact, it is the concrete form of the realization of distribution according to work.

Labor capacity is labor power and is also potential labor. It is different from expended labor in the actual laboring process, that is, labor in circulating form. In actual life, we adopt the method of assessing or determining the grade of salaries and wages on the basis of scholastic record, duties, title of position, technological level and labor attitude. Is this carrying out distribution according to labor capacity and is it thus against the principle of distribution according to work? Because there are different types of labor, the various departments and categories of work cannot universally adopt the method of wage payment according to piecework or payment reckoned according to output and distribution can begin only after completion of the work process and computing the actual amount of labor input. Hence, the adoption of fixed salaries and wages divided by grades and classes is a necessary form in carrying out distribution according to work. This is because labor capacity is the prerequisite of the provision of labor while good or bad labor attitude determines the degree of the display of labor capacity. The objective of determining grades of remuneration on the basis of labor capacity (scholastic achievement, duties, positional title and technical level) and labor attitude is still to carry out distribution according to the amount of labor input. This is because all these reflect the quantity of labor the worker contributed in the past and the quantity of labor he can contribute from now on. Like commodities, prices take value as the standard, but prices fixed at each transaction are determined on the basis of experience and market conditions. If the grade of salaries and wages does not correspond with the quantity of labor contributed, the grades will be adjusted in accordance with the actual work

performance, or the method of granting different grades of bonuses may be employed in adjustment. Hence, salaries and wages for jobs and salaries and wages in grades are not the results of distribution according to labor capacity but represent the concrete forms adopted in carrying out distribution on the quantity of labor. The problem is how to achieve the object of making posts, titles, and grades conform with actual expended labor. This requires that the posts, titles, and grades be fixed appropriately and that grades of salaries and wages be determined rationally and adjusted in accordance with the actual conditions, allowing suitable fluctuations. In the past, after the grades of salaries and wages had been fixed, no changes were made for a long time. This meant that even though originally there had been conformity with the principle of distribution according to work, eventually it was changed to nonconformity. The attitude toward labor plays an important role in influencing whether the display of labor capacity is good or bad. Hence, in assessing salaries and wages, it is necessary to take the attitude toward labor into consideration as well. But it would be incorrect to treat the attitude toward labor as a political attitude and political manifestation.

Third, how should we look at the relations between expended labor and labor results, and between circulating labor and solidified labor? When Marx talked about distribution according to work he had expended labor in mind and not the products of labor or the created value. However, this expended labor naturally refers to useful labor and must provide use value to society in conformity with its needs. Because Marx' discussion of distribution according to work in a socialist society was highly abstract and in broad outline, he could not have anticipated the various complex phenomena of the socialist society of today. In reality, in making an abstract theoretical analysis, it is necessary to abandon phenomena of this kind. In Marx' discussion, the socialist society was conceived as embodying a unilateral socialist public ownership system, the entire society is a united body of free men, and people can consciously and in a planned manner adjust the production of whole society. Hence, the workers' labor will not be solidified as value; the manifestation of labor results as use value conforming with social needs will not be a problem, because at that time the conception of socialist labor was that it could be completely and consciously distributed between the various departments and various kinds of products in accordance with their needs, and the problem of the products of labor not conforming with social needs and not recognized by society would not arise. Even if the arrangements for a small quantity of expended labor happened to have been wrongly made, but because whole society was a unified unit and the development level of the productive force was relatively high, this portion of labor would be borne by society as an unavoidable loss and the workers responsible for this portion of work would be accorded with compensation. Therefore, in Marx' discussion, the quantity of labor contributed and labor results were united and there was no question of inconsistency between expended labor and labor results.

The current actual socialist society is much more complex. First, at present, not only is the level of the productive forces relatively low in general but the concrete conditions of the forces are also irregular and

disorderly; second, the proportion of the socialist planned distribution of labor has still not yet reached the stage of being perfect and complete; and third, different forms of the system of ownership of the means of production still exist and inside the system of ownership by the whole people the enterprises still possess a relatively independent character, still being producers of commodities. Thus, under the socialist system, the labor expended by a worker and the labor results contributed by him to society may not be the same. If the products of labor are not needed by society, then, regardless of how much and how good the labor expended on them is and how pretty and durable the products are, the labor expended is still useless labor not needed by society. Because socialist economy is still commodity economy the labor expended in producing the output is solidified into the value of the commodity and whether or not the products are marketable and whether or not value can be realized become the precondition determining whether or not the labor expended is useful and whether or not it should be compensated. Hence, putting distribution according to work under the concrete conditions of today, the kind of labor serving as the standard for distribution must be labor which possesses use value for production and the value possessed must have been realized. While we must judge the contributions of labor from the staff members on the basis of its quality and quantity, we must also note the economic benefits actually obtained from the labor results. Therefore, adoption of the method of distribution which calls for linking the gross volume of the salaries and wages of the staff of an enterprise to the enterprise's economic results is necessary for the enforcement of distribution according to work under the conditions of a socialist planned commodity economy.

This being the case, does it hold that all compensation must be directly linked to the enterprise's economic results, otherwise it would constitute violation of the principle of distribution according to work? If we were to look at the matter in this way, then the salaries and wages of any enterprise could only be given to the employees and workers after the sale of the commodities and according to the actual figures of profits and losses. This implies that the system of fixed grades of salaries and wages and even piecework wages cannot be enforced, since prior to the sale of the commodities, a final assessment of the actual results of the labor contributed by the worker cannot be made. In reality, on the strength of past experiences and the arrangements planned, it is entirely possible to estimate the actual value of the products of labor. Thus, formulating in advance the standard for salaries and wages and making monthly payments of salaries and wages is entirely workable. By so doing, due consideration has been taken of the results of the expended labor and the value that can possibly be realized. But if the compensation is not in conformity with the actual results of labor and the value that can be realized, the interests of the enterprises and of the state could be affected and the workers' enthusiasm could also be affected. This necessarily calls for continuously rectifying and improving the distribution system enabling it to approach the objective standard of distribution according to work. In turn, this calls for allowing the salaries and wages to fluctuate to an appropriate extent. Simultaneously with enforcing a system of basic salaries and wages, payment of bonuses and year-end dividends may be made in supplement. This will rectify any

disparity between expended labor and labor compensation; hence, an important form of distribution according to work is payment of basic salaries and wages supplemented by bonuses and awards. Naturally, the determination of the basic salaries and wages and bonuses should be reasonable as far as possible and must conform with the workers' contributions to society under the conditions of commodity economy.

Society's Average Expended Labor and Amount and Quality of Labor

Enforcing distribution according to work is the distribution of consumer goods based on the amount of labor a worker has contributed to society. The amount of labor is measured by the time expended in labor. But in a unit labor time the amount of labor contributed by the individual workers is not identical. This is because of differences in the degree of proficiency of the worker and the degree of complexity and degree of strenuousness of the work. Therefore, in measuring the amount of labor contributed to society by a worker, it is necessary to convert the labor time of the individual worker according to expended labor in terms of the social average labor unit time.

In his analysis of the labor time which determined commodity value, Marx advocated making a distinction between the individual labor time and social necessary labor time. He said: "Social necessary labor time consists, under the normal production conditions of current society and the degree of proficiency of social average labor and labor intensity, of labor time for the creation of certain use value." ("Collected Works of Marx and Engels," Vol 23, p 52) Based on the above, certain comrades have expressed the view that labor in distribution according to work does not consist of individual labor time but the social necessary labor time. Marx' method of analyzing the problem certainly was applicable to analyzing the amount of labor in distribution according to work. However, it is not exactly appropriate to directly use "social necessary labor time" in distribution according to work, because the social necessary labor time mentioned by Marx referred to the labor time used to determine the value of a commodity. The conversion of the labor time expended by the worker into social average expended labor is related to the question of standard in distribution according to work. Here, there is still another point of difference, that is, the normal production conditions of society are one of the factors determining the social necessary labor time embodied in commodity. In distribution according to work, conversion of the individual labor time into the social average expended labor should not include the factor of good or bad production conditions. In the case of good production conditions (such as use of advanced machinery and equipment), labor expended within the same time period can create relatively more value. Between workers using advanced equipment and workers using backward equipment, the labor results are very different, but this should not lead to great differences in their compensation. A high norm should apply to using advanced equipment so that identical amount of labor expended by the two categories of workers can obtain approximately the same amount of compensation. As for the higher remuneration obtained by the workers using advanced equipment because of the labor input being more complex and heavier, it is not derived from good or bad production conditions but from the increase in the amount of labor input. Inside the

economy of the system of ownership by the whole people, differences in receipts arising from good or bad production conditions should be accounted for to the state and should not be taken into account in distribution according to work.

For the purpose of explaining that distribution according to work cannot be based unilaterally on the labor time expended by the individuals, there is a view that distribution of work should be carried out in accordance with the amount and quality of work expended.

Must labor possess both amount and quality? Some comrades are opposed to this idea, believing that we can only talk about the amount of labor and cannot talk about the quality of labor, because labor talked about here is of the same quality. There is a misunderstanding here and that is "quantity" has been misinterpreted as "quality." In reality, labor quality refers to the quantitative distinction between the degree in proficiency, degree in complexity, and degree in intensity of labor. Here, the quality of labor also refers to the specification of a certain quantity. As a matter of fact, the concept of quality is now new and is in common use in economic life. We have frequently talked about improving the quality of products so as to bring about the unity of quantity and quality. The quality of products mentioned here does not imply that products have different natures, that is, different use values. Rather, it refers to the fact that the same kind of use value in different aspects (that is, quality targets) has differences in quantity. For example, in the case of coal, the differences in calorific capacity constitute an important quality target. The calorific capacity of 1 ton of coal of superior quality is equivalent to that of several tons of coal of inferior quality.

Because of the differences in the degree of proficiency, degree of complexity, and degree of intensity, the amounts of labor contained in unit labor times are not identical. In other words, an hour of labor expended by different workers, though the period of time taken is identical, has differences in quality. Therefore, it is necessary to convert the labor of different individuals into labor of the same quality, that is, labor of the social average level in the degree of proficiency, degree of complexity, and degree of intensity. Here, the belief that labor has the two aspects of quantity and quality is hardly questionable. However, if in the advocacy of carrying out "distribution according to the quality and quantity of labor," quantity and quality are lined up together as if to form two different factors, then it is not correct. It should be said that the amount of labor in distribution according to work is computed under the condition of the unification of quantity and quality, that is to say, the amount of labor represents the quantity of labor under the condition of a definite quality, or we may say, the labor time converted on the basis of the social average expended labor contained in the unit labor time.

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THE THEORETICAL BASIS FOR LINKING WORKER INCOME WITH THE ECONOMIC RESULTS OF ENTERPRISES

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 18-21

[Article by Tong Yuanshi [4547 3293 6524] and Qian Shiming [6929 0013 2494]]

[Text] The reform of the distribution system of "eating from the same big pot" of the state on the part of the enterprises, and "eating from the same big pot" of the enterprise on the part of the workers and staff is the main aspect for the economic reform in the cities. Some localities and enterprises have been implementing the method of drawing floating bonus funds based on the volume of realized profit (instead of the original way based on on the total wages) on a trial basis since 1979, after the 3d Plenary Session of the 11th CPC Central Committee. This was the beginning of the reform of the wage distribution system of enterprises in the cities. Since then, the method of drawing bonus funds from the profit retained by the enterprise based on a certain proportion and fixing no maximum for bonuses has been adopted, linked with the implementation of the economic responsibilities system and the reform of substituting tax for profit handed over to the state. The experiment on letting the total wage bill of the enterprise float under a contract system is now under way. All these reforms have focused on a common core, namely, linking the economic results of the enterprise first with part of the workers' income (bonus), and gradually with the bulk or even all of the workers' income (wage and bonus), with income being raised in line with the improvement of economic results, so-called "when the river rises the boat goes up." Practice has proved that these reforms in the wage distribution system have achieved good results in changing the conditions of "eating from the same big pot" of the enterprise regardless of the efficiency of its management, and "eating from the same big pot" of the enterprise regardless of the workers' contributions. They have greatly brought into play the enthusiasm of the enterprise as well as the workers and staff for doing a good job in production and management, and promoted the development of production and the improvement of economic results and improved the function of wages as an economic lever. On the basis of production development and the improvement of economic results, the relationship of interests between the state, the enterprise, and the individual has been handled in a fairly rational way.

An Important Breakthrough in the Traditional Wage Theory and Wage Distribution System

The traditional wage theory, and the wage distribution system based on it, speaks only of linking worker income with the contributions of the individual, but neglects the link with the economic results of the enterprise. The reform of linking worker income with the economic results of the enterprise since the 3d Plenary Session of the 11th CPC Central Committee is an important breakthrough in the traditional wage theory and wage distribution system, and a great success for the cadres and masses under the guidance of the party's ideological line of seeking truth from facts in doing away with conventional rules and regulations or models not conforming with the actual conditions.

Worker income refers to the actual income of the workers and staff in the form of wages and bonuses, based on the principle of distribution according to work. Regarding the principle of distribution according to work, it has always been understood as the distribution of consumer goods to the individual according to the quantity and quality of work he has provided. More work, more pay; less work, less pay. Such an understanding has, of course, a theoretical basis. In reference to the form of distribution of means of subsistence to the individual in the first stage of communism, Marx assumed in his "Critique of the Gotha Program" that, "under the condition of a changed environment," what a worker gives to society "is his individual portion of labor," "the individual labor time of the individual producer is the part of the social working day contributed by him," "he receives a certificate from society that he has furnished such and such an amount of labor (after deducting his labor from the common funds), and with this certificate he draws from the social stock of means of consumption as much as the same amount of labor costs." ("Selected Works of Marx and Engels," Vol 3, p 11) Here, the distribution of consumer goods to the individual is actually based on the measurement of the amount of labor which he has given to society, while the link with the economic results of the enterprise was never mentioned.

In the practice of socialism in China over 3 decades and more, the distribution of consumer goods to the individual has always been carried out in the pattern of distribution according to work for the first stage of communism as envisaged by Marx. That was, the monopoly of the state representing society in carrying out distribution based directly on the amount of work provided by the individual worker. However, the result has not been ideal as in all other socialist countries which once adopted the same pattern of distribution. Subjectively, we have wanted to distribute according to work, but objectively, we have failed to realize the principle that "a given amount of labor in one form is exchanged for an equal amount of labor in another form," as formulated by Marx ("Selected Works of Marx and Engels," Vol 3, p 11), and it was often the case that more work did not necessarily receive more pay, while less work did not eventually receive less pay. If we continued to conform to such a pattern, it would never be possible for us to cut an intrinsic connection between this pattern of distribution according to work and egalitarianism, no matter how complete and perfect a specific

wage system is nor how accurate the calculation of the amount of individual work done, and the great capacity of distribution for promoting the development of productive forces would still fail to be released.

What is the crux of the problem? Based on the practical experiences in distribution over 3 decades and more, we found that we had failed to truthfully admit and fully estimate the important differences between the socialist society in practice and the first stage of communism as Marx saw it in his days. The socialist society Marx outlined in his day was a society with highly developed productive forces, with all production means under the public ownership of society, and commodity production and exchange eliminated. Under the plan representing the economic center of the whole society, "individual labor no longer exists in an indirect fashion but directly as a component part of the total labor" ("Selected Works of Marx and Engels," Vol 3, p 10). Directly and absolutely society would know how much labor time was contained per unit product, and likewise it would calculate the portion of individual labor in the total labor of society; thereby, society could directly carry out distribution according to work based on the amount of the individual labor of each worker. However, till now, all socialist countries which have won revolutionary struggles have continued to retain and to develop commodity production and exchange in a big way. This is an important difference between socialism in practice today and the first stage of communism as envisaged by Marx, and it has inevitably exerted tremendous effects on the practice of distribution according to work.

Socialist production is socialized mass production based on division of labor and cooperation. Like all laborers under the conditions of socialized mass production, socialist laborers carry out production collectively with the enterprise as the unit and not the individual, and enterprises are still the grassroots production units of society. Because of the low level of socialized production of those socialist countries which took the lead in building socialism and the imbalance in the development of their productive forces, the single form and level of direct social labor within the realm of the whole society as Marx saw it, has not yet come into being, despite the fact that socialist combined labor has already taken the pace of the employed labor of capitalism. Not only does collective ownership exist outside the ownership of the whole people, but two levels exist regarding combined labor inside the ownership of the whole people: The first level is the combined labor of society as a whole, namely, the laborers of the whole society as an entity, which is linked with means of production in the possession of the whole society, with the individual labor of numerous laborers organized into the combined labor within the realm of the whole society in a planned way based on certain proportions. The second level is the partial combined labor within the realm of an enterprise, namely, where the workers are organized into different collectives, linked with a specific part of the means of production of public ownership and with each enterprise as a unit. The individual labor of the worker directly plays the role of a component part of the partial combined labor of the enterprise. However, under the condition of socialist planned commodity economy, whether the partial combined labor of the enterprise will finally be converted into a component part of the combined labor of society as an entity and in what

proportion it will do so must go through the test of market exchange. Therefore, enterprises under the ownership of the whole people are not exactly as Marx envisaged, being collectives of workers which belong to a single level of combined labor of society as an entity, organized simply to go in for production; also, they are in the second level of combined labor of society, and they are still relatively independent commodity producers and operators with partial interests of their own.

Socialist Commodity Economy Is the Inevitable Demand

As socialist economy is planned commodity economy, socialist enterprises are relatively independent commodity producers and operators, and socialist laborers form the organic component part of the total labor of society in the form of combined labor of the enterprise instead of individual labor. The implementation of the principle of distribution according to work under such conditions naturally demands the direct linking of worker income with the economic results of the enterprise.

As is known to all, distribution according to work is the distribution of the fruits of production. Under the condition of socialist planned commodity economy, the fruits of production to be distributed according to work can only be the surplus part of the magnitude of value of the commodities produced by the enterprise as a relatively independent producer and operator, after allowing for various deductions. Therefore, the measurement of distribution to the workers can only be the corresponding share he has contributed to the realized total social labor. The material object of distribution is social labor, so should the measurement of distribution be. Only then, will it be possible to realize the exchange of equal amounts of labor on the basis of equal amounts of social labor.

In the commodity economy, which is linked with multiple forms and layers of combined labor, individual labor does not exist directly as a component part of the total labor of society. Although within an enterprise, the individual labor of the worker can be calculated in a certain form of quota in order to determine his share in the combined labor of the enterprise, it is by no means a question of simple calculation to then find out the share of combined labor of the enterprise in the total labor of society and to find out indirectly how much social labor each laborer has provided. Unified social evaluation must be carried out instead by the standard of social labor involved. Unmarketable products of combined labor not in conformity with social needs are regarded as ineffective labor, which will not be converted into social labor. And those products in conformity with social needs are not all converted into social labor according to the actual amount of labor by the enterprise workers actually involved, but calculated in a unified way in terms of necessary social labor time. After some complex conversion, the labor of the individual often differs from the social labor ultimately realized. The principle of distribution according to work is based on the social labor provided by the workers who carry out the exchange of labor with the enterprise as the medium, not directly as individuals. Therefore, regarding the measurement of labor as the standard of distribution, it is inappropriate to calculate only the amount of labor of the individual workers,

but it is imperative to calculate first how much social labor has been realized by the combined labor of the enterprise workers, namely, the share they have contributed to the total labor of society. Based on its contribution, society allots the enterprise its funds for distribution according to work after all deductions. And the next step is to calculate the amount of work of the individual worker, namely, the contribution made by each worker to the combined labor of the enterprise, on which is based the redistribution of funds distributed according to work allotted to the enterprise as a collective.

Under the condition of commodity economy, it is only through the medium of the enterprise that it is possible to make a unified social evaluation of the amount of labor contributed by the individual worker with labor as a social measurement, and to make workers of different enterprises enjoy the right to participate in the distribution of social labor on an equal footing, and that it is possible to genuinely realize the principle of equal work (the amount of social labor which individual labor has finally realized), and equal pay (materializing the amount of social labor in the form of consumer goods distributed to individual labor). Therefore, we can see that the distribution of labor reward funds to the workers collective, based on the share contributed by the combined labor of the enterprise to the realized total social labor is the prerequisite for the correct implementation of the principle of distribution according to work among individual workers within the enterprise. If social labor were to be distributed using individual labor directly as a measurement, the exchange of equal amounts of labor would inevitably become the exchange of unequal amounts of labor, because between different enterprises, equal amounts of individual labor will finally be converted into unequal amounts of social labor; then, some people will possess more social labor provided by others. Therefore, in order to reform the practice of the state monopoly of distribution and the system of direct distribution to the workers and staff by the state, it is necessary to divide the process of distribution according to work into two steps--first, the collective, then the individual worker: The state will first check the social labor realized by the workers collective of the enterprise, namely, the economic results of the enterprise, on which the volume of wages to be distributed among the workers collective of the enterprise is determined; then the amount of labor provided by the workers and staff will be checked within the enterprise before redistribution to every individual worker is carried out.

Some comrades are worrying that when the worker income is linked with the economic results of the enterprise, the gap between workers and staff of different enterprises will be widened because of the differences in enterprise management and economic results, hence, the "imbalance in income." We hold that such "imbalance in income" is a complicated phenomenon often seen in actual life, and a question not easily handled well at the initial stage of reform. However, we should make concrete analysis of such a phenomenon, differentiate between what is rational and otherwise in such an imbalance, and adopt correspondingly effective measures. The economic result of a socialist enterprise is the comparison made between labor consumption and labor results of the enterprise in its activities of production

management. Regarding the form of use value, the criterion for weighing the economic results of an enterprise is whether it has produced more products conforming to social needs with comparatively less labor consumption (the consumption of materialized and human labor); in reference to the form of value, we should see whether greater profit (M) is made with less production cost (C plus V). The enterprise's indices of output value, net output value, production cost, profits and tax or profits handed over to the state are capable of expressing the economic results of the enterprise from different angles. In the practice of reform underway at present, many ways can be adopted based on the characteristics of production management of different enterprises as to how the worker income should be linked with the economic results of the enterprise. For instance, worker income may float in line with tax handed over to the state, it may float in line with output or output value, or float in line with the output value, or with various technological and economic indices. However, the difficulty lies in the extremely complicated factors which affect the economic results of the enterprise. These factors generally fall into two categories: First, objective factors such as the advantages of natural resources, geographical position and conditions of transport and communication, the quality of technological equipment, and the rationality of the price system; and second, subjective factors such as the individual subjective efforts of the workers and staff and the level of enterprise management and operation; in other words, the amount and quality of combined labor provided by the workers collective of the enterprise. These are factors of two entirely different categories. The latter belong to the category of labor factors, the economic results of the enterprise achieved with their effects will inevitably bring about the differences in the worker income. This is a rational imbalance in income, and a rational difference acknowledged by the principle of distribution according to work. The former fall into the category of nonlabor factors. The economic results achieved with their effects are not the consequence of the combined labor of the workers collective of the enterprise. In linking the income with the economic results of the enterprise, the effects of those objective nonlabor factors must be taken into consideration; otherwise, the difference in worker income thus brought about will be an irrational "imbalance in income" and not in conformity with the principle of distribution according to work. Of course, it will by no means be easy to accurately differentiate these two different categories of factors which affect the economic results of the enterprise, to adopt appropriate measures to do away with the effects of nonlabor factors, and for the state to master the differences in income brought about by these factors. If we have a clear understanding of this problem in theory, it is possible to gradually eliminate the influence of nonlabor factors by establishing a scientific target assessment system, fixing a rational ratio between the wage funds and that part of the fund linked to a wage floating scheme, and by combining the work with the economic structural reform and the reforms in other fields relating to economic reform.

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CONTRACT PURCHASING OF GRAIN IS A MAJOR REFORM

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 22-23

[Article by Jing Ping [2529 1627]]

[Text] The system of contract purchasing of grain begins implementation this year. Whether we do a good job in signing contracts or not will have a direct bearing on the implementation of the party's policy and the fulfillment of the state's grain procurement plan in respect to quality and quantity. In light of the general situation, the vast number of peasants are definitely in favor of the abrogation of the unified grain procurement system and the adoption of the system of contract purchasing of grain. The work of signing contracts for the purchase of grain is being smoothly carried out in most places. For different reasons, however, the work of signing contracts for the purchase of grain has not been carried out so smoothly in some places. It is necessary to take real action to cope with this situation.

The shift from unified procurement of grain to contract purchase is by no means merely a change in the procurement procedure, but is a major reform of our country's grain policy. This reform vests grain producers with greater decisionmaking power with regard to formulating growing plans and to sales of their products, while enabling grain procurement and marketing departments to draw up their procurement plans in accordance with market demands and allowing the state to make better use of the law of value to guide grain production. Our leadership at all levels must attach great importance to this task, strongly support the grain departments, and help them to do a good job, so as to turn these "grain exploitation departments" into the advisers and trade partners of grain farmers.

As the system of the contract purchase of grain is a new thing, it will take time for both the peasants and grain procurement and marketing departments to get accustomed to this system. Our grain departments must be aware of the new changes in their work arising from the implementation of the system of contract purchases, and then promptly gear their guiding ideology, work style, and work methods to the new system. The abrogation of the unified procurement system and the implementation of the system of contract purchases of grain do not imply that our workload is to be lightened nor that we can relax. Although this year's quantity of grain procurement fixed by the state is a little lower than in the 2 previous years, we still have to make great

efforts to fulfill the quota. Grain production remains a major production sector in rural areas and the main aspect of farming, and grain is the number one staple commodity produced by rural areas. How to purchase and market grain and invigorate the grain market is a very arduous and glorious task aimed at enriching the peasants and supporting rural areas in readjusting their production mix and developing commodity production. The implementation of the contract purchase of grain requires our grain departments to regard grain farmers as independent commodity producers, treat them as equals, and consult with them. We can no longer lay down any hard and fast rules of what and how much the peasants must sell to the state. On the other hand, while signing contracts for grain purchases, we must publicize the importance of the implementation of this year's Central Document No 1, elaborate to the peasants the state policy exactly as it is, brief them on the state's grain purchase plan and the current situation in the grain market, clearly explain the nature and functions of the grain purchase contract as well as the rights and obligations of the signatories to the contract, enrich the peasants' knowledge in commodity production, and free them of unnecessary misgivings, so that they will voluntarily and cooperatively sign grain purchase contracts. Historical experience has told us that the old practice of equally assigning quotas at each level is no longer appropriate. It is not suitable to fix a uniform schedule of contract signing for a township or a village, but is better to sign contracts separately wherever the conditions are ripe. With respect to the variety of grains to be purchased, the contracting parties should be considerate of each other. On the one hand, it is necessary to persuade the peasants to have the cardinal principles in mind; take the overall situation into account; think about the interests of the state and the people in urban, industrial, and mining areas; and encourage them to produce and sell a larger quantity of marketable high-quality grain, so as to support the construction of the state and fulfill the daily needs of the urban people while raising their own income. On the other hand, our grain departments should proceed from reality in everything. For the moment, they should not expect that all the grain they purchase is of high quality, but should try their best to find a market for the coarse food grain and nonmarketable grain produced by the peasants so as to keep up grain production. Only when the state and the people show concern for each other can the new problems emerging in the grain production readjustment period be properly solved.

To dismiss the peasants' doubts arising from incomprehension about the nature of the contract, we must patiently explain things to them. For example, some peasants are afraid that this year's purchase quantity will become a permanent quota, thus, a burden to shoulder forever. To deal with this, we must explain to them that the term of the contract is only 1 year. This year's contract will only be valid for this year and has nothing to do with the future. If the peasants are afraid that they will be punished if they fail to fulfill the quota laid down in the contract because of natural disasters, we must explain to them that the contract can be revised in the case of decreased production output due to natural disasters. The procurement quantity will be reduced according to the actual situation. The peasants' grain rations will never be affected by the procurement quota and they will not be punished for failure to fulfill the quota under such circumstances. It is necessary to

do a good job in grain purchase by contracts as this is a major reform. All supply and marketing cooperatives, production means supply departments, feed producing and marketing departments, and other units must do their best to support the grain departments, signing contracts for the supply of production means, feed, and other industrial products to grain producers and providing them with pre-sowing services.

Now that summer grain is about to go on the market and autumn sowing is soon to be started, those localities which still have not yet completed the grain purchase work should rectify their pace.

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SEVERAL QUESTIONS CONCERNING SPEEDING UP ECONOMIC DEVELOPMENT IN MINORITY NATIONALITY AREAS

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[Article by Liu Xianzhao [0491 0341 3564]]

[Text] 1. In China's minority nationality areas, it is particularly necessary to change the mentality of overlooking the development of the productive forces and to take the development of the productive forces as a fundamental task.

For several years after China entered the socialist period, we always exaggerated the necessity of changing production relations into neglect of developing the productive forces. This was particularly prominent in minority nationality areas. From the 1950's to the early 1960's, minority nationality areas successfully carried out democratic reform and socialist transformation, bringing about great changes in production relations. This was a great achievement. However, we paid too much attention to this achievement and overlooked the development of the productive forces. In particular, the development of the productive forces was generally slow in the minority nationality areas which entered the socialist period from the periods of late primitive society, slave society, and feudal society. Horizontally speaking, the development of their productive forces is slower than that in the Han nationality areas. The situation commonly seen is that many people in minority nationality areas are illiterate and that more than half of the populations of some minority nationality areas are illiterate. Lacking scientific and cultural knowledge as well as technology, these people can only do simple labor. Therefore, they have great difficulties in using and repairing modern machinery and implements and in applying modern science to production. Primitive farming methods such as slash-and-burn cultivation can even be found in some areas. Because their productive forces are at a low level, it is very difficult to satisfy the needs of the people in their material and cultural lives. Some areas have long been in a state of poverty and others have long been in a state of slow development.

To speed up economic development in minority nationality areas, it is necessary to overcome the mentality of overlooking the development of the productive forces and to establish a strategic guiding principle of the development of the productive forces being the most fundamental task of socialist

construction. It is necessary to take effective measures to gradually increase the cultural and scientific knowledge of laborers, to enhance their technological level, to improve their production tools, to introduce advanced production tools, and to make better use of the means of labor. In addition, it is necessary to reform the outdated management system and rules and regulations which are detrimental to the development of the productive forces. In recent years, the reform composed of establishing various forms of the rural production responsibility system which minority nationality areas are carrying out has brought into play the initiative of the peasants and herdsmen in production. This is the best political and economic situation in 35 years. Along with the institution of rural economic structural reform, we should seriously implement the "Decision of the Central Committee of the CPC on Reform of the Economic Structure" in the light of the specific conditions of minority nationality areas and do a good job in carrying out reform of the entire economic structure which focuses on the urban economy.

2. Minority nationality areas should form an operational and open-type economy which relies on their own vitality and has a virtuous cycle. This should be taken as a guiding principle for economic development in minority nationality areas.

Relying on their own vitality and having a virtuous cycle mean that minority nationality areas should bring their favorable conditions into play according to their own characteristics, develop their strong points and overcome their weak ones, increase production, improve economic results, and enhance their capacity of expanding reproduction so as to enable their economies to grow steadily.

For many years, quite a number of minority nationality areas have relied on state assistance due to a lack of vitality in their economies. As the "Circular Assisting Poor Areas To Take on a New Look as Soon as Possible" issued by the CPC Central Committee and the State Council pointed out: In the past, the state "spent much money on helping poor areas, including some minority nationality areas, solve their difficulties, but to little avail, as the policy concerned was not worked out in the light of their specific conditions and the funds provided by the state were mainly used for developing production whereas a certain part of the funds was used in a decentralized way or for relief purposes." The problems in policy mentioned here refer not only to state regulations on assisting poor areas being inappropriate and the use of funds being improper, but also to problems in production. For example, many areas carry out the principle of developing agriculture without proceeding from their actual conditions, thus forgetting the development of a diversified economy and overlooking the favorable factors in their natural resources. In exploiting forestry resources, many tree-nursing farms in minority nationality areas have felled all the trees in some forests, causing serious soil erosion and other calamities. Some farms have opened up a large part of the grassland, causing sand and alkali to increase. As a result, the number of livestock has fallen and production has come to a standstill. Some areas have run industrial enterprises regardless of their natural resources, technical conditions, or economic results, thinking that

they can ask the state for subsidies if they incur losses. The large amount of funds allocated by the state are used mainly for social relief purposes and subsidizing loss-incurring enterprises rather than improving economic results and enhancing the capacity to expand reproduction. Consequently, a vicious circle of difficulty--subsidy and relief--difficulty again--subsidy and relief again has arisen, and this is being repeated time and again. Changing this situation so as to enable minority nationality areas to have an economy relying on their own vitality and producing a virtuous circle is a major task of historical significance, which requires us to probe, practice, and create. In this connection, the following points merit attention:

First, providing funds, labor power, and materials for minority nationality areas for the purpose of developing their economy and culture has been the party's consistent policy, and this policy will continue to be adhered to. However, this support should focus on displaying the economic vitality of minority nationality areas and enabling minority nationality areas to form a rational economic structure and a scientific management system, to constantly develop production, and to realize economic prosperity.

Second, in displaying the economic vitality of minority nationality areas, it is necessary to strive for good economic results. The output value of agriculture and animal husbandry must exceed their costs by a large margin. Industrial and commercial enterprises must be able to make profits. Apart from using their profits to pay taxes and to improve the material and cultural lives of laborers, enterprises should accumulate a certain amount for expanding reproduction, increasing their fixed assets, improving the conditions for production, and realizing a virtuous economic cycle. For this reason, it is necessary to carry out readjustment in planting crops, sideline production, industry, and commerce. Along with grain production, it is necessary to plant crops needed by the market and which have a high economic value, to produce profit-making sideline products, to produce industrial products which have certain competitiveness and a market, and to go in for the sales of profit-making commodities. Loss-incurring enterprises must be reformed, and those which cannot be reformed must stop their production so as to prevent further losses. Of course, it is still necessary for the state or local governments to subsidize for a certain period of time some industries closely related to the people's livelihood, such as sinking wells in areas short of drinking water and excavating coal in energy-deficient areas. But subsidies for such industries should not account for too large a percentage.

It is necessary to carry out competition among minority nationality areas and between minority nationality areas and Han nationality areas. Minority nationality areas should be aware of their own strong points in natural resources, labor force, and technology (such as minority nationality wax printing and woolen fabric weaving). With the firm support given by the state and through hard work, they will bring their strong points into play and vie with other areas. The emergence of a number of top-grade specialized households in minority nationality areas over the past years have proved this.

Third, it is necessary to implement the policy of opening to the outside world. To a certain extent, the backward situation in many minority nationality areas has been caused by closing the areas to the outside world. We must thoroughly discard the closed-door mentality, open the door wide to foreign countries, other provinces, other areas, other cities, other prefectures, and other counties, and introduce advanced scientific and cultural knowledge, capital, modern equipment and technology, and talented persons. The forms of introducing these should be varied. Governments at various levels should adopt a more relaxed policy toward minority nationality areas than toward the Han nationality areas so as to encourage them to introduce advanced technology, equipment, capital, and talented persons. The mutual support and economic and technological cooperation between minority nationality areas and Han nationality areas over the past years are good forms of opening the door to each other, and good results have been achieved. Since 1979, agreements on 2,600 cooperative projects have been reached between Xinjiang, Guangxi, Ningxia, and Xizang and the provinces and cities concerned, and the materials provided by Nei Monggol for cooperation has amounted to nearly 500 million yuan. Nei Monggol, Guangxi, and Ningxia have sent 5,000 persons in the scientific, educational, and health fields to advanced provinces and cities for training and further studies, and Jiangsu Province has sent 88,000 construction workers to Xinjiang. Nine provinces and cities including Jiangsu have given support to 43 projects in Xizang. It is necessary to persist in, expand, and develop such mutual support and economic and technological cooperation.

3. It is necessary to energetically develop the commodity economy.

The commodity economy in minority nationality areas is underdeveloped and is affected by the natural economy more seriously than that in Han nationality areas. Counties, townships, and production teams in the minority nationality areas produce grain, meat, leather, wool, clothes, shoes, and coarse fabric for their own needs. They use local lumber, rocks, ox hair, and felt to build their houses. They use local horses, cows, and donkeys as means of transport. Although they also have some modern means of production and industrial products from other provinces and cities, these account for only a small percentage. In addition, the industrial, agricultural, and sideline products, including handmade products, produced by the state economy, the collective economy, and individual economy in the minority nationality areas are purchased by the state at fixed prices and on rigid terms. Sales of commodities among the state, collective, and individual economies are rare. Rural trade fairs are limited to a small number of products and are primitive. In particular, trade fairs in the minority nationality areas which entered the socialist period from the periods of late primitive society, slave society, and serf society are strongly characterized by the exchange of materials. Plus the difficulties in transport due to their being situated in mountainous areas, the circulation of their commodities is physically confined.

At present, on the basis of taking into account state, collective, and individual interests, it is necessary to energetically develop commodity production in the collective and individual economies. Experience over the past years tells us that relying merely on the production, transport, and

trade of the state-run economy cannot meet the needs for material exchange between the countryside and the cities or the needs of the people. People in the collective economy can carry out the processing of agricultural and sideline products, open workshops for handmade products, go in for the production of various industrial products, and sell these products on their own. Individual households can engage in commodity production, such as the breeding industry, planting crops, and transportation. The state should adopt the open-type policy of supporting the collective economy and individual specialized households in carrying out commodity production. In 1984, 20,000 peasants of Qinghai Province did business in Xizang and carried out capital construction there, and 200 peasants' trucks engaged in transportation. In 1984 alone, these 20,000 peasants obtained 54 million yuan from doing business and carrying out capital construction in Xizang. In this way, the economy was enlivened and the peasants' income increased.

The CPC Central Committee has decided that from this year the state will not set the task for purchasing the peasants' products but will place orders for their products on a contract basis or purchase their products on the market, depending on their different cases, with the exception of some categories of products. This is a strategic policy which can speed up the development of the commodity economy. The minority nationality areas should make full preparations for implementing this policy.

In developing the commodity economy, it is necessary to do a good job in transport. The conditions of highways in minority nationality areas are not good and some townships do not have transport service. Apart from state investment in highway construction, it is necessary to encourage localities, collective units, and individuals to build roads and to bring into play the initiative of people in various fields in highway construction.

Seeking truth from facts, proceeding from actual conditions, taking full account of the characteristics of minority nationalities and their areas, and implementing the party's policies and principles in the light of local conditions--these are the main experiences we have gained in our work concerning minority nationalities over the past 35 years as well as fundamental principles to follow in developing the economies of minority nationality areas.

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CORRECTLY UNDERSTAND AND APPLY THE LAW OF THE UNITY OF OPPOSITES

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 26-30, 37

[Article by Wu Jianguo [0702 1696 0948]]

[Text] The law of the unity of opposites is the core and essence of dialectics. Whether or not people can correctly understand and apply the law of the unity of opposites is vitally related to the revolutionary cause led by our party. To fulfill the historical task in the new period, to ensure the healthy development of the economic structural reform and the implementation of the policy of opening up the economy domestically and internationally, and to build a socialism with Chinese characteristics, we should have a broad and accurate grasp of the rules and requirements of the basic law of dialectics.

In correctly understanding and applying the law of the unity of opposites, we should, above all else, fully understand the truth concerning general and individual character and concerning absoluteness and relativity. Comrade Mao Zedong pointed out: This truth "is the quintessence of the problem of contradiction in things; failure to understand it is tantamount to abandoning dialectics." ("Selected Works of Mao Zedong," Vol 1, p 295) However, the concept which has been quite prevalent for quite a long time is this: Recognition or nonrecognition of contradiction seems to be the watershed between dialectics and metaphysics. In other words, so long as one recognizes contradiction, it seems that he has already made a clean break with the metaphysical world outlook. In fact, things are far from being so simple. If we ignore contradiction and negate the objective character of contradiction, we will undoubtedly run into metaphysics but as the facts have indicated, if we recognize contradiction in an oversimplified way, saying contradiction is present in everything everywhere and at all times, but fail to make a scientific analysis of contradiction or if we replace the universality or generality of contradiction with its particularity or individuality or highly praise the particularity or individuality of a certain contradiction as the universality or generality of contradiction, we will similarly degenerate into metaphysics. Generally speaking, the deviation from dialectics in objective things is attributable precisely to our past mistakes in understanding and handling social contradictions under socialism.

In correctly understanding and applying the law of the unity of opposites, we should not only have a clear picture of the truth concerning general and individual character but should also gain a clearer understanding of the relationship between the two contradictory aspects in a thing. Historical lessons remind us that if we understand and handle this problem subjectively, arbitrarily, and one-sidedly, there will be an ideological confusion on the real relationship of opposites in objective things as a whole.

V. I. Lenin said: "The splitting of a single whole and the cognition of its contradictory parts" "is the essence [preceding word published in bold-face] of dialectics." ("Selected Works of Lenin," Vol 2, p 711) What, in the final analysis, is the relationship between the two contradictory parts? Friedrich Engels pointed out: "All polar opposites in general are determined by the mutual action of the two opposite poles on each other; and the separation and opposition of these two poles exist only within their mutual connection and union, and, conversely, their union exists only in their separation and their mutual connection only in their opposition." ("Selected Works of Marx and Engels," Vol 3, p 494) In other words, unity means the unity in opposition and opposition means the opposition in unity. If we fail to see the opposition of the two aspects in a contradiction and absolutize their unity, then this unity will be but a rigid and ossified unity, a unity devoid of vitality and if we fail to see their unity and absolutize their opposition, then what emerges before us is but endless confrontations and conflicts and the existence of anything as an integral whole is inconceivable.

However, our understanding of the relationship of opposition and unity between the two aspects in a contradiction has for a long time been confined to the extreme assertion that opposition and unity are completely in isolation and that the two contradictory aspects are either opposed to each other or identical with each other and opposition means an absolute opposition and unity means an absolute unity. If we talk about unity in terms of the absolute antagonistic relationship, the unity will be regarded as compromise, reconciliation, and eclecticism and on the contrary, if we talk about opposition in terms of the absolute unity relationship, the opposition will be regarded as heterodoxy that should be discarded and banned. In these two extreme tendencies, absolutizing the struggle of opposites is predominant. Struggle is the struggle that excludes identity in absolute terms and not the one that preserves identity in real terms. This philosophic concept has undergone repeated interpretations. By the period of the "Great Cultural Revolution," both the law of the unity of opposites and the whole Marxist philosophy had been summed up in a word as "the philosophy of struggle." "With struggle, one will move forward and without it, one will fall behind or even collapse..." are the typical slogans of the philosophy. In accordance with the logic of the philosophy, contradiction means opposition means struggle. This once established, the law of the unity of opposites has lost its scientific and comprehensive character and materialist dialectics has been distorted and deformed. To summarize in philosophic terms the longstanding "leftist" mistakes, in particular, the "leftist" mistakes which reached the peak of absurdity like the "Great Cultural Revolution," one may well say that the problem at issue is that

the law of the unity of opposites was mistakenly understood and applied both in terms of world outlook and in methodology.

A world outlook and methodology are people's guiding thinking in carrying out various activities in practice. If deviations are made in this aspect, people may adopt an erroneous approach toward all processes of development, like looking at things through colored spectacles. The facts have shown that if people observe and study the economic life and movement from the viewpoint of "taking class struggle as the key link," they will find their thinking constrained by mutually incompatible opposites. For instance, the socialist economy was once summarized as a mere planned economy and the commodity economy was equated to capitalism in a summary fashion. The two are viewed as simply incompatible like ice and charcoal, namely, to ensure the national economy develops in a planned and proportional way, one must not engage in the commodity economy and not let the law of value regulate production, and to carry out the commodity economy, one must discard guidance and regulation by planning and let the law of value function blindly and spontaneously. With regard to the relationship between ownership and power of operation, in accordance with the traditional concept, the economy under the system of ownership by the whole people should be directly operated by the state which represents the interests of the entire people. In other words, the nature of ownership and the form of operations should be unified and not separated. It seems that the nature of enterprises as being owned by the whole people and the relative independence and decisionmaking power of enterprises in operation are incompatible like water and fire. As far as the principle of socialist common prosperity is concerned, it is treated more casually. Common prosperity is interpreted as all members of society becoming better off at the same speed and the difference in speed in advancing on the road to common prosperity is regarded as "polarization."

In brief, during the 20 long years lasting from 1958 to the end of the "Great Cultural Revolution" and the subsequent 2 years when our work of setting things to rights proceeded haltingly, our mistakes in understanding and judging the nature of the objective process of opposites, in particular, the relationship of opposition and unity between the two contradictory aspects of a thing are attributable to the setbacks and hardships we suffered in all fields of socialist construction in terms of the theory of knowledge. Since the 3d Plenary Session of the 11th CPC Central Committee, our reunderstanding of China's national condition, in fact, has been a reunderstanding of the contradictions in the present stage of socialist development in China and the relationship of the unity of opposites between the contradictions. This provided the base and grounds for our party to formulate all its major policy decisions during the period between the 3d Plenary Session of the 11th CPC Central Committee and the 3d Plenary Session of the 12th CPC Central Committee. It can thus be said that the "Decision of the CPC Central Committee on Reform of the Economic Structure" formulated by the 3d Plenary Session of the 12th CPC Central Committee is the example in correctly understanding and applying the law of the unity of opposites.

The theoretical breakthrough of the "Decision" is, first of all, manifested in its scientific analysis of the relationship between planned economy and commodity economy. It must be understood that the commodity economy and capitalism are not by any means in the same category and therefore, the two cannot be mentioned in the same breath. Commodity production and commodity exchange are a form of economic movement different from the self-supporting natural economy and the product economy, developing from a lower stage to a higher one. The activities of commodity exchange have appeared since the emergence of surplus products. However, under capitalism, commodity production has developed to a special stage in which both all material products and labor and even all spiritual products and social relations have been turned into a commodity. Under the socialist system, which economic form should be actually adopted? This cannot be determined by one's subjective will but by whether or not it can expedite and promote the development of productive forces. The natural economy characterized by self-seclusion and self-sufficiency and the socialist system are mutually exclusive. Can we operate a product economy with everything being allocated in a planned way, as Marx initially envisaged? Practice shows that we have not yet had the conditions for doing that. The precondition for adopting such an economic form is that the productive forces must be so highly developed that the value of econometric [ji liang 6060 6852] products loses its present meaning. Judging from the present situation, in the present-day world, not a single socialist country has reached this stage. History has proved that a form of economic movement will not wither away before its vitality, namely, its capacity to accommodate the development of productive forces, wanes. What warrants pointing out is that the vitality of some economic forms is longer than that of the productive forces which determine the nature of a social formation or a social system and it can extend into several types of social formations with its scope and nature varying at different stages of social development. Commodity production and commodity exchange are such a form of economic movement. At the present stage of social development in China, the vast rural areas are in a process of the natural economy moving in the direction of a commodity economy and the commodity economy in the cities is still not fully developed. Under these circumstances, artificial exclusion of the commodity economy will obviously hamper the development of productive forces. This is the objective reason why we have to vigorously develop the commodity economy.

In saying that the rise and decline of the commodity economy--a form of economic movement--is independent of the replacement of social systems or the relations of production, do we mean that under different social formations, the characteristics of the commodity economy remain the same? Of course not. The commodity economy under the capitalist system cannot be equated to that under the socialist system. Under the capitalist system, the relations of products extend into all fields of economic and social life and the law of value in relation to the commodity economy functions blindly and spontaneously while under the socialist system, the limits of the relations of products are, first, subject to the public ownership system and the law of value in relation to the commodity economy is prevented from functioning blindly and spontaneously. With the establishment of the socialist public ownership system, above all, labor is not a commodity and neither are

state-owned enterprises and natural resources, such as land, mines, banks, and railways. The relations of products are thus limited in scope. To develop in a planned and proportional way and to serve the fundamental goal of meeting the needs of the people for material and cultural life, the socialist economy has to conscientiously apply the law of value. This makes the socialist commodity economy different from the capitalist commodity economy in character and forms the objective, real opposites that we have to acknowledge. The "Decision" points out that the socialist economy is "a planned commodity economy." This is the scientific summarization of the characteristics of the socialist economic system and the relationship between its internal contradictions. Contradiction is evident: On the one hand, the economy under the socialist public ownership system calls for planning and on the other, the commodity economy in itself usually depends on the spontaneous role of the law of value. Total replacement by planning of the role of the law of value which is naturally related to the commodity economy will lead to the same old disastrous road of the rigid economic structure. Allowing the law of value to function spontaneously and excluding the role of planning in controlling the socioeconomic life in macro-economic terms will not only go against the principle of planned and proportional development but will also violate the socialist basic economic laws. Can the two be united? They certainly can, because the fundamental and long-term interests of various enterprises based on the public ownership system are identical. The condition for their unity is to define a rational limit so as to ensure that "there are controls but not rigidity and flexibility and liveliness but not chaos."

Another important contribution of the "Decision" to socialist political economics is its exposition on the dialectical relationship between ownership and the power of operation. As the term suggests, the ownership of an enterprise under the system of ownership by the whole people should go to the entire people. However, should the power to operate these enterprises also be exercised by the state directly and in a unified manner? To this question, the "Decision" has given a clear and scientific answer: "As Marxist theory and the practice of socialism have shown, ownership can be appropriately separated from the power of operation." The "theory of being divisible" and the "theory of being indivisible" are in fact two concepts of unity: the dialectical concept on unity and the metaphysic concept on unity. The former is the unity of opposites in a contradiction and is, therefore, a real and objective unity and the latter is the unity of opposites in the absence of a contradiction and is, therefore, an unreal and subjective, artificial unity or a rigid or ossified unity. It is precisely because of the latter unity that enterprises under the system of ownership by the whole people have failed, as relatively independent economic entities and commodity producers, to conscientiously readjust their production and operations in accordance with the law of value and the supply-demand relationship. As a consequence, no distinction was made between the well-operated and badly-operated enterprises with everybody eating "from the same big pot" of the state, and the enterprises lost their proper vitality and their capability to transform and develop themselves and failed to bring their initiative, enthusiasm, and creativity into full play.

While recognizing ownership and the power of operation are both in unity and in opposition to each other, we must correctly handle and solve the contradictions between the two both in theory and in practice. Specifically speaking, we should guard against two erroneous tendencies: One is to absolutize the decisionmaking power of enterprises in operation and push it to the extremes. This will result in the separation of enterprises from the socialist public ownership system, in their disregard of the state's overall and long-term interests, in their infringement on the above interests, and in the change of the nature of enterprises. The other is to exercise too much intervention in the affairs of enterprises. This will hamper enterprises carrying out their production and operations as relatively independent entities and commodity producers and cause them to be unable to link the performance of their operations with their partial interests. The practice of "whipping a galloping ox" will even suppress and strangle the vitality of enterprises.

Materialist dialectics tells us that absolute parity means stagnation and without destroying the state of absolute parity the development of things will be out of the question. In regard to the question of distribution, in the past more often than not, we advocated and concentrated on absolute parity or balance. Replacing the socialist relationship of distribution on the basis of the objective laws governing the movement of opposites in things, the "Decision" points out: "Naturally, a socialist society must guarantee its members a gradual improvement in material and cultural life and their common prosperity. But, common prosperity cannot and will not mean absolute equalitarianism or that all members of society become better off simultaneously. If common prosperity were understood as absolute equalitarianism and simultaneous prosperity, not only would this be impossible, but such thinking would lead to common poverty." This is an absolutely correct truth which we have drawn from the 30-odd years of our experiences, both positive and negative. We should no longer indulge in the fantasy of reaching "the paradise" overnight and simultaneously. The realistic way now is to allow some people and localities to become better off before others and to bring along others in steadily taking the road of common prosperity, using the better-off ones as models. Since the 3d Plenary Session of the 11th CPC Central Committee, the vast numbers of Chinese peasants have changed the poor and backward features of the whole countryside by following this road. In other words, the real process of things is proving that there is unity between the idea of allowing some people and localities to become better off before others, and common prosperity. In this relationship of unity, common prosperity is the orientation and goal of endeavor while the idea of allowing some people and localities to become better off before others is the condition and premise for common prosperity. Is there any contradiction between the two? Failing to see any contradiction in them will cause the leaders to abandon their responsibilities. By becoming better off before others, we mean becoming better off through hard labor and by legal means and not by the opposite means, otherwise, the socialist principle of common prosperity will be violated. Meanwhile, in adhering to the principle of common prosperity, we should ensure there is enough room for some people and some localities to become better off before others. These two possible deviations should be eliminated in the process of the movement of opposites.

To sum up, it can be easily seen that the fate of China's revolution and construction is as close to materialist dialectics, in particular, our understanding and application of the law of the unity of opposites, as flesh and blood. Upholding materialist dialectics and carrying it through to the end is the guarantee for us to make a success of our work in all fields. If we violate the requirements of dialectics and commit "all sorts of mistakes" in understanding and handling the contradictions of things and their internal relationships, we are bound to be punished.

How should the emergence of such a state of affairs be reduced or avoided? What is fundamentally important is that we must objectively and comprehensively master the contents and regularities of dialectics rather than applying it subjectively and, especially when we use it as the principle of methodology in observing and analyzing the real processes of opposites, we must adhere to "seeking truth" from "facts" and on no account must we put the cart before the horse and take any "preconceived idea" or subjective intention as a starting point in this respect. Seeking truth from facts means understanding the world as it stands and changing it. Deviation from the notion of seeking truth from facts means violation of both materialism and dialectics. A thoroughgoing dialectician must be a thoroughgoing materialist. Once dialectics deviates from the basis, principles, and requirements of materialism, from the connections and relationships of objective reality, and from "the real prototype [yuan xing 0626 0992]," we may commit the mistake of "classifying the shoe brush into the category of the mammal," a mistake Engels pointed out when he criticized Eugene Durhing.

By seeking truth from facts, we mean making an analysis of both the horizontal ties of the relations of opposites in things in terms of space and the vertical ties of the relations of opposites in things in terms of time. Instead of being rigid and immutable, the relations of opposites in objective things are in a process of constant transition, transformation, and movement and a process of constant reorganization. They emerge in an endless stream and in a wave-like manner. If we slacken our efforts to understand things, we will lag behind the development of the situation. Such being the case, if we fail to promptly revise or adjust our present understanding of things, we will commit mistakes both in thinking and in practice. From the viewpoint of the theory of knowledge, the tragedy of Comrade Mao Zedong in his later years lies in his failure to see the new patterns of social contradictions under the new historical conditions and the change in their nature and in his failure to see the peculiarity of the contradictions emerging during the periods before and after the basic completion of the socialist transformation. He transplanted the struggle between two classes and two roads which was the principal contradiction during the transition period from new democracy to socialism as it was, to the socialist society which emerged following the end of the transition period, a society where there no longer existed the soil and conditions for launching a struggle between two classes and between two roads and placed the "contradiction between the ever-increasing material and cultural needs of the people and the backward social production" which had objectively become the principal contradiction in a secondary and subordinate position, thus diverting people's attention from solving the real principal contradiction

and wasting people's energies in the whirlpool of continuous political movements characterized by "destruction comes first." This is an extremely profound lesson calling for deep thought.

It must be noted that with the transition, transformation, movement, and reorganization of opposites in objective things, not only will the principal contradiction and its nature change, but the relationship of opposition and unity between the two contradictory aspects will also change. In the past, we paid attention in theory to the role and significance of differentiating the two contradictions of a different nature--the antagonistic contradiction and the nonantagonistic contradiction. However, in this connection, is there any distinction between the relationship of opposites with opposition or struggle as the dominant factor and the relationship of opposites with unity or identity as the dominant factor? In fact, in discussing the antagonistic and nonantagonistic contradictions, we can discover that the two contradictory aspects of these contradictions have features distinctively different from each other. Their different features can be further summarized into two contradictions in terms of philosophy: One is the contradiction with opposition or struggle as the dominant factor and the other is the contradiction with unity or identity as the dominant factor. For instance, during the two different historical development stages of the Chinese revolution, the contradiction between the Chinese people and imperialism, feudalism, and bureaucrat capitalism, which we faced at the former stage, was doubtlessly a sharp antagonistic contradiction. There is identity between the two contradictory aspects in an antagonistic contradiction--with the absence of one of the two aspects, the existence of the other will be out of the question--and moreover, each can transform itself into its opposite. However, their function and transformation are entirely in opposition to each other and the end-result or outcome of their opposition or struggle is the destruction of the old relationship of unity or the old identity. In other words, one of the two contradictory aspects will overwhelm the other. In the absence of the intervention or containment of other contradictions, there is no convergence point in the growth and decline of this contradiction's strength or the increase and decrease of its strength are not interrelated. This is called the contradiction with opposition or struggle as the dominant factor. On the contrary, the principal contradiction which we confronted at the latter historical stage, namely, after the founding of new China, in particular, after the basic completion of the socialist transformation, was "the contradiction between the ever-increasing material and cultural needs of the people and the backward social production." The relationship between people in this contradiction is built on the basis of the contradictions among the people whose interests are identical. This contradiction is carried out centering on developing social production and meeting the people's ever-increasing needs. It finds expression in a concentrated way in the contradiction between collective and personal interests, between long-term and immediate interests, and between overall and local and partial interests. Evidently, all these contradictions are not of an antagonistic character and the increase and decrease or growth and decline of their strength are closely related. Within a rational limit, strengthening or weakening one of the two contradictory aspects means strengthening or weakening the other

simultaneously. Similarly, negating one of them means negating the other simultaneously. In brief, there are coincidence and special interconnection and interpenetration in this relationship of opposites. So long as they are satisfactorily handled, the two contradictory aspects will develop, each conditioning the other. It is true that there is opposition or struggle among them but the end-result or outcome of their struggle is that being identical, they coordinate and promote each other and constantly move to a higher stage of development. In this relationship of opposites, the struggle of opposites aims precisely at attaining unity and unity is the goal of struggle. This is called the contradiction with unity or identity as the dominant factor.

The nature of contradiction and the relationship of opposition and unity between the two contradictory aspects in a contradiction condition each other. While recognizing the distinction between the antagonistic and non-antagonistic contradictions, we must appropriately recognize the differentiating of the contradiction with opposition or struggle as the dominant factor and the contradiction with unity or identity as the dominant factor. If we fail to notice the nature of contradiction and the relationship of opposition and unity between the two aspects in a contradiction and if we equate the relationship of opposition and unity between the contradictory aspects in an antagonistic contradiction to that between the contradictory aspects in a nonantagonistic contradiction, we are bound to confuse the two contradictions, antagonistic and nonantagonistic, even though we have drawn demarcation lines of principle between the two. In sum, correctly understanding and applying the law of the unity of opposites is the guarantee for us in correctly understanding and handling the contradictions arising in the course of the socialist modernization program. On this issue, we must absolutely not treat it lightly.

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IDEALS ARE A TREMENDOUS SPIRITUAL FORCE

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[Article by Qi Hua [2709 2901]]

[Text] At a time when the reform of the economic structure is under way in an all-round way, Comrade Deng Xiaoping has once again emphatically pointed out that it is necessary to constantly educate our people, in particular our young people to set up high ideals. This is of great practical significance.

Ideals are a tremendous spiritual force. This is because human activities have to follow some conscious purpose, and it is exactly such an objective that pushes forward people's enthusiastic activities in realizing their purposes. Ideals are not general and immediate goals but some magnificent, long-term target, and the beautiful hope for and pursuit of the future. Therefore, they can all the more stir up people's zeal to devote their lives to their realization, arm people with staunch faith, help them find a definite orientation of life, and give them infinite strength. Numerous people who were spurred on by lofty ideals and strove heroically appeared in history at all times and in all countries.

With regard to modern history, when Europe was shrouded in the darkness of feudal autocratic rule, a number of new-rising bourgeois revolutionaries, who were filled with progressive ideas of building up bourgeois kingdoms, fought bloody battles against feudal forces. Under the inspiration and guidance of ideals, they carried out, up till that time, "the greatest and most progressive revolution, unprecedented in human history." ("Selected Works of Marx and Engels," Vol 3, p 445) So were the forerunners of China's bourgeois democratic revolution. A large number of people, armed with the magnificent ideals of bourgeois democratic revolution, fought extremely hard and bitter struggles against feudal forces in order to save the nation and the people and to invigorate the Chinese nation; and consequently made possible the first leap in the modern history of China.

However, the bourgeois society which the bourgeoisie had dreamed of was after all a society of the exploiting classes. And some thinkers began to yearn for an ideal society cleared of exploiting classes and oppression. However, they had failed to find the correct way to realize the ideal

society; therefore, their ideals could not but fall into the category of utopian. It was only when Marx and Engels explained human society in the view of historical materialism that communism became a science instead of some utopian ideas. And communism has since attracted all people seeking progress and truth in the world. In our party's history, many revolutionaries made slight of all kinds of hardships in their pursuit of the ideal of communism. It was precisely because they were armed with such lofty ideals that our Red Army men were capable of overcoming unimaginable hardships in wartime and of completing the unprecedented Long March, with thousands upon thousands of revolutionary forerunners dedicating their lives to the cause, not hesitating to sacrifice their all for the revolution. "What does it matter if I should die, so long as I am fighting for truth; should I be killed, there will still be thousands of successors." This is precisely a typical expression of the tremendous force of the ideal of communism! No ideals whatever in history were capable of winning the faith of the people like the ideal of communism, and of kindling such a lofty spirit of self-sacrifice and heroism of the people in their striving for its realization.

Our party has all along regarded the ideal of communism as the most important spiritual mainstay in uniting the whole party in carrying out arduous struggles. When our party was still striving for the birth of a new China, Comrade Mao Zedong constantly educated the whole party and people to make progress in the ideal of communism. He said: "Definitely and beyond all doubt, our future or maximum program is to carry China forward to socialism and communism. Both the name of our party and our Marxist world outlook unequivocally point to this supreme ideal of the future, a future of incomparable brightness and splendor." It is precisely this supreme program that has run through all our party's activities, such as organizing strikes, mobilizing peasant movements, overthrowing warlords, resisting the Japanese aggressors, defeating the KMT reactionaries and founding new China, which were feats of the Chinese people in their heroic struggle for the magnificent ideal of communism under the leadership of the party. Just as Comrade Deng Xiaoping has pointed out, summing up the historical course of China: "Without vital faith in Marxism, the Chinese revolution would have failed. Such faith has been a motive force."

Today, our party is leading the people nationwide to strive for an all-round new situation of socialist modernization, which is another new phase in realizing the magnificent ideal of communism. During this new historical period, our basic task is to develop the productive forces. Our policies on the reform of the economic structure, on opening up to the outside world and enlivening the domestic economy are all for developing the socialist economy. Despite the changes in our specific practice, we will always persist in socialist public ownership and the common prosperity of the whole people, these two basic socialist principles and chief symbols which mark the difference from capitalism. What we are doing now is building socialism, and our ultimate goal is to realize communism. In the complexity of building modernization, all communists should by no means forget about the orientation of our advance. The deeper we go in for all policies of economic reform and opening up to the outside world, the more should we attach

importance to, and earnestly put into practice the ideal and morality of communism. Both history and realities have shown that magnificent ideals are by no means something dispensable. With ideals discarded, people will lose the orientation of their life, the party will lose its soul and combat effectiveness, and the whole country will lose its basis for unanimous unity. All ideas and practices of negligence and indifference toward the magnificent ideal of communism are extremely erroneous.

The ultimate realization of the ideal of communism in China necessarily involves a long and extremely tortuous and complicated road and extremely arduous efforts. This is because ideals will gradually come true only in the course of their practice and development. No results whatsoever will come about without going through such a process. The reason why some comrades regard the ideal of communism as some vague and unattainable world is that they have severed the process from the results, and have failed to see that results are contained in the process. The realities of today are precisely the realization of the ideals of our predecessors. We are today enjoying the fruits of the arduous struggles of our predecessors, gained even at the cost of their lives; however, we simultaneously shoulder the responsibility of benefiting our future generations. Ideals and realities are unified. In order to make our ideals come true, we must deal with the realities in a down-to-earth way, and to victoriously fulfill the tasks proposed by the realities. What is our task in this day and age? It is to build socialism with Chinese characteristics and to realize the four modernizations. We must learn from our revolutionary forerunners, and link the four modernizations we are undertaking today with the ideal of communism, only then will it be possible for us to fully understand the realistic nature of the entire movement of communism. In a speech delivered to young people in 1958, Comrade Deng Xiaoping profoundly pointed out: "It is necessary to set up lofty ideals, only then will it be possible to maintain one's courage and orientation for advance. The road to fulfill an ideal is paved with much minute and routine work. You should be good at linking magnificent ideals with your routine work, and be strict with yourselves in whatever work." In order to make today's ideals tomorrow's realities, we must base ourselves on each of our own posts, fear no hardships, and link our lofty ideals with our ordinary work. Only then, will we genuinely devote our whole life to striving for communism, and will we refrain from paying lip service.

Talking about ideals, there is the question of the relationship between personal ideals and the ideal of communism. Many people, in particular young people, have their own personal wishes and ideals. Many of them are devoting themselves to working for the prosperity of the motherland and the people in a down-to-earth way, regardless of their personal fame, benefits or rewards, avoiding no hardships or difficulties. We should say such personal ideals are precisely the ideal of communism. Of course, the personal ideals of some people are not in line with this; in that case, they should establish the lofty ideal of communism and link their personal ideals with the ideal of communism. In socialist society, personal ideals can be linked with the ideal of communism. This is because here personal development is linked with social development. In a society characterized

by class antagonism, personal development is often restricted by an irrational social system, and the exploiting classes invariably sacrifice the benefits of the majority for the development of the minority. With the elimination of the private-ownership system, personal development gradually unifies with the development of society. Because of the difference in background and conditions of each individual, the ideals of each individual are often different from others. However, all these different personal ideals should all be unified in a common social ideal--the ideal of communism. Only then, will personal ideals be developed to the maximum. Therefore, we should consciously link our personal ideals with the ideal of communism, melt our personal aims of struggle into the lofty cause of communism, and make our personal ideals serve the magnificent ideal of realizing communism.

If someone has established the ideal of communism, he is able to overcome whatever difficulties and to bring into full play his strength and talent. Just as Marx pointed out in his youth: "If we have chosen a profession which will best work for the benefits of mankind, then, heavy burdens will not be able to weigh us down, because we have dedicated ourselves to all the people. What we feel is no longer those pitiful, limited and selfish pleasures, and our happiness will belong to thousands upon thousands of people. Our cause will bring into play its role in silence forever; and noble people will shed tears facing our remains." ("Complete Works of Marx and Engels," Vol 40, p 7) But if someone should start from his own benefits, failing to link closely his personal ideals with the ideal of communism, the aim of personal struggle may lose its correct orientation; and when his personal ideals should fail to come true, it may lead to the antagonism between oneself and the benefits of the state and the people, and land oneself in the mire of individualism. Engels pointed out penetratingly: "If someone only takes into consideration his own benefits, his desire for happiness will only be satisfied under very rare conditions, but it will by no means be helpful to himself or others." ("Selected Works of Marx and Engels," Vol 4, p 234) Therefore, the ideals of any person should not rest with himself alone, he should set his eyes on the whole county and nation, link his personal pursuit with the needs of the people and his responsibility to society, elevate his personal ideal to the struggle for communism, and make his own wisdom and intelligence flow into the collective without reservation, thus shaping into the struggle of the collective and the nation. Only then, will the road leading to the ideal be ever more widened, and the ideals of the individual be realized to the maximum--in the magnificent cause of communism.

At present, there actually are some people who are always going after material pleasures, and regard them as "real benefits." They ask: What is the meaning of life if one does not eat and dress well and have a good time? And they say: Is it not the purpose of socialism and communism to make people lead a better life? What is wrong if people want to seek material interests?

True, Marxism has never denied material interests. As part of the communist movement, the four modernizations are to improve the material and cultural life of the people. However, the essentials of communism are not the pursuit

of the material benefits of the individual but planning for the benefits of the people; we advocate that some people should get rich first, but our ultimate aim is common prosperity. Therefore, there is nothing in common between communism and the sole pursuit of personal material benefits, going so far as to injure the interests of the state and the people. Many great personages who dedicated their lives to human happiness and progress looked down upon those so-called "ideals" in pursuit of selfish interests and personal material pleasures. Einstein said: "Everybody has a certain ideal of his own, and such an ideal has determined the direction of his efforts and judgment. In this sense, I have never regarded ease and happiness as the aim of life itself--I regard it as the ideal of the pigsty." Einstein did not believe in communism, but likewise, he despised those "ideals" which solely seek personal material pleasures, and criticized them acutely. At present, many people are selflessly striving for the ideal of communism. However, we often see the tendencies of starting from the selfish interests of the individual in every thing, which look down upon and even forget about the ideal of communism. Our task is to continue to pay attention to this problem, and act according to Comrade Deng Xiaoping's proposal: "It is particularly necessary to educate the next generation or two, it is imperative to set up the lofty ideal of communism. We should by no means let our young people and teenagers become captives of bourgeois ideas."

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NEW STAGE OF THE UNITED FRONT

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 34-37

[Article by Huang Zhu [7806 6999]]

[Text]

I

Our country has entered a new historical period with the realization of the four modernizations program as its key task. Our revolutionary united front has also entered a new stage of historical development. The main characteristics of this new stage are:

1. Fundamental changes have taken place in the inner structures of the united front. On the mainland of our country, most members of the former exploiting classes have become laborers who earn their own living, and intellectuals have become part of the working class. Democratic parties have become political alliances which respectively link some socialist laborers with some patriots who support socialism. They are political forces serving socialism under the leadership of the CPC. Various fraternal nationalities embarked on the socialist road a long time ago, and have established the socialist new relations of nationalities based on equality, unity, and mutual aid. The united front in our country has become a most extensive political alliance which is led by the working class, based on the worker-peasant alliance, and composed of all socialist laborers, and patriots who support socialism and the reunification of the motherland, including Taiwan compatriots, Hong Kong and Macao compatriots, and Overseas Chinese.

2. With the shifting of the work focus of the entire party and the whole country, the basic tasks and work focus of the united front at the present stage are that we should extensively unite with all people that can be united to serve socialist modernization, and develop social productive forces; at the same time, we should complete the great cause of the reunification of the motherland, and strive to oppose hegemonism and defend world peace.

In the new historical period, the existence of the united front is necessary. In the meantime, there is a social base for its existence. In Hong Kong, Macao and Taiwan of our country, out and out exploiting classes will exist

for a long time. On the mainland, although exploiting classes as classes do not exist any longer, class difference between workers and peasants still exists. In the meantime, there "exist major social distinctions and inequalities which are chiefly due to the inadequate development of the productive forces." ("Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC") These include differences between town and country, between mental labor and physical labor, between nationalities, between religions, and others. There exist contradictions and unity in these differences. Our united front is established on the basis of these class differences, and major social differences outside these class differences. Therefore, our united front will exist for a long time.

II

For a very long period of time in the future, the targets of the united front work will increase rather than decrease. The field of united front work will be expanded rather than being narrowed. With the development of the situation, there will be more new targets of united front work. In 1982, Comrade Hu Yaobang enumerated 10 targets of the united front work in the new period: Democratic parties, well-known personages without party affiliation, non-party intellectual cadres, the former KMT civil and military personages who revolted and crossed over, former industrialists and businessmen, members of the upper circles of the minority nationalities, patriotic religious leading figures, family members, relatives and friends of those who are now in Taiwan, Hong Kong and Macao compatriots, Taiwan compatriots, returned Overseas Chinese, and Overseas Chinese, involving more than 100 million people.

These nonparty intellectual cadres are important targets of the united front work.

Some comrades maintain that since nonparty intellectual cadres are part of the working class, they are persons on whom to rely. Such being the case, they should not be regarded as targets of the united front. They set targets of the united front against the targets of reliance. These comrades do not understand, or fail to admit that there is also a united front inside the working class. This problem was solved by Marx, Engels, Lenin and Stalin in both practice and theories a long time ago. The International Workers' Association established by Marx was a united front organization of the working class. Engels explicitly pointed out: "There are various kinds of people in our association, including communists, Proudhonists, trade unionists, cooperationists, Bakuninists, and others. There are even persons who hold completely different views in our general committee." ("Complete Works of Marx and Engels," Vol 33, p 242) In 1921, Lenin and Stalin put forward the slogan of the united front of workers more explicitly. Comrade Zhou Enlai pointed out that many trade unions in Europe were united front organizations which brought together parties with different political views and their members so that they could take unified action.

The problem of the united front inside the working class is of particular significance to the united front in our country during the new period. This is because of the fact that with the basic changes of the class relations,

the united front relations have mainly become united front relations of the socialist laborers (including the working class). There is no doubt that intellectuals have become part of the working class, on whom the working class relies. However, intellectuals are different from workers and peasants in terms of their forms of labor and way of life. They have their own characteristics and special needs which should be taken into consideration. Since there are a lot of nonparty intellectuals among intellectuals, there exists the problem of an alliance between the party and nonparty personages. There are a fairly great number of members of the democratic parties among intellectuals. Some intellectuals are different from others in terms of nationality and religious belief. Some intellectuals are returned Overseas Chinese, Hong Kong and Macao compatriots, Taiwan compatriots, and others. All this has determined that although nonparty intellectuals are persons who we rely upon, they are also united front targets in this sense.

III

The united front in the new period is a patriotic united front. Patriotism is the broadest basis for unity. Patriotism is the most striking dividing line. We should unite with persons who love China and are all for the reunification of the motherland.

In the meantime, the basic task of the united front during the new period is to build a socialist modern power. The majority of the members of the united front are socialist laborers and patriots who support socialism. This shows that socialism is the basic nature of the united front during the new period. Materialist dialectics tell us that the nature of a thing is determined by the main aspect of the contradiction. Our view that socialism is the basic nature of the united front during the new period is based on such a principle. However, this does not mean that we deny the fact that some persons in the united front do not agree with socialism although they love our country. We should not expel them from the united front, or close our door of united front to them. For example, with regard to Hong Kong and Macao compatriots and Overseas Chinese, we should not demand that they all agree with the socialist system. As long as they love China and are all for the reunification of the motherland, we should unite with them. Under the banner of patriotism, the more extensive the base of our unity, the more beneficial it will be to the building of our socialist modern power. In the meantime, it should be pointed out that patriotism and socialism are interlinked, and that marching from patriotism to socialism is a common path followed by a great number of people with lofty ideals. This is in accord with the path governed by the law of historical development.

In the new period, there are two kinds of alliances in the patriotic united front. The first alliance is an alliance between all socialist laborers and patriots who support socialism. This is also an alliance between socialism and patriotism. The second alliance is an alliance between all socialist laborers and patriots who are all for the reunification of the motherland, including those nonlaboring people among Hong Kong and Macao compatriots, and Overseas Chinese. This is an alliance of patriotism, which, in the final analysis, serves our efforts to build China into a socialist modern

power. Due to the fact that the policy of opening to the outside world and "one country, two systems" is our long-term policy, the second alliance in the patriotic united front will exist for a long time, and be constantly expanded. Developing and strengthening the second alliance is an important task of the united front during the new period.

IV

State capitalism in the new period is an economic form under our country's new historical conditions.

In recent years, we have been implementing an open-door policy, and have done quite a lot to import foreign capital. Many economic forms have occurred, which mainly include Sino-foreign joint ventures, Sino-foreign cooperative operations, Sino-foreign cooperation in recovering petroleum, wholly foreign-owned enterprises, processing raw materials on client's demands, compensation trade, renting facilities, plants and other things provided by foreign businessmen, and others. Although these economic forms have their own peculiarities, they are economic forms characterized by the links and cooperation between the socialist economy and capitalist economy. They are administered and supervised by our socialist country. The direction of investment of foreign businessmen, their investment forms, amount of profits and activities in our country should abide by our country's law and regulations. Socialist factors exist to varying degrees in these enterprises (except wholly foreign-owned enterprises). With regard to actual incomes and profits of enterprises, the state and workers are involved in the distribution of them through wages, welfare, taxes, sharing of profits, and other means. In these enterprises, workers play dual roles. On the one hand, they work as the masters of the society, who carry out production mainly for the state and themselves. On the other hand, they should produce a certain amount of profits for foreign employers who employ them.

Such state capitalism is different from the state capitalism pursued in our country in the 1950's. 1) The targets are different. During the 1950's, the targets of state capitalism were the national bourgeoisie on the mainland, whereas the targets of the present state capitalism are the capital of Hong Kong and Macao compatriots, Taiwan compatriots, and Overseas Chinese as well as foreign capital. 2) The purposes are different. During the 1950's, state capitalism was a form of redeeming the national bourgeoisie through peaceful means and imposing socialist reform on them. Our present purpose in developing the state capitalism of the new period is to absorb foreign capital, advanced technical knowledge, and advanced management experience to speed up socialist construction in our country. There is no problem of socialist reform. 3) The policies are different. Our present policies are different from those implemented during the 1950's, which were aimed at utilizing, restricting, and transforming the national bourgeoisie. Our present policy is one of voluntary economic cooperation based on equality and mutual benefit.

Such state capitalism exists and develops in our country under the conditions that the socialist public ownership system has occupied an absolutely dominant

position, that the basic means of production belong to the state, and that sovereign rights are firmly controlled by the state. Therefore, it will not undermine the socialist nature of our economy. Instead it can only become a necessary and beneficial supplement to the socialist economy. With the help of such state capitalism, we can not only import foreign capital and accumulate funds to speed up our four modernizations program, but also strengthen and expand our united front which links us with Hong Kong and Macao compatriots, Taiwan compatriots and Overseas Chinese. Therefore, in this sense, such state capitalism has become a new realm for developing the patriotic united front during the new period.

V

The concept of "one country, two systems" put forward by Comrade Deng Xiaoping is based on the practical ideological line of Marxism, and a fundamental policy for the peaceful reunification of the motherland. The signing of the Sino-British joint declaration on the question of Hong Kong embodies the success of the concept. This will produce a far-reaching influence on the return of Taiwan to the motherland.

The Taiwan authorities cry out in alarm that "one country, two systems" is a united front trick. This is truly an old cliché. Comrade Deng Xiaoping solemnly pointed out: We put forward the concept of "one country, two systems," not because "we act on impulse, or play tricks. We proceed completely from reality in putting forward the concept." ("Building Socialism With Chinese Characteristics," p 31) "One country, two systems" is a completely new political idea. It is made public for the benefit of the world, and will be applied to Hong Kong. It has been enjoying support from more and more people. The international community has generally praised this political vision, saying that it is applicable to the settlement of the questions of Hong Kong and Taiwan, and that it has pointed out new ways to settle certain international disputes. Our purpose in putting forward the concept of "one country, two systems" is to promote peaceful reunification of the motherland on the basis of respecting history and reality and giving consideration to the interests of all sides. Neither side will devour the other. This has shown that we communists are open-minded, magnanimous, unselfish and aboveboard. How can they say that we "play tricks"?

The Taiwan authorities raise a hue and cry of using the "three principles of the people to unify China" to attain the so-called aim of using the "three principles of the people" to devour the mainland and "oppose communism and revive the country." Actually, this is a gross deception. They pursued the "three principles of the people" in China for 22 years in which great suffering was inflicted upon the people. They were eventually driven by the people from the mainland. The Chinese people have realized the truth that only socialism can save China. By relying on socialism, the Chinese people have stood up; by relying on socialism, the Chinese people have solved the problem of dressing warmly and eating their fill, and by relying on socialism China can become prosperous and strong. If the Taiwan authorities want to pursue the "three principles of the people," they may continue to do so in Taiwan. Let us carry out peaceful competition in one country.

Actually, the concept of "one country, two systems" is the biggest united front. It has offered us a practical and wide prospect for promoting our broadest united front which links us with Hong Kong and Macao compatriots, Taiwan compatriots, and Overseas Chinese.

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DIFFERENT TRADES ARE NOT SEPARATED BY MOUNTAINS

Beijing RED FLAG in Chinese No 10, 16 May 85 p 38

[Article by Wu Fang [0702 2455]]

[Text] During the Spring and Autumn and Warring States periods, there were so many different schools of thought that the name "hundred schools" was given to them. Among them was the "miscellaneous school." There were not many "schools of thought" that taught "miscellaneous" ideas, and this school eventually died out. While this was a result of "revering the Confucian school to the exclusion of all other schools," it also had something to do with the ever finer division of work. Because of the emphasis placed on "specializing in one technique," "different trades are separated by mountains." Experts are authorities within particular "trades" and their position becomes higher and higher. The jack-of-all-trades naturally sinks to the bottom. Life is just like opera singing. Each has his own part and no one is allowed to play a role he is not cast in.

But history has turned a full circle. Although division of work is becoming more and more refined, science is making it imperative to synthesize and integrate and is challenging our centuries-old but biased idea with this question: Are different trades really separated by mountains?

When we are studying or discussing something, it is very natural for us to go to the experts and seek their advice and opinions. Naturally this is not wrong. But if we always keep the "doors" closed and impose "barriers" outside, it will be very difficult to introduce new things, broaden our vision, or change the concept and methodology of thinking. "What is this unknown spring breeze doing behind the gauze curtain?" Like the unknown spring breeze, the message of the times has now intruded into the closed area behind the "gauze curtain." For example, many frontier sciences born during the past decades have broken through the "boundaries" between different trades. Many branches of disciplines are synthesized on the basis of differentiation, and new disciplines are produced through the process of synthesis. The names "border disciplines," "medium disciplines," "intersecting disciplines" and "transverse disciplines" all show the tremendous impact of "distant hybridization" on scientific development. Social science may be combined with natural science, and even mathematics may start an affair with literature. The "mountains" that have always existed between different trades are bound to be removed by the "foolish old man."

In the face of objective changes, our concepts and countermoves cannot catch up with needs. For example, in universities, science and engineering students are usually completely cut off from literature, history and philosophy. Arts students basically do not read anything on natural science. Thus, once they are faced with new problems in life, they will lament over the fact that they have not read more books. Actually not reading enough may not be the case. It is only that they confine themselves too much to their own discipline. They keep staring straight ahead and do not glance sideways. In the end they only get half the results with twice the effort and gain very little. On the contrary, if they jump out of their discipline, they may be able to get twice the results with half the effort and find a whole new world before them. In order to remove the mountains and the separation, it is necessary for us to blaze new trails from habitual practices.

One of the new ways is to listen more to the opinions of "laymen." As far as foundation is concerned, the jacks-of-all-trades and "laymen" naturally cannot compare with the experts. But even Confucius said that "in a company of three, there is bound to be one that can be my teacher." As long as the exploration by "laymen" is aimed at positive construction and development and they are not there just to make up numbers or to sell contraband stuff, laymen should be welcomed.

Michael Faraday, who discovered electric and magneto-electric induction and founded electrolysis, at first knew very little about specialized mathematics. Strictly speaking, he was just a layman as far as the study of theoretical physics, which involves a high degree of mathematics, was concerned. Although his invention of the "solenoid theory" which explained the magnetism was jeered at by professional mathematicians, it was eventually proved by science that he had grasped the kernel of the problem. A new concept in physics--field--was born on the thesis of his theory, and this opened the way for the theory of electromagnetism and the theory of relativity. If this "layman" Faraday was prevented from doing his research by "mountains that separated different trades," what a great pity that would have been!

If we allow horizontal ties to penetrate into the vertical ideological structure that we have gotten so used to, different trades will no longer be separated by mountains. In this respect, it is beneficial to open the "doors."

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IT IS NECESSARY TO STRIVE TO REFLECT THE SITUATION OF REFORM IN LITERATURE

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 39-41

[Article by Yang Yingbin [2799 2019 1755]]

[Text] The strategic policy decision of opening to the outside world and invigorating the domestic economy has played a tremendous role in promoting the building of socialist material civilization. This is common knowledge. But how does this strategic policy decision effect the building of socialist spiritual civilization, particularly the prosperity and development of literature and art? This is a new question that is worth careful study. Here I would like to discuss some of my views in relation to the practice of literary creation in Guangdong Province in the last few years.

In order to closely follow the developing situation of the reform and reflect the spirit of the times, it is necessary to understand this reform as quickly, as soon, and as profoundly as possible.

The "Manifesto of the Communist Party" pointed out: "The bourgeoisie has, through its exploitation of the world market, given a cosmopolitan character to production and consumption in every country." In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, a universal interdependence of nations. "And, as in material, so also in intellectual production. The intellectual creations of individual nations become common property. National one-sidedness and narrow-mindedness become more and more impossible, and from numerous national and local literatures there arises a world literature." This passage can help us correctly understand the policy of opening to the outside world. According to the viewpoints of Marx and Engels, both material and spiritual civilizations are created by mankind and should be owned and shared by mankind. Countries that refuse to accept the advanced cultures of other countries are backward and are doomed. Marxism is the great crystallization of the advanced ideas of mankind. The success of the Chinese revolution since the "May 4" Movement and the achievements made since the founding of the PRC are the results of the integration of the basic tenets of Marxism with China's reality.

Of course, we should also see that following the opening of the country to the outside world, we have more channels and opportunities for getting in

touch with bourgeois ideology. We must have a clear idea about this fact or we will make mistakes. We have learned a profound lesson in this regard in the past, but it does not mean that we are bound to be polluted once the country is opened to the outside world. The key lies in upholding the four basic principles and conscientiously doing our work well. Doctors are exposed to germs and viruses all the time, but it does not mean that their health is any poorer than that of a normal person. The same holds true in the ideological sphere. As long as a good job is done, it is possible to eliminate pollution without being xenophobic. This is the case in Guangdong. Although problems do exist in the special economic zones of Shenzhen and Zhuhai, which are among the first to open to the outside world, bright aspects predominate. People are taking part in construction and forging ahead with great enthusiasm. With the high-speed development of construction in these special economic zones, more and more cultural undertakings have been established. People's mental outlook is improving and outmoded ideas are being replaced at an increasing speed. This is clearly borne out by the fact that the play "People of the Special Economic Zone," which vividly reflects this situation has been so well received.

A similar situation can be found in relation to the question of invigorating the domestic economy. In the past, due to our misunderstanding of the socialist commodity economy, we regarded commodity production as the tail of capitalism. We did not do things according to economic laws and regarded the planned economy as the equivalent of unified receipts and allocations, unified imports and exports, and unified purchase and marketing by the state. The basic necessities of life, education, recreation, as well as problems of childbirth, old age, illness, and funeral arrangements of the 1 billion people were managed in a highly centralized and unified way by the state. In reality, we negated the socialist principle of distribution according to work and practiced egalitarianism, with everyone eating from the same big pot. In this way, people's enthusiasm in creating material civilization and their creative labor in building spiritual civilization and developing science and culture were stifled. The economic reform solved these problems through material production, did away with many rules and conventions, and kindled people's enthusiasm for creation. At the same time, it also replaced people's concepts with new ones, did away with many ideological obstacles and solved many problems encountered in the building of spiritual civilization. It is precisely for this reason that the reform has opened up a broad creative scope for writers.

The age of reform is a great age that cannot be left blank in literature. An important mission for men of letters is to leave future generations with poetic works about this great reform. In the course of reform, a series of contradictions and conflicts will arise between reform and sticking to old ways, between the part and the whole, between the higher level and the lower level, between neighbors, between departments and regions, between production and ideological work, between external and internal relations, between fighting pollution and xenophobia, between efficiency and bureaucratism, between cooperation with and struggle against foreign businessmen, between honesty in performing one's duties and corruption, and so on. These happenings on the social stage must be correctly reflected in

literary creation. As some comrades have said, this involves the replacement of old concepts regarding the structure and value of knowledge in the sphere of literature. In judging whether or not the reform has been correctly reflected and whether or not the problems discussed above have been correctly solved, the yardstick is to see whether or not it contributes to socialist modernization, the reunification of the motherland, and the cause of opposing hegemony and defending world peace.

Some time after the 3d Plenary Session of the 11th CPC Central Committee, literary creation in Guangdong recovered from its destitute state during the decade of internal turmoil and began to prosper. In the last 2 years, particularly in 1984, literary creation in Guangdong showed new signs of improvement with writers producing influential works that reflected the reform aimed at opening to the outside world and invigorating the domestic economy. The Guangdong Academy of Arts and the theatrical and film circles, which have middle-aged and young people as their mainstay, have praised new people and new deeds that have come forward during the implementation of the open policy and the reform, vividly portrayed the images of reformers, boldly touched on contradictions and conflicts arising from the reform, and made every attempt to resolve these contradictions and conflicts with their ardent enthusiasm and brilliant efforts. Over the past year, the Zhuhai Film Studio has produced a number of inspiring new films that reflect the implementation of the open policy and the policy toward intellectuals. These films, which include "The Yamaha Fish Stall," "Passionate Devotion," and "The New Story of a Hun," have been well received by audiences. Last fall, the first provincial arts festival was held, during which dramas like "People of the Special Economic Zone," "Wind From the Southern Country," and "Wind From the South" were staged. These dramas, which are about the building of special economic zones, the open policy, and the reform, have captured the attention of all quarters. Some comrades were moved by real people and real events in everyday life and they quickly reflected these moving stories about reforms in the forms of feature articles and reportage. The effect was good. For example, after Chen Guokai's [7115 0948 0418] "Yang Yang, the People's Police in the Special Economic Zone" was published, the Public Security Bureau of Shenzhen City issued a document calling on public security police in the whole city to learn from the protagonist. Du Jun's [2629 1498] "Magnet" reflects how the manager of the Zhanjiang Electrical Appliances Plant Industrial Corporation boldly recruited staff and carried out reform. This has aroused widespread attention and, through investigations by relevant departments, the manager has now been promoted to become chairman of the Zhanjiang City Economic Committee. "On Courage" by Tan Richao [6223 2480 6389], who died not long ago, portrays the manager of the Shenzhen Industrial Development Services Company as a new-style entrepreneur. This book has also been well received. It can thus be seen that a tide of literature and art that reflects the open policy and efforts to invigorate the economy are being whipped up in Guangdong. Because Guangdong is among the first to carry out the reform and has more favorable factors than others, we have reason to believe that more and more writers will plunge themselves into the tide of reform and leave brilliant chapters for the great times.

Of course, there are still some shortcomings and inadequacies in the reflection of the situation of reform in Guangdong's literature and art in the past few years. The main problems are: It was slow in getting started, and the number of works is small, and that of works with "punch" that carry weight is even smaller. Of course, this has to do with the influence of certain "leftist" ideas. As far as the literary and art workers are concerned, this is because they cannot see the whole process and picture of the development of things, since the open policy and the reform have only been put on the work agenda recently and things are still developing, and some have only just started. Moreover, as the middle-aged and young writers of the Academy of Arts summed up, writers have three inadequacies: They are inadequate in terms of theoretical training, in terms of life experience, and in terms of techniques of expression. Thus, their works often carry little weight and cannot reflect the spirit of the times. Inspired by the fine situation over the past year, they have tried hard to overcome their shortcomings and to forge ahead through the waves and riding the tide of reform, and have achieved initial results. In the year to come, we can expect them to produce more and better works.

In order to reflect the reform in literature, it is also necessary to take further steps to solve the following problems:

1. Literary workers must raise the level of their understanding and do away with obscure and even erroneous ideas about the reform. Leaders of literary and art circles should, as a matter of course, pay attention to negative phenomena arising from the development of the commodity economy. What is more, they must pay attention to eliminating the pernicious "leftist" influence. We must emancipate ourselves from all kinds of outmoded and non-Marxist conventions. We are convinced that with positive and negative experiences gained in the past 35 years, with the correct line of the party Central Committee, and with the "Decision of the CPC Central Committee on the Reform of the Economic Structure," solving these problems should not be very difficult.
2. It is necessary to write about the mainstream of the reform. In other words, it is necessary to write about the pioneering and enterprising spirit of the reformers and about their indomitable spirit in going through all kinds of hardships. By pioneering and enterprising spirit, we of course include their arduous struggles they waged in breaking with all kinds of traditional and outmoded ideas. A central leading comrade once said: It is all right to make mistakes and fail in the reform, but it is not all right not to reform. Perhaps we may say that it is not all right not to reflect the reality of the reform in literature (by this I refer to the literary circles, and I am by no means encouraging everyone to write about the reform), but inadequacies, shortcomings, or mistakes found in literature that reflect the reform should be permitted.
3. Writers must throw themselves into the tide of reform. Without going deep into it, it is impossible to get to know and understand this great reform, to say nothing about correctly reflecting and showing this reform. In some works, the special economic zones are described as "adventurers"

paradises" and "smugglers' havens." The reason for this is that their authors lacked a deep understanding of life in the special economic zones and only wrote on the basis of some fragmentary materials. The reform involves many quarters and all kinds of complicated relations are entangled and full of contradictions. We should extensively get in touch with, correctly understand, and profoundly reflect this reform. The former practice of squatting in one place is far from adequate. When our scope of life is limited, we will not be able to reflect the surging tides of the reform.

4. It is necessary to strive to learn theory and update knowledge. We should understand that the Marxist world outlook and methodology will always be the ideological weapons with which we observe and analyze real life. They are irreplaceable. Without them, we cannot truly feel the pulse, law, and essence of practical life. In addition, we must also realize that as China's economy develops and continues to prosper, as material life becomes richer and richer, and as technology gets updated and advances, people's spiritual and cultural pursuits will stretch to a greater height and breadth. It is obvious that knowledge gained previously will prove insufficient and past experience will have to be reevaluated. Without a fairly comprehensive knowledge and understanding of modern science and technology, ideology, and culture, it is not easy to correctly reflect real life in a society that is developing. Thus, our literary contingent and literary workers must readjust the structure of knowledge and update their knowledge.

5. New methods of expression are bound to appear in the course of reflecting new themes and contents. Toward this, we must emancipate our minds and adopt a correct attitude. As far as methods of expression are concerned, exploration and innovation should be permitted. We should let a hundred flowers contend. Every restaurant in Guangdong has its own special dish. Truly great writers will be able to find a form of expression that best suits their needs once they have acquired a profound understanding of the spirit of reform and learned the contents of the reform. We should have this much faith in our writers. Of course, this does not mean that we should cast away our fine traditions. It only means that we should make innovations on the basis of carrying over the fine traditions. The special economic zones are a new subject. It is impossible not to have corresponding new forms and methods to go with it. Even if writers betray shortcomings or make mistakes in the course of exploration, we should enthusiastically help them and should not demand perfection and completely negate them.

6. It is necessary for writers to correctly present the reform and for critics to show a great sense of responsibility. Critics circles must energetically support and commend outstanding or fairly good works, probe and study problems found in works in general, and criticize some undesirable works or tendencies. In short, it is necessary to point out the good and bad points as they really are, seek truth from facts, convince people by logic, create a lively atmosphere of a hundred schools of thought contending at the same time, and cultivate a good practice of free probing. We have great hopes for critics.

Writers must change their outmoded concepts in the new period and under the new situation. Reformers must remold themselves while remolding the objective world. Literary workers who reflect the reform must also change their outmoded concepts in the course of reflecting the reform. Reform means breaking paths where none have gone before, so deviations and mistakes are unavoidable. The correction of deviations and mistakes is achieved by the continuous efforts made by reformers to remold themselves in the course of practice. The same is true with writers who reflect them. Those who write about the reform also face a question of whether or not they have correctly reflected the reform. On this question, we must not impose too many restrictions on writers. As long as their works are based on the four basic principles, they should be allowed to contend like a hundred flowers. On the other hand, writers also face task of striving to accurately and truthfully reflect the reform. In reflecting the reform, efforts must be made to avoid going to excess or falling short of the mark, because both show that we have not accurately or have not quite accurately reflected the reform and need to make improvements with the help of fair and unbiased criticism.

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DISCUSSING IDEALS ON '4 MAY'

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 42-43

[Article by Gan Feng [2413 1496]]

[Text] The 4 May Movement of 1919 unveiled a new chapter in the history of the Chinese nation. For more than half a century since then, generations of revolutionary youth had, under the leadership of the CPC, left militant footprints and shed their blood and sweat in every corner of the country. In the "18 March" massacre of 1926, they heroically held high the banner of opposing Japanese imperialism and the reactionary ruling government. During the period of the agrarian revolution, the "Young Communist International Division" formed by 10,000 young people in the Central Soviet Area demonstrated their role as a shock force in the revolutionary war. The "9 December" patriotic student movement which shocked the country and the whole world promoted the launching of all-out resistance. The patriotic and democratic student movements which spread through various big cities in 1945 and 1947 precipitated the formation of the second front against Chiang Kai-shek. During various periods of socialist revolution and construction, the vast number of young people played an active part on various fronts and made enormous contributions to the motherland. During the "Cultural Revolution," hot-blooded youths once again gathered together in Tiananmen Square. The angry tides of the "5 April" Movement shocked the foundation of the autocratic rule of the "gang of four." Today, as the motherland enters the new period of socialist modernization, we must carry forward the glorious traditions of Chinese youths since the "4 May" Movement, exert ourselves in study, and fight staunchly for a new leap forward in the history of the Chinese nation and for the ultimate realization of the far-reaching ideal of communism. We must be resolved to become a new generation of distinguished persons.

Comrade Li Dazhao once wrote: "Young fellows, before you embark on your activities, you should select your direction. A man who sails the seas must first fix his destination and keep the needle of his compass pointing at that direction all the way before he can reach that destination one day." For college students and young friends, fostering lofty communist ideals is indeed the first major task on the road of life. Only in this way can one be far-sighted, broad-minded, bold in doing away with narrow-mindedness, fuse his short life with the future of the motherland and the destiny of

mankind, and become a person with a lofty state of mind. A life without ideals is like marching in the dark--one is liable to waste his time and even go astray.

For some time, a small number of college students and young people thought it useless to talk about ideals. They felt lost. In terms of cognition reasons, this is so because they lacked a scientific understanding of communism. In terms of historical roots, this is a manifestation of the negative influence of the decade of internal turmoil. Lin Biao and the "gang of four" publicized sham communism and many young people were fooled and hoodwinked. Some people thus jumped from one extreme to another and even cast a suspicious eye on the ideals of scientific communism. We know that fighting for the ideals of communism is a great and arduous task without any precedents. There are bound to be complications, but none of these complications can change the general trend of historical development. This scientific belief should be the foundation and basis of our ideals. Stalin once said: "Revolutions do not normally proceed along a straight line, neither do they keep soaring all the time. They go through twists and turns, advances and retreats, ebbs and flows. The ebbs and flows during the course of development toughened the revolutionary forces and prepared the final victory of the revolution." ("Collected Works of Stalin," Vol 7, p 78) After setting things to rights and treating the traumas of the decade of internal turmoil since the 3d Plenary Session of the 11th CPC Central Committee, our country is now creating a new situation in socialist modernization. These achievements have been made under the guidance of the communist ideals and the party's correct line. Numerous facts have told us that when we depart from the track of communist ideals and the correct line, we will be punished by history.

Some young friends thought that communist ideals were fine, but it would be better to talk more about "material benefits." We think that communist ideals and material benefits are by no means contradictory. Stressing ideals does not mean doing away with material benefits. The crux of the question is how we look at "material benefits." Material benefits simply mean actual material interests. There is no such thing as transcendental utilitarianism in the world. From the overthrowing of the three big mountains that weighed on the people in the past, to our present endeavor to build socialism with Chinese characteristics, to the final realization of communism, we had been and are seeking real tangible interests, including reasonable personal interests, which are the surest material benefits. Of course it is the broad masses of the people and not the handful that stand to benefit. Eventually the whole of mankind will benefit. Some young people did not understand this. They thought that what belonged to everyone was "false" and only personal "gains" were real. A handful of people even sought personal gains at the expense of the interests of the people, or harmed the long-term and fundamental interests of the people for the sake of securing immediate gains for their small organizations. They coveted immediate "material benefits" for themselves. They cared only for today and themselves and did not know that they had the future and others to think about. Their road of life became narrower and narrower. Of course this should be opposed. We are glad to note that the spirit of shedding

blood in battles demonstrated by revolutionary youths during the war years, the spirit of building an enterprise through arduous effort demonstrated by young people during the early days of the People's Republic, and the Lei Feng spirit demonstrated in the 1960's are being carried forward by Chinese college students and young persons of noble aspirations in the 1980's. This has been eloquently demonstrated by the exemplary deeds of tens and thousands of advanced youths who molded their minds with communist ideals, including An Ke [1344 3784] and Yang Wei [2799 1218] who fostered righteousness and combated evil and sacrificed their own interests for the sake of others, the young woman worker Du Yunyun [2629 5366 5366] who generously bequeathed a legacy of 100,000 yuan to the state, Zhang Hua [1728 5478] who had great ideals and heroically gave his life, and the students of the No 4 Medical College, a heroic group that took part in a rescue at Huashan. They are by no means immortals who do not have to eat. Neither are they ascetics who know nothing about life. They are real people who truly perceive the meaning and value of life and who merge themselves with the great cause of communism.

Young people are now marching toward the future. But only those who have far-reaching ideals and go all out for them can say with a clear conscience that "the future belongs to us."

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QUESTIONS REGARDING TEACHING AND THE ORIENTATION OF ITS REFORM

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 44-46

[Article by Yong Wenyuan [7167 2429 6678], a research fellow of the Economics Research Institute of the Shanghai Academy of Social Sciences]

[Text] Socialist political economics should develop as the practice of socialism develops. The "Decision of the CPC Central Committee on the Reform of the Economic Structure" is a result of the increasing development of the practice of socialism. From this decision, we can learn a great deal to enlighten ourselves and use this to guide the reform of the teaching of socialist political economics.

Over the past few years there has been great development in socialist political economics, but it is a young science. The major problems in this science are that some of its theories are divorced from practice and that many theoretical problems should be reconsidered and probed anew.

The divorce of theory from practice is found in many areas. It is mainly manifested in the fact that when a theory is used for research into the relations of production, it seldom takes into account the economic structure--the concrete basis for the realization of the relations of production. In other words, there has been little research into the problems related to the socialist economic structure. The traditional view regards a socialist society as a large factory in which all the enterprises are merely workshops. This kind of economic system is regarded as socialism itself and anything that deviates from it is regarded as a departure from the classic line, as unorthodox, and as not being socialist. As a result, it is held that there is no need to research questions related to the economic structure.

The practice of socialism has proved that when the power to make policy decisions is highly centralized in the hands of our state administrative organs, our enterprises lack vitality and vigor. This structure inevitably yields poor economic results, causes the economic growth rate to drop, and makes it impossible to give full play to the superiority of the socialist economic system. It is precisely for this reason that an economic structural reform has become a historical demand. It becomes no longer tolerable in our political economics to merely discuss the socialist relations of

production in abstracts and to continue to refrain from probing the actual way to realize these relations.

In regard to the theories, the teaching materials have not yet been freed from describing phenomena or from the framework of the contents of departmental economics and the organization of economic laws. No one is satisfied with this, but for the time being, we cannot find a better solution to the problems.

Some people have counted and found that there are 104 categories in socialist political economics. This seems to be a sufficiently large number, but in fact, some of them cannot be regarded as economic categories because there have not yet been exact scientific definitions for them, nor are they adequately upgraded to be able to theoretically reflect the socialist relations of production. Concerning these categories, it is necessary to carry out discussions and research to find out which of them can serve as starting points and which of them can become the basic economic categories on which the operation of the socialist economy is centered.

According to the above analysis, it seems to us that the reform in the teaching of socialist political economics can be summed up into the following two aspects: 1) To overcome the erroneous tendency of theory deviating from practice; and 2) to deepen the research into socialist economic theories. These two aspects of work are closely related. This is because at present, in order to overcome the erroneous tendency of theory deviating from practice, we should focus on researching and discussing the problems related to the reform of our socialist economic system. In order to do this, it is certainly necessary to view and research anew a series of major economic theoretical problems and the economic categories that reflect these problems. In this process, we can probe the question of whether or not we are able to establish a relatively rational theoretical system for socialist political economics.

The question of how we are to understand the idea that a socialist planned economy is a planned commodity economy on the basis of public ownership is an important question in reforming the teaching of the socialist political economics. My understanding of the question is: The products produced under a socialist system are for exchange, and the compensation for the labor consumed and renewal in the process of reproduction should be realized through market relations. Therefore, the products under a socialist system continue to be commodities and are not direct social products. On the other hand, socialist commodities differ from those in small commodity production systems and from the commodities under capitalism. The production of socialist commodities is aimed at providing, in a planned manner, as much as possible that part of social products corresponding to v plus m in order to satisfy the daily increasing demands of the material and cultural lives of the masses of people. Judging by the purposeful and planned nature of the production, socialist commodities have some of the characteristics of direct social products. Will we thus confuse our above understanding of socialist commodities with the theory of commodities being mere shells or with the theory of a product economy? This is not the case,

because we confirm that the products under socialism are still commodities. However, the above two theories directly negate the existence of the commodity economy. Correctly understanding this problem is not only of great theoretical significance in reforming teaching, but is also of practical significance in correctly handling the contradictions that have been caused by the development of the commodity economy.

On the basis of a correct understanding of the theory of the socialist commodity economy, socialist political economics will certainly put forth the task of carrying out an all-round reform of itself. Why? Because the existence of the commodity economy will become entwined to different degrees in a variety of categories and in the relevant economic laws on the socialist economy, and will be reflected in these categories and laws in various forms. For example, the process of socialist production is not only a process of the production of use value by concrete labor, but is also shown as a process of the creation of value by abstract labor. The calculation of costs and profits and the distribution of labor among various production sectors should be expressed by the distribution of funds and should rely on the regulatory role of the law of value. The satisfaction of the demands of the masses for their material and cultural lives should be realized by arranging a balance between the demands of the purchasing power and the supply on the market.

The existing theoretical system does not regard socialist commodities as the starting point, but subordinates the analysis of commodities to the analysis of the basic economic law of socialism, the law of labor conservation, and the law of the planned development of the national economy. A vital weak point in this theoretical system is that it gives a wrong impression that these extremely important laws operate only under the conditions of a production economy and that none of these laws work under a commodity economy.

In order to overcome the above shortcomings, we can adopt the following two methods: 1) We assume that the commodity economy does not exist and we analyze the laws governing the operation of the economy; then we add to the above the existence of the commodity economy and analyze the transformed forms that may emerge. 2) We regard socialist commodities as the starting point and on the basis of analyzing this, we will then study other economic categories and laws. Both methods are feasible, but the theoretical system that regards socialist commodities as the starting point seems to be more rational and easy to practice. Under the socialist system, commodities continue to be the cells of social wealth and contain the seeds of the contradictions in socialist economy. By first analyzing this category, the analysis of the contradictions level by level is facilitated. Second, the "socially necessary products" that correspond to $(v \text{ plus } m)$, the newly created portion of value, is the core of the operation of the socialist economy. Basing our analysis on socialist commodities aids our study of the operational basis of the socialist economy and the analysis of the basic economic laws of socialism. As mentioned above, socialist economic categories and laws play their role in certain transformed forms on the basis of the socialist commodity economy. Proceeding from reality and

regarding socialist commodities as the starting point helps point out the distinction between the characteristics of socialism and those of communism and facilitates probing the objective laws governing the operation of the socialist commodity economy. It is also conducive to making comparisons between and researching the different methods that combine a planned economy with a commodity economy and the different patterns of development of a socialist economy. These patterns are the outcome of combining the planned economy and the commodity economy.

In probing these problems related to our theoretical systems, what is more important than the effort to find a starting point is that we should have a basic economic category that can concretely embody the common interests of the laboring masses and that can fundamentally reflect the essence of the socialist relations of production, and therefore, can play a role as the basis for the operation of the socialist economy. In analyzing this starting point, I have already pointed out that the "socially necessary products" that correspond to $(v \text{ plus } m)$, that portion of newly created value, is precisely the basic economic category that we want to find. This is because although under a socialist system the total labor can still be divided into necessary and surplus labor, and, correspondingly, the newly created net social product can also be divided into necessary and surplus products. The meaning is diametrically different from the meaning of these concepts under capitalist conditions. Just as was analyzed by Marx, to a socialist society, both necessary and surplus labor become necessary. The emergence of the new economic category of socially necessary products reflects the fundamental change in the relations of production. When people carry out production, there is no longer any class or social group that seizes (m) , the surplus products, by the power to which they are entitled, because they possess the means of production. However, the laborers, as the owners of means of production, jointly own $(v \text{ plus } m)$, the socially necessary products. It is precisely because of this identity in their fundamental interests that the part of social products that corresponds to $v \text{ plus } m$ can become the core of the operation of the socialist economy and thus become the basic economic category of socialism.

The position of the basic economic category of the socially necessary products in the system of socialist political economics is to some extent similar to the position of the basic economic category of surplus value in the theories in "Das Kapital." It can serve as a central link in the system of economic categories. Since we now have both a starting point and a basic economic category, it is possible for us to pave the way for the establishment of a new theoretical system. This is only a tentative idea. There are still many problems that need to be further probed and researched.

In the theories of socialist political economics, on the one hand, we must pay attention to studying the great regulatory role of the law of value and the market mechanisms in play in our microeconomy. We must overcome the major shortcomings in the theories, which were caused by our neglect of this problem in the past. On the other hand, we must also put in a proper position the role that is played by our state planning (including the necessary mandatory and guidance plans) in readjusting and controlling

our macroeconomy. If we satisfactorily control our macroeconomy and if we consciously operate according to the law of value and utilize this law, we will enliven our national economy without causing confusion.

In order to meet the needs of our socialist construction, socialist political economic research should focus to a great extent on the laws that govern the operation of the socialist economy. The research into the law that governs the transition from socialist relations of production to communist relations of production is still of great significance. This is because deepening this research and making it concrete is conducive to adhering to the fundamental principles of socialism and to recognizing the orientation for forging ahead in solutions to our socialist economic contradictions. It is also conducive to publicizing the lofty faith and ideals of communism on a scientific basis.

For socialist political economics, which is regarded as a basic science in Marxist theory, the direction of reform is not to turn it into a collection of policies or to provide a countermeasure and feasible scheme for certain special and concrete problems; it is to work out proper theoretical formulas and principles to solve general problems by means of bringing to light the objective socialist economic laws in order to serve our socialist construction. Lenin said: "If we do not solve the general problems first but try to solve a specific problem, then we will certainly and unconsciously 'come across' these general problems all the time and everywhere. On each occasion when we stumble across these problems, we will certainly cause our own policies to be irresolute and to deviate from principles." ("The Collected Works of Lenin," Vol 12, p 476)

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VIEWS ON REVISING AND COMPILING TEACHING MATERIALS

Beijing RED FLAG in Chinese No 10, 16 May 85 pp 47-48, 43

[Article by Gu Shutang [6253 2579 1016], professor of Nankai University School of Economics]

[Text] The decision of the CPC Central Committee on the reform of the economic structure has summed up the experiences drawn on from our socialist economic construction and is an important development of the Marxist economic theory. It will inevitably produce a tremendously great impact on the reform of our country's economic system and on the emergence of new economic patterns. In this sense, we can say that the conditions for organizing the work to edit and write new teaching materials of political economy have never before been so mature as they are now.

Nevertheless, it is not easy to edit and write a textbook that has rich contents, correct views, and a well-organized system. In order to satisfy the demand at present, it is imperative to grasp the revision of the existing established teaching materials in the light of the spirit of the "Decision." Concerning the question of whether we are provided with the basis for the revision, taking into consideration the "northern textbook" (which refers to "'Socialist Section' of Political Economy," a textbook edited by 13 northern universities and colleges) which I participated in writing, and a few textbooks that I have read, I think that the answer should be in the affirmative. For these teaching materials were written after the 3d Plenary Session of the 11th CPC Central Committee. The 3d Plenary Session of the 11th CPC Central Committee corrected the party's ideological and political line and reestablished the idea of regarding modernization as the key to the work in the whole country. Later, in light of the objective demands of the economic laws, the eight-character principle which includes the demand for carrying out the reform was put forth. During the past few years, in our practice, we have gradually expanded the decision-making power of our enterprises, developed the regulation of market mechanism, enlivened our circulation, carried out a series of separate reforms such as the substitution of taxes payments for profits delivery and the establishment of the economic responsibility system inside our enterprises, and thus scored some achievements and gained some experience. A theoretical summing up of the above-mentioned ideas and practical experience is to a different extent reflected in those teaching materials. The "Decision" is

a continuation and development of the reform principles and theory since the 3d Plenary Session of the 11th CPC Central Committee and its basic ideology is the same as that before it. Therefore, there is no sufficient grounds for the view that there is no basis for revising the existing teaching materials. At the same time, it is undoubtedly right that in order to more profoundly and systematically reflect the spirit of the "Decision" and in order to correctly and thoroughly expound on the theory of political economy (socialist section), it is indeed necessary to revise the existing teaching materials.

In revising the existing teaching materials in light of the spirit of the "Decision," we should never be satisfied with merely revising the wording, but must permeate the thoughts of the "Decision" (including what has not been expounded in detail) throughout the revised teaching materials. Based on this understanding, and in view of the "northern textbook" I think that we should relatively greatly enrich and strengthen the following aspects of the contents:

1. We should fully implement the idea about the planned commodity economy. This view is an important theoretical foundation for our country's economic structural reform. It involves various aspects of the fields of production and circulation and the general process. Though the "northern textbook" also adopts the concept of the "planned commodity economy" and places relatively great emphasis on the role of commodity production and the law of value, but viewed as a whole, it still has quite a few weak links in implementing this idea. This is not only shown in the lack of scientific exposition on the economic categories related to commodities such as wages, funds, profit, interest, and rent, but is also manifested in its failure to adequately expound on many problems that are directly related to commodities, such as the problems of competition, the problem of supply and demand, and the problems of market mechanism and economic levers. In a small number of chapters and sections, there are still the traces of the product economic pattern in the exposition on the circulation of means of production commodities. If we fail to clarify these problems and to link them together and make them permeate the whole textbook, it will be difficult for us to completely reflect the spirit of the "Decision."

2. We should attach sufficient importance to the position of economic structure in political economy. For a long time in the past we failed to attach importance to research into the economic structure, and held that it was not an object for research in political economy. Since the 3d Plenary Session of the 11th CPC Central Committee, people have a new understanding of the great significance of the economic structure and a new situation has emerged in research related to it. However, this has not been sufficiently reflected in the contents of our teaching materials. This is also the case for the "northern textbook." If we say that since we lacked an all-round understanding of what the reformed economic system would be at the time the economic structural reform began, it was to some extent difficult to fully reflect the position of the economic structure in our teaching materials, then since the "Decision" was published, there has basically been no grounds for the above argument. I think that in

addition to expounding in appropriate places on the contents of the economic structure, the relations between the structure and the socialist economic system and its great significance for our socialist construction, we should expound respectively on the structure of the ownership, enterprise production, commodity circulation, distribution of consumer goods, the state's macromanagement of the economy, and other concrete aspects of the economic structure, and analyze their actual contents, objective basis, and important role. By so doing, we will be able to integrate the abstract economic laws with the concrete characteristics of China and thus form a socialist section of political economy that combines theory with practice and has Chinese characteristics.

3. We should fully expound on the problem of opening up to the outside world. Regarding as an objective inevitability the practice of adhering to the important policy decisions of opening up to the outside world and vigorously developing external economic relations, decisions that our party has adhered to since the 3d Plenary Session of its 11th Central Committee, is determined not only by the inevitable trend of the development of the economy of the whole world, but also by the demand of our country's socialist modernization. Therefore these policy decisions are by no means expedient measures. Just as Marx said, in theory, it is the continuance of and important supplement to social reproduction in a country. Therefore teaching materials should give an appropriate position to this problem. However, the existing teaching materials, in particular the "northern textbook," fail to fully expound on this problem. I remember that when we were editing and writing the initial draft of the "northern textbook," our main consideration was that the theory concerning this was difficult to write and that it was not appropriate to write too much on some concrete policies lest the chapters concerning that would become a collection of policies. Therefore, we dispersed the contents about foreign trade, the utilization of foreign capital, and the introduction of technology from abroad and wrote them into other relevant chapters and sections in passing. Thus we avoided the difficult questions related to the objective necessity of our foreign economic relations and their great significance in our socialist construction. In fact, this precisely reflected the fact that at that time we lacked sufficient understanding on this question. We should runderstand the importance of this question in light of the spirit of the "Decision," pull together all the relevant contents, giving them the position due to them, and relatively fully expound on them in theory. This must be one of the important contents in revising and enriching the "northern textbook."

4. Combining the strengthening of the vitality of our enterprises with strengthening the state's macroeconomic regulation is a major goal of our economic structural reform and is also the key to giving play to the superiority of the socialist system. We should regard this as an important part of the contents and fully expound on it. On the surface, the "northern textbook" devotes three chapters to expounding on the management systems and operational activities of enterprises. This should not be regarded as insufficient length. But we failed to sufficiently understand the fact that enlivening our enterprises is the key link in our structural reform,

and therefore we failed to sufficiently expound on the position and role of enterprises in our textbook. Viewed from another angle, we see that although the "northern textbook" devotes a special chapter to analyzing the state's regulation and management over the whole national economy, at that time the exposition was focused on the counteraction of the state as a superstructure on the economy. Obviously, it fails to sufficiently expound on the state's status as the owner of the means of production, and then to expound on the relationship of dividing the power between the state and enterprises from the angle of the economic foundation, and then analyze the state's macroregulation and management, in particular, regulation concerning balance in the national economy by applying economic levers. In order to adhere to the consistency of the view that ownership should be appropriately separated from the power of management, clearly expounding on the functions, means, and methods of management of the state in theory should be a very important content in revision of the "northern textbook."

In light of the above-mentioned four aspects of my understanding of the spirit of the "Decision" and taking into account of the contents of the existing teaching materials (mainly the "northern textbook"), I think that we should stress enriching and upgrading the contents. This merely involves the revision of the contents and basically we do not consider a change in the whole structure and system of the teaching materials. I think that the latter problem is not easy to solve in a short time. But from a long-term point of view, it is entirely necessary to reestablish a new, scientific system. For this, to date I do not have any mature scheme, and can only give the following opinions on the problems that we should consider in establishing a new system.

1. According to traditional views, political economy is a science that studies the relations of production. According to Stalin's explanation in his article entitled "On Soviet Socialist Economic Problems," relations of production are, in fact, the relations between the material interests of the state, the collective, and the individual on the basis of the ownership of the means of production (now we see that it is necessary to add to it the contents about the economic structure). This is of course very important. However, I think that it is not enough to merely study these. In addition to the contents about the relations of production, the law of socialist economic construction should also be included in the laws that govern movement of the socialist economy. These laws are in fact the universal laws that govern socialized mass production that have socialist characteristics. For example, the laws concerning economic growth, the proportion of reproduction, industrial structure, conservation of labor time, raising economic results and proportionate development are all contents in this respect. During the period of socialist construction, if our political economy does not research into problems in this respect, it will be very hard for it to play the role as a theoretical foundation for the sciences concerning the socialist economy. Therefore, we should expand the contents of political economy. If this consideration is right, in writing our teaching materials, we should refer, in an analytical manner, to certain relevant contents of modern Western economics.

2. Studying socialist economic categories and analyzing the internal relations between them is a precondition for establishing a strictly logical scientific system. The existing teaching materials fail to establish their own categories, let alone the systems of categories. Now their categories are borrowed from the capitalist economics or come from some special terms from practical economic work. The problem is that in applying these concepts, we often only make the explanation on the surface, but fail to disclose the essence of the things that they reflect and their internal relations, let alone to define the starting point and principal categories. I think that before establishing the new system we should make a systematic study of the series of economic categories of socialism.

3. Now, we differ in our opinions on the selection of the process analysis method and the link analysis method. From the angle of static analysis, we cannot say that it is entirely unjustified to adopt the analysis method of dividing the economy into four links--production, exchange, distribution, and consumption. But this method is obviously inadequate as soon as we begin to analyze the dynamic state. I think that adopting the process analysis method can make up the weak points of the link analysis method. Moreover, the order of the analysis from production process and circulation process through the general process conforms to the Marxist exposition method of expounding from abstract to actual things. In addition, adopting the process method is also conducive to absorbing the contents about the organization and management of social production, and thus further enrich and deepen the content of political economy (socialist section).

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HISTORICAL RECORDS WHICH ARE WORTH TREASURING--PREFACE TO 'BOOK SERIES ON URBAN REFORM IN CHINA'

Beijing RED FLAG in Chinese No 10, 16 May 85 inside back cover

[Article by Ma Zhongyang [7456 0112 2254] written on 29 March 1985--Appended footnote states that this series is published by the RED FLAG Publishing House, and that forthcoming titles include "New Look of the Shenzhen Special Economic Zone," "New Guangdong Under Reform and Open Policy," and "Foshan Invigorated"]

[Text] The Chinese people are now writing a new chapter in the annals of modernization with their heart and soul. In 1984, for example, outstanding achievements were made on all fronts: The total value of industrial and agricultural output exceeded 1,000 billion yuan, an increase of 14.2 percent over 1983. The total value of agricultural output rose by 14.5 percent. Light industry grew by 13.9 percent, while heavy industry scored an increase of 14.2 percent. Domestic markets thrived and a multichannel commercial network was initially formed. Economic relations with foreign countries were further developed. Revenue steadily increased and the income of both urban and rural residents were notably raised. Like a rising sun, the magnificent land of China is shining with dazzling splendor.

At present, stimulated by the decision of the CPC Central Committee on the reform of the economic structure and the decision on the reform of the scientific and technological structure, the masses in their hundreds and millions are forging ahead courageously, vigorously and in a down-to-earth manner. The developing situation, which demonstrates the policy decisions of our party and state, is becoming more and more reassuring and has encouraged more and more people to unflinchingly plunge themselves into the reform and into our great and glorious cause.

In order to achieve socialist modernization, China has laid down a series of policies in recent years, the implementation of which has brought about a new situation of sustained, steady, and coordinated economic development. The domestic and international open policies in particular constitute the key to the reform of the entire economic structure. As Comrade Deng Xiaoping recently pointed out: The domestic and international policies are the surest policies for achieving socialist modernization. They are the indispensable supplement to the development of the social productive forces. He

also pointed out China's current reform and its domestic and international open policies are firm and unshakable. We will not waver. Our policy is to continue to open, not to close the doors, and we may perhaps open still further in the future. It has been fully proved that this is an entirely correct policy for socialism. Practice will continue to show the strategic position and tremendous role this policy plays in the theory and practice of building socialism with Chinese characteristics.

The restructuring of China's economy has its emphasis on the cities. Urban reform is in fact the implementation of the open policy in the cities. After setting up the Shenzhen, Zhuhai, Xiamen and Shantou Special Economic Zones, China opened Hainan Island and 14 coastal cities to the outside world. As a matter of fact, cities in the coastal areas and a large number of key cities will implement the domestic and international open policies in the course of reform.

The "Book Series on Urban Reform in China" truthfully records the successes achieved and to be achieved by a number of vanguard cities in the implementation of the policies of reform, opening domestically and internationally and invigorating the economy. It tells its readers how economic restructuring in Chinese cities will leave its mark in history. Through the "Book Series," people can also see how socialist China builds socialism with its own characteristics in accordance with its actual conditions, and how it opens up its own road of socialist modernization.

The compilation and publication of this series was decided on after repeated deliberations and consultations. The coastal open cities and cities that lead in the reform have precedence over others. With cities as the unit, separate titles will be compiled and published in accordance with the characteristics of each city. These pictorials not only reflect the new achievements, pace, appearance and trends in building material civilization in these cities and their subordinate counties in recent years, but also reflect the new condition, content and measures of the building of spiritual civilization and the new life of the people. Every pictorial has its own characteristics.

The series, in standardized volumes, is printed in color with both words and pictures. Introductions and captions are in both Chinese and English. Efforts are made to present the pictures and wording in a way that is at once scientific, lively, and artistic so that the pictorials will be cherished by the readers as works of art.

We believe that the publication of this series will be welcomed by readers both at home and abroad. Because it is a memorable pictorial series, people will cherish it as a valuable set of historical records and will not want to part with it.

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