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CONTENTS

Seriously Oppose Bureaucratism (p 2).....	1
Carry Forward Our Army's Fine Tradition--Commemorating the 60th Anniversary of the Founding of the Chinese PLA (pp 3-8) (Guo Linxiang).....	3
Recalling the History of Our Army in Its Initial Stage (pp. 9-13) (Xiao Ke).....	14
Consolidate and Develop a New Type of Army-Government and Army-People Relationship (pp 14-17) (Wang Fang, Li Qing, Liu Xinzeng).....	23
Unite and March Forward To Build an Even More Prosperous Nei Monggol With a Higher Civilization--Celebrating the 40th Anniversary of the Founding of the Nei Monggol Autonomous Region (pp 18-21) (Zhang Shuguang, Bu He).....	30
Second Discussion on the Party's Line Since the 3d Plenary Session of the 11th CPC Central Committee (pp 22-27) (HONGQI Editorial Department).....	38
My Understanding of Our Country's Basic Policies Since 1978 (pp 27-31) (Rong Yiren).....	47

Explore Enthusiastically, Deepen Reform (pp 32-36) (He Guanghui).....	55
Statistical Data on the Achievements of 8 Years of Economic Structural Reform--Part III (pp 37-38) (State Statistical Bureau).....	64
Expositions on Several Important Views in the Revised and Enlarged Edition of 'Building Socialism With Chinese Characteristics' (pp 39-43) (HONGQI Theoretical Education Editorial Office).....	68
IV. On Strengthening Leadership Over the Ideological Front.....	68
Second Lecture of Forum on the Socialist Commodity Economy: Characteristics of the Socialist Commodity Economy (pp 44-46) (Li Guangyuan).....	78
'Emotional Investment' Viewed From Various Angles (p 47) (Lei Ke).....	85
Singing the Praises of the Noble Spirit of Sacrifice--After Reading the Reportage 'I Am Seeking That Star' (p 48) (Huang Guozhu).....	87
Having a Clear-Cut Stand, Impressive and Touching--Reviewing the Book 'Chats on Communist Ideals' (inside back cover) (Huang Mingjian).....	90

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SERIOUSLY OPPOSE BUREAUCRATISM

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 p 2

["Forum"]

[Text] The serious events caused by bureaucratism in the past, such as shipwrecks, car accidents, factory explosions, and especially the recent big forest fire in the Daxinganling Mountains have brought about considerable losses to the state and the lives and property of the people. This indicates that bureaucratism has become a tremendous obstacle to the practice of the line put forth at the 3d Plenary Session of the 11th CPC Central Committee, adherence to the four cardinal principles, implementation of the policy of reform and opening up, and the building of socialism with Chinese characteristics. Forceful measures must be adopted to resolutely fight bureaucratism.

Our party is the ruling political party of the proletariat. According to the principle of the party, all our cadres must serve the people wholeheartedly and should not be bureaucratic. The party and the people hand over powers to cadres, expecting them to work for the people and not to act like lords and masters. As leading cadres, they should always take care of the interests of the people, take the future of the country into consideration in all matters, be highly responsible for the lives and property of the people in the areas and units under their administration, vigorously enforce discipline, adopt a diligent and sincere attitude, and do more solid work for the country and the people. Yet, the bad habit of bureaucratism can be found breeding in some of our cadres who bear the title of a master but assume no responsibility at all. Some cadres support the line, guiding principles, and policies put forth at the 3d Plenary Session of the 11th CPC Central Committee in words, and they cry out the slogans loudly. But in fact they do not go deep into the realities of life to investigate the situation, resolve the problem, or do solid work. Instead, they stay in offices, indulge themselves in endless meetings and documents, and get along by listening to reports, giving orders, and signing documents. Standing high above the masses, some cadres subjectively and arbitrarily make policy decisions on major issues that deviate from the lines of the masses by suppressing democracy, adopting an impractical and unrealistic attitude, and dishonoring science. Whenever problems arise and losses are incurred, they will perform their duties perfunctorily, deceive their superiors and delude their subordinates, or shift their responsibilities

onto others. Instead of being responsible for their work and showing concern for the lives of the people and the property of the country, some cadres scramble for fame, profit, power, and status, and even do it unscrupulously. In actual life, we can often see things that are simple, easy to do, and badly needed by the masses are delayed. Why? It is because there are big and small bureaucrats there. If bureaucratism is not fought, the work style of the party will be strained, we will be severely divorced from the masses, the prestige of the party will be lowered, and we will not be able to promote our cause.

No matter how bureaucratism is manifested, it is dereliction and negligence of duty. We should be resolute, decisive, and prompt in handling grave bureaucratism, and definitely not tolerate or yield to it, or regard it as a common mistake. In the past, discipline in some units and localities was relaxed and bureaucrats tended to rely on human relations and shielded one another in all matters. As a result, bureaucratic behavior was usually left unsettled and people would not bother about it any more, using the excuse of "just once." There are also instances in which matters related to mistakes made by cadres in a certain unit were not handled, and they were transferred to another unit "working in the same capacity as officials." The masses are extremely angry about the way people handle bureaucrats. If we are to fight bureaucratism, we should not adopt a bureaucratic attitude. We should learn from the conscientious attitude that the State Council adopted in handling the forest fire. People who have been bureaucratic should be criticized and punished accordingly, and be brought to justice if they have violated the law. Anyone involved in bureaucratism must be strictly handled no matter whether he is a veteran or new cadre, or high in official ranking. By punishing a small number of people, we can educate and save the majority and straighten out the work style of the party. We should always heighten our vigilance against those who are not pure in party spirit or even do not have any party spirit, for they may make use of the leading position of the party to pursue personal interests. Losses are thus caused to the public, while they enjoy the profits. Cadres who hold important positions but do not make any contribution or achievement should no longer be allowed to occupy the leading positions, and we should be resolute in removing them from office.

The occurrence of bureaucratism can be accounted for by various causes, such as the personal quality, ideology, and work style of cadres, but there are other, more important reasons--that is, the defects in the leading systems of the party and the state. It is therefore very necessary to enthusiastically launch an ideological struggle against bureaucratism. The problem of bureaucratism cannot be really overcome if we do not strengthen the democratic and legal systems, devise set procedures for the employment, appointment and removal, assessment, and reward and penalty of cadres; lay down strict administrative regulations and establish the individual responsibility system, or conscientiously resolve issues related to the adherence to the system of democratic centralism, and the implementation of strict supervision over cadres and the masses of people. Political structural reform has already been put on the agenda. We should establish effective system and regulations step by step through the political structural reform so that this issue can be fundamentally resolved.

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CARRY FORWARD OUR ARMY'S FINE TRADITION--COMMEMORATING THE 60TH ANNIVERSARY OF THE FOUNDING OF THE CHINESE PLA

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 pp 3-8

[Article by Guo Linxiang [6753 2651 4382]; capitalized passages published in boldface]

[Text] This 1 August marks the 60th anniversary of the founding of the PLA. It is a day which deserves to be warmly celebrated by the whole party, the people of all nationalities throughout the country, and the commanders and fighters of the whole Army.

Over the past 6 decades, under the leadership of the CPC, entrusted with the hope of the nation, and by closely relying on the people, the Chinese PLA has successfully waged the agrarian revolutionary war, the anti-Japanese war, and the liberation war, defeating the Japanese aggressors, wiping out 8 million KMT troops, and liberating all territory with the exception of Taiwan Province and a few outlying islands. Since the founding of the PRC, it again has successfully fulfilled the sacred task of defending the motherland, taken an active part in China's socialist construction, scored great successes in turning itself into a regular, modern, and revolutionary army, and developed from a unitary army into a strong composite army including the Navy, the Air Force, the strategic missile forces, and other technical arms. Today, the Chinese PLA has become a strong pillar of the people's democratic dictatorship, an important force defending the country's steel great wall and building the motherland, and an important factor in safeguarding world peace. Over the past 6 decades, the PLA has loyally struggled for the interests of the people, gone through numerous dangers and hazards, carried out struggles under extreme hardships and difficulties, made tremendous sacrifices for the people, the nation, and the motherland, and performed immortal feats!

Born in an old semifeudal and semicolonial China, our Army faced extraordinarily powerful enemies, met difficulties rarely witnessed in the world, and underwent extremely complicated struggles. Precisely because of this, in the course of its growth, expansion, development, and victory, this Army has also accumulated very rich experience and developed rich, fine traditions. The course of our Army's struggle is also one of forming and developing our Army's fine traditions. So then, what are the fundamental reasons for, and basic experiences of, the victory of our Army? In other words, what are our main

traditions? In light of what I have learned from my personal studies, I think there are the following points:

1. IT COMES FROM AND RELIES ON THE PEOPLE AND UNITES IN STRUGGLE FOR THE PEOPLE'S INTERESTS.

Unlike the armies of all exploiting classes, our Army is the people's own army. From the day it was founded, it declared that it would struggle for the Chinese worker and peasant masses. Later it again stipulated that the sole purpose of the Army is to "stand closely together with the Chinese people and to wholeheartedly serve the Chinese people." Over the past several decades, our Army has always regarded this as a criterion for all its actions. In old China, the people were subjected to the oppression and exploitation of the reactionary ruling classes and lived in an abyss of misery. Our Army fought bloody battles to win the liberation of the people. After the people had their own political power, our Army courageously fought for the security of the state and the people's peaceful labor and happy life. Ever since our country entered a new period centering on socialist modernization, our Army has again wholeheartedly made itself subordinate to the overall situation of state construction and consciously acted under this overall situation. It has not only reduced its size and economized on military expenditure, but also relinquished some airports, ports, and other military facilities and equipment, as well as a large number of human and material resources, to participate in the state economic construction. To safeguard the stability of our borders and the dignity of the motherland, our border guards fear neither hardships nor difficulties, ready to shed blood or make sacrifices. Particularly in the struggle to tackle earthquakes and floods, deal with emergencies, and put down fires, the PLA appears wherever there are difficulties, dangers, or hazards. The heroic acts displayed by the Army units taking part in putting down the recent catastrophic forest fires in Daxinganling are a vivid manifestation of the PLA's purpose of serving the people.

In line with this purpose, our Army is not only a fighting force but also a political force and a production corps; it not only fights in wars but also undertakes the task of carrying out mass work and production. In the war of resistance against Japan, although the struggle was ruthless and the conditions were hard, our Army extensively mobilized the masses, set up anti-Japanese democratic political power, launched mass production movements, and used their own hands to solve the problem of food and clothing. Today, to meet the needs of the state and the modernization of the Army, our Army diligently studies science and culture, trains competent people for military and civilian service, jointly builds socialist spiritual civilization with the masses of the people, takes an active part in key state projects, develops the Army's farm and sideline production, and shoulders the dual tasks of defending and building the motherland.

In line with this purpose, our Army has consistently upheld the principle of unity between the military and politics and between the Army and the people. The vast numbers of officers and men support the government, love the people, respect local cadres, observe in an exemplary way state laws and decrees,

strictly carry out the "Three Main Rules of Discipline and the Eight Points for Attention," voluntarily visit the local government and the people, modestly listen to their views, and learn from the people. They carry forward Lei Feng's spirit, safeguard the people's interests in all cases, show concern for the people's weal and woe, save the people from danger and disaster, and do good to the people. They take an active part in the work of beautifying the environment and greening the motherland, support the localities in developing public undertakings, jointly train competent people for the four modernizations, and help the impoverished areas develop production, get rid of poverty, and become prosperous. The Army loves the people and the latter support the former. The flesh-and-blood ties between the Army and the people have enabled our Army to be always in an invincible position.

2. IT PERSISTS IN INTEGRATING THE BASIC TENETS OF MARXISM WITH THE PRACTICE OF CHINA'S ARMED STRUGGLE AND ARMY-BUILDING.

The special feature of China's new democratic revolution is to oppose armed counterrevolution with armed revolution. In such a big semifeudal and semi-colonial oriental country, subjected to the ruthless oppression and rule of three big mountains, namely imperialism, feudalism, and bureaucrat capitalism, there were no ready-made answers to various questions, such as what path the people should take in their revolution, what kind of army we should build, what principle of army-building this Army should carry out, and what strategies and tactics it should adopt. What should we do? Our method was to seek instruction from Marxism-Leninism and reality, strive to integrate the basic tenets of Marxism-Leninism with the actual conditions in China's armed struggle and army-building, and constantly explore the law governing China's revolutionary struggle. Thereupon, we opened up a path of encircling the cities from the rural areas and eventually seizing the nation's political power, formulated a series of principles and policies on building the People's Army, worked out a whole set of strategies and tactics for the people's war, and developed Mao Zedong's military thinking with Chinese characteristics.

The great majority of the members of our Army came from among the peasants. They also fought and lived in the rural areas for a long time. What should we do to turn these revolutionary armed forces, with the peasants as the main body, into a new type of people's army, which had the character of the proletariat and strict discipline and maintained close links with the masses of the people? We succeeded in solving this problem by arming the cadres and soldiers with Marxism-Leninism, educating the Army units in the party's program, line, principles, and policies, enhancing their consciousness, strengthening their sense of organization and discipline, and overcoming various nonproletarian ideas that existed in the years immediately following the founding of the Army, such as the purely military viewpoint, putschism, the roving-rebel idea, absolute egalitarianism, extreme democracy, and individualism, so that our Army made a clean break with the old army of the exploiting class and became a brand-new army in Chinese history genuinely based on Marxism-Leninism.

Because of the extensive application of Marxism-Leninism-Mao Zedong Thought in army-building and fighting, our Army not only has advanced military ideas and strong combat effectiveness, capable of vanquishing better-equipped enemies with inferior weapons, but has also become a great school of communism. Here, thousands upon thousands of ordinary peasants, workers, students, and even slaves at the lowest stratum of society have gradually fostered the communist ideal, mastered dialectical and historical materialist stands, viewpoints, and methods, broadened their knowledge and skills, and become outstanding people in administering the party, Army, and state and useful people in the four modernizations program.

In the new historical period, we are using Marxism-Leninism-Mao Zedong Thought as a guide to observe and analyze the situation at home and abroad and to effect a strategic change in the guiding ideology for defense and army-building. In line with the conditions in our country and Army and on the basis of carrying forward fine traditions, we have conducted reform, brought forth new ideas, and initially succeeded in blazing a path to step up army-building centering on modernization. We strive to raise the level of national defense science and technology and achieve the modernization of our weaponry step by step and in a selective way; reform the staff structure and develop toward better troops, composite forces, and high efficiency; place education and training in a strategic position, improve the military and political quality of our officers and men, and bring up soldiers who have firm communist ideals and conviction and master modern military scientific knowledge and skills; in line with the principle of having both political integrity and ability, build a contingent of cadres who are more revolutionary, younger in average age, better educated, and more professionally competent; step up the building of reserve forces in order to integrate our crack regular forces with the powerful reserve forces; and, on the basis of upholding Mao Zedong's military thinking, step up the study and exploration of military thinking, theory, and so on. In this way, we can bring about a new look to our Army and strengthen our self-defense capability under modern warfare conditions. So long as we persist in integrating theory with practice and uphold the ideological line of seeking truth from facts, we will surely be able to fulfill the arduous task of building a modern, regular, and revolutionary army with Chinese characteristics.

3. IT CARRIES FORWARD THE SPIRIT OF MAKING REVOLUTION AND DEFYING DEATH, THE SPIRIT OF STRICTLY OBSERVING DISCIPLINE AND SELF-SACRIFICE, THE SPIRIT OF BEING SELFLESS AND BEING THE FIRST TO BEAR HARDSHIPS AND THE LAST TO ENJOY COMFORTS, AND THE SPIRIT OF CRUSHING ALL ENEMIES AND DIFFICULTIES, AND UPHOLDS THE SPIRIT OF REVOLUTIONARY OPTIMISM AND OF SURMOUNTING EVERY DIFFICULTY TO WIN VICTORY.

The "five revolutionary spirits" summarized and initiated by Chairman Deng Xiaoping of the Central Military Commission are our powerful spiritual force in winning victories in revolution and construction; they are also a powerful spiritual force for our Army. In the armed struggle lasting 22 years, our Army was mostly inferior in terms of numbers and weaponry. It was subjected to enemy blockades, partition, and encirclement for a long time and had to fight extremely frequent battles. It was so short of materials that for

every step forward in the revolution it had to pay a very high cost. According to statistics I have read, our Army lost over 760,000 people on the battlefields during the Northern Expedition, the 10 years of civil war, and the war of resistance against Japan; and over 1.04 million were wounded and over 260,000 died in our Army during the war of liberation. With all names listed for examination, these are probably conservative figures, but it is not known how many people died without leaving their names. However, even these figures are sufficient to show the ruthlessness of the struggle and the brave, indomitable, and sacrifice-defying spirit of our Army. In the war years, all people were mentally prepared for sacrifices, saying "those making revolution are not afraid of death and those who are afraid of death do not make revolution." The comrades deemed it the greatest glory to sacrifice themselves for the revolution. To this day, Army units still describe those laying down their lives for the revolution as being "crowned with glory." An army should have this revolutionary, death-defying, selfless, and self-sacrificing spirit. If it has this revolutionary spirit, it will try by every possible means to overcome all difficulties, no matter how unbearable they are, and have the heroic spirit to crush and wipe out all enemies, no matter how powerful they are. The revolutionary spirit of our Army also finds special expression in its capability to stand defeats and setbacks. The road of revolution has never been smooth. The twists and turns undergone by the Chinese revolution are rare in the history of the world. The failure of the great revolution can be counted as a setback, but it was precisely during the setback of the great revolution that our Army was founded. During the 25,000-li Long March we also sought survival in a hopeless situation. In the most arduous years of the war of resistance against Japan, subjected to the pincer attacks of the enemy, the puppets, and the diehards, we met such enormous difficulties that we had hardly anything to eat. However, by dint of the spirit of revolutionary optimism, of crushing all enemies and difficulties, and of surmounting all difficulties to win victories, our Army was always filled with confidence. The more we suffered setbacks, the more invigorated and resolute we were. As our fighting morale remained high, the great revolutionary flags continued to flutter in the breeze.

Viewed from historical experience, the "five revolutionary spirits" have been tempered in the course of struggle against difficulties, setbacks, and failures; they are also the source of our strength to overcome difficulties and setbacks and to score successes. The reason for the constant victories of our Army is that we always uphold and carry forward the "five revolutionary spirits." The more the revolutionary cause and the modernization program of our state and our Army develop, the better the conditions. However, it is impossible to completely avoid difficulties and complications. It is even more difficult to anticipate the difficulties we shall meet in wars under modern conditions. Therefore, we should carry forward the "five revolutionary spirits" not only on the battlefields but also in army-building and the implementation of all tasks in peacetime. If our Army loses its strong points, we may well say that it is no longer the people's Army. For this reason, under no circumstances should we discard the "five revolutionary spirits."

4. IT HAS AN INTERNAL RELATIONSHIP OF FRATERNAL UNITY BUILT ON A DEMOCRATIC BASIS AND GUARANTEED BY CONSCIOUS DISCIPLINE.

A great feature distinguishing our Army from the old one is that it has an internal relationship of fraternal unity. There is mutual respect, love, concern, and help between the officers and men and between the higher and lower levels; the troops, departments, and units voluntarily support one another and work in close coordination. With everyone bound together by ties of fraternal friendship, our Army has become a big, warm, revolutionary family.

Naturally, our Army was not like this at the beginning. In the years immediately following the founding of the Red Army, due to the influence of the old army, there existed in our Army methods of management and of leading troops characteristic of warlordism. The problem was systematically solved after it was put forward at the "Sanwan reorganization" that there should be equality between officers and men, that soldiers should not be beaten or scolded, and that corporal punishment should be abolished and, after the Gutian meeting stipulated the principles guiding internal relationships in the Red Army. In subsequent protracted revolutionary struggles, everyone came to realize through facts that to make revolution and win liberation, the proletariat had no other weapon than to unite in struggle. Therefore, they consciously developed and cherished this relationship. The soldiers respected the cadres and the latter loved the former. They united with and helped one another. After the liberation of the whole country, in light of the new conditions that emerged in the relationship between the officers and men in peacetime, it was advocated that officers should go down to the companies to serve in the ranks or to take up posts and that officers and men should practice "five togethers" (eating, living, working, drilling, and carrying out recreational activities together). The "eight prohibitions" (it is impermissible to beat and curse soldiers or give them corporal punishment, to accept gifts from soldiers, to infringe upon the soldiers' interests, to fine soldiers, to get drunk, to gamble, to read obscene articles, or to resort to deception) were also promulgated last year. All this has resulted in a constantly harmonious relationship between officers and men. Therefore, whether in the war years or in peacetime, the internal relationship of fraternal unity in our Army has been greatly consolidated. Nobody can possibly undermine this relationship.

Our relationship of fraternal unity has been built on the basis of full democracy. In the years immediately following the founding of the Army, Comrade Mao Zedong paid close attention to the question of democracy in the Army. He said: "In China, not only the people need democracy, the Army also needs democracy. The Army's democratic system will serve as an important weapon to destroy feudal mercenary troops." Our Army has consistently practiced "democracy in the three main fields," namely political, economic, and military democracy. Everyone, from the commander in chief down to the kitchen staff, is politically equal. The personal rights and characters of soldiers are respected. They have the right to supervise and criticize the higher authorities and to make suggestions on troop management and building; they handle messing arrangements and make the economic accounts known to the

public. Cadres are not allowed to infringe upon the soldiers' interests. In fighting, if conditions permit, a "meeting of Zhuge Liangs" [a meeting to pool the wisdom of the collective] will be held, at which the soldiers are encouraged to offer advice and to study the methods of fighting. After the fighting is over, a meeting will again be held to assess the commands, courage, tactics, and skills. In educational training, the officers and men teach one another, assess one another's teaching and studying, and launch public appraisal competitions and technological renovation activities. In this way, we have not only fully mobilized the enthusiasm, initiative, and creativity of the cadres and soldiers, but also forged closer relationships between the upper and lower levels and between the officers and men, thus laying a solid foundation for unity within the Army. Now that the officers and men have raised their cultural levels and enhanced their democratic consciousness, democracy in the Army should be more satisfactorily carried forward on the basis of ensuring centralism and unification.

The relationship of fraternal unity in our Army is also guaranteed by conscious discipline. The strict discipline of our Army is known all over the world. This is because our Army has stipulated strict discipline, including military, political, organizational, mass, and financial discipline, and because the vast numbers of our commanders and fighters have a high level of political consciousness, understand the importance of observing discipline, firmly implement the instructions of the higher authorities, and strictly enforce orders and prohibitions. In the war years, we sometimes had to wage mobile warfare, marching or retreating long distances, but no unit turned a deaf ear to orders. However great the sacrifices an area had to suffer, it should ensure the fulfillment of central strategic decisions. In peacetime, we attach special importance to the strict administration of the Army and call on the troops to step up the building of legality and discipline and to popularize education in law and discipline. We also call for strict management according to rules and regulations and prevent relaxation of efforts. The iron discipline based on self-consciousness ensures a high degree of centralism and unification on the part of our Army. In the face of difficulties and enemies, we have a strong cohesive force and press forward with one heart and one mind and with an indomitable will. Therefore, we can stand the test of any storms.

5. IT HAS THE STRONG LEADERSHIP OF THE CPC AND EFFECTIVE IDEOLOGICAL AND POLITICAL WORK.

The party's leadership over the Army is our Army's fundamental principle in army-building. We have paid for this principle in blood. Why did the first great revolution fail? A very important reason is that we did not have the people's armed forces directly commanded by the party. The reason for the success of the Chinese revolution is precisely that the party founded and led a people's army. And the fundamental reason for our Army's growing from small to large and winning one victory after another is the party's strong leadership. If we just look back into the past, we can see that whenever the party's leadership over the Army was weakened or undermined, the revolutionary cause would suffer major setbacks. By plotting to split the party and the Army in a vain attempt to usurp the party and the Army, Zhang Guotao

and Lin Biao caused tremendous losses to the revolutionary cause. One of our most valuable lessons in army-building in the past several decades is to uphold the principle of the party's leadership over the Army.

To uphold the party's leadership over the Army, from the day it was founded, a series of systems was gradually instituted and amplified in our Army to ensure the party's leadership over the Army, such as the "establishment of party branches in the companies," the party committee system, and the political work system. Unconditional subordination to the command of the CPC Central Committee and resolute implementation of the party's line, principles, and policies, however, are the core of adherence to the party's leadership. The slogan "we shall fight where the party directs us to" is familiar to almost everyone. At any time, so long as the party Central Committee issues the order, thousands upon thousands of horses and soldiers will immediately go into action. During the liberation war, all the big campaigns were conducted with the coordination of troops in several big strategic regions. Several hundred thousand soldiers and horses acted in such unison and worked in such close coordination because they resolutely obeyed the unified command of the party Central Committee. During the present streamlining of the Army's organization, which began in 1985, the vast numbers of commanders and fighters have displayed the Army's strong party character of obeying the party's commands and have maintained a high degree of political unanimity with the party Central Committee by resolutely implementing the central policy decision, abolishing or amalgamating units, and leaving or staying as instructed.

Since the founding of the PRC, our Army has become the armed forces of the state. But the fundamental principle of the party's leadership over the Army has not changed. Of course, historically speaking, the party's leadership over the Army has constantly improved with the developments and changes in the situation. At present, our country's reform is being conducted in a deep-going way, and the Army's reform should also be deepened in various fields. The question of how to strengthen and improve the party's leadership over the Army should be constantly studied and solved in our practice.

The party's leadership over the Army finds concentrated expression in the fact that the party has instituted a system of political work in the Army. We have always regarded revolutionary political work as the lifeblood of the people's Army. Through constant practice and summation, the party has instituted a series of policies, principles, and systems of political work in the Army. Rich in content, they have made new headway at every revolutionary stage. Political work in the Army represents the party's mass work in the Army. Its basic point is to follow the mass line, fully rely on and mobilize the masses, respect the pioneering spirit of the masses, and arouse to the maximum degree the revolutionary spirit and initiative latent in the masses. It is precisely this powerful political work which is closely integrated with the masses that ensures, politically, ideologically, and organizationally, the party's leadership over the Army and the nature of the people's Army; the implementation of the party's line, principles, and policies, and the orders and directives of the higher authorities; the unity of the Army and the unity between the Army and the government and between the Army and the people; the enhancement of the Army's combat effectiveness; and the

fulfillment of all tasks. Since the 3d Plenary Session of the 11th CPC Central Committee, by setting political work to rights we have rectified the guiding idea and brought into full play the role of political work as a service or a guarantee. We have thus restored the prestige of political work and introduced many innovations in the content, methods, and means of political work. In the new historical period, political work should still be constantly reformed, improved, and strengthened; on no account should it be weakened.

The above-mentioned fine traditions are the crystallization of the rich experience gained over the past 6 decades by our Army under the leadership of the party. They are the outcome of the integration of Marxism-Leninism with China's revolutionary practice and army-building; a manifestation of the fundamental nature of the people's Army and the fundamental policies and principles of army-building; and the genuine strong points of our Army. They are both the fine traditions of our Army and an important component of the party's fine traditions. The Army's fine traditions were, and still are, an important magic weapon for the victory of our revolutionary cause.

Today, having entered a new historical period, our country is facing a new historical task. We should uphold the four cardinal principles and the general principles and policies of reform, opening up, and invigorating the economy, build socialism with Chinese characteristics, and strive to make our country comparatively prosperous by the end of this century and to raise our economy to the level of moderately developed countries in the world by the middle of the next century. To adapt itself to the development of the situation, our Army should constantly raise the level of revolutionization, modernization, and regularization. This is both a grand and an arduous strategic task. Long-standing efforts should be made to fulfill this strategic task. It can be said that an indispensable condition for the achievement of this objective is to carry forward and develop the fine traditions of our party and our Army from one generation to another.

Having developed under the guidance of the communist ideological system, the above-mentioned fine traditions of our Army have strong vitality. Some people look upon our fine traditions as an outdated thing or a burden. This shows a lack of analysis and is quite incorrect. Our current historical conditions and the task we are undertaking today are much different from what they were in the war years. But the nature of the people's Army in our socialist state does not change, nor does the historic mission of building socialism and communism. Therefore, the above-mentioned fine traditions, reflecting the spirit of the times, are not, and will never become, outdated. Some people say that wholehearted service to the people is an "old concept." In our view, it precisely reflects the communist world outlook and the core of the outlook on life in the new era. It is necessary to vigorously advocate this new concept. There are also people saying that hard struggle is "unfashionable" now. In fact, hard struggle is the true quality of our revolutionaries and pioneers and is a powerful spiritual force to defeat the enemy, overcome difficulties, and win victories. If an army does not have this spirit, how can it have any combat effectiveness! If a country or nation does not have this spirit, how can it forge ahead, blaze new trails,

invigorate itself, and develop! How can it build socialism and communism! Naturally, we do not mean that in carrying forward the fine traditions we should mechanically copy previous practice. Traditions should also be developed. In light of the new historical conditions, we should invent new forms and supply new content in the course of reform. It will not do for us not to conduct reform and blaze new trails. If we do not conduct reform, it will be impossible to uphold and carry forward the traditions, and the traditions will not have any vitality. The basic principles and revolutionary spirit contained in our fine traditions do not change, but their specific content and form should be constantly enriched, improved, and developed in practice. An important topic of army-building in the new period is how to flexibly combine the development of the fine traditions with blazing new trails.

Due to the long-standing influence of "leftism," and especially the perverse acts of the Lin Biao and Jiang Qing counterrevolutionary cliques, our fine traditions were subjected to great destruction. Everyone was distressed by this. Since the 3d Plenary Session of the 11th CPC Central Committee, our party and our Army have put in a lot of effort and adopted numerous methods to restore and carry forward these traditions. The effect is remarkable. We should also note, however, that to genuinely carry forward and enhance these fine traditions, which have been paid for in blood and have stood the test of history, a lot of work should still be done. First, it is necessary to step up education in the fine traditions of our party and Army. This is a very practical education in the basic tenets of Marxism. We should regard it as an important task in ideological and political work and a basic item in political education and put it on a regular and systematic basis.

The key to carrying forward and developing the fine traditions lies with leading cadres at all levels, particularly senior leading cadres, who should set an example by their fine style of work. The fact that leaders set an example is in itself a fine tradition of ours and can most easily produce the desired effect. The old comrades who have gone through the revolutionary war years are the creators of, and the people practicing, fine traditions. They have the historical responsibility of passing on experience, giving help, and setting an example. If the old comrades can set a fine example, they will certainly be able to foster a fine style of work. It is necessary to integrate the development of the fine traditions with the rectification of party work style and unhealthy practices, to resolutely curb various evil trends, such as pursuing the interests of one's own group at the expense of the large collective, taking advantage of one's power and position to seek private gain, spending and wasting freely, practicing bureaucratism, and resorting to deception, and to make up one's mind to develop healthy practices. When new cadres are promoted, it is necessary to set a demand on them, that is, that they should succeed to the fine traditions. It should be noted that, with the old comrades gradually withdrawing from leading posts, the historical task of carrying forward and developing the fine traditions falls on the shoulders of young and middle-aged cadres. The young and middle-aged cadres should study, understand, and practice the traditions well. They should serve as a connecting link between the preceding and the following, carry forward the

revolutionary cause, and forge ahead into the future. So long as the old and new cadres and the whole Army cherish, safeguard, and develop our fine traditions, we will certainly be able to push the modernization program of our Army to a new stage.

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RECALLING THE HISTORY OF OUR ARMY IN ITS INITIAL STAGE

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 pp 9-13

[Article by Xiao Ke [5135 0344]]

[Text] This 1 August marks the 60th anniversary of the founding of the People's Army led by our party.

Following the defeat in 1927 of the great revolution launched jointly by the Kuomintang and the Communist Party of China, our party took to independently leading an armed revolutionary struggle and thus began a new period leading to the establishment of the People's Army. This major revolutionary turning point naturally gave rise to a wealth of historical experience and lessons. Looking back 60 years later, one is also naturally led to reflect on the history of our Army's creation and its victories.

The Glorious Tradition of China's Peasant Wars and the Inspirations Drawn From These Fighting Experiences

After the establishment of the CPC, many party leaders in their revolutionary endeavors endlessly summed up experiences from international proletarian revolutions and from China's revolutions in order to explore the question of armed struggle. Beginning in 1922, they put forward in some party journals the proposal of taking control of arms and establishing an army, saying that "China's nationalist revolution also requires the organization of our own people's armed forces to achieve absolute victory," "without a revolutionary army, the warlords cannot be defeated," and "the revolutionary army we want is an army that has class consciousness, upholds the interests of its class, and adheres to a revolutionary ideology." After the unification of Guangdong and the Northern Expedition, the party acquired greater understanding of military issues. In the struggle to resist Chen Duxiu's "right" opportunism, it decided to launch the Nanchang Uprising; by the time of the "7 August" meeting, the ideology was more distinct. At the "7 August" meeting, Comrade Mao Zedong pointed out: "It is imperative to pay very close attention to military affairs in the future. It is necessary to know that political power grows out of the barrel of a gun." The espousal of this thesis showed that our party had reached a new height in ideological and theoretical understanding of the armed struggle issue.

When Marxist military theories spread to China, they were quickly accepted by the progressive elements in the country. Aside from the fundamental factor of the people clamoring for revolution, a clamor which was determined by the semifeudal, semicolonial nature of society, there was another important factor: The Chinese nation's glorious tradition of more than a thousand years of peasant wars had provided the communists with historical inspiration. Starting from the Chen Sheng and Wu Guang-led peasant uprising, an endless string of peasant wars took place. Particularly in modern times, the Taiping Heavenly Kingdom, the Nian army, the Yihetuan movement, and the 1911 revolution all erupted with full force and took place one after another. These uprisings and revolutionary movements revealed a truth to the people: To revolt, it is necessary to organize an army and carry on armed struggle. It was on such grounds where the early leaders of the party grew up and whence they directly and indirectly drew their inspiration. I once heard the old Marshal Zhu recount that he had first contemplated "saving the country through education" but later realized that only by engaging in armed movements can there be a way out. So, he did not hesitate to trek thousands of miles to enter the Yunnan Military Academy. Liu Bocheng and other comrades were similarly inspired to renounce the pen for the sword. During the period of the great revolution, many progressive youth came to Guangzhou with the idea of finding a way out through the barrel of a gun, and a frequent subject of their discussions was the engaging of military action. It can be seen that the young people at that time already realized that the imperialists and the warlords had guns and that the only way to overthrow them was to take up arms as well.

The Chinese communists learned many things from the history of revolutionary struggles against exploitation and oppression: One is the dauntless spirit and noble sentiment of dedicating oneself to a just cause. In particular, the deeds of the heroes in modern Chinese revolutions were heart-moving and soul-stirring. The stories of the 72 martyrs of Huanghuagang with a preface by Sun Yat-sen wielded great influence. Tears often came to my eyes each time I read this book. Two is the patterns of wars and army organizations through the years, notably the independent regimes and guerrilla tactics in peasant wars, which provided the Chinese communists with rich inspirations. The Chinese revolution's new path of encircling the cities from rural areas and its subsequent entry in the annals of history are inseparable from these historical experiences. Three is the numerous military scientists and military affairs books in Chinese history--whether Sunzi of ancient times or Cai Songbo of the modern age, as well as the legends and stories on military activities. Their strategies, tactics, and ideologies had vital influence on the Chinese communists.

It should be pointed out that while the Chinese nation is endowed with fine traditions of revolt and experiences in fighting, it was only under the guidance of Marxism that these were correctly summed up and allowed to play a positive role. Without the integration of Marxism and the concrete realities in Chinese revolution, China's revolution would not have succeeded. The failures of peasant wars in history prove this point.

Accumulation of Experiences in Army Building During the First Period of KMT-CPC Cooperation

At a time when the Chinese communists were exploring a revolutionary path in China, the KMT headed by Sun Yat-sen decided to cooperate with the CPC. The first major event following the cooperation was the joint establishment of a revolutionary army. In the course of creating this revolutionary army, the Chinese communists accumulated a considerable amount of experience.

The administration of an army would first require the administration of a school--this was the first experience in the KMT-CPC's joint establishment of an army. Sun Yat-sen had long recognized the importance of an army and paid close attention to managing it well. However, the southern armies on which he had relied for many years largely looked after their own interests and alternately supported or opposed him from time to time; even if they supported him, they did not adhere to military discipline and engaged in all sorts of malpractices such as smoking opium, extortion, and gambling and it was impossible to develop the areas under their jurisdiction. These facts plus the influence of the Soviet Union made him gradually realize the need to establish a new type of revolutionary army. In the autumn of 1923, he sent the "Dr Sun Yat-sen delegation" which included communist Zhang Tailei to the Soviet Union to observe military, political, and party affairs and to derive lessons on formation of a revolutionary army and training of revolutionary military officers. It was then decided to set up the Whampoa Army Officers' School. After the founding of the military academy, Sun Yat-sen assumed the prime ministership and personally formulated the military academy's motto of "sincerity and solidarity." He also visited the school frequently and gave talks. Most of the leaders of this military academy jointly set up by the KMT and CPC were important KMT figures such as Liao Zhongkai and Chiang Kai-shek. The CPC representative Zhou Enlai was director of the political department, while other communists such as Nie Rongzhen, Yun Daiying, Zhang Qiuren, and Xiao Chunyu also worked at one time or another at the military academy. Later, our party also helped Feng Yuxiang establish the Zhongshan Military Academy in the north and opened the Sanmin Military Officers' School in Yang Hucheng's command. With communist assistance, under the guidance of Soviet advisers and in accordance with the experience of the Soviet Red Army, these schools set up political departments, appointed party representatives, and formulated the system of political work. They trained a large batch of qualified military and political personnel for the revolutionary army, many of whom later became founders and the nucleus of the Workers and Peasants' Red Army. This experience of first administering a school in order to better administer an army was inherited and developed by our party and became an important factor for the success of the Chinese revolution.

Another experience was paying attention to building an army by political means. In his talks with British journalist Bertram in 1937, Mao Zedong said: "At that time, a party representative was named and a political department set up in the Army. This system had never existed before in Chinese history, and with this system, the Army was given a new face. The post-1927 Red Army and today's 8th Route Army all inherited and further

developed this system." ("Selected Works of Mao Zedong," Vol 2, p 351) This statement outlined the principal experience in Army building of the time. Even though this new system was still in its embryonic stage, it was indeed a major revolution in China's military system. The establishment of party organizations within the Army; setting up of political organs; appointment of political workers to the Army; using the party's ideology, theories, and policies to arm the troops, to conduct propaganda work among the people and organize them, to divide and disintegrate the enemy forces, as well as having political workers set an example and play the role of vanguard model--all were questions of principles in the building of the Army. Then and now, they always exerted an enormous impact. It should also be pointed out that this kind of political work and its system were primarily set up and headed by cadres sent by our party. Their fundamental guidelines, principles, and concrete contents were drawn up under the auspices and with the participation of the Communist Party members. Thus, they were better able to manifest the ideology and demands of the revolution, and even to the present day, they still possess important realistic significance.

In addition, during the setting up of the Army jointly by the KMT and CPC, and subsequently during the eastern march and the Northern Expedition, the CPC members were directly and indirectly tempered in various aspects as leading, drilling, and commanding an army, were tested, and gained experience. From the battle history during the first period of KMT-CPC cooperation, it would be noted that forces that fought well often had Communist Party members in the leadership. The battle experiences would play an important role in the early successes of the Red Army against the KMT forces' complete "encirclements."

The Policies and Leadership of the CPC Central Committee Opened a New Age in Army Building

Even though our party in its early days did not have sufficient understanding of military work, as in other historical periods, through the efforts of comrades with comparatively more correct thinking in the party, the party Central Committee in October 1925 proposed the creation of a Central Committee Military Commission in order to strengthen the party's military work. Not long after, the Military Department of the CPC Central Committee was formally established. As early as in the spring of 1925, the party regional district of Guangdong and Guangxi had already begun setting up a military department, and under the leadership of Zhou Enlai, it effectively carried out its work. In the north, Li Dazhao sent Xuan Xiafu to work in the command of Feng Yuxiang. At that time, the party Central Committee paid close attention to the training of military cadres and sent a large batch of party and CYL members to study military science in the Whampoa Military Academy or abroad. The party's military machineries were also set up in many areas and they carried out large amounts of work. The CPC Jiangsu-Zhejiang military commission and Chongqing military commission led the Shanghai workers' uprising and Lusun uprising, respectively. The creation of an organ in charge of military affairs in the party signified the great importance attached by the party to military work.

During this period, while some incorrect opinions within the party had at one time affected the progress of military work, many party members and organizations continued to act on their own initiative and conducted work in some other areas. For instance, Zhou Enlai sent party members Zhao Zixuan, Xu Chengzhang, and Liao Qianwu to take up posts at the armored motorcade of Sun Yat-sen's supreme headquarters, and using this as the base, the Ye Ting independent regiment was formed the following year. This gave our party the first armed forces under its direct control. Zhang Yunyi once told me that at the end of the war against a faction of the northern warlords in Henan, Ye Ting asked him to look up Zhang Fagui and recommend party member Lu Deming as commander of the 2d Front Army's guards regiment, thus enabling this regiment to take part in the autumn harvest uprising. Before the Nanchang uprising, I once heard party group leader Liao Kuaihu narrate that the party at that time already controlled a considerable segment of the Army, including six regiments and the guards regiment under Zhang Fagui's command, the 2d Regiment in Chen Qian's command, approximately one regiment from the Central Military and Political School, as well as the armed forces in the public security bureau and the peasants training center. Most of these forces would later take part in the uprising and become the backbone of the Chinese Workers and Peasants' Red Army.

At the crucial moment when Chiang Kai-shek and Wang Jingwei turned against the revolution, the party launched successively the Nanchang uprising, the autumn harvest uprising, and the Guangzhou uprising and made land reform and armed revolt against the KMT the party's primary tasks. Some principal responsible comrades of the party Central Committee went to various places to personally direct the uprisings, while a majority of the leaders in the Political Bureau almost all went to the frontline. At that time, as long as there was a party organization, its main task was to organize armed insurrection and conscientiously carry out activities. For a while, armed rebellions sprouted everywhere. While many of these were either suppressed or defeated, they retaliated against the insane massacres and attacks of the KMT reactionaries, gathered together the revolutionary forces, and played a key role in the establishment of the Red Army and of the rural revolutionary base areas. This illustrates that without the brilliant and resolute decision of the party Central Committee, the founding of the Red Army could not have been possible.

At a time when insurrections were breaking out all over and the People's Army was in an embryonic stage, the party Central Committee provided prompt guidance on the concrete work involved in the building of the Army. During the Nanchang uprising, the Army was still known as the Nationalist Revolutionary Army--the same as during the period of KMT-CPC cooperation. Not long after, the party Central Committee called for the "formation of a workers and peasants' revolutionary army," and after the Guangzhou uprising, it was decided that the name be changed to the Red Army. Important military structures and regulations were also gradually formulated on instructions of the Central Committee. For instance, the system of political work and party representative was installed, soldiers' salary remuneration in silver was abolished, and instead, all provisions were provided by the organization and allowances issued, forces were organized according to the "tripartite system," and so on. The military report given by Zhou Enlai and approved by the

Sixth CPC in 1928 stipulated that the Red Army should replace the mercenary system with the volunteer system in its recruitment of men, strengthen political work and reinforce the party's leadership, mingle with the workers and peasants, and arm these people. In its September 1929 letter to the Red 4th Army, the Central Committee clearly outlined the fundamental task of the Red Army: Arouse the masses to struggle, implement land reform, and set up a soviet regime; carry out guerrilla warfare, arm the peasants, and expand its own organization; expand the guerrilla areas and their political influence to all over the country. These opinions of the Central Committee provided guidance to the Red Army commands in every soviet area around the country. At the same time, the Central Committee also summed up and facilitated exchanges on the experiences of the various base areas' armed struggles and their Army building endeavors, opened military training classes, and trained and dispatched batch after batch of key cadres to soviet areas and Red Armies or to conduct propaganda work within the KMT forces. In January 1930, the Military Department of the Central Committee held a meeting and decided to unify the designation and classification of Red Armies all over the country. Not long after, it organized Army regiments according to regions. This work by the Central Committee played a major role in intensifying armed struggle in various places and in fostering the growth of the Red Army.

Various Red Army Commands Explore Together the Path in Army Building

Not a few problems had to be resolved on how to build a people's army that would meet the demands of the revolutionary war. During this period, aside from the guidance of the Central Committee, the leaders of the different Red Army commands made full play of subjective activity and sought as well as gained many valuable experiences in the course of actual practice.

For instance, the question of how to strengthen the party's leadership over the Army. During the great revolution period, our party first set up a special branch in the Whampoa Military Academy and initiated a direct attempt to establish party leadership over the Army. Later, some useful experiences were also acquired in the Ye Ting independent regiment. At that time, party general branches were formed in regiments, special branches in battalions, and groups in companies. The presence of party organizations in the Army enhanced the party's leadership and influence over the Army. In the early days of the Red Army, the majority of the soldiers were peasants or came over from the Northern Expeditionary Army and other forces. How to ensure the party's leadership over the Army organizationally, how to ensure that the party's ideological line, guidelines, and principles would be thoroughly implemented--the key lay in building up the organization. Mao Zedong, Zhu De, and Chen Yi took note of the problem almost simultaneously. During the reorganization in Sanwan, Mao Zedong began setting up party organizations at all levels, with party branches in companies, party committees in battalions and regiments, and party representatives for companies and all levels up. On the other hand, while carrying out reorganization at Dayu, Zhu De and Chen Yi renewed registrations of party and CYL members, reformed party and CYL organizations, formed party branches, and assigned some party and CYL members to different companies in order to reinforce party work at the grass-roots level. The other Red Army commands subsequently took note of this problem.

The goals and tasks in the establishment of the Red Army were also of common concern to and gradually understood by the Red Army leaders in different base areas. In the Hubei-Henan-Anhui base area, the "Resolution on the Military Issues of the Hubei-Henan Border Area" drafted by Xu Xiangqun and others advanced that the task of the Red Army was to arouse and assist the people in carrying out struggles, implement land reform, seize arms from the reactionaries, and defend and expand the soviet areas. In accordance with the Central Committee's "September letter," the Zhu-Mao Red Army integrated the goals and tasks of Army building and stipulated that aside from fighting, the Army was to become an armed group with numerous responsibilities such as conducting propaganda among the people, organizing the masses, arming and helping them establish a revolutionary regime, as well as setting up the Communist Party organizations.

As for political work, strategies, tactics, and ideology, each Red Army command had its own creation. It could be recalled that when the Red 4th Army arrived at the Donggu base area headed by Li Wenlin and saw the strong political work in the Red Army's 2d and 4th Regiments, it was particularly impressed and greatly enlightened by their constantly moving guerrilla warfare and pattern of independent fighting and regimes. Mao Zedong once praised the base area and called it a Li Wenlin-type base area.

In the various Red Army commands' explorations in the building of a revolutionary army, the Zhu-Mao Red Army was the more comprehensive, more systematic, and more successful. As far as enhancing party leadership over the Army, launching political work, fostering democracy, and strict discipline were concerned, it had formulated a more systematic set of theories and methods. By crystallizing the wisdom of the people and proceeding from China's national realities, Mao Zedong provided the principal contributions in the actual formation and guidance of a new type of people's army. Based on the spirit of the instructions of the Central Committee's "September letter," he, along with Zhu De, Chen Yi, and other Red 4th Army leaders, jointly drafted the "Gutian meeting" resolution. The resolution systematically settled the issue of how to build a new type of people's army of proletarian character and under CPC leadership and was the first programmatic document on the building of the Red Army.

As one of the earliest military leaders and founders of the People's Army, Zhou Enlai did much in the building of a people's army. In directing the Red 4th Army, he was thorough, meticulous, resolute, and his ideas more correct. After the Red 4th Army sent Chen Yi to the Central Committee and Zhou Enlai had heard its report, Zhou indicated that the Central Committee wanted Mao Zedong to continue as secretary of the Red 4th Army's frontline committee, and forwarded a long letter to the Army. The letter came to be known as the "September letter" and provided the basis for the materialization of the "Gutian meeting" resolution. More important, using the name of the Central Military Commission, Zhou Enlai introduced the experience of the Zhu-Mao Red Army and enabled the various Red Army commands to be influenced by the Zhu-Mao Red Army's building ideology.

Owing precisely to the different Red Army commands' actual explorations, innovations, experiences, and lessons, and their being reflected promptly to the Central Committee and introduction to concerned units, the Chinese communists represented by Mao Zedong were able to correctly sum up the experiences in building a people's army, and trek a Chinese-style path in the building of an army.

Historical Experiences From the Early Days of Our Army

Looking back to the early days of our Army, the valuable experiences were primarily the following:

First, only under leadership of the party can our Army stand invincible. This truth has been proved in the 60 years of existence of our Army. Established and developed by the party in accordance with the revolutionary tasks, the Army is a tool of the party. For the Army to maintain its proletarian character and have a firm political direction and lofty revolutionary goals, it is necessary to uphold the party's absolute leadership over the Army. The fundamental reason behind the successive failures of the countless peasant rebellions that broke out in modern Chinese history was the absence of the leadership of an advanced political party. The history of our Army has also proved that the Army exists only if there is the party; as long as the party leadership is firm and its policies correct, victories are assured; even if it were not victorious, it would not collapse, and even if it temporarily disintegrated, it would be rebuilt and attain final victory. Following the defeat of the Nanchang uprising, some of the forces with party organizations moved to Hailufeng, where they participated in local insurrections, while others transferred to southern Hunan, where they staged a comeback not long after. In the 6th Regiment where I was, two groups were separated from the main forces by the enemies during the march to the west. The reason they were able to reunite with the main force was due to the presence of party organizations within the troops as well as the revolutionary ideals of the fighters and commanders. There were many similar incidents in the Red Army's battles. The Long March of the various Red Army commands was extremely arduous and the forces were all ill-prepared, yet they all made it. On what did they rely? The most fundamental factor was the party's leadership.

Second, adherence to the Marxist line of seeking truth from facts and of inheriting it and making innovations. Our revolutionary cause is guided by Marxism, but in carrying it out on this land that is China, it is imperative to integrate it with China's concrete conditions. In the early days of our Army, with regard to historical traditions, our Army did not reject or copy them entirely. Instead, it inherited them, but at the same time, innovated and developed them. We inherited the fine traditions of the Northern Expeditionary Army, fostered the revolutionary spirit of the Taiping Heavenly Kingdom, and improved upon and adopted the excellent ideology of the ancient Chinese peasant insurrectionary army. We even absorbed some of the rational elements in the guerrilla tactics of Jinggangshan's mountain king, Zhu the deaf one. Our Army's idea of independent regimes and guerrilla tactics were adapted and developed from the traditions of China's peasant wars. Renovation on the basis of inheriting the old is the law in the development of all things

past and present, foreign and Chinese. Only by fully knowing and understanding traditions can there be renovation. And renovation itself requires the ideological line of seeking truth from facts. During the early days of our Army, after the failures of urban uprisings and the loss of fighting capital, all that was left was to go to the countryside and establish armed independent regimes and take to the path of encircling the cities from rural areas in order to seize political power. This was the creation fashioned from conditions including the majority status of Chinese peasants in the country's population and the fine tradition of peasant wars in history. History has shown that only this kind of creation and renovation possesses vigor and vitality. Hence, renovation cannot be separated from the Marxist ideological line of seeking truth from facts.

Third, respect for knowledge and talent. This is not only an experience from history, but also a fine tradition of our party and our Army. Recalling the early days of our Army, most of the leaders of the various Red Army commands had a revolutionary stand, comparatively rich textbook or practical military knowledge, and played an enormous role in the building of our Army. Because they knew the importance of knowledge and talent, they vigorously trained cadres and talented personnel in the early days of the Army. Following the defeat of the great revolution and under extremely difficult conditions, the party continued to send large batches of cadres to study in the Soviet Union. It continued to operate teaching teams in the base areas, had schools attached to battalions, and opened Red Army schools and even a Red Army university. The need for talented people was also reflected in respect for knowledge. Emancipated and educated military officers were often appointed as teachers. Within the forces, except for some periods under the leadership of the "left," all those who were literate, educated, and had comparatively good track records were put to proper use. Military books from ancient times, modern warfare books and teaching materials, and books on the experience of the Soviet Army were collected and kept for the Army's use. While the correctness of guidelines and policies was one reason behind the Red 4th Army being able to launch large-scale guerrilla warfare and establish a base area in Hunan, Jiangxi, and Fujian within 2 or 3 years' time, another factor was due to the large batch of revolutionary intellectuals who served as cadres at all levels.

Our courageous People's Army has come through 60 glorious years, won impressive wars, accumulated vast experiences, gained the sincere love and support of the people, and became the great wall of steel of socialist China. During this festive day commemorating the "1 August" Day, I profoundly cherish the memories of the leaders, colleagues, and comrades who gave their lives for the creation, growth, and expansion of our Army. Their brilliant achievements and dauntless spirit live forever in the hearts of the people. We should carry on the behest of our martyrs, promote the excellent traditions of our Army, uphold the four cardinal principles, and make greater contributions to socialist modernization and construction under new conditions.

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CONSOLIDATE AND DEVELOP A NEW TYPE OF ARMY-GOVERNMENT AND ARMY-PEOPLE
RELATIONSHIP

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 pp 14-17

[Article by Wang Fang [3769 5364], Li Qing [7812 3237], and Liu Xinzeng [0491
2450 1073]]

[Text] China has entered a new historical period. The change in the situation has given rise to some new problems and conditions in the Army-government and Army-people relationship. Both the Army and locality of Zhejiang made a study of these new problems and conditions and held that the following matters deserve attention:

First, the different views on the position and role of the Army. Owing to the long-term peace environment and large-scale troop reduction, on the one hand, some comrades lack the national defense sense that "there will be no peace and stability without the Army." They feel that the Army is no longer important and even think that "the less the better" since a war will not break out within the next 15 to 20 years. On the other hand, some comrades have not yet extricated themselves from combat readiness. They still use the conditions of war years and combat readiness to judge the support and concern given by the locality to the Army. The difference in understanding will objectively produce a negative effect on the Army-government and Army-people relationship.

Second, disharmony in the handling of interests and requirements of each respect. For example, the Army expects the demobilized soldiers and cadres transferred to civilian work and their dependents to be properly settled, while some local departments insist on their own difficulties. The course of local economic development will at times involve certain concrete problems such as the opening up of military restricted areas, dual civilian/military use of war preparedness facilities, and the transfer of technological results. Due to the specific characteristics of military work, it is usually difficult to satisfy all the requirements of the locality. If these problems are not properly handled, they will easily lead to misunderstanding and estrangement.

Third, the "relationship between the host and guest" has become less of an issue. In the past, the Army often had to move from one place to another to perform operational duties. Wherever the Army reached, it attached great importance to the Army-government and Army-people relationship and respected

the local government and masses like its host. In turn, the local government and masses warmly treated the Army like guests. In times of peace, our forces are usually stationed at a certain locality for 10 to 20 years or even longer. In addition, the organs of the provincial military districts and subdistricts are set up in cities. As time passes, the "relationship between host and guest" becomes one between "neighbors." Consequently, they have fewer taboos and their sense of self-restraint becomes blunted. In social relations with the locality, some comrades are fond of doing things on a reciprocal basis such as province versus Army, prefecture versus division, and county versus regiment. When dealing with problems, they put on airs and are sometimes overbearing. Some pay attention merely to their relations with the local government and fail to respect the masses. Some comrades of the locality have consciously or unconsciously fostered the idea of disrespecting the Army because they think that the Army will seek help from the locality in everything in times of peace.

The new problems and conditions in the Army-government and Army-people relationship exist objectively. Both the Army and locality should face and also seek ways to resolve them. Only by so doing can we consolidate and develop the newly established Army-government and Army-people relationship. We have gained the following experience through practice over the years:

First, ideologically, it is necessary to regard the profound significance of unity between the Army and government and between the Army and people from the high plane of strategy.

The relations between the Army and government and between the Army and people in the new period are the specific reflection of the relations between economic construction and national defense construction. Therefore, proper handling of these relations will have an important bearing on the harmonious relations between the Army, government, and people as well as the prosperity of the nation, long-term stability of the state, and smooth realization of the modernization program. In Zhejiang, the local areas have fostered the concept of "there will be no peace and stability without the Army," while the Army has enhanced the idea of "making the people prosperous and building up the armed forces." Leading cadres at all levels of the locality made use of every opportunity to conduct propaganda work to enable the masses to understand that the officers and men of the Army stationed on the islands, deep mountains, and remote areas of Zhejiang are protecting the people's security day and night under extremely difficult conditions. They have given up their economic, material, and cultural enjoyment, comfortable family life, and personal interests and have even dedicated their lives. It is precisely their magnificent feats of shedding blood for the four modernizations and the self-sacrificial spirit of contributing to the modernization program at their posts without attracting public attention that have created a peaceful and tranquil environment for Zhejiang's prosperity. Facts have enabled the people to understand that an army was necessary to seize political power during the war years. In times of peace, an army is also necessary to carry out socialist revolution and construction. Our Army is a great wall of steel guarding the motherland and also an essential force for building the country. The Army also took note of conscientiously conducting education in the purpose of the

Army under the new situation to enable officers and men to understand that people's war is our magic weapon to conquer all enemies whether in the past, at present, or in the future. In the current modernization program and the modernization of national defense reserve forces, the Army cannot in the slightest degree deviate from the people. The replacement of arms equipment of the Army should be based on the abundant material conditions created by the people, the food and clothing of the Army are produced by the people, and the Army absorbs nutrition from the people to build spiritual civilization. In the ongoing structural reform and streamlining, the Army also needs vigorous support of the locality such as arrangements made for officers reduced in the streamlining, handing over of the people's armed forces, transfer and employment of spouses and children, and maintenance and management of unoccupied barracks and defense works. The work of the provincial military district is particularly dependent on the locality. For this reason, the officers and men have regarded doing a good job of the Army-government and Army-people relationship as a major event to promote the building of Army modernization and have taken practical action to cherish and safeguard the relationship.

Second, when dealing with mutual relations, besides party spirit, it is necessary to stress respect and feelings.

There may be some specific problems and even disputes in the daily Army-government and Army-people contacts which must be coordinated and resolved. In the handling of these problems, the question of principle is usually involved. If we forsake principles, vulgar tendencies will prevail. In some specific matters, however, we must take into account the feelings established between the Army and government and between the Army and people over the decades. In our practical work, we insist on upholding principles and never using feelings to replace policies, and also insist on reasonableness and not hurting mutual feelings for the sake of principles. Party spirit here refers to the Army and locality unconditionally taking the whole situation into account while dealing with certain problems. For example, the provincial military district gave up business items that would easily lead to scrambling for interests with the people and affect the economic benefits of the locality, and developed farm and sideline production and tertiary industry instead. When required by local economic construction, the Army also opened the airports, wharves, and defense works free of charge and released forests, land, and thousands of square meters of barracks to support the locality. Feelings refer to mutual understanding and accommodation and thinking more of the other side on the premise of not forsaking principles. A certain island had a shortage of fresh water. People often vied with each other for fresh water during the dry season. On a certain occasion in summer, a small number of people rushed to the tunnels to scramble for fresh water stored for war and even tried to stir up trouble. On the one hand, the troops stationed in the island sternly criticized the troublemakers through the local party committee and government; on the other hand, they tried to consume as little water as possible to give more water to the masses. A certain unit encroached upon the interests of local cadres and masses during the 10 years of internal turmoil. A number of old officers of the unit were transferred to the locality in recent years. Instead of settling old scores, the comrades of the departments concerned made proper arrangements for the Army officers transferred to

civilian work. The unit was deeply moved by what the local cadres did. All this shows that the firm ideological feelings between the Army and government and between the Army and people are the ties to maintain closer Army-government and Army-people relations. So long as both sides have sincerity and adopt correct methods, they will be able to reasonably solve a number of problems and achieve unexpected results.

In contacts with the local party committee and government, the provincial military district should stress party spirit and feelings as well as respect and subordination. The comrades of the provincial military district realized that the relations between the provincial military district and local party committee and government at the same level are the relations between the Army and government and between the Army and people as well as the organizational relations between the one who leads and the one who is led. The tradition of party leadership over the Army and the principle and system of dual leadership determine that the provincial military district cannot be on an equal footing with the local party committee and government or place itself above the locality. Instead, it should consciously respect and subordinate itself to local party leadership. Regarding the work to be done and policy to be made by the locality, the military district should keep in touch with the locality to avoid "friction" with the central work of the locality. The principal leading cadres should personally give an account of their work and enlist local party and government support. Regarding major military activities, the military district should invite participation of local leaders to jointly make policy decisions on major issues, draft and sign important documents, and organize important activities. By so doing, the provincial military district can win respect and concern of the local party committee and government at all levels.

Third, carry out activities focused on the party's central task.

In the new historical period, the central task of the whole party and nation is to carry out the building of socialist modernization. Under new historical conditions, the Army and government and the Army and people should keep in unity and carry out all activities focused on this central task. In accordance with the grand objective set by the 12th CPC National Congress and proceeding from the actual reality that Zhejiang is situated in the southeast coast in which economic construction should be accelerated and combat readiness should be ensured, the provincial military district set forth the task of taking the overall situation into account and contributing to Zhejiang's economic construction. In recent years, new progress has been made in Army and militia building. Meanwhile, the provincial party committee and government regarded military work as a component of the province's work and made overall arrangements. Under this common objective, we stressed developing the key construction projects, the Army and people jointly building spiritual civilization, and the Army and locality jointly training personnel for the modernization program. For example, in 152 key construction projects including the dredging of the Beijing-Hangzhou canal and construction of the Qinshan power plant and Beicang port, the troops stationed in Zhejiang allocated more than 6,100 trucks, aircraft, and ships and some 230,000 soldiers took part in labor which accelerated the progress of construction. By doing so, the Army created immense wealth for the state, accelerated the pace of the four

modernizations, turned out visible material benefits directly for the masses, and also enabled the masses to witness that the Army is an indispensable force for the building of socialist modernization and thus ardently love their own army. Given the rapid development of Zhejiang's rural commodity economy and that 8 of Zhejiang's 11 cities are opened to the outside world and focused on resisting the decadent bourgeois culture and effecting a change of social general mood, in the building of socialist spiritual civilization jointly by the Army and people, we carried out the activities of jointly building civilized cities, villages, islands, and ships; established 2,194 Army-people civilized units of which 1,260 were named by the authorities at above county levels as advanced units or collectives; and set up more than 22,000 centers for young militia. Both the Army and locality profoundly realized that the concerted efforts of the Army and people have spread the Army's political influence and made the most of its political and ideological work. The efforts and sweat of the Army and people directed toward the same goal further enhanced their relations and resulted in the people enthusiastically supporting the Army. We also gradually turned the training of personnel by the Army into the Army and people jointly training qualified personnel for the four modernizations. Last year, the province ran a total of 5,000 training classes and trained around 1 million people required for the building of the four modernizations. The majority of the counties throughout the province established organs to exploit intellectual resources and a total of 8,700 qualified personnel from among demobilized soldiers were employed. Many officers and men were technical experts in the Army who contributed to Army building. Following their transfer to civilian work and demobilization, they again played an important role in the building of spiritual and material civilization in the locality. The activities carried out in this regard provided the opportunity for the Army and locality to carry out extensive cooperation in the fields of culture, science, and education; effectively aroused the enthusiasm of the Army and locality; tapped the potentials of the Army and people; enabled the Army, government, and people to complement each other in intellectual resources; and solved the problems of shortage of qualified personnel required for construction.

Fourth, based on traditional methods, continuously discover and sum up the new creations of the masses.

The conditions of both the Army and locality have changed remarkably in the new historical period which impels us to constantly explore new ways and discover and sum up the new creations of the masses on the basis of inheriting the traditional methods. It is wrong to just stress the change of conditions and thus belittle the traditional methods. It is also wrong to stick to conventions and fail to explore new ways. In the practice over the years, we explored some new ways to maintain closer relations between the Army and government and between the Army and people. Take the contacts between the Army and government for example, where we gradually established the system of local party committee deliberating military work several times a year, the system of the Army-government forum, the system of party committee secretaries of cities (prefectures) and counties going to military subdistricts and people's armed forces to handle official business, and the system of leaders of the military subdistricts and armed forces respectively taking part in the

official business of the government and standing committee of the city (prefectural) and county party committee. As a result, some major problems concerning Army-government and Army-people relations were promptly solved. In the exchanges in ideological feelings, the Army and locality jointly carried out the activity of emulating heroes and exemplary figures. The Hangzhou authorities held hero and labor model report meetings at 520 basic level units and showed the film "Winning Resounding Fame in the South" on 600 occasions which made a great impression. Regarding mutual concern and support, service centers for families of servicemen and militia service teams are established in the cities (prefectures) and counties (districts) throughout the province. The system of giving special care to families of servicemen is implemented for compulsory servicemen in urban and rural areas. Many units tried out the "coordinated process" of recruitment, training, and making proper arrangements for demobilized soldiers. All this directly benefited more than 100,000 family members of servicemen in Zhejiang. Regarding cooperation in economic and technological fields, we vigorously developed Army-people cooperation in light of the principle of benefiting both the Army and people which promoted transport and communications, tourism, crop cultivation, aquatics breeding, and exchange of technological achievements which enjoyed immense support from the people and the Army. Regarding the combat readiness task, in light of the reality that Zhejiang is situated on the southeast coast and the people do not have a sense of security, we carried out the activity of joint defense by the Army, police, and people; established a provincial network of Army-police-people defense; and enhanced the capability of defense along the coast in times of peace. The State Council and Central Military Commission affirmed and spread their experience. Formerly, some masses dared not build houses and live on the islands. Some even bought land and decided to move to the interior. The activity set the masses' mind at rest and promoted the development of the coastal economy. Moreover, the enthusiasm of Army-people defense and building of material and spiritual civilization ran high.

Fifth, do work in a down-to-earth manner and avoid empty talk.

We profoundly realized that maintenance of close Army-people and Army-government relations should not be confined to mutual flattery and sending gifts to each other during festivals. These are merely superficial efforts. To do work in a down-to-earth manner and avoid empty talk, it is necessary to cooperate closely in practical work. For example, to do a good job in transferring the People's Armed Forces in the course of Army structural reform and streamlining, more than 300 leaders at above county level throughout the province visited the families of officers of the People's Armed Forces, solved the employment of over 700 spouses and registration of 1,100 children, and fulfilled the task of transferring the People's Armed Forces in 89 counties (districts) and cities within a relatively short period. Meanwhile, the local government at all levels organized around 10,000 people to guard and maintain the military facilities during the withdrawal of a garrison. To do work in a down-to-earth manner, it is also necessary to handle emergencies and do rush jobs. In practical work, the Army or locality may encounter contingencies that require support of the other side such as in military exercise, rescue work, providing disaster relief, and meeting an emergency. A good job done in this regard can usually produce a special

effect of "a friend in need is a friend indeed." The Army and locality are always ready to help each other when in need. Last autumn, a certain unit required temporary possession of some mountain forests and farmland and expansion of some bridges and highways to carry out a large-scale military exercise. Leading cadres of the provincial party committee and government and of the party committee and government of the cities and counties concerned personally mobilized the masses. As a result, the masses offered their mountain forests and farmland, repaired highways and bridges, set up groups to support the military exercise, and transported 100,000 jin of grain and flour and large amounts of vegetables and nonstaple foodstuffs for the troops. In turn, more than 24,000 officers and men dealt with emergencies and took part in rescue work on more than 850 occasions since the beginning of last year. They saved more than 800 people and state property valued at around 20 million yuan. To do work in a down-to-earth manner, it is also necessary to deal in earnest with difficult problems. The difficult problems are those left over from the 10 years of internal turmoil and disputes between the Army and localities over barracks real estate. Instead of evading these problems and shifting the responsibility onto others, we showed magnanimity and appropriately solved the problems by taking all factors into consideration. For example, a certain unit garrisoned in Ningbo had a long-standing unresolved dispute with a locality over barracks real estate. Last year, the leaders of the Army and locality jointly conducted investigations, made consultations on the spot, and solved the problem through mutual understanding and accommodation. As a result, closer relations were maintained between the garrison units and the local masses.

The efforts made to maintain closer Army-government and Army-people relations promoted the building of socialist spiritual and material civilization and also gave impetus to the building of a modern, revolutionary army. We must constantly study and solve new problems, sum up new experience, and continue to consolidate and develop the relations of unity, mutual love and assistance, concerted efforts, and common progress between the Army and government and between the Army and people.

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UNITE AND MARCH FORWARD TO BUILD AN EVEN MORE PROSPEROUS NEI MONGGOL WITH A HIGHER CIVILIZATION--CELEBRATING THE 40TH ANNIVERSARY OF THE FOUNDING OF THE NEI MONGGOL AUTONOMOUS REGION

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[Article by Zhang Shuguang, secretary of the Nei Monggol Autonomous Regional CPC Committee, and Bu He, chairman of the Nei Monggol Autonomous Regional People's Government]

[Text] The Nei Monggol Autonomous Region is a region where the Mongolians live in compact communities, the first region in China to be granted national autonomy. Since it was established on 1 May 1947, the autonomous region has undergone a glorious course of 40 years.

In the last 40 years, under the leadership of the CPC and through the concerted efforts of the people of all nationalities in Nei Monggol, we have achieved great successes in revolution and construction. Following the establishment of the autonomous region, we have carried out democratic reforms, socialist transformation, and large-scale economic construction. With the abolition of class exploitation and the system of exploitation, and the party's nationality policy and the Marxist sense of nationality striking root into the hearts of people, a new-type, socialist nationality relationship based on equality, unity, and mutual help has been established among the people of all nationalities in the region.

Over the last 4 decades, rapid progress has been made in the autonomous region's economy, thus initially ending its poverty and backwardness. In 1986 the region's total industrial and agricultural output value amounted to 16.534 billion yuan, 1,560 percent higher than in 1947 or an annual increase of 7.5 percent and its domestic animals numbered 38.82 million head, up 360 percent over 1947. There were big increases in the output and efficiency of animal husbandry. Total output of grain and oil-bearing crops increased by 190 percent and 1,000 percent respectively. The region has become one of the country's four biggest bases for beetroot production. Industry has basically developed from scratch. In 1986 industrial output value totaled 10.768 billion yuan, investment in capital construction came to 29.8 billion yuan, and newly added fixed assets amounted to 22.52 billion yuan. Industrial departments of various areas such as metallurgy, coal, power, chemical industry, light, textile, machinery, electronics, and building materials

have been set up. The railroad, road, and air communication networks and the post and telecommunications network have basically been formed. Presently, the market in the region is brisk and there has been a marked improvement in the living standards of the people. The average per capita income of the peasants is 340 yuan and that of the herdsmen 649 yuan.

The achievements in culture, education, sports, and public health are even more noticeable. The situation in which elementary education was very backward and 90 percent of the population were illiterate in the past has changed. The region now has 19 institutions of higher education with a total enrollment of 31,200, of whom 6,644 are Mongolians; there are 2,052 middle schools with an enrollment of 1.16 million students, an increase of 2,690 percent over 1947. Of them 142,364 are Mongolians, up 3,030 percent. The popularization rate of primary school education is over 90 percent. A dual-language nationality education system ranging from preschool education to higher education and from general education to adult education is taking shape. There is a total of 300,000 intellectuals of various nationalities and scientific and technical personnel in the region, more than 60,000 of whom are Mongolians. Conditions in medical and health work have improved significantly. The plague, venereal diseases, and other highly infectious diseases which were epidemic and spread unchecked before liberation were rapidly brought under control after liberation. The number of technical personnel employed in the region's public health work has increased by 1,390 percent. There has been a fundamental turn for the better in the health conditions of the urban and rural population. The Mongolian population has grown from 832,000 in 1947 to 2,854,500 people. Physical culture has developed rapidly. The region's sportsmen have broken 4 world records and 235 national records. More than 210 people have been awarded the title of master sportsman.

The autonomous region has trained large numbers of cadres of various nationalities, with minority cadres being 21.8 percent of the region's total number of cadres, surpassing the proportion of their population in the region's total. Now in the region's ranks of minority cadres there are not only cadres of the older generation from the periods of the first revolutionary civil war and the agrarian revolution, veteran cadres from the periods of the war of resistance against Japan and the liberation war but also young and middle-aged cadres trained after the founding of the PRC, including minority cadres in the political, economic, military, scientific and technological, cultural, educational, medical and health, and other fields of endeavor. They are the precious wealth of our party and people.

The successes of the Nei Monggol Autonomous Region in revolution and construction over the last 4 decades have been achieved under the leadership of the CPC. The development in the last 40 years has proved that without the CPC, there would be no liberation and national autonomy of the Mongolian nationality and no prosperity and development of the Mongolian nationality and the Nei Monggol Autonomous Region would not have what it is enjoying today. In the new period, we should further implement the party policy on national autonomy and build Nei Monggol into an even more united and prosperous autonomous region with a higher civilization. What is fundamental

in achieving this goal is to uphold the two basic points of the line pursued since the 3d Plenary Session of the 11th CPC Central Committee and the four cardinal principles and to persist in the general principle and policy of reform, opening up to the outside world, and invigorating the domestic economy under the leadership of the party Central Committee. At the same time, we, as a nationality region, feel that adequate attention should be paid to the following things:

I. Persist in Economic Construction as the Focus and Energetically Develop the Productive Forces

Through 40 years of effort by the people of all nationalities in Nei Monggol, in the construction of the national economy, a pattern of "forestry development is concentrated in the east, iron production in the west, grain farming in the south, livestock breeding in the north, and coal production is carried out everywhere" and an economic system under which production in the industrial, agricultural, and animal husbandry fields support and promote one another to develop in a coordinated way have taken shape, thus creating sound conditions for future development.

From the 1950's to the early 1960's, we attached greater importance to economic work and even in 1963 when class struggle was frequently conducted, we still raised the slogan that "of all our work, developing livestock breeding is of primary importance." Therefore, during the 3-year difficult period, Nei Monggol still managed to provide the state with tens of millions of jin of commodity grain and large amounts of livestock products. The shift of the focus of the party's work to economic construction has given fresh impetus to Nei Monggol's work and the rapid economic development has invigorated undertakings in all trades and professions. In light of the characteristics of the Nei Monggol region, we defined the policy of "taking forestry and animal husbandry as the key link and developing a diversified economy," with a view to gaining better economic, social, and ecological benefits and several years of practice have proved that the policy has produced the desired results. To further implement the policy, last year we defined the main direction of attack as "growing grass and planting trees to develop animal husbandry." Grass growing and developing livestock breeding have given a boost to the coordinated development of industry, agriculture, and commerce. Of the region's 1.7 billion mu area, more than 1 billion mu of grassland is suitable for developing animal husbandry. Even in forest zones, agricultural areas, and suburbs of cities, we can also develop the breeding industry. In developing animal husbandry, we should develop a diversified economy rather than a single-product economy and build commodity grain bases in the basins of the Hung He, Liao He, and the Nen Jiang, basins suitable for agricultural development, and gradually raise the region's ability to be self-supporting in grain. While expanding forestry and animal husbandry, we should energetically develop industry, support the construction of key state development projects, actively develop light and textile and other local industries that use farm and livestock products as raw materials, fully utilize the strong points in underground resources, develop raw and semifinished materials and processing industries, and attach importance to the construction of energy industry, transport, and posts and

telecommunications to ensure the whole national economy will develop in a coordinated way.

In the last few years, we have vigorously developed lateral economic associations, combining the region's natural resources with the qualified personnel, funds, and technology of other parts of the country. During the Sixth 5-Year Plan, our region established economic and technical cooperation relations with 59 countries and regions and imported foreign capital and equipment worth \$580 million and developed economic relations with 28 provinces, municipalities, and autonomous regions and absorbed 440 million yuan in funds from them.

Our region is a nationality border region which is backward economically and culturally and underdeveloped in commodity economy. Thanks to the adoption by the autonomous region in the 1950's of many realistic special policies, the region's economy has developed rapidly. Since the 3d Plenary Session of the 11th CPC Central Committee, in the light of the actual conditions in Nei Monggol, we have enthusiastically implemented a system of contracted responsibilities on the household basis, with payment linked to output in the rural areas and a unified management responsibility system in grass growing and livestock breeding in the pastoral areas, and mobilized the enthusiasm of the peasants and herdsmen by relying on policies, thus promoting the rapid development of economic construction. We should make continued efforts to work out policies and measures suitable for the region's actual conditions. In economic work, we should further relax our policies and measures and strive for slightly higher growth rates to truly achieve the sustained and steady development of the economy.

II. Energetically Develop Culture and Education, Improve the Quality of the Nation

In energetically developing nationality education, we should start with elementary education. To put an end to the situation in which education is extremely backward among the Mongolian and other minority nationalities, the party committee and people's government of the autonomous region have defined the policy of giving priority to developing nationality education and worked out and implemented some special policies and measures. In the distribution of human, financial, and material resources, first consideration is given to the needs of nationality education; in schools of various levels and types, the number of students of the Mongolian nationality going to school and entering higher schools must be commensurate with the proportion of the nationality in the region and it should be higher than that of Han students and the number of students of the Daur, Ewenki, and Oroqen nationalities should be higher than that of Mongolian students; students of the Mongolian and other minority nationalities are given special grant-in-aid provisions; in some institutions of higher learning, preparatory courses are given specially to minority students and methods of directional student enrollment and job assignments are adopted to meet the needs of the rural and pastoral areas for qualified personnel; the minimum marks acceptable for enrolling students of the Mongolian, Daur, Ewenki, and Oroqen nationalities in higher education and secondary technical schools should be appropriately lowered; in

the pastoral and border areas, state-run boarding schools at primary and secondary levels are set up where minority students who have financial difficulties and live in isolated places receive grant-in-aid provisions; institutions of higher learning have their own departments and courses of Mongolian language, Mongolian training schools are also set up, along with teachers colleges and schools at the secondary level where teaching is given in Mongolian to meet the needs of teachers capable of teaching the Mongolian language; and extra effort should be made in properly running secondary, primary, and preschool education where teaching is given in Mongolian. Presently in the rural and pastoral areas, the percentage of school-age pupils entering schools and continuing study in schools has been significantly increased. Of the region's 100 banners and counties (districts), 66 have popularized elementary education. The ratios of student enrollment in general middle schools and technical secondary schools have exceeded the nation's average level and the ratio of minority students studying in institutions of higher learning also surpassed the nation's average. A gratifying change has begun to take place in the cultural quality of people of all nationalities.

Inheriting, tapping, sorting out, and disseminating outstanding nationality cultural heritage and developing nationality culture with national forms and socialist contents are important tasks for the autonomous region in the cultural domain. We have paid attention to training and building up the ranks of minority writers and artists of a new generation. Through protracted efforts, a number of writers, poets, actors and actresses, and artists who are influential at home and abroad have come to the fore. With their consummate skills and in the forms loved by the people, some influential old folk artists have made contributions to making the ancient traditional national arts continue to play a part in enriching the cultural life of the people. Powerful support has been given to nationality publications, in particular, the publication of Mongolian books and materials; a batch of outstanding historical works and national folk literary works have been published; we have supported and developed various mass cultural activities congruous with the characteristics of the rural and pastoral areas and created the Ulanmuqi-type literature and art organization form with distinctive Nei Monggol features. Ulanmuqi troupes have inherited the revolutionary traditions of the Yanan performing arts propaganda teams and embodied the correct direction of literature and art serving the people and socialism. This form is not only applicable now but will be applicable to the development of literature and art in the days to come.

Since Nei Monggol has a vast territory and its residents live in scattered places, it is therefore very necessary to use modern propaganda means, energetically develop broadcasting, television, and movie industries and to conduct political education and popularize cultural and scientific knowledge among people of all nationalities. The region's radio broadcasting and telecasting currently reach 70 percent of the population. By July of this year, the television microwave line had reached every corner of the region ranging from Hailar in the east and Alxa League in the west. This will greatly increase the percentage of the population listening to radio and watching television. With television sets entering the homes of farmers

and herdsmen it is as though propagandists, teachers engaged in spreading cultural and basic scientific knowledge, and arts performers had been invited to their homes, and they can have access to world developments. This helps greatly broaden their fields of vision and shorten the distance between the remote frontier region and the interior of the motherland and the capital of Beijing.

III. Vigorously Training Minority Cadres Is the Key To Doing a Good Job in the Work of Nationality Areas

Forty years of positive and negative experiences in training and using minority cadres have told us that while persisting in the cadre line of appointing people on their merits, the principle of stressing both political integrity and ability, and the basic requirements of being revolutionary, younger in average age, and more knowledgeable and specialized, we should also pay close attention to the four following aspects of endeavor:

1. Have full trust in them politically. The vast numbers of minority cadres uphold the four cardinal principles and safeguard the unification of the motherland and the unity of the big family. Together with Han cadres, they shared the triumphant jubilation over the national autonomy granted in the 1950's and national unity achieved since then and underwent the test of difficult circumstances during the "Great Cultural Revolution." In the bitter years, no force could ever separate them from the Communist Party and the socialist motherland. They have embodied the Chinese nation's powerful cohesiveness. This is the starting point from which we proceed to have full trust in minority cadres politically.
2. Give them vigorous training organizationally. In addition to continuing to train party and government leading cadres of minority nationalities, vigorous efforts should also be made to train minority managerial and technical cadres and scientific and technological personnel. We should also send in-service minority cadres to party schools and other universities and colleges for advanced studies as far as possible to further improve their quality.
3. Give them a free hand in work. If their conditions are the same as those of Han cadres, priority should be given to promoting minority cadres to the posts of leadership; minority cadres should be encouraged to do their work boldly, to be bold in taking responsibility, and to creatively implement the principles and policies of the central and higher authorities. Minority cadres themselves should fulfill their duties and discharge their responsibilities, set strict demands on themselves, and do their work well in unity and cooperation with cadres of all nationalities.
4. Treat them carefully in terms of policies. Especially when handling the problems of representational nationality cadres, we must take the influence of all sides concerned into account and never take any hasty action.

Our experience has also told us that in an autonomous region like Nei Monggol, with the Mongolians as the autonomous nationality and the Hans comprising

83 percent of the region's total population, without mobilizing the enthusiasm of Han cadres and masses, it will be impossible to do a good job in the work in all fields of the region. Therefore, we should attach importance to and train and use more Han cadres. While stressing the training and use of locally born and bred Han cadres, we should also attach equal importance to cadres who were assigned from other parts of the country to work in Nei Monggol in the spirit of people "from all corners of the land" belonging to one big family. For quite some time, most Han cadres have been serving the people in the border area earnestly and sincerely and have deep friendly feelings for minority nationalities. Their help and assistance is inseparable from the development of all undertakings in Nei Monggol and the growth of minority cadres in large numbers. To encourage and support them in striking roots in Nei Monggol and building and dedicating themselves to Nei Monggol, the leadership at all levels should take care of their work and living standards and make rational job arrangements in accordance with the principle of stressing both political integrity and ability, so that they can have a role to play.

IV. Unity of Our Various Nationalities Is the Prerequisite for Carrying Out All Work in Nationality Areas

In Nei Monggol, national unity is mainly manifested in unity between the Han and Mongolian nationalities practicing national autonomy and, at the same time, implies unity between the Mongolian nationality and the other minority nationalities, and unity of the various nationalities in the region. What counts here is inner-party unity, unity of cadres of all nationalities, and in particular, unity of leading bodies at various levels. During the last 4 decades, the main aspect of national unity in Nei Monggol has been good. Of course, due to the long-standing "leftist" mistakes, in particular the damage done by the "Great Cultural Revolution," thoroughly filling the "rifts" in national unity needs much patient and painstaking work.

The grave lesson from the nationality question in the past was that under the influence of the erroneous viewpoint asserting that "the question of nationalities is in essence a question of classes," some problems that were a matter of understanding and viewpoint were handled as contradictions between ourselves and the enemy, thus wronging some comrades. In particular, the unjust, false, and wrong cases forged during the "Great Cultural Revolution" had extremely bad consequences. In bringing order out of chaos, the party Central Committee clearly pointed out: Today when various nationalities in our country have carried out socialist transformation, relations among our nationalities are, in the main, relations among the working people of the various nationalities. Under the guidance of this correct ideology, we have thoroughly redressed the various unjust, false, and wrong cases. Hence, there is a marked improvement in the relations among our nationalities. Forty years of experience have told us that to continuously strengthen the great unity of various nationalities, and to consolidate and develop socialist relations within nationalities, it is necessary to frequently and thoroughly conduct education among cadres at all levels, and the masses of the nationality, in awareness of Marxism-Leninism-Mao Zedong Thought and in the party's nationality policy and national unity. It is also necessary to carry out education in

ardently loving the motherland and firmly safeguarding the unification of the motherland. With regard to problems cropping up in the relations of nationalities, we should take them seriously and handle them carefully and actively. We should uphold the principle of seeking truth from facts and proceeding from a view of doing everything in favor of national unity, handle problems according to their nature, and refrain from rashly sticking political labels of one kind or another on any people. Only in this way can we work hard to create an environment and atmosphere full of fraternal love, trust, and harmony among all nationalities.

In the last 40 years, very great advances have been achieved in the autonomous region's political, economic, and cultural undertakings, and very great successes have been achieved in nationality work. These constitute our principal aspect of endeavor. However, problems and difficulties facing us are still many. By continuing to uphold the banner of unity and construction and forging ahead along the correct path charted by the 3d Plenary Session of the 11th CPC Central Committee, in the near future there will certainly emerge before our eyes an even more united and prosperous Nei Monggol with a higher civilization.

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SECOND DISCUSSION ON THE PARTY'S LINE SINCE THE 3D PLENARY SESSION OF THE
11TH CPC CENTRAL COMMITTEE

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 pp 22-27

[Article by the HONGQI Editorial Department]

[Text] The speech made by Comrade Zhao Ziyang at the conference of cadres of propaganda, theory, press, and party schools on 3 May correctly analyzes the political and economic situation in our country and puts forth and profoundly elaborates on the two tasks confronting the entire party: First, it is necessary to deepen the struggle against bourgeois liberalization; and second, it is necessary to deepen the economic structural reform. In order to enhance people's understanding of these two tasks and make them promote each other, all of the comrades in the party should seriously study this important speech so as to deepen their understanding of the line since the third plenary session, while deepening their study of the expositions made by Comrade Deng Xiaoping concerning building socialism with Chinese characteristics.

The line of the 3d Plenary Session of the 11th CPC Central Committee is a line of seeking truth from facts, proceeding from the actual conditions in China and building socialism with Chinese characteristics. Seeking truth from facts is the living soul of this line; the actual conditions of the initial stage of socialism in our country are the objective basis and starting point of this line; concentrating on the socialist modernization construction and the development of productive forces and building socialism with Chinese characteristics are the substance of this line; and attaining a relatively prosperous life and casting off poverty by the end of this century and reaching the level of the intermediately developed countries and realizing the four modernizations by the middle of the next century constitute the two-step development goal to be accomplished by this line. If it is said that it would not have been possible for the Chinese revolution to overcome failure and achieve victory without the theory, line, and whole set of relevant principles and policies put forth by Mao Zedong regarding the new democratic revolution, then it must also be said that it would not have been possible for the socialist cause in our country to initiate a situation such as today's in such a short period of time, only 8 years after suffering great setbacks and experiencing long-term stagnation, nor will it be possible to realize the development goals in the future, without the thoughts of Comrade Deng Xiaoping on building socialism with Chinese characteristics as well as

the line, principles, and policies since the third plenary session. Through comparing history with reality and proceeding from the actual conditions of the initial stage of socialism and the fundamental task of developing production and the overall situation of realizing the two-step development goal, we should seriously study the extreme importance of the line since the third plenary session to our party and the people of our country and correctly understand the two basic points of this line as well as their interrelations.

The line since the 3d Plenary Session of the 11th CPC Central Committee has, on the one hand, inherited the four cardinal principles always upheld by our party and, on the other hand, has created its own new contents, that is, the general principles and policies concerning the reform, invigoration of the domestic economy, and opening up to the outside world. These two basic points are unified and inseparable and bear an independent relationship. This is because the basic line of our party since the third plenary session has been to change the previous practice of "taking class struggle as the key link" to concentrating on the four modernizations of socialism, and in order to carry out the four modernizations construction and make China prosperous, we must first implement the policy of reform and opening up to the outside world and then uphold the four cardinal principles. The four cardinal principles can be mainly boiled down to two: upholding the leadership of the Communist Party and the socialist road. Therefore, we must oppose bourgeois liberalization, or the capitalist road. To develop the productive forces and realize the four modernizations, there is no other way but the socialist road. If socialism were given up, China would be reduced to a semicolonial, semifeudal society, and the people would not even have enough to eat and wear, let alone realize the goal of a relatively prosperous life. Without the Communist Party leading the people of the country, China would be thrown into confusion and torn apart by disunity and would not accomplish or resolve anything, even the food issue. Therefore, the reform and four modernizations drive of ours should neither deviate from the socialist road nor depart from the leadership of the Communist Party. Being interrelated, these two issues are, in fact, a single issue. Without the leadership of the Communist Party, there would be no socialist road. Similarly, without the state apparatus of the people's democratic dictatorship as a fundamental guarantee and without the theoretical guidance of Marxism, it would be impossible to successfully carry out the reform and build socialism with Chinese characteristics.

On the other hand, the general principle and policy of reform, opening up to the outside world, and invigoration of the domestic economy is put forth in a very down-to-earth manner and reflects the actual conditions of the initial stage of socialism in our country on the basis of summing up historical experiences and lessons. It has concentratedly embodied the new developments and contributions that our party has made to the theory of scientific socialism since the third plenary session and has become the backbone of building socialism with Chinese characteristics. The practical experiences of the last 8 years have proved that the policy of reform, opening up to the outside world, and invigoration of the domestic economy is the only way to replace the old and ossified economic structure with a new structure that is full of vitality and vigor and that this policy is, therefore, the only

way to perfect the socialist system and emancipate and develop the productive forces. If we do not carry out a reform and open up to the outside world, the four modernizations construction of ours will be hopeless and it will be impossible for us to realize not only the development goals for the next century but also the goal of casting off poverty and attaining a level of relative prosperity by the end of this century. Of course, building socialism with Chinese characteristics would also be out of the question. Without the basic policy of carrying out reform, opening up to the outside world, and invigorating the domestic economy, there would be no such line as the line since the third plenary session. Therefore, it is incorrect to separate these basic points or set them against each other and regard them as two ends of a scale. As Comrade Zhao Ziyang said: "Only when the two basic points are unified do we have the complete contents of the line since the third plenary session, socialism with Chinese characteristics, and energetic, real, and practical scientific socialism."

Beginning this year, Comrade Deng Xiaoping has repeatedly stressed that our reform, opening up to the outside world, and other ongoing policies will not change because of the struggle against bourgeois liberalization. Recently he also stressed that "we should not only continue to implement the policy of reform and opening up to the outside world but do it even more bravely," adding, "Of course, we should do it in a safe way. However, safe does not mean ceasing to press ahead. The pace of our reform should be quickened. The principles, policies, and steps of the economic structural reform have been determined and the present issue is to quicken the pace. At present, the political structural reform has already been placed on the agenda. At the 13th party congress, we must get things in shape and begin to proceed." It is a very important guiding ideology that reform and opening up to the outside world should not only be upheld but also quickened. Due to reasons known to all, the ideological trend of bourgeois liberalization arose and there was a disturbance. If we had not made up our minds to check this unhealthy tendency, the political situation of stability and unity would have been destroyed and it would not have been possible to continue the reform, opening up to the outside world, or four modernizations construction. Therefore, it is necessary and correct to more concentratedly propagate the struggle against bourgeois liberalization. At present, the spreading of the ideological trend of liberalization has been stopped. However, further eliminating the influences of bourgeois liberalization is a long-term task that depends on education and reform. The central task at present is to direct more of the party's and people's attention to the reform and opening up to the outside world. In the final analysis, only by carrying out reform, opening up to the outside world, emancipating and developing the productive forces, and realizing our development aims so as to bring into full play the strong points of socialism can we reduce and eliminate the support for and influence of the ideological trend of bourgeois liberalization. Therefore, believing that stressing reform and opening up to the outside world would affect the deepening of the struggle against bourgeois liberalization or that it would correct the deviations of the recent struggle against bourgeois liberalization is an incorrect understanding as well as a failure to correctly and comprehensively understand the interrelation between these two basic points of the line since the third plenary session.

Marx said: "People cannot freely choose their own productive forces, which are the basis of their entire history, because every productive force is a kind of given force and product of their previous activities." ("Selected Works of Marx and Engels," Vol 4, p 321) Ours is a country that had an extremely backward economy and culture, lived under a feudal society for over 2,000 years and a semicolonial, semifeudal society for over 100 years, and took the socialist road through the new democratic revolution. This history determined that our country had to go through a considerably long initial stage of socialism after becoming a socialist society. The initial stage of socialism we are talking about is not a stage in a general sense but an initial stage determined by the historical characteristics of China. The basic characteristic of this initial stage is underdeveloped productive forces. At present, the scientific and technological level of development in our country generally lags far behind those of the developed countries; the level of production socialization is low, the proportions of self-sufficient and substantially self-sufficient production are fairly large; the commodity economy is not developed; labor productivity is very low; and although our country has the greatest number of laborers in the world, more than 100 other countries have a higher per capita gross national product than we do. Therefore, we have to admit that because socialism in our country was developed under special historical conditions, it is not a mature socialism. In the past, we attempted to go beyond the initial stage of socialism, but this proved unsuccessful in practice. Another basic characteristic of the initial stage of socialism in our country is that we have already built up the socialist economic and political systems, which are not yet very perfect. If we do not carry out reform, we cannot rapidly develop the productive forces. The above-mentioned two characteristics are also closely related. The development process of the initial stage of socialism is inevitably a process of developing the productive forces as well as a process of carrying out an overall reform. Generally speaking, developing the productive forces is the most fundamental task of the socialist stage as a whole. As socialism is the elementary stage of communism, to develop to the advanced stage in which distribution is effected according to need, the most important condition is a highly developed productive force and a great abundance of products. Emphasizing the development of productive forces is not only of far-reaching strategic significance but is of immediate realistic significance. This means that we should first cast off poverty and then catch up with the economic development levels of the developed countries, so as to build socialism on the basis of developed productive forces. The development of productive forces at the present stage means fully developing the socialist commodity economy, realizing the four modernizations of socialism, and generally socializing the production of all the departments, including agriculture. To develop the productive forces, we must effect an overall reform, fully mobilize the initiative of the people from every trade and profession and grass-roots unit, and open up to both foreign countries and other parts of the country. Reform and opening up are the indispensable condition for and fundamental way to develop the productive forces.

During the more than 20 years before the third plenary session, we basically built socialism according to the Soviet pattern, which in return hindered the development of the productive forces, rigidified thinking, and prevented the people and grass-roots units from bringing their initiatives into play in society. Compounded with the "leftist" mistakes committed by our party since 1957 and the ultra-left mistakes of the "Cultural Revolution," the national economy of our country developed somewhat during the 20 years from 1957 to 1976, but the per capita gross national product increased very slowly and the living standard of the people generally remained unchanged. The average monthly income of workers and cadres was about 60 yuan, and the average annual income of the peasants was only about 60 yuan. The practice of the last 20 years has proved that the set of old patterns for building socialism that we used in the past was unsuccessful and that we will have no future if we do not carry out a reform. We will be always in a state of poverty and backwardness and the advantages of socialism will never be demonstrated if we do not effect a reform. During the 20 years that the per capita gross national product and the income levels of the people in our country were basically at a standstill, a new scientific and technological revolution broke out in the world and the economy of many countries developed greatly. Therefore, our reform seems more urgent. We have to carry out a reform, and it must be carried out quickly. We have already lost too much time. As "a boat sailing against the current must forge ahead or it will be driven back," we will lag behind if we only make slow progress or remain at a standstill in the face of the never-ending scientific and technological revolution. If we stagnate for even a little while, the development gap will widen. Therefore, it is the aim of our reform to catch up with the times.

Because many socialist countries are talking about and engaging in reform at present, reform has become a powerful trend. This is not happening randomly; there are deep underlying causes. Through the practice of the last few decades, these socialist countries have reached the common conclusions that the old pattern for building socialism does not work and that there will be no future without reform. Some of the socialist countries have also felt the urgency of reform to meet the new scientific and technological revolution, even though they developed quite smoothly over the last few decades, the productive forces made greater headway, and their people's standards of living improved considerably. As our economy is more backward, our historical burdens heavier, and our population much larger, and because we went through a slow stage of development for 20 years, we should feel an even greater and more urgent need for reform, a reform that proceeds from Chinese history and reality.

The biggest achievements of ours in theory and practice since the third plenary session is to have broken through the previous rigid understanding of socialism. Why were we caught in the rigid pattern and "leftist" mistakes for such a long time? Generally speaking, we did not have a good understanding of socialism or the main tasks of socialism. Not long ago, Comrade Deng Xiaoping pointed out that to build socialism we must have developed productive forces and that poverty should not be equated with socialism. We must persist in socialism, but to build a socialism that is superior to capitalism, we must, first of all, cast off what is inferior in socialism. Notwithstanding

that we are still building socialism, we cannot justly and forcefully say that socialism is superior to capitalism and that we have truly engaged in socialism until the middle of the next century, when China has attained the level of an intermediate-developed country. These words by Comrade Deng Xiaoping contain very deep meaning and point out two issues of important significance to the development of scientific socialist theory and practice: First, the relationship between socialism and the development of productive forces, namely, the issue that the developed productive force is a main criterion of socialism; and second, the issue of how the economically and culturally backward countries prove, after taking the socialist road, that socialism is superior to capitalism.

The founders of Marxism attached great importance to the role of the productive forces. One of the basic viewpoints of the historical materialism they established is that productive forces are not only the main forces for expediting social development but are also a main criterion for measuring the level of social development. Productive forces determine production relations, but production relations do not determine productive forces. It is explicitly pointed out in the "Communist Manifesto," jointly written by Marx and Engels, that after obtaining political power, the proletariat should "amass all the production tools into the hands of the state, or the proletariat who have been organized to become a ruling class, and try to increase the total of productive forces as quickly as possible." ("Selected Works of Marx and Engels," Vol 1, p 272) Until their later years, Marx and Engels always paid great attention to the development of the productive forces and felt elated about new developments in science and technology and the progress of the productive forces, because they believed that these were the necessary material bases for the building of socialism in the future. Notwithstanding that their prediction that the socialist revolution would first become triumphant in the developed capitalist countries of Western Europe has not yet been proved by history and that the development level of the productive forces of their historical era cannot be compared with that of today's (the criterion for the developed productive forces at that time was also quite different from that of today), their viewpoint that socialism adopts the socialized mass production created by capitalism as its material basis is still correct today.

Lenin also made contributions in this regard. In light of the absolute law that the economic and political development of capitalism is not balanced in the era of imperialism, he reached the conclusion that socialist revolution might occur and become triumphant in the weakest countries of the imperialist chain. Moreover, he put it into practice by leading the October Revolution in Russia. After the October Revolution, still remembering the task of catching up with the developed capitalist countries in the aspect of the development of the productive forces, Lenin explicitly looked upon the conditions of the productive forces as the main criterion of the whole social development. His famous saying that communism means Soviet regime plus national electrification exactly reflects this viewpoint, which regards the developed productive forces as a main criterion of socialism. Therefore, he repeatedly stressed creating a labor productivity higher than that of capitalism's. Unfortunately, he was unable to resolve this issue in practice due to his early death.

Using the October Revolution as a model, our party led the people of our country further down the socialist road in light of the special conditions in China and on the basis of completing the new democratic revolution. Practice has proved that this was the only correct historical choice. Our mistakes lies in that after basically completing the socialist transformation of the private ownership of the means of production, we overlooked such a main and fundamental task as the development of the productive forces, took class struggle as a key link for a long period of time, placed the development of the productive forces in a subordinate and secondary position, and failed to shift the focus of the work of the party and state to the modernization drive centering on economic construction. Why did we commit this mistake? It is mainly due to our one-sided understanding of socialism over many years, which held that public ownership and the practice of distribution according to work is socialism, and overlooking the necessity for having developed productive forces in socialism. Of course, public ownership and the practice of distribution according to work are the two fundamental characteristics of the socialist system. However, developed productive forces and socialized mass production are the material basis of the socialist system. It is exactly due to the extreme inadequacy of its basis that our socialist system, including its production relations and superstructure, is imperfect and immature in many ways, which is seen particularly in its inability to overcome poverty. Precisely because developed productive forces were not seen as a main criterion of socialism, not only were people indifferent to the development of productive forces but this also became an important cause for them to commit "leftist" mistakes in economic and social policies. In the final analysis, to judge whether a certain thing or policy is correct, we should see whether it has promoted or hindered the development of productive forces, and the only criterion for making judgment can be practice. It is proved in practice that if we overlook or forget such a criterion as the productive forces, we will lose an important basis for reforming production relations and a criterion for judging what is right and what is wrong and fall in the mentality of subjective will not to be restricted by the level of productive forces. The equalitarian thought of poor socialism advocating so-called "being bigger in size and having a greater degree of public ownership" was thus produced and became a force of habit.

Comrade Deng Xiaoping pointed out that to build socialism, the productive forces must be developed, and poverty is not socialism. Being an assertion with specific aims, it can play a role of rousing the deaf and awakening the unhearing within our party. This assertion is an upholding as well as a development of the theory of scientific socialism. Upholding means to uphold the Marxist fundamental principles regarding socialism, including the new conclusions by Lenin, while development means how the economically and culturally backward countries, after taking the road of socialism, prove socialism is superior to capitalism in practice under the new historical condition. The coexistence of the socialist and capitalist systems will be an unavoidable phenomenon for a very, very long historical period in the whole world. How to make the productive forces rapidly develop and socialism possess the necessary vitality and vigor through reform in this historical environment is not only attractive to the people of every country and the

whole world but also a major issue of worldwide historical significance. Only by resolving this issue can we promote the socialist cause and the Marxist theory. It is entirely correct in theory that the socialist system is superior to the capitalist system; this has been initially proved in practice in our country. However, to fully and completely prove this truth still depends on practice in the future as well as on our own efforts. Developing the productive forces is the material basis for all social advances as well as the material basis for socialism to display fully its strong points. To bring into full play the strong points of socialism is a historical process, which develops in the same direction as the development level of social productive forces, the perfection level of the socialist economic and political systems, and the development level of the building of socialist spiritual civilization. Precisely because of this point, everything we are doing at present, such as the reform, opening up to the outside world, developing productive forces, building spiritual civilization, building democracy and the legal system, and so on, can be attributed to building a socialism that is superior to capitalism. When this matter is well accomplished and the two-step development objective is realized, we will truly be able to make more contributions to mankind, present a new road leading to affluence from poverty to the vast Third World countries with nearly three-fourths of the world's population, and prove to mankind that socialism is the only way and that it is superior to capitalism.

Saying that to build socialism the productive forces must be developed and that poverty is not socialism does not mean that our country should not have taken the socialist road and built socialism nor to negate the socialist economic and political systems we have set up. Since the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has repeatedly stressed upholding the four cardinal principles and the socialist road. How could we uphold these things if we should not build socialism or what we are building is not socialism? It is incorrect to treat the production relations and superstructure in isolation, regardless of the productive forces; it is also incorrect to treat the productive forces in isolation, regardless of the production relations and superstructure. It is an undeniable historical fact that our country has set up a socialist economic system based primarily on public ownership and a political system of the people's democratic dictatorship. Socialism has become an irreversible historical process in China as well as a realistic basis for our whole life now. Therefore, there is no reason or force that can make us depart from the road of building socialism with Chinese characteristics. This is a conclusion reached by our party from the fact that China is still in the initial stage of socialism. This is a correct conclusion.

To implement and enforce the line since the 3d Plenary Session of the 11th CPC Central Committee, we must face interference from the "left" and the right. The "leftist" interference comes mostly from the force of habit; it is not easy to change old things to which people are accustomed. The rightist interference is bourgeois liberalization and "total Westernization." However, the main interference is from the left, because during the over 20 years from 1957 to 1978, our guiding ideology and the main mistakes in policy were "leftist" and "leftism" has become a force of habit within the party and the

society. Judged from the historical experiences, it is not easy at all to correct the "leftist" mistakes. Since the third plenary session, our party has spent its greatest energy in correcting the mistakes committed during the "Cultural Revolution" and before. This was exactly to set to right things that had been thrown into disorder. Notwithstanding that we have basically completed the correction of the "leftist" mistakes in terms of the guiding ideology of the party over the last few years, as the "leftist" ideology has become a force of habit, the "leftist" things would come up at any time in enforcing the specific policies and doing the specific things. As far as the policy of reform and opening up to the outside world is concerned, the biggest obstacle still comes from outdated concepts and the force of habit, or the "leftist" things. It is precisely in this sense that Comrade Deng Xiaoping recently said that we are confronted with both "leftist" interference as well as rightist interference and that the most dangerous interference is still from the "left." Of course, we should not overlook the rightist interference either. Just as Comrade Deng Xiaoping said, there is a process of opposing bourgeois liberalization during the whole process of building the four modernizations. In sum, in the two-line struggles in the political and ideological field, we must oppose "leftism" when there is "leftism" and oppose rightism when there is rightism in the light of the ideological line of seeking truth from facts and the actual conditions of the localities concerned. However, we should prevent people from using "leftism" to oppose rightism while opposing rightism and prevent people from using rightism to oppose "leftism" while opposing "leftism." Nevertheless, no matter what we oppose, we should always regard the line since the 3d Plenary Session of the 11th CPC Central Committee as a guideline and the promotion of reform and opening up to the outside world, the development of the productive forces, and the building of socialism with Chinese characteristics as aims.

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MY UNDERSTANDING OF OUR COUNTRY'S BASIC POLICIES SINCE 1978

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[Article by Rong Yiren [2837 3015 0088]; "speech made by the author at 4 May 1987 dinner hosted by the American Brookings Institute," location not given, with "a few supplements and corrections by the author before publication in this journal"]

[Text] A general problem to which many foreign friends have paid attention is: Will our country's policies change? I would like to express my views on this issue.

I. Our Country's Existing Line, Guiding Principles and Basic Policies

Friends abroad worry that our country's policies will change. They particularly worry about the possibility that the line, guiding principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee will change. With progress in the struggle against bourgeois liberalization being carried out inside the CPC, and the personnel changes at the central level at the end of last year and early this year, there have been more comments and discussions expressing such a worry.

There is no need for reticence over the CPC being the core leading the socialist cause in our country. The 3d Plenary Session of the 11th CPC Central Committee held in December 1978 is an important milestone in our country's history of development. The greatest achievement of the plenary session lies in the fact that it has negated the "leftist" line implemented for a considerable time after the founding of the People's Republic, and that it has decided to shift the work focus of our country to a correct path of economic construction, with emphasis on socialist modernization. In accordance with the common desire and strong demand of the people of various nationalities in our country, the highest organ of state power of our country, the National People's Congress, held its fifth meeting in November and December 1982. It carried out an all-round amendment of the 1978 Constitution, and solemnly adopted the Constitution currently in force. The current line, guiding principles and basic policies are thus defined in the fundamental law of the state. The Constitution stresses that under the new historical conditions, we should uphold the four cardinal principles, and concentrate our efforts on socialist modernization. The Constitution

explicitly defines the three matters, or the three main policies, which are to be completed by the end of this century, or in a longer period of time. The three main policies are: 1) On the basis of stability and unity, we should wholeheartedly promote socialist modernization; 2) we should accomplish the great cause of unification of the motherland; 3) we should stick to a foreign policy of independence and initiative. These are the basic tasks of our country at the present stage. The historical change in the party's guiding thinking, which conforms with the law of social development and our national conditions, has been included in the national policies contained in our country's Constitution, so that great and profound changes have taken place in our country's economic, political, and social life. All this has been sincerely supported by 1 billion Chinese people.

II. On the Four Cardinal Principles

The four cardinal principles constitute the general guiding thinking for our Constitution. This means that we should uphold the socialist road, the people's democratic dictatorship, the leadership of the CPC, and Marxism-Leninism-Mao Zedong Thought. These four cardinal principles form the common political foundation for the unity and advancement of the people of various nationalities in our country, and a basic guarantee for the smooth progress of our socialist modernization. If we fail to develop social productive forces on the basis of upholding the four cardinal principles, it will be impossible for us to realize modernization of our economic construction.

China is a country with an ancient civilization. In the long historical process, it was once split like a sheet of loose sand. Since we suffered from domestic troubles and foreign invasion, and there was neither peace nor tranquility in our country, it was of course impossible to develop our national economy and ensure that our people lived and worked in peace and contentment. In modern times, a great number of people with lofty ideals have been concerned about their country and people. They advanced, wave upon wave. In the final analysis, they intended to explore the path which China should take, and solve the problem concerning who would lead the country. Under a long feudal rule China was weak, and its people lived in dire poverty. We were not allowed to turn the clock back. We intended to learn from the West in order to "rescue our country with industry." We also tried to take the capitalist road, but facts proved that that got us absolutely nowhere. I had profound personal experience in this regard. Under the conditions that China was not united and that it had lost its sovereignty, it was impossible for China to become powerful and prosperous. It was impossible for the Chinese people to live in happiness. It was impossible for individuals to accomplish something magnificent. The founding of new China, the unification of the mainland, and in particular, the correct implementation of the line and guiding principle of the CPC since 1978 has enabled China to rapidly embark on the path of vigorous development. The Chinese people, who yearned for the invigoration of their motherland, eventually realized from the great historical changes over the past 100 years or so: Only socialism could save China. This was a common objective. Who would lead the cause? It was only the CPC which could exercise the leadership. Besides the Communist Party, there are eight democratic parties in China. They are playing an important role in China's

political life. However, no political force in China can substitute for the leadership of the CPC. China is a vast and populous country. We have 56 nationalities, and unified leadership and thinking are needed. If there are many ruling parties in China, if there are ruling and opposition parties which mutually attack each other, and if they rule in turn, our policies will always keep changing. In that case, China will again fall into a situation of being rent by disunity like a sheet of loose sand. People in various countries have their sacred and inviolable right to choose the development path for their own country. Taking the socialist road under the leadership of the Communist Party completely conforms with our national conditions and the law governing historical development. This is an unchangeable choice by the 1 billion Chinese people, and no force on earth can shake it. Therefore, the four cardinal principles, which have been included in our Constitution, are a basis for maintaining the stability and unity of our country, and for governing our nation. People throughout the country should abide by this, and no liberalism is allowed in this regard.

III. On Socialist Modernization

This is the most important matter which we should do in the present stage. To carry out socialist modernization, we should take economic construction as a center, and the development of productive forces as a fundamental task. The characteristics of our country's socialist economic system may be summarized as follows: 1) Under the prerequisite of upholding the predominant position of the socialist public sector, we should develop varied sectors of the economy. We should affirm that collective economy is an important component part of the public sector of the economy, and that individual economy is a supplement to the socialist public sector of the economy. 2) We should develop a planned socialist commodity economy. 3) Satisfying the increasing material and cultural needs of the people is a starting point and underlying objective for developing productive forces. On the basis of developing productive forces, we should gradually improve people's living standards. 4) Socialist public ownership has eliminated the exploitation system of man by man on the basis of implementing the principle of from each according to his ability, to each according to his work.

To maintain a long-term and stable development of our country's economy, we should firmly and unswervingly carry out economic structural reform, because our previous system contained many irrational factors left over from history, and there were many defects in it. If we fail to carry out reform, there will be no way out. Only through reform can we ensure that various principles contained in the Constitution are fully implemented, and vigorously developed. Economic structural reform first started in the rural areas in 1979 with marked results being achieved. It is a matter of great significance. The success in rural reform has promoted urban reform. Generally speaking, our purpose in carrying out urban reform is to satisfy the demand of developing planned commodity economy on the basis of socialist public ownership, with invigorating enterprises, perfecting the market system, and improving the macroscopic management system as its main content. Developing a planned commodity economy means integrating the planned economy with market regulation. This is a pioneering undertaking, because people always believe that a

planned economy conflicts with the commodity economy. Today, we have formed a new economic pattern by combining them together. Under the guidance of such a pattern, we have a perfect market system, and provide a planned guidance, regulation, and administrative management. Effective administration and control are needed with regard to matters of primary importance. Full flexibility should be ensured in dealing with matters of less importance. Efforts must be made to guarantee a proper balance between major components. Generally speaking, our national economy should develop in a proportionate and coordinated way. All this has shown that in recent years our economic theories and practice have been greatly enriched and developed.

Essentially speaking, opening up to the outside world is also an important content of our reform. In the past, we locked our doors against the world for a long time. We have drawn a bitter lesson from this. The world has long been an open world. It is no longer possible for us to lock our doors against it. Our socialist modernization will not be realized without opening up to the outside world. Therefore, while sticking to the principle of self-reliance, we should work out and uphold the policy of opening up to the outside world. There is no doubt that this will be beneficial to enhancing our capability for self-reliance, and for developing our country's economy. Opening up to the outside world is our basic national policy which will not be changed for a long time, rather than an expedient measure. You have seen that according to the principle of equality and mutual benefit, we are actively and effectively importing foreign capital, advanced technology, and management experience. We are creating a new situation in strengthening international trade. In 1980, we established four special economic zones. In 1984, we further opened up 14 coastal cities and Hainan Island. In 1985, we again opened up several coastal economic development zones around the Zhu Jiang and Chang Jiang deltas as well as a delta in southern Fujian. By the end of 1986, we made use of foreign capital in the sum of more than \$20 billion, and approved more than 3,200 Chinese-foreign joint ventures, over 4,400 enterprises based on Chinese-foreign cooperation, and more than 130 enterprises run by foreign capital. We should say that we have just started the undertaking of opening to the outside world, and there is still much work to do in this regard. The prospects for economic and technical cooperation between China and various countries in the world are very broad. In recent years, we have firmly grasped legislation work involving foreign economic relations. Some 10 laws have been approved and enforced, including the "Law on Enterprises Based on Chinese-Foreign Cooperation," "Law on Enterprises Run by Foreign Capital," "Law on Contracts Involving Foreign Economic Relations," and so on. The State Council has also promulgated various policies to give preferential treatment to foreign businessmen who make investments in China. We will continue to implement the principle of equality and mutual benefit, and to adopt effective policies and measures to expand the work of opening up to the outside world. Frankly speaking, we will not pursue a capitalist system. However, we are willing to use for reference purposes some scientific and effective measures and methods which have been employed by capitalist countries, and will be suitable for our national conditions.

The fifth meeting of the Sixth NPC held this year has decided that in the year to come we will concentrate our efforts on grasping two major things:

1) In the economic field, we will stick to the correct guiding principle for construction, widely launch a campaign of practicing economy and increasing production, profoundly carry out structural reform, and expand the work of opening up to the outside world to ensure that our entire national economy develops in a sustained and stable way. 2) In the political and ideological fields, we will profoundly carry out propaganda and education aimed at upholding the four cardinal principles, resolutely oppose bourgeois liberalization, strengthen the building of socialist spiritual civilization, and further consolidate and develop a political situation characterized by stability and unity. From the government work report by the State Council, examined and approved by the highest organ of state power, we can also find that China is implementing the line, guiding principles, and basic policies for building Chinese-type socialism in a more comprehensive and correct way. In the meantime, these are constantly enriched and developed in practice. The campaign of increasing production and practicing economy is an effective magic weapon for long-term economic construction in China. It is an inevitable demand and result of deepening economic structural reform. It is also a measure of profound significance for promoting smooth progress in reform.

The deepening and development of economic structural reform will naturally put political structural reform on the agenda. By carrying out political structural reform, we will reform the parts and links in the superstructure which do not conform with the economic base. It is a self-improvement of the socialist political structure. Building a high degree of Chinese-type socialist democracy and improving and perfecting the socialist legal system is an important component part of the political structural reform. Democracy and the legal system is the unity of opposites. Without the protection of the legal system, democracy is unreliable. Democracy should be one within the scope of law. Everyone enjoys various rights of democracy and freedom. However, when one is exercising these rights, one is not allowed to harm the interests of the state, society, and the collective, and other people's lawful rights. So-called democracy and freedom which deviates from this principle cannot be realized in any country. It is a long and gradual process to carry forward socialist democracy. The task can be completed only through gradual reform and unswerving education. Some of our leaders resign because of their mistakes in work. This is a normal phenomenon which embodies political democracy. At present, we are conducting investigations and studies in order to work out a practical plan for political structural reform. On completion we will implement it in a guided way and step by step.

Here, I would like to briefly talk about the relations between the two basic points of the four upholds, and reform, opening up and invigoration. They are unified, and do not oppose each other. If we fail to uphold the four cardinal principles, the political situation of stability and unity will be obstructed. There will be no fundamental guarantee for reform and opening up, and they may even be led astray. Without reform and opening up, the socialist cause will stagnate and become ossified. It will then be impossible to fully develop the social productive forces, and truly and effectively uphold the four cardinal principles in practice. Therefore, providing education in upholding the four cardinal principles will never adversely affect reform and opening up. On the contrary, it will guarantee smooth progress in reform and opening up.

IV. On Reunification of the Motherland

Realizing reunification of the motherland is a sacred duty for the entire Chinese people, including the Taiwan compatriots. This is a matter of primary importance which should be carried out during the present stage. With regard to the future of reunification of the motherland, Article 31 of the Constitution stipulates: "The state may establish special administrative regions when necessary. The system to be instituted in special administrative regions shall be prescribed by law enacted by the NPC in light of the specific conditions."

The basic national policy of our country's reunification will not be changed. To end the disunity of the motherland as early as possible and to turn this national policy into reality, our government has adopted vivid practice in recent years. This has shown us an encouraging picture. When we review our history, we will recall how our country has consolidated, enriched, and developed in practice this basic policy adopted by the 3d Plenary Session of the 11th CPC Central Committee. On New Year's Day 1979, the NPC Standing Committee issued "A Message to the Compatriots in Taiwan," proposing "exchanges of mail, trade, and air and shipping services" between compatriots living on both sides of the straits. On the eve of "1 October" National Day, the late Chairman Ye Jianying delivered a famous speech on the "nine-point proposal," proposing talks between both parties on an equal basis, and the third cooperation between the KMT and the CPC with the aim of jointly realizing reunification of the motherland. In 1983, Comrade Deng Xiaoping proposed a "six-point" concept on peaceful reunification between Taiwan and the mainland. In February 1984, Comrade Deng Xiaoping summarized this concept as "one country, two systems," which has now become a national policy for the reunification of our country. Thereafter, through friendly negotiations with the British and Portuguese Governments, we satisfactorily solved the issues of Hong Kong and Macao. The Sino-British Joint Declaration on the issue of Hong Kong points out: "The Hong Kong Special Administrative Region will enjoy a high degree of autonomy." After China's recovery of sovereignty over Hong Kong, the existing system in the territory will remain unchanged for 50 years, and the long-term stability and prosperity of Hong Kong will be maintained. In accordance with the concept of "one country, two systems," in mid-April this year China and Portugal also signed a joint declaration on the issue of Macao.

The satisfactory settlement of the Hong Kong and Macao issues has created favorable conditions for the settlement of the Taiwan issue. We will continue to realize reunification of the motherland in accordance with the concept of "one country, two systems." After reunification, Taiwan, as a special administrative region, will enjoy a high degree of autonomy. It may retain its judicial independence, and the mainland will not send troops and administrative personnel to Taiwan. Taiwan may also retain certain diplomatic rights.

We are optimistic about the prospects of Taiwan returning to the motherland. The fact that our economy has been developing continuously is more beneficial to reunification of the motherland. We place our hopes in the Taiwan

authorities, and the people of various nationalities in Taiwan in particular. However, peaceful reunification of the motherland is not completely determined by us. We have never committed ourselves to a promise of not using non-peaceful means. The reason is very simple. Once we commit ourselves to such a promise, it is the same as binding ourselves hand and foot. Peaceful reunification will then be impossible to realize.

V. On Our Country's Foreign Policy

Our country's foreign policy is consistent. Our existing Constitution has been adopted on the basis of summing up historical experience and analyzing the current world situation. We have laid more emphasis on the principle of independence and initiative. While dealing with any international event, we proceed from the basic interests of the Chinese people, and the people of the whole world. We work out our policy independently, in accordance with the rights and wrongs of the matter. We will never attach ourselves to any superpower or group, or become their allies, or establish strategic relations with them. We will uphold a peaceful foreign policy characterized by independence and initiative. All this is determined by the nature of our country and society. To me, there are three major pillars for our foreign policy. 1) Peaceful coexistence. China is one of the initiators of the five principles of peaceful coexistence. On the basis of the five principles of peaceful coexistence, we have established, restored, and developed normal relations with various countries in the world. Our relations with them are not determined by differences in social system and ideology. We uphold the policy of opening up to the outside world, and promote economic and technical exchanges and cooperation with various countries in the world. 2) We oppose hegemonists, large and small, to safeguard world peace. According to our analysis of the present situation, in recent years the forces for containing war and defending peace have greatly developed, and have surpassed the growth of the factors promoting war. As long as all peace-loving countries and people make concerted efforts, world peace can be safeguarded. World war will not break out in the foreseeable future. China always maintains its independence and initiative, without relying on any superpowers. China is always an important force for safeguarding world peace. We were so in the past, we are now, and will continue to be so in the future. 3) We have firmly sided with the Third World. It has been our basic starting point in foreign relations to strengthen and develop our unity and cooperation with Third World countries. We support the just struggle of the Third World countries to strive for and defend national independence, and their efforts to develop their national economies.

VI. A Brief Conclusion

All policymakers know very well that policies are formulated in accordance with the actual situation and its development. Whether the policy is good is determined by: 1) Whether it conforms with national conditions; 2) whether it enjoys popular support; and 3) whether it is in accord with the objective law of social development. Practice is the sole criterion for testing policy. Practice during the past 8 or 9 years has fully proved that the line, guiding principles, and basic policies adopted since the 3d Plenary Session of the

11th CPC Central Committee conform with the trends of our times are in accord with our national conditions, and enjoy popular support. Those who understand China know that we have achieved great development in economic construction, and that the living standards of our people have been markedly improved. They will not turn a blind eye to the situation characterized by increasing political stability and unity. We should formulate and implement a correct policy. This is China's important past experience in making achievements. This being the case, the basic national policies we talk about will be persisted with and remain unchanged for decades. Not long ago, Comrade Deng Xiaoping pointed out: China's major policies will remain unchanged for decades.

Our political orientation, guiding thinking, and the program for building up our country will remain unchanged. The major policies and guiding principles of our country will also remain unchanged. There is no doubt about that. Our line, guiding principle, and basic policies will continue to be gradually consolidated, improved, and developed through practice. The facts cited above show that our line, guiding principles, and basic policies have been truly enriched and developed in recent years. With development of the policy at home, our various policies are continuously consolidated, enriched, and improved. These may be regarded as alterations. Nothing in this world is immutable. Everything is developing and evolving. Whether or not our policies are supplemented or developed, the line, guiding principles, and basic policies, as well as the objectives prescribed by our Constitution will never change. The Chinese people know perfectly well that the authority of the Constitution has a bearing on political stability and the fate of our country. The roots of our Constitution can never be harmed.

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EXPLORE ENTHUSIASTICALLY, DEEPEN REFORM

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[Article by He Guanghui [6320 0342 6540]]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has once again pointed out that our country is still in the initial stage of socialism. This scientific conclusion is extremely rich in content. It tells people that our country has established a socialist system and entered socialist society, with the system of public ownership of the means of production occupying a predominant position and playing a leading role and with the principle of distribution according to work introduced. But with socialism built by our country on the basis of a semicolonial and semi-feudal society, the current level of productivity is still very low. The commodity economy is not well developed. The natural economy and the semi-natural economy account for relatively large proportions. In addition, our country is a vast one with a large population. It has still not overcome poverty and is still in the initial stage of socialism. This fundamental national condition determines that full development of the socialist commodity economy in our country is a stage that cannot be sidestepped. We must create a rate of labor productivity higher than that of capitalism. Only in this way can ample proof be provided that socialism is superior to capitalism, and only in this way can the socialist system be ultimately consolidated. To increase productivity in a big way naturally calls for changing in many respects the relations of production being incompatible with the development of productivity and the superstructure and changing all unsuitable ways of management, forms of activity, and ways of thinking. It is therefore a wide-ranging and profound revolution. The economic reform we are carrying out is such a revolution. It represents the self-perfection and development of the socialist system. Its fundamental aim is to eliminate the rigid economic system restraining the development of production and to establish a socialist economic system that has Chinese features, is full of life and vitality, and fits in with the development of a planned commodity economy.

Our original economic system was gradually formed during the First 5-Year Plan. Given the lack of experience at that time, the Soviet pattern was chiefly borrowed. Meanwhile, some practices in a wartime supply system were adopted. A system as such played a positive role in the postwar rapid revival of our economy and establishment of our country's relatively

independent and relatively perfect industrial system and national economic system and in building 156 important construction projects. However, with the fundamental completion of socialist transformation and the development of production socialization and specialization, the defects of the existing system and its conflicts with the development of productivity stood out. This was a rigid economic system marked by high concentration of power and no separation of government and enterprise functions, with main reliance on mandatory plans and administrative means to run the economy, and with the distribution of material supplies taking the place of the relations of commodities. The principle of material interests was overlooked. The law of value and the role of the market mechanism were rejected. Such a system treated the whole national economy as a big factory with concentrated operations and with overall responsibility for profits and losses--a factory under the direct control of a state administrative organ in charge. Thus, enterprises were turned into appendages of administrative organs at various levels. On the other hand, the national economy as an organic whole was divided into separate departments and sectors isolated from each other. It seriously suppressed the enthusiasm, initiative, and creativity of enterprises and workers. It was a main cause of a long period of our country's high input matched with low output, poor economic results, and slow scientific and technical progress. Historical experience tells us that to overcome the shortcomings and defects of the existing economic system, we cannot solve the problem by putting readjustments and reforms on a piecemeal basis. We must drop rigid hackneyed patterns and establish a new system of a planned commodity economy compatible with our national conditions. Otherwise, China's economy cannot be revitalized. The backward features of the state cannot be quickly changed. We would thus have no power to meet the challenge of the contemporary new technical revolution and new industrial revolution. The superiority of the socialist system also could not be really manifested.

Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has successively worked out a series of important documents, including a decision on the economic reform and a proposal on the Seventh 5-Year Plan, and has defined a basic blueprint for urban and rural economic reforms. The reform first started with the countryside and gradually extended to cities. In the countryside, the household responsibility system of linking remuneration to output was mainly introduced. In cities, some initial reforms were carried out about systems in such fields as planning, finance, taxation, pricing, banking, commerce, workers' wages, and government economic management organs--reforms concentrating on the revitalization of enterprises as the central link. Eight years of reform have brought about profound changes in our country's economic operation mechanism and management system and people's ideological concepts. The unlimited potential in the masses of people is being tapped to turn into a tremendous force stimulating production and construction. Achievements attracting world attention have been scored in reform. Our country is switching from a unitary economic component and form of operation to multiple economic components and forms of operation, with public-owned economy as the mainstay, from a product economy to a planned commodity economy, from a form of distribution with unified control of receipts and expenditures to distribution based on classifications and various forms of distribution, and from direct administrative management

of enterprises to indirect economic management. In 1986, compared with 1978, gross national product increased 102 percent; national income, 95 percent; and the state's revenue, 98 percent. Per capita rural net income rose from 130-plus yuan to more than 420 yuan, with the problem of food and clothing basically solved. Per capita pay for urban workers rose from 600-plus yuan to more than 1,330 yuan. Market supplies became relatively abundant and varied in a switchover from the supply of some consumer goods against the presentation of coupons and a situation in which products showed no variety and were in short supply. In trading with foreign countries in the economic field, there initially formed a belt open to the outside world which gradually extended inland with the coastal area as its front. The volume of export and import trade increased more than 200 percent compared with before the reform. It can be said that these 8 years are ones in which our national economy showed the greatest development, national strength grew at the quickest pace, and the people reaped the greatest actual benefits. Comrade Zhao Ziyang concisely pointed out: China's economic reform had brought such great vitality as to cause great changes in economic construction in various fields in the past few years. There was no reason for us to relax the reform effort. Recently, Comrade Deng Xiaoping also repeatedly stressed that in practicing socialism, we must develop productivity. Poverty does not represent socialism. The old line has proved unsuccessful after a test of several decades. Without reform, there is no way out.

Now, our economic reform has reached a new stage in which reform is relatively tough going. In overall economic operation, there are simultaneously two systems, two mechanisms, and two ways of management. Contradictions, loopholes, clashes, and conflicts arising therefrom are relatively plentiful. This is likely to make reform slow down and even retrace the old trail. We must firmly and unswervingly make the most of the favorable situation by-passing reefs, boldly exploring, and pushing reform forward in a planned and systematic manner.

Economic reform must be deepened. Economic construction must be developed. All this must focus on such a theme as the development of the socialist commodity economy. At present, how to deepen reform is a matter that calls for exploration in many respects.

1. We Must Correctly Handle the Relations Between Reform and Construction, Enabling the Two To Link With and Promote Each Other

Reform is meant to serve economic development. Just as Comrade Deng Xiaoping pointed out: "If the current economic reform proves successful, this will lay a foundation for the long steady development of China in the current century and the next." Therefore, the most important yardstick with which to judge the advantages and disadvantages, success or failure, of all reforms is whether a contribution is being made toward the development of social productivity.

Reform and development promote each other. Economic development calls for a large amount of money and commodities. But the real "spur in reserve" to economic development lies in reform. Only by arousing the enthusiasm of the

masses of people and enterprises through reform can a driving force behind the development of production be generated and can great material wealth be created. Given difficulty in achieving an essential reform breakthrough, development is also likely to stagnate in the quagmire of existing contradictions. Similarly, reform calls for support from development. Especially in the case of an overall economic reform, it will not do without a given amount of financial and material reserves.

Contradictions also sometimes arise between reform and development. This is often overlooked and misinterpreted by people. This phenomenon of contradictions is only transient and partial. Reform is actually a major readjustment of responsibilities, rights, and interests in various aspects of society. This naturally gives rise to conflicts with vested interests and traditional concepts of some departments, units, and individuals. Some social repercussions are inevitable. Some transient effects are produced on economic development. We strive to reduce such repercussions to a minimum, but repercussions are always unavoidable. Meanwhile, it should also be noted that some of the results produced by reform can be immediately seen, with an immediate stimulating effect on the economy. Some are not necessarily immediately in evidence and often manifest themselves after a period of time, but they are eventually rewarding. Some reform measures are likely to sacrifice transient interests to long-term and greater interests. On the other hand, some reform measures make for not bad economic results, as things now stand. But from a long-term and overall point of view, such is not necessarily the case. This phenomenon of contradictions also exists.

It should also be pointed out that in the past, we held the one-sided view that only given a relaxed economic environment can relatively important reform measures be put into force. Now it seems that this is an unrealistic idea of idealization. In the initial stage of socialism, our country's overall demand often exceeds overall supply. The whole economy is generally in a not too relaxed state. The economic reform is actually carried out in an environment of shortage. Only through reform can a relaxed economic environment be created. Of course, too much tightening in various aspects of economic life will also not do. With the capacity for absorption in various fields exceeded, the progress of reform will be made difficult. Therefore, reform must be integrated with the strategy for economic development and the goal of development and with the rationality of the industrial policy and the mix of organizational enterprises, stimulating the rational allocation of the elements of production and rational distribution about the regional economy and promoting the development of productivity. In this way, the role of reform in stimulating the development of production can possibly be more easily demonstrated, reducing the difficulties and contradictions in reform. Otherwise, with reform taken in itself and the market taken in itself, it is likely that the further along we went in reform, the more irrational would be the industrial mix and the mix of organizational enterprises and the more unrelaxed the economic environment, making it difficult for the whole national economy to develop in a lasting and steady manner. Therefore, we must consciously study development and reform as a whole and, in light of the objective situation, control and handle the relations between the two in an overall manner, enabling them to integrate with and promote each other.

2. Further Revitalize Enterprises With the Emphasis on Deepening the Reform of the Enterprise Operation Mechanism

The revitalization of enterprises has all along been the center of our economic reform and also the starting point and end in reform. Enterprises are the "cells" of the national economy. Whether enterprises are full of vitality has a bearing on whether there is a solid basis for development of the socialist commodity economy. In the past few years, tremendous progress has been achieved in the reform of enterprises. On the whole, however, the problem of increasing enterprise vitality and especially the vitality of state-owned large and medium-sized enterprises has not been quite properly solved. The main reason is that on the one hand, the decisionmaking power for enterprises, as stipulated by the state, is often withheld by the intermediary levels, with such power not actually passed on. On the other hand, in enlarging decisionmaking power for enterprises, reform measures are adequate in linking things up, with responsibility, power, and interests not really unified. Enterprises are actually still incapable of becoming producers and operators that operate on their own and hold themselves responsible for profits and losses. A set of effective self-restraining mechanisms has yet to be formed. Experience shows that given no change in the enterprise operation mechanism, not only is it difficult to tap the potential internally but it is also difficult to respond quickly to changes in a macroeconomic environment. Therefore, in deepening enterprise reform, we must put the emphasis on perfecting the enterprise operation mechanism.

As things now stand, viewed in light of the development of the market in our country in its present stage, the enterprise management levels of most of the enterprises and the quality of the ranks of cadres and workers and the various versions of the contract operation responsibility system practiced in large and medium-sized enterprises owned by all the people represent an effective form in deepening the enterprise reform and can help solve the problem of an operation mechanism in an enterprise in a relatively satisfactory way. In the form of contracts signed between enterprises and the state, the contract operation responsibility system clearly spells out the relations of responsibility, power, and interests between the state and enterprises, thus realizing the goal of separation of the right of ownership and the right of operation and creating conditions for autonomy in enterprise operation. In the distribution of income, the introduction of such practices as fixing bases, guaranteeing payouts to the higher levels, and keeping more from excess income and making up for shortfalls help in ensuring the steady growth of the state's revenue and strengthening enterprise capacity for self-development, enabling enterprises to gradually achieve the aim of being responsible for their profits and losses. Meanwhile, the introduction of the contract operation responsibility system helps in stimulating enterprises to divert their attention from upper to lower levels and to internal enterprise operations and concentrate energies on the proper handling of enterprise internal mechanism reforms, which chiefly include reforms in such fields as the enterprise leadership system, distribution system, operation system, labor system, and so on. It helps in encouraging enterprises to strengthen internal matters of operation and management, base themselves on their own future, and accelerate the upgrading of technology and technical

transformation. It helps in bringing skilled personnel to the fore and forming a contingent of operators. Of course, the contract operation responsibility system also calls for gradual perfection in practice. There is still the need to study and explore standardized reform measures. For example, the reform of the tax system must be perfected, enabling the relations between the state and enterprises to be built on a steady, standardized, and effective basis.

In deepening the enterprise reform, based on internal links in economic development and the demands of social production, we must promote horizontal economic integration between enterprises and perfect the industrial mix, the mix of products, and the mix of organizational enterprises. With ripe conditions, we can organize various enterprise consortiums that cut across areas and departments, improve the results of a large-sized economy, and head for the road to intensive production.

3. With the Development and Perfection of the Market for the Means of Production and the Money Market as the Focus, We Must Gradually Establish a Perfect, Open, and Competitive Socialist Market System

In developing a socialist commodity economy, we must establish and perfect a market system. Without a normal environment for trading and without competition, an enterprise cannot become an independent commodity producer and competitor. Divorced from a perfect market, the state's macroeconomic management also cannot shift onto the orbit with indirect control as the dominant factor. It can be seen that the market is a pivot linking microeconomic activity with macroeconomic control.

The socialist market system represents an organic whole comprising various socialist markets. It covers the commodity market, money market, labor market, technology market, information market, land and house property market, and so on. A matter of urgency is to develop and perfect a market for the means of production and a money market, in order to create a benign external environment for the revitalization of enterprises. In the past few years, there has been development in our market for the means of production. Some important means of production, such as coal and charcoal, timber, cement, rolled steel, nonferrous metals, mechanical and electrical products, and so on have entered the market to different degrees. Now, the number of rolled steel markets throughout the country has increased to about 100. That of commodity trading centers at the prefectural and city levels and above has increased to more than 380. But as far as the overall situation is concerned, there has basically been still no change in the situation of large and medium-sized enterprises relying mainly on governments at various levels and various departments for the planned distribution of materials. For some products, two different prices are introduced, with the difference still excessive. This has an adverse effect on enterprise capacity for absorption and economic results. Therefore, the key to the development of the market for the means of production lies in the proper handling of the reform of the pricing system for the means of production. Now, the prices for the means of production follow "a double-track system." This is a product of two systems being in the process of replacing each other and is a temporary

measure. Such a measure is relatively compatible with existing realities. But there are more contradictions and loopholes in economic operation. There is the need for improvement by adopting a method like that used by Shijiazhuang, which set the same selling prices for materials included or not in plans, with compensation for relevant price differences, cutting side-effects to the minimum. The next thing is that we must further reform the system for the distribution of materials, reducing the quantity of materials and products distributed under plans by the governments at various levels, especially various specialized departments, in order to enlarge the scope for direct trading between producers and buyers. Another thing is that we must appropriately establish and perfect fundamental facilities and relevant rules and regulations, as far as the market for the means of production is concerned.

In developing the money market, we should chiefly accelerate the pace of reform of the monetary system. Big strides have now been made in reform of our monetary system. There has been initially set up a system of monetary organizations with four specialized banks as their mainstay under the leadership of the People's Bank of China. Experiments with the reform of the monetary system throughout the country have extended to 27 cities and the whole province of Guangdong.

In order to give further play to the important role of financial means in regulating overall social demand and stimulating production and construction and quicken the pace of reform of the monetary system, we must first continuously perfect the practice of macroeconomic control by the central bank. The main thing is to exercise rational control over the total amount of loan money and supply of money to bring about a balance in the funds of all society. Second, we must develop various financial organizations and gradually keep specialized banks running along enterprise lines. Third, we must reform the bank interest rate system, changing existing unilateral interest rates to floating or different rates. Fourth, we must develop a money market based on central cities, and especially a short-term money borrowing market.

To establish and perfect the market system, we also need to deepen the reform of the whole pricing system and price control system. In this regard, there is the need to make penetrating and conscientious investigations and studies and to prudently design every reform measure. We must take into consideration the capacity for absorption where state revenue is concerned. We must also take into account enterprise capacity for absorption and social psychological capacity for absorption, enabling the price reform to be carried out actively and steadily.

The growth of the market is directly determined by the level of development of the commodity economy and social productivity. Our socialist market will naturally go through a process of gradually opening up, development, and continuous perfection. Therefore, in economic construction and reform, we should pay attention to maintaining the continuity of market liberalization and development and the link-up of various economic policies. We must pay attention to properly taking care of the interacting and mutually restraining

relations between markets for commodities, money, technology, and various other elements.

4. We Must Change the Government's Role in Economic Management and Gradually Introduce Macroeconomic Management Centering on Indirect Control

In the socialist planned commodity economy, indirect macroeconomic control and the revitalization of enterprises and perfection of the market system are unified, with neither to be omitted. For a long period of time, we treated the socialist economy as a product economy, introducing a highly centralized method of management that went all the way from macroeconomic to microeconomic control. The role of economic management was brought into play by chiefly relying on four pillars: a) The distribution of funds; b) the distribution of goods and materials; c) the state's direct management and operation of enterprises; d) reliance on administrative orders to control everything. After several years of reform, our economic operation mechanism has undergone tremendous changes. Its contradictions with the existing way of management have become increasingly prominent. This requires governments at various levels and the departments in charge to actively make a transition to indirect management in line with the laws governing the operation of the commodity economy.

The main feature of indirect management calls for not intervening in individual enterprises' matters of production and operation and instead for concentrating on controlling overall quantity, regulating the structure and creating an environment for fair competition among enterprises, and on applying financial, taxation, banking, pricing, and other economic and legal means to strengthen various supervisory organs. This is to effectively regulate and control the market and guide enterprises through the medium of the market.

A switchover in emphasis from direct to indirect control and a change in the given function of economic management call for an appropriate reform of government economic management organs. The main thing is to establish a scientific decisionmaking system; strengthen comprehensive departments, regulatory departments, supervision departments, and information and consulting organs; streamline specialized management organs in a big way; overcome bureaucratism; and raise efficiency. In this respect, some medium-sized city-level organs' experiments with reform have provided us with wholesome experience.

5. We Must Establish a Socialist Incentive Mechanism and Give Full Play to the Enthusiasm of the Masses of People in Building Socialism

The cause of socialist construction is the great cause of hundreds of millions of people. Whether the masses of people's enthusiasm for socialist construction is aroused to the fullest extent is a key factor determining the success or failure of the reform and construction effort. People are the most active factor with a decisive role in social productivity. By arousing the socialist enthusiasm of workers to the fullest extent, we can transform potential productivity into actual productivity, making all economic life full of

creativity and vitality. In socialist society, workers as the masters of the state have not only the obligation to contribute toward the state but also the right to demand conditions being provided for satisfying and developing their own needs. Therefore, establishment of a scientific incentive mechanism is a matter of great importance. Such a mechanism enables workers to give full play to their creativity in developing social productivity and also allows them to rebuild their own image to become new-type socialist workers.

The establishment of such an incentive mechanism calls for a process of exploration. Now, we can proceed with exploration in two respects: First, through deepening reform of the system of distribution in an enterprise, we must put various versions of the contract operation responsibility system on a solid basis, really organically combining responsibility, power, and interests and really giving expression to the principle of distribution according to work and more pay for more work, thus giving full play to the role of wages and bonuses in distribution and stimulation. Second, we must establish and perfect a democratic management system in an enterprise, respecting workers' position as masters of the house and widely recruiting them to participate in enterprise management. Meanwhile, through strengthening ideological and political work in the new period, we must promote the fine traditions of our working class, give full play to the collectivist spirit of unity and cooperation, foster cherished professional ethics, cultivate common enterprise-building faith, work styles, and action criteria for the workers of a given enterprise, continuously broaden workers' spiritual horizons, and use a high sense of honor from properly acting as socialist masters and a sense of political responsibility to stimulate the masses of workers to establish a contingent of workers with ideals, moral principles, a cultural background, and a sense of discipline.

Looking back over more than 8 years of reform, we can entirely say with pride that our reform and construction effort has been crowned with great historical achievements. In our joy, we must also soberly realize that our reform and construction effort is a very arduous task. It can be a success only after a long period of arduous efforts by the entire party and the whole people of the country. Comrade Deng Xiaoping said: It takes several decades for China to realize modernization. It is a level of being relatively well off, with the per capita gross national product reaching \$800-1,000 by the end of the century. Given another 30 to 50 years, it will be the level of a middle-ranking developed country, with a per capita gross national product of \$4,000 in the 2050's. Only then can we righteously say that we have really made it building socialism. To realize the great goal of revitalizing our economy, we must uphold the two fundamental points of the line of the 3d Plenary Session of the 11th CPC Central Committee. That is to say, we must uphold the four cardinal principles and uphold the general guideline and general policy for reform, opening up, and invigoration. While accelerating the pace of economic reform, we must work on reforming the political system. In line with the new strategy for economic development, we must energetically promote socialist modernization and strive to place our country among the ranks of economically developed countries in the world after several generations of hard struggle.

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CSO: 4005/958

STATISTICAL DATA ON THE ACHIEVEMENTS OF 8 YEARS OF ECONOMIC STRUCTURAL REFORM--PART III

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 pp 37-38

[Article by the State Statistical Bureau]

[Text] III. Progress in Opening to Foreign Investment

Since the 3d Plenary Session of the 11th CPC Central Committee, the open policy has been one of the fundamental state policies of our country. After several years' effort marked progress has been achieved in the construction of the four special economic zones (Shenzhen, Zhuhai, Shantou, and Xiamen) and in the development of foreign trade, the utilization of foreign investment, the introduction of foreign advanced technology and advanced management experiences, and other economic and technical cooperations with foreign countries in the coastal open cities and zones.

An Overview of the Utilization of Foreign Investment

	<u>Total</u>		<u>Foreign loans</u>		<u>Direct foreign investment and others</u>	
	<u>Items</u>	<u>Amount (billion dollars)</u>	<u>Items</u>	<u>Amount (billion dollars)</u>	<u>Items</u>	<u>Amount (billion dollars)</u>
Agreed (contracted) amount of foreign investment 1979-1986	9,431	47.88	242	27.89	9,189	19.99
In which: 1986	1,551	11.74	53	8.41	1,498	3.33
Actual amount of foreign investment used 1979-1986		29.23		20.92		8.31
In which: 1986		7.26		5.02		2.24

Agreed (Contracted) Amount of Foreign Investment
(classified according to the forms of investment)

	<u>1979-1984</u>		<u>1985</u>		<u>1986</u>	
	<u>Items</u>	<u>Amount (billion dollars)</u>	<u>Items</u>	<u>Amount (billion dollars)</u>	<u>Items</u>	<u>Amount (billion dollars)</u>
Total	...	28.39	3,145	9.87	1,551	11.74
1. Foreign loans	...	18.64	72	3.54	53	8.41
2. Direct foreign investment and others		9.75	3,073	6.33	1,498	3.33
In which:						
Joint ventures	931	1.39	1,412	2.03	892	1.38
Contractual joint ventures	2,211	4.71	1,611	3.50	582	1.36
Cooperative development	30	2.00	4	0.36	6	0.08
Wholly foreign-owned enterprises	75	0.51	46	0.05	18	0.02

Total Actual Amount of Foreign Investment Used in the
Four Special Economic Zones
(Unit: thousand dollars)

	<u>1984</u>	<u>1985</u>	<u>1986</u>
Total of the four special economic zones	866,270	526,710	626,140
Shenzhen	589,060	329,250	468,600
Zhuhai	219,680	91,040	68,190
Shantou	9,320	33,140	61,760
Xiamen	48,210	73,280	27,590

Footnote: The figures of 1984 are cumulative figures calculated up to the end of 1984.

The Situation in the 14 Coastal Open Cities in the
Utilization of Foreign Investment

	<u>Unit</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Number of contracts signed recently	Items	1,066	791	546
Amount of contracted foreign investment	Thousand dollars	2,260,940	2,267,130	1,604,750
Actual amount of foreign investment used	Thousand dollars	561,210	458,860	928,910

Footnotes: 1. The figures for 1984 are cumulative figures calculated up to the end of 1984. The figure for the actual amount of foreign investment used in 1984 does not include that for Tianjin.

2. The figure for the number of contracts signed recently and the amount of contracted foreign investment do not include commodity credits and others.

Up to the end of 1986, 40 countries and areas have invested, and established factories, in our country. The total number of Sino-foreign joint venture enterprises, contractual joint venture enterprises, and wholly foreign-owned enterprises have exceeded 7,000, and one-third of them have started production. Among the foreign investment items approved by our country in 1986, the proportion of foreign investment invested in production items such as industry, agriculture, animal husbandry and fishery, transportation, and communications has increased from 45 percent in the period 1979-1985 to 76 percent.

Contracted Foreign Projects and Cooperation
in the Field of Labor Service

	<u>Number of contracted countries and areas</u>	<u>Number of con- tracts</u>	<u>Amount of contracts (billion dollars)</u>	<u>Amount of contracts completed (billion dollars)</u>
Total 1979-1986	357	3,952	6.532	3.401
In which: 1986	96	944	1.359	0.973
1. Contracted foreign projects 1979-1986		2,182	5.437	2.604
In which: 1986		486	1.189	0.819
2. Cooperation in the field of labor service in 1979-1986		1,770	1.095	0.797
In which: 1986		458	0.17	0.154

Footnote: The figures for the amount of contracts completed in 1979-1986 include those for 1976, 1977, and 1978. As the amount of contracts completed in these years is very small, they cannot be listed individually.

Total Amount of Customs Imports and Exports
(Unit: billion dollars)

	<u>1981</u>	<u>1986</u>	<u>1986 as a percentage of 1981 (%)</u>
Total amount of imports and exports	44.02	73.85	167.8
Total amount of exports	22.01	30.94	140.6
Total amount of imports	22.01	42.91	195.0

Footnote: As the customs departments began to take statistical records again in 1981, there is no imports or exports data for 1978.

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EXPOSITIONS ON SEVERAL IMPORTANT VIEWS IN THE REVISED AND ENLARGED EDITION OF
'BUILDING SOCIALISM WITH CHINESE CHARACTERISTICS'

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 pp 39-43

[Fifth part of article by the HONGQI Theoretical Education Editorial Office;
capitalized passages published in boldface]

[Text] IV. On Strengthening Leadership Over the Ideological Front

[By Xu Jianyi [1776 1696 0001]]

12. "STRENGTHENING THE PARTY'S LEADERSHIP ON THE IDEOLOGICAL FRONT AND OVERCOMING SITUATIONS OF WEAKNESS AND LAXNESS HAS BECOME A PRESSING TASK FOR THE WHOLE PARTY." (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, p 36)

Since the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has pointed out many times that we must strengthen leadership on the ideological front and overcome situations of weakness and laxness. However, some comrades, especially some leading comrades, lack an understanding as to the necessity and pressing nature of strengthening the party's leadership on the ideological front and have not made efforts in implementing this correct guiding principle on the ideological front. In 1986 the ideological tide of bourgeois liberalization went rampant for a time and at the end of the year students in some cities created disturbances. This was the result of relaxation of leadership on the ideological front, of there not being a clear-cut stand and firm attitude in opposition to the ideological tide of bourgeois liberalization, and of the existence of weakness and laxness. It is evident that strengthening party leadership on the ideological front and overcoming the situation of weakness and laxness is certainly a major question for the whole party and a question which must be resolved. In this matter, we can deepen our understanding through the following aspects:

1. Unless we strengthen party leadership on the ideological front, we will not be able to effectively resist and oppose the ideological tide of bourgeois liberalization. Under conditions of reform and opening up, because of the corruption by decadent bourgeois ideology, it is not strange that the ideological front should be subject to the influences of bourgeois liberalization. The key question is how, in the new situation, we are to handle

these influences. Are we to guide actions according to circumstances, strengthen party leadership of the ideological front, adhere to the four cardinal principles, and oppose bourgeois liberalization boldly and assuredly? Or are we going to consciously or unconsciously receive the influences of the ideological tide of liberalization and sink into a situation of weakness and laxness? This will be a centralized manifestation of whether or not we are adhering to the party's principles. In the last few years, some comrades on the ideological front have adopted the latter attitude. For a time, some bourgeois political theories and even mistaken opinions of "complete Westernization" were spread everywhere through newspapers, forums, and other avenues. Some bad works which had murder, sex, and terror as their main contents were found everywhere and unhealthy periodicals flooded the streets. The reason for these phenomena was that leadership over and supervision and inspection of some newspapers and the public opinion front had been lost. Those people who engage in bourgeois liberalization took this opportunity, used the public opinion front, and used our printing machinery and distribution channels to corrupt people, especially young people, and to corrupt our party members and cadres. The leaders in some departments, as they overlooked work on the ideological front, only had a blurred idea of the above situation, paid little attention to it, and did not think about managing it. Furthermore, some comrades who shouldered leading duties on the ideological front also did not face squarely up to this problem and did not warn relevant departments in a timely way to pay it a high degree of attention. They even indicated various degrees of sympathy and support for the people engaged in bourgeois liberalization. In fact, only if party organs at all levels, from the Central Committee down to local party committees, strengthen their leadership over work in this respect will overcoming these phenomena not be a difficult task. Unless we strengthen party leadership on the ideological front, adherence to the four cardinal principles and opposition to bourgeois liberalization will be but empty words.

2. Unless we strengthen party leadership on the ideological front, we will not be able to safeguard and develop the political situation of stability and unity. The work of propaganda, education, theory literature and art, and other departments on the ideological front has a major role in guaranteeing, safeguarding, and developing the political situation of stability and unity. Unless this work is done well, it may aid the development of factors of instability. Some comrades cannot correctly understand this important role of the ideological front and do not take a responsible attitude in respect of the social effects their words may have. Some comrades even say: "What do things which happen in society have to do with me?" In fact, in the last few years, although there have been a number of reasons for instability in society, the effects of chaos on the ideological front should not be understated. When talking about the students creating disturbances, Comrade Deng Xiaoping clearly pointed out: "The problem does not lie in this. A few students taking to the streets will not affect the overall situation. The problem lies in the fact that there have been various confusions on our ideological front and thus effective guidance has not been provided for the young students." (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, p 154) From this it is not difficult to see that unless we basically resolve the situation of disorder on the

ideological front, it will not be possible to consolidate and develop the political situation of stability and unity. In the last few years, the following comment has often been heard: The comrades at the grass-roots level work very hard in the ideological and political field, but just when they start to see results, a bad speech or an unhealthy article appears and the results of their ideological and political work are undermined, and disorder again appears in people's ideologies. The lessons of experience tell us that, regardless of whether we speak of the overall situation or about a region or specific work department, we can only consolidate and develop our hard-earned political situation of stability and unity if we strengthen party leadership on the ideological front. If we fail to do so, nothing will be done well or things may not even get done, and much less will we be able to talk about devoting ourselves to construction.

3. Only if we strengthen party leadership on the ideological front will we be able to guarantee the smooth carrying out of reform, opening up, and invigoration. After the 3d Plenary Session of the 11th CPC Central Committee, the focus of work was shifted to economic construction. Strengthening the party's leadership on the ideological front requires that we carry out ideological and political work centered on the current practice of reform, opening up, and modernization, accurately answer the various questions of understanding which people put forward in reform, opening up, and modernization, and guide the broad masses to consciously adhere to the four cardinal principles so that they can make a contribution to the great cause of invigorating China. If the comrades working on the ideological front fail to go and study the new situations and new problems that appear in practice, or divorce themselves from reality, allow their ideologies to ossify, are weak and yielding in facing the ideological tide of bourgeois liberalization, or even simply give up the ideological front to those people who ardently engage in liberalization, this will inevitably create obstacles to reform and opening up and will have negative effects on the four modernizations. Many cadres who work in the production frontline often complain that some propaganda is more of a hindrance than a help. This shows that any action on the ideological front can affect economic construction. Thus, there is a need to strengthen party leadership on the ideological front, so that our propaganda and public opinion tools can better promote the progress of reform, opening up, and invigoration in the correct direction.

While stressing the strengthening of party leadership on the ideological front and overcoming situations of weakness and laxness, we must also pay attention to preventing the "leftist" tendency. Some people, as soon as they hear about strengthening party leadership, believe that the "separation of party and government functions" has gone astray, while when they hear calls to overcome weakness and laxness, they think that we are again engaging in "mass criticism." Both these understandings are wrong. Strengthening party leadership does not mean that the party wants to "be in control of everything." Rather, strengthening political and ideological leadership by the party is to ensure that all aspects of our construction develop healthily in a socialist direction. Overcoming weakness and laxness is not the same as engaging again in so-called criticism, which was simple and biased, exceptionally crude, and even reversed right and wrong and confused black and white. In respect of those cadres who

have made mistakes, we must adopt an attitude which seeks truth from facts and tries to help those who have erred. We must welcome and encourage them to carry out sincere self-criticism. Criticism and self-criticism must be based on a Marxist stand, not on a "leftist" stand. To sum up, party organs of all levels must take the strengthening of leadership on the ideological front as an important component of strengthening and improving leadership by the party, pay close attention to and deeply study the situation and problems on the ideological front, and adopt practical and effective methods to carry out work on this front. In this way, a new situation will certainly arise in the party's ideological and political work.

[By Lu Ding [7627 0002]]

13. "IDEOLOGICAL AND POLITICAL WORK AND IDEOLOGICAL AND POLITICAL WORK CONTINGENTS MUST BE GREATLY STRENGTHENED AND CERTAINLY MUST NOT BE WEAKENED." (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, pp 124-125)

Deeply carrying out ideological and political work and concentrating advanced ideas and spirit as well as the party's line, principles, and policies in the minds of party members and the masses and thereby guaranteeing the completion of all aspects of work is a fine tradition of our party. In the past, our ideological and political work was subject to "leftist" guiding ideology and during the "Cultural Revolution" it was further subject to demand caused by the Lin Biao-Jiang Qing counterrevolutionary clique. After the smashing of the "gang of four," Comrade Deng Xiaoping proposed the "revival and development of the fine tradition of political work." ("Selected Works of Deng Xiaoping," p 114) In the situation where ideological and political work had been weakened and could not accord with the demands of socialist modernization, he repeatedly stressed: In the new period of socialist construction, under the new situation of reform, opening up, and invigoration, ideological and political work and ideological and political work contingents can only be strengthened, and must not be weakened. Why did he especially stress this point?

First, strengthening ideological and political work and ideological and political work contingents are important guarantees for achieving the overall tasks and overall goals in the new period of socialist construction. The 3d Plenary Session of the 11th CPC Central Committee changed our party's political line from the former "take class struggle as the key link" to wholeheartedly engaging in socialist modernization, and effected a great historical turn. This resulted in socialist construction entering a new historical period with the realization of the four modernizations being the key task. This is a correct political line, which will enrich the country and the people and which has been formulated on the basis of scientifically summing up 30 years of experience and lessons. If we are to implement this correct line, we must overcome "leftist" and rightist interference and unify the ideologies of the whole party and the people of the whole country with the correct line of the party. The achievement of this goal will not be possible without carrying out wide and deep political education. At the same time, in implementing this correct line and realizing

the goal of enriching the country and people, we must fully bring into play the enthusiasm and creativity of the people of all nationalities throughout the country. This must be achieved through a large amount of ideological and political work, and by having the party's line, principles, and policies become the conscious action of the vast masses. Taking the realization of the four modernizations as the central task and putting stress on economic construction may produce a tendency among some cadres and the masses to set economics and technology against politics, to look lightly on ideological styles. For example, some people say: "When we have contracts and bonuses, we do not need to stress ideology," "Economic results are the key and ideological work has been sent back to the second line," and so on. This tells us that the more we stress the realization of the four modernizations as the key task, the more we need to stress ideological and political work. Only thus will we be able to guarantee the victorious realization of the socialist modernization task.

Second, strengthening ideological and political work and ideological work contingents are important guarantees for smoothly carrying out reform, opening up, and invigoration. Reform, opening up, and invigoration are the overall principles and overall policies for building socialism with Chinese characteristics set down since the 3d Plenary Session of the 11th CPC Central Committee. In the last few years, the implementation of these principles and policies has brought overall economic, political, cultural, and social progress, created fine conditions for building socialist material and spiritual civilization, and prompted positive and deep changes in the people's ideological, conceptual, and spiritual states of mind. This fact is recognized by all. At the same time, in the process of reform, opening up, and invigoration, some negative factors have appeared. For example, some people have forgotten about morality when they smelled profits, engaged in speculation, partially or completely evaded taxes, passed off false products as genuine, harmed others while benefiting themselves, harmed public interests while benefiting private interests, abused their powers to seek private gain, forfeited national integrity and personal integrity, and so on. In other words, in the process of reform, opening up, and invigoration, it has been unavoidable for remnant feudal ideology and decadent bourgeois ideology to have a corrosive effect on people's ideologies. In this situation, not only must we strengthen the legal system, but must also strengthen ideological and political work so as to raise the people's capacity to discern and resist and thereby guarantee the smooth carrying out of reform, opening up, and invigoration. We must educate people that in whatever situation and regardless of what work they do, they must consider the whole situation, adhere to principles, and correctly handle the relationship between individual, collective, and state interests. In the new situation of reform, opening up, and invigoration, the tasks of ideological and political work have not become lighter but heavier, placed higher demands on us, and gained a greater degree of difficulty. If we underestimate the role of ideological and political work, and relax and weaken ideological and political work, we will harm the building of socialist material and spiritual civilization. Comrade Mao Zedong once pointed out: "Grasping ideological education is the central link in unifying the whole party to carry out great political struggle. If this task is not handled well, none of the political tasks of the party can be completed."

("Selected Works of Mao Zedong," Vol 3, p 1043) Facts have proven that this is a time-tested and irrefutable truth.

If we are to strengthen ideological and political work, we must first improve ideological and political work. Only by improving ideological and political work will we truly be able to strengthen ideological and political work. In June 1987, Comrade Deng Xiaoping in a speech to an army-wide political work conference, pointed out: "As far as the armed forces are concerned, the biggest difference is that the long-time war environment has changed to an environment of peace. The basic tasks and basic contents of our political work have not changed, and our fine traditions are still the same. However, the times have changed, the conditions are different, and the targets are different. Thus the methods of solving the problems are different." ("Selected Works of Deng Xiaoping," p 14) This statement by Comrade Deng Xiaoping has universal significance. Not only does ideological and political work among the armed forces need to be advanced and improved, but ideological and political work on all fronts needs to be advanced and improved. In these last few years, in accordance with the new historical conditions, the various fronts and departments on the basis of reviving and developing the fine traditions of ideological and political work, have accumulated many new experiences and this has played a good role in strengthening ideological and political work. For example, in ideological and political work, various "leftist" and formalist methods have been discarded, and these fronts and departments have adhered to the principles of education and guidance, used dialogue and heart-to-heart talks between leaders and the masses, and used logic to convince people and emotions to influence people so that ideas enter both the ear and the mind. They have adhered to the principle of linking theory with practice and closely combined ideological and political work with work in other fields. The resolution of ideological problems has been closely tied to the resolution of practical problems, and education in the basic theories of Marxism has been combined with situational education. Through fully understanding the role of organizational discipline in ideological and political work, ideological and political education has been combined with the establishment and perfection of a rational system of rules and regulations. They have adhered to the principle of combining inheritance and innovation and, in accordance with the changes in the situation, continually explored new roads, new forms, and new methods in ideological and political work (in the last few years, many regions and departments have established ideological and political work research associations and have studied ideological and political work as a science; this will undoubtedly play an important role in advancing and improving ideological and political work in the new period), and so on. Of course, as to how in the new historical conditions and situation we are to do well in ideological and political work, we lack systematic experience and we need to engage in continual exploration and summing up.

If we are to strengthen and improve ideological and political work, we must improve the quality of the ideological and political work contingents. Ideological and political work are matters that concern the whole party, and all departments must carry out this work. However, this does not mean that we must abolish and replace the specialized work contingents.

Specialized contingents are the concrete organizers and implementers of ideological and political work. Without them, there would be no way to achieve the strengthening of ideological and political work. The main avenue for strengthening ideological and political work contingents lies not in increasing their number, but in improving their quality. Training and establishing a crack ideological political work contingent which has both firm communist convictions and modern scientific knowledge and both a trail-blazing spirit and down-to-earth style is a basic link in strengthening ideological and political work. In improving the quality of ideological and political work cadres, the major requirements are: 1) It is necessary to overcome the idea that "ideological and political work is difficult to do and that it is difficult to be an ideological and political work cadre," warmly love this work, devote oneself to intensively studying the patterns of ideological and political work, understand the policies, stress principles, unify the people, and concern oneself with the people. 2) It is necessary to master certain relevant professional knowledge, to make it easier to talk with cadres and the masses in that profession. Only thus will it be possible to ensure that ideological and political work are closely linked up with the related work, and to truly bring into play their guaranteeing role. 3) Words and actions must be consistent, and education through words and education by example must be linked up. One must do what one expects others to do, and must not do what one does not want others to do. One must set an example for other cadres and the masses. This is particularly important for ideological and political work cadres. Comrade Deng Xiaoping has pointed out: Ideological and political cadres must especially stress "setting an example." "They cannot say one thing and do another." ("Selected Works of Deng Xiaoping," pp 119-120) Strengthening the ideological and political work contingents also has another important aspect. That is, party committees at all levels must concern themselves with and look after political work cadres in the same way as they concern themselves with and look after other cadres. They must concern themselves with their material needs and their spiritual needs and help them to resolve their difficulties, so that they can devote themselves positively to the party's ideological and political work.

[By Yan Xin [0917 6580]]

14. "MANY COMRADES SUM UP THE LESSONS OF HISTORY IN A ONE-SIDED WAY, AND THEY HOLD THAT AS SOON AS IDEOLOGICAL STRUGGLE AND SERIOUS HANDLING ARE MENTIONED, IT MEANS 'LEFTISM.' THEY ONLY ADVOCATE OPPOSITION TO 'LEFTISM' AND DO NOT URGE OPPOSITION TO RIGHTISM. THIS IS GOING TO THE OTHER EXTREME OF WEAKNESS AND LAXNESS." (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, p 24)

Here Comrade Deng Xiaoping puts forward an important point. That is, in the struggle on two fronts, we must adhere to the scientific nature and overall nature of Marxism. We cannot go from one extreme to the other, or use one mistaken tendency to oppose another mistaken tendency. Nor can we allow one mistaken tendency to cover another mistaken tendency. These are basic principles in carrying out a two-front struggle and are also fine traditions of our party in opposing mistaken tendencies. After the smashing of the "gang of four" under Comrade Deng Xiaoping's guidance, our party has revived and developed this fine tradition of directing a struggle on two fronts.

Beginning in the late 1950's a "leftist" error began to gradually form and develop in our party's guiding ideology, eventually developing into the ultraleftist line pursued during the "Cultural Revolution." This seriously obstructed the normal development of our nation's socialist undertaking. When the "Cultural Revolution" came to a conclusion, in bringing order out of chaos by our party, the most basic task was the correction of the "leftist" mistakes of the "Cultural Revolution" and the preceding period, to again bring us back onto the correct track of Marxism-Leninism-Mao Zedong Thought. In this respect, our party carried out very effective work, again establishing the ideological line of seeking truth from facts, formulating a political line of building socialism with Chinese characteristics, and putting forward the general principles and general policies of reform, opening up, and invigoration. Our stable and unified political situation today and the economic situation of coordinated development are inseparable from our scientific and overall summing up of the lessons of history.

A major component of what we refer to as the scientific and overall summing up of the lessons of history is that while mainly opposing the "leftist" mistakes, we have not relaxed our vigilance in respect of the rightist tendencies.

Rather, we have used Marxism-Leninism-Mao Zedong Thought to correctly carry out struggle on two fronts, opposing "leftism" where it exists and rightism where that exists. Comrade Deng Xiaoping has said: "The ideological liberation proposed by the third plenary session was aimed at the 'two what-ers' and its focus was on correcting 'leftist' mistakes. Later rightist tendencies appeared and of course they had to be corrected." He also said: "Opposition to and negation of the four cardinal principles comes from both the left and the right." "We must criticize 'leftist' mistaken ideology and must criticize rightist mistaken ideology." ("Selected Works of Deng Xiaoping," pp 334, 335) On the basis of the ideological tendencies which appeared in the process of bringing order out of disorder, Comrade Deng Xiaoping, in a timely way, put forward the principles of "adherence to the four cardinal principles," "opposition to bourgeois liberalization," "we cannot engage in spiritual pollution on the ideological front," and so on and correctly guided the bringing of order out of disorder and the healthy development of socialist construction. Since the 3d Plenary Session of the 11th CPC Central Committee, our party, in accordance with the spirit of seeking truth from facts and the party's principles, has carried out criticism of opinions and works which violate and oppose the four cardinal principles and engage in spiritual pollution. It has also readjusted the work of those who have adhered to mistaken tendencies and refused to reform, carried out organizational handling of those party members who have violated the party Constitution, and so on. These actions were entirely necessary and correct. If we had not done this, the party would have become weak and lax, would not have been the political party of the proletariat and could not have played its vanguard role. However, a small number of comrades have forgotten the principles of party spirit, and have one-sidedly and erroneously drawn on the lessons of the "Cultural Revolution." They only oppose "leftism" and do not oppose rightism. In respect of those bourgeois liberalization opinions which come from the right and oppose and negate the four cardinal principles,

they ignore them, do not criticize them, do not struggle against them, let them go unchecked, and are even tolerant and indulgent toward them. These weak and lax attitudes and practices have allowed the ideological tide of bourgeois liberalization go unchecked and even given rise to major incidents like the troubles caused by some students last winter, and have affected stability and unity. These facts grimly tell us: In opposing mistaken tendencies, we certainly cannot shift from one extreme to another. In this respect, Comrade Deng Xiaoping has pointed out to the whole party in a timely manner: "We must pay increased attention to rightist interference" (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, p 155) and adopt organizational measures and various appropriate methods to quickly reverse the flood of bourgeois liberalization.

In the past, in carrying out ideological struggle we were subject to "leftist" ideological influence, often "endlessly raised things to a higher plane of principle," and criticized and punished many comrades in a mistaken way. This had to be corrected. Since the 3d Plenary Session of the 11th CPC Central Committee, in accordance with the principle of "mistakes must be corrected," our party has, from bottom to top, redressed many unjust and wrongly handled cases. However, can we therefore give up ideological struggle and abolish punishment? No, we cannot. "Fearing the well ropes for 10 years after being bitten once by a snake" is not a correct attitude. Comrade Mao Zedong pointed out: Positive ideological struggle "is a weapon for achieving unity within the party and within the revolutionary group so that they can battle better," while doing away with ideological struggle "will result in the appearance of decadent and vulgar ways, which will cause the degeneration of various organs and various individuals within the party and the revolutionary group." ("Selected Works of Mao Zedong," Vol 2, p 330) Carrying out serious and businesslike organizational handling of those people who have committed mistakes is a necessary educational measure. If we do not do this, it will be harmful to the organization and harmful to the persons who made the mistakes. Thinking that any mention of ideological struggle or serious handling is "leftist," and discarding correct and necessary ideological struggle and organizational handling is a one-sided and mistaken summing up of the lessons of history. It is like "throwing the baby out with the bathwater" and is undesirable.

Opposing both "leftist" and rightist mistaken tendencies and correctly carrying out struggle on two fronts is an important guarantee for formulating and implementing a correct line. The experiences of history prove: 1) In the struggle on two fronts, we must proceed from reality, oppose "leftism" where it exists, and rightism where that exists. These phenomena must be handled in whatever field they occur. 2) In opposing "leftism" we should prevent rightism and in opposing rightism we must oppose "leftism." We must not use one tendency to cover and obliterate another. 3) We cannot use "leftism" to oppose rightism and cannot use rightism to oppose "leftism." Only by adhering to the correct line will it be possible to overcome "leftist" and rightist tendencies. In philosophical terms, one-sidedness cannot overcome one-sidedness. Only comprehensiveness can overcome one-sidedness. We should bear these historical experiences and correct policies in mind and use them in the two-front struggle now and in the future.

Beginning with the student unrest at the end of last year, the correct principle and policy adopted by our party was to stress opposition to the rightist tendency and to criticize and correct the tide of bourgeois liberalization. This was completely necessary, and obvious results have been obtained. Opposition to bourgeois liberalization is a long-term task, and will run through the whole process of socialist modernization. We must carry out this struggle in a healthy, deep, and sustained way and must not ignore rightist interference at any time. However, we must clearly recognize that in terms of obstruction to the building of socialism with Chinese characteristics, and especially in terms of obstruction to reform and opening up, the main obstructive forces still comes from "leftism." The "leftist" mistakes which began in the late 1950's and reached their zenith in the "Cultural Revolution" have a history of 20 years. Their pernicious influence is strong, they have become a force of habit, and regularly they cause mischief. Thus, in the process of deepening opposition to bourgeois liberalization, we must not let ossification appear or use ossification to oppose liberalization. We must pay attention to getting rid of ossification and overcoming the "leftist" obstructive forces. Only if in this way we correctly, scientifically, and comprehensively carry out the two-front struggle, will we be able to implement the line followed since the third plenary session in an overall way, guarantee the smooth carrying out of reform, and promote the vibrant development of socialist construction.

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SECOND LECTURE OF FORUM ON THE SOCIALIST COMMODITY ECONOMY: CHARACTERISTICS OF THE SOCIALIST COMMODITY ECONOMY

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 pp 44-46

[Article by Li Guangyuan [2621 0342 8678]; capitalized passages published in boldface]

[Text] Commodity economy has been over thousands of years old. In private ownership societies, simple commodity economies developed into capitalist ones, whereas the socialist commodity economy emerged in the wake of victory of the socialist revolution. In order to promote the development of socialist commodity economy, we need to understand the universality of the various commodity economies, as well as the particulars of socialist commodity economy.

FIRST, UNIVERSALITY OF COMMODITY ECONOMIES.

The universality of commodity economies refers to characteristics, which differ from those of the natural economy, shared by the various types of commodity economies. On the whole they include the following:

1. Both commodity exchange and commodity production require the development of social division of labor, while promoting the same development. As a result of a higher degree of socialization or production, the self-reliant practice of "large-scale and complete, and small-scale and complete" production was gradually replaced by specialized division of labor and cooperation, which is the development trend of the commodity economy.
2. Commodity producers are relatively independent, with each having his own special interests. Through commodity exchange they show concern for how the labor they expend on the production of their products is compensated. The amount of compensation directly affects their initiative in production and exchange.
3. Commodities have their respective values besides a use value. Commodity producers do not make products for their own use. Instead, they offer them for sale and realize their values (through the process of obtaining a certain amount of money) for purchasing those commodities they need. The value of a commodity is determined by the labor and time needed to produce the commodity,

and the magnitude of its value is the objective base for its position in commodity exchange. This is the major content of the law of value. Commodity producers strive to make their products marketable and to satisfy the needs of the buyer. They also try hard to economize on labor expenditure so as to get more benefit in the process of exchange. This thus promotes the advancement of production technology.

4. Commodity economy cannot do without a market. Both purchase and sale of commodities are conducted in the market where the supply of various products and all kinds of needs converge. Prices will drop when supply exceeds demand; whereas they will rise when demand exceeds supply. Both buyer and seller of a commodity determine their acts according to supply-demand relations and changes in prices. The imbalance between supply and demand is solved repeatedly and develops repeatedly in the market, readjusting the production and exchange of commodities.

5. There is competition whenever there is a market. Competition encourages commodity producers to improve their production conditions, to economize on their labor expenditure, and to promote their commodity's marketability. The general trend of competition is the survival of the fittest. Therefore, it is favorable to social progress. Competition is also an indiscriminate driving force. Though every commodity producer strives to adapt himself to market changes, nobody can predict how his numerous competitors will react and to what extent this reaction will reach.

Besides the universality of a commodity economy, the socialist commodity economy possesses its own characteristics, which integrate with this universality. Let us analyze the characteristics of a socialist commodity economy.

SECOND, THE SOCIALIST COMMODITY ECONOMY IS BASED ON PUBLIC OWNERSHIP.

Public ownership is the mainstay of China's economy; while ownership by the whole people plays a major role in the public ownership economy. Most commodities available in society are produced and sold by enterprises under public ownership (including enterprises owned by the whole people and those owned by collectives). China is still at the initial stage of socialism. The economy of individual laborers, as well as those of Chinese-foreign joint ventures and wholly foreign-owned enterprises will continue to develop. It is inevitable that a small fraction of commodity economy of a private ownership and capitalist nature develops in a limited way. However, the proportion of this fraction is very small (at present, the nonpublic ownership portion accounts for just about 2 percent of China's gross industrial output value), and it is under the decisive influence and control of the commodity economy owned by the public, particularly the commodity economy owned by the whole people. Therefore, on the whole, China's commodity economy is one based on socialist public ownership.

Enterprises under socialist public ownership reflect the independent nature and special interests of commodity producers. The key link of reform of the economic structure is, under the prerequisite of not changing the original nature of public ownership, to expand the decisionmaking power of enterprises,

so that they will truly become relatively independent economic entities, as well as socialist commodity producers and operators who do business independently and assume sole responsibility for their own profits and losses. Different from private commodity producers, however, enterprises under public ownership share identical interests. Basically, the overall, partial, and individual interests in a socialist commodity economy are identical. Although they contradict each other, the interests of the various parties show concern for and integrate with each other. Therefore, the result of the development of the socialist commodity economy is that the state, enterprises, and individuals get rich together, and the living standards of the various nationalities, social strata, and laborers are heightened. This basically differs from commodity economic development under private ownership.

Public ownership determines that the production goals of a socialist commodity economy differ from those under private ownership. Every private commodity producer only seeks after his own goals, and a common goal after which everyone seeks is absent. Small commodity producers produce commodities in order to earn a living and improve their livelihood. Capitalists do the same for the sake of maximizing their profits. Therefore, there is no common goal shared by the two.

In a socialist commodity economy owned by the public, the means of production are shared by laborers who are united together. In the final analysis, production is subject to their will and serves their purposes. Therefore, the goal of commodity production under public ownership is, on the whole, to meet the needs of laborers with respect to their material and cultural life. It is for the sake of the welfare as well as physical and mental health of the laborers. This is the ultimate goal shared by all enterprises under public ownership and by all laborers.

Socialist economy is a commodity economy in which most products and labor services are aimed at meeting the needs of laborers; they are commodities with their respective values. These values (as well as various scopes of value such as prices, wages, and profits derived therefrom and interests thereon) are the indispensable means for organizing economic activities, distributing resources, weighting economic results, readjusting revenues and interest relations, as well as mobilizing the initiative of the various parties. In order to realize socialist production goals, we must give full play to this role. This is the key issue which we must resolutely deal with in our economic structural reform according to the requirements of commodity economy. However, production of value is not the ultimate goal of socialist production. This is because what ultimately meet the needs of laborers are those materials and labor services that are useful, that is, the use value rather than the value itself.

For the sake of achieving socialist production goals, enterprises must strive to provide the market with a maximum of marketable commodities made with minimum labor expenditure. Whoever can achieve this will reap big profits. Furthermore, laborers of enterprises are part of the whole contingent of

laborers. Their physical and mental health affect socialist production. Therefore, enterprises must take care of the physical and mental health, as well as improve the labor conditions and living conditions, of laborers.

Under normal conditions, profits are the index for judging the contributions to society by enterprises, as well as the source of funds for expanded reproduction by society and enterprises and for the improvement of laborers' labor and living conditions. Hence, profits are the indispensable means for realizing socialist production goals. In order to make more contributions to society, enterprises will improve the living conditions of their staff and workers, and will strive to maximize their profits. This is not making profit for profit's sake or doing anything for the sake of making profits, which basically differs from capitalist enterprises. In a capitalist enterprise, profits are manifested in the form of surplus value created by the unpaid labor of workers in employment. Both the starting point and goal of capitalist production and operations are to seek after more profits.

Because of their common interests and common goal, relations among socialist enterprises under public ownership also differ from those among private commodity producers. Socialist enterprises will first cooperate with and support each other, in order to achieve their common goal, before competing with each other. Their competitive goal is to promote technological advancement and improve management skills, thereby enhancing socialist economic development and improving the people's livelihood. In order to get the upper hand in competition, enterprises must pay attention to changes in the market situation, strive to improve their labor productivity, cut their costs, and supply more marketable commodities. If an enterprise does not focus on these areas but sells its poor commodities by practicing fraud or even bribery, it will not only violate the principle of socialist competition. Naturally, it will not benefit technological advancement or production development if we restrict reasonable competition or protect backward practices by taking such measures as blocking or sealing off the market.

THIRD, IN A SOCIALIST COMMODITY ECONOMY, DISTRIBUTION ACCORDING TO WORK IS THE MAJOR PRINCIPLE IN DISTRIBUTING INDIVIDUAL CONSUMER GOODS.

Socialist commodity economy based on public ownership means that distribution of individual income among laborers is mainly distribution according to work; this differs from the form of distribution in a commodity economy under private ownership.

Income of a small commodity producer is the value realized through the exchange of his commodities. As value is determined by the labor and time expended by society, each producer earns a different income because production and operations conditions, particularly the quality and quantity of the means of production owned, are different. Thus, the result of exchange at equal value under private ownership is that the poor remain poor but the rich become richer. Most people lose their means of production and become workers in the employment of capitalists. In a capitalist commodity economy, labor is a commodity and the income of laborers is determined by the value of labor. That portion of value which exceeds the labor value created by laborers, that is the surplus value, is taken away by capitalists without compensation.

In a socialist commodity economy, laborers are both the joint owners of the means of production and masters of production. The commodities produced by their joint labor are jointly owned by them. Necessary deductions must be made from the commodity value as a whole so as to meet their common needs (including their needs of reproduction and public consumption). The remainder is mainly distributed to each laborer according to his amount of labor for the purpose of his individual consumption.

Under the conditions of a socialist commodity economy, distribution according to work is limited by the commodity exchange relations among enterprises. In distribution according to work, how much a laborer gets mainly depends on the production development situation of the enterprise in which he works, that is, the result of collective labor, which is determined by the enterprise's production, management conditions, and the initiative of all its laborers. Besides, it also depends on whether or not and how the value of commodities supplied by the enterprise can be realized on the market, which in return depends on the market situation and the enterprise's ability to adapt to market changes. Furthermore, it also depends on the proportion of the money allocated for distribution among laborers to the net income of the enterprise. Finally, it depends on the amount of labor provided by the laborer. In this context, we must turn specific forms of labor, varying degrees of sophistication of labor, and different intensities of labor into standardized labor hours. This is because thus we can distribute the magnitude of value allocated by the enterprise for individual consumption in proportion to the kind of labor performed. In addition, the readjustment measures for enterprises taken by the state in respect to their differential income because of different objective conditions indirectly affect the individual income of laborers. At the same time, any funds withheld by either the state or enterprise to meet public needs will ultimately promote the enhancement of laborers' material and cultural life. Consequently, the principle of distribution according to work not only links the improvement of laborers' living conditions to the performance of labor but also to the production and operation of the enterprise, as well as the interests of the state. Therefore, laborers are concerned about their individual rewards, the improvement of their living conditions, as well as the activities of their enterprise and the state. Such a harmonious and integrated relationship in terms of economic interests among the state, enterprises, and individuals is the rich source of initiative of socialist laborers.

Under the conditions of a commodity economy, distribution according to work is conducted in the form of currency, while consumer goods are available through exchange at equal value. This enables laborers to select, according to their income level, consumer goods that satisfy their needs, as well as to choose the pattern of consumption that suits them best. If we do not act in this way but conduct distribution in kind, it will be very difficult for laborers to freely select the goods they want. Besides, it is impossible to practice distribution in kind under circumstances where distribution of labor has become developed.

FOURTH, SOCIALIST COMMODITY ECONOMY IS ON THE WHOLE A PLANNED DEVELOPMENT.

No matter whether it is a commodity economy under private ownership or a socialist commodity economy owned by the public, a proportional distribution of social labor and other resources is required for the production of various products. This is because only thus can production and the demand for various products be balanced, and can production be developed smoothly. Producers in a commodity economy under private ownership, however, are marked by conflicting interests; they are private individuals who do not cooperate with each other. It is thus impossible to have plans, which show that all producers share the same will and common interests, for guiding social production. This creates the possibility that production proportions may be upset and an economic crisis may emerge. The development of contradictions between private ownership of the means of production by capitalists and socialized production makes this possibility become reality. Since the first economic crisis in Britain in 1825, the capitalist economy has been affected by an economic crisis once every several years. The development of monopoly capitalism, particularly that of national monopoly capitalism after World War II strengthened the power of capitalist countries to interfere in economic activities. Acting in the interest and on behalf of some influential monopoly groups, they have been able to take measures to alleviate economic crises. In developed capitalist countries, the governments formulated some plans and, to a certain extent, achieved some results in developing the national economy at a certain time or in a certain area. But this has not basically solved the contradiction between capitalist private ownership and the socialization of production, and economic crises are still inevitable.

Socialist commodity economy bases itself on public ownership. Producers in a socialist commodity economy share the same interests and the same goal, enabling them to undertake economic activities for a unanimous goal under planned guidance. At the same time, such guidance is necessary to make the economy under public ownership develop flexibly. Otherwise, the goal of socialist production cannot be realized. Furthermore, a socialist commodity economy cannot do without the market. Commodity producers must make decisions concerning production and sales according to the market situation. Therefore, production and circulation of products are invariably regulated by the law of value and the supply-demand relationship of the market.

Generally speaking, in contrast with a commodity economy under private ownership, a socialist commodity economy is planned and controlled. This is because those who take part in market activities and respond to market changes are primarily not private producers or individual consumers who are scattered and have conflicting interests. The various economic sectors which form the flexible entity of a socialist economy owned by the public are marked by their specific interests while being linked together by common interests and a common goal. Hence, it is possible that under a general goal, they voluntarily adopt an appropriate form of planning in using the law of value and the role of the market. Important and strategic issues which affect the national economy, the people's livelihood, and the long-term interests, such as the nationwide distribution of productive forces, the readjustment of the industrial structure, and the construction of key projects, must be

decided upon and planned by the state. In particular, the production and distribution of the most important products must be carried out by mandatory planning. As for supply-demand relations that are transitory and peculiar to a region or a period of time, and thus require an early decision, they should be decided on by enterprises on their own according to the market situation. Matters pertaining to changes in supply and demand not falling in the above two categories should be handled by both the state and enterprises. That is, the state should, through the issuance of guidance plans, use economic levers to make the activities of enterprises generally conform to macro-requirements. Under the prerequisite of exercising control in a planned manner, the state has, over the year, reduced the scope of mandatory planning while expanding the scope of guidance planning and that of voluntary production. Now, planning is at a crossroad of switching the focus from mandatory to guidance planning. It thus conforms to the requirement for planned development of the socialist commodity economy that we gradually switch the focal point of planning to the utilization of economic policies and economic levers, and that we conduct comprehensive macroeconomic management and readjustment.

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'EMOTIONAL INVESTMENT' VIEWED FROM VARIOUS ANGLES

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 p 47

[Article by Lei Ke [7191 0344]]

[Text] I am not really sure which science "emotions" should be considered a research subject for. However, today, through some "expert's" ingenious understanding, it has become part of the management and ideological work field. "Emotional investment," quite fashionable at present, is an example of this.

Of course, in society and production management, and in the work of teaching people how to handle human relationships, it is very necessary to stress the role of emotions. Like "timely rain" and "unnoticed, quiet lubrication," work which delves deeply and is carried out painstakingly will produce several times the results of work that is crude and rigid and incompatible with human conduct. Even the boundless power of examples and the moving achievements of heroes include a great emotional power that appeals to people's emotions. The lectures given by the Laoshan front-line soldiers' report team moves the audiences to tears on every occasion, and everyone is thereby inspired. The reasons lie in the above point. "People are not bushes or trees." Can we then persuade people through education or carry out ideological guidance if we do not employ emotions? If, regarding ideological questions, we simply explain things through slogans, put on a stern expression, and speak in a vehement way, or even the "high-pressure" tactics, while it may have an effect for a while it will not be completely convincing. After a while, such devices will fail to be effective.

However, this is only one side of the question. Emotions, regardless of what nature they are considered to have, may be healthy, but they give rise to problems if they are used inappropriately or their role is exaggerated. Can you recall the story of several years ago when a young Beijing woman offered herself and hoped to use pure love to help reform a swindler who had been released after serving his sentence? This sort of emotion cannot be said to be unimportant, and the sacrifice cannot be said to be small. For a time, the television and newspapers all reported this as if emotions could subjugate evil and love could conquer all. However, not long afterward it was found that the offender's evil ways had not changed and he was again locked away in prison. All the girl's feelings and love were wasted. Does not this

lesson clearly show the problem? The role of emotions is, in the end, limited. This is especially so for leaders and managers. If people talk in glowing terms about emotions and, in doing things, are always worried about "hurting feelings," at best they will be nothing more than "liaison men" for the emotions. How then will they be able to distinguish love and hate, rewards and penalties, or be able to strengthen discipline? How will they be able to stand up for what is right and oppose what is wrong, spread the desirable and repress the undesirable, unify the majority to push forward? The work of convincing people not only means motivation through emotions, but also clarification through logic. Neither of these can be dispensed with. Of course, it is important that emotions do not replace discipline and law.

Returning to the idea of "emotional investment," it appears that there is still a problem. The "Book of Odes" says: "Someone gives me a peach and I repay him with a plum." "Input" demands "output." Even if you are very concerned about me, if you do not recompense me as you should, is this not ingratitude? At least, making use of hospitality but not providing it is impolite, and this cannot be explained away in terms of face. One can easily perceive that the blind proposal to "emotional investment" could very easily change into emotional trading between individuals and could easily provide a sizable gap for those individuals who try to draw in votes, those who organize cliques and those who seek individual fame and wealth. If we wait until "emotional investment" changes into easy promises, mutual invitations to eating and drinking sessions, and the exchange of flattery and favors, not only will this be an extremely vulgar use of relationships, but it will also harm our cause.

If we think about this, this "new concept" is not really rationally or suitably "new." If we lack a scientific attitude, it may produce blindness and bias. In fact, as far as "emotional investment" is concerned, why is there a need to consider it "concept renewal"? Actually, this nation has since ancient times been zealous and simple. We have had the fine tradition of "having the feeling before the composition of the tune is completed." Our party has cherished the aim of serving the people with all efforts, and throughout its history has held that comrades should concern themselves with and take care of one another. That famous sentence in Lei Feng's diary "Be as mild as springtime to one's comrades" is sufficient to demonstrate the new style socialist relationships between people. Thus, it is not really necessary to abandon one's good experiences, good traditions, good work styles, and good examples to travel up a byway we are not even sure leads anywhere.

/6091
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SINGING THE PRAISES OF THE NOBLE SPIRIT OF SACRIFICE--AFTER READING THE REPORTAGE 'I AM SEEKING THAT STAR'

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 p 48

[Article by Huang Guozhu [7806 0948 2691]; originally published in KUNLUN No 1, 1987]

[Text] Another ordinary soldier has sacrificed himself on the border defense patrol in distant Xizang. He only died of influenza due to losing his way and being cold, hungry and without enough oxygen. Thus, he permanently left his wife and small daughter who, far away in the north, had their heads raised in expectation for several years, hoping that he would come home so that they could be together...

Although we can sing "The Moon on the Fifteenth Day" and "Gazing at the Starry Sky" and although we are fully aware that many soldiers and their wives are in different places, yearning for each other, but devoted to the service of the country, when you read the reportage "I Am Seeking That Star" by Jiang Wanliu [3068 1354 2692] you will feel a sadness that is difficult to dispel, and your heart will be subject to intense pummelling and shock.

Reportage does not allow the vast and unrestrained artistic visualization and fabrication of novel. However, reportage authors need to portray "familiar strangers" who have representative significance. Here, what is needed is an opportunity to stimulate readers' artistic images, to win readers' trust in the artistic process. True, probably none of us know Gao Mingcheng, the commander of the 2d Regiment of the Xizang military region border defense, or his wife Zhang Cailing. However, the leading female character's soliloquies, which are not cut and polished and are unadorned, will still, like clear sweet spring water, naturally flow into the readers' hearts. Actually, they have had their own worthwhile youth and their first love which were bittersweet experiences. Then, after passing through the 10 years of catastrophe, finally the sweethearts were married. For many people, marriage is the beginning of a sweet new life together. However, for a soldier's wife, marriage means the beginning of endless waiting. It means that a woman alone must carry a small child while going to buy vegetables, buying grain, and going to get coal. She must take on alone those tasks usually handled by two. It means a sacrifice, unknown to the public and often not understood by people. Also, the psychological anxiousness and

tiredness produced when one is alone in life are also invisible foes. However, it is these women, who with a tenacity and staunchness that has young men blushing with shame and who with a great motherly unselfishness, shoulder the difficulties and hardships of life, who allow our soldiers to devote all of their thoughts and all their will to their defense duties, on the border or in bunkers, so that millions of families can rest happily and safely.

In this work, the author in his description of the main characters' noble spirit and basic disposition, masters it correctly and just right. Not only can we see the main male character's sincere and deep love, but it is not difficult to see the ideological base that produces with love, as well as the rich contents of the times shown within this base. The writer's interest is not limited to showing the twisting and moving course of emotions of the main male character and much less restricted to the narrow utilitarianism of "speaking for the Army" or "showing the suffering of soldiers' wives." Rather, he puts his efforts into exploring the deep ideological origins of how they are able to endure the long period of yearning when they are separated as well as how he endures the difficulties of life in an Army camp on the plateau, being unable to return to his own cozy nest. For 18 years he has guarded the border, and risen from private to regiment commander. This had equipped Gao Mingcheng "with all the outstanding qualities of a soldier." The few belongings he left behind leave us with an inexhaustibly rich spiritual wealth. It is especially those three drafts of books about the situation in the defense area that condense his lifelong seeking and noble personal integrity. Of course he loves his wife, but he had the more important undertaking of a soldier. People braved the rain and surged to the martyr's grave, crying and wailing in front of his spirit. This truly shows the degree to which the regimental commander had entered the people's hearts. Gao Mingcheng's convictions and his words and actions undoubtedly left deep impressions in Zhang Cailing's heart, and these became the source of strength by which she endured all kinds of hardship and engaged in unbending struggle. She worked extremely hard, being repeatedly cited as an advanced worker. Also, taking along her sick child, she finished her further studies. She said: "I cannot let other people laugh at a soldier's wife." Although she may not have realized it, she had long before become a part of the sacred undertaking of protecting the motherland. She and her husband had, in this selfless contribution, won happiness and pride normal people rarely savor. The author, at the same time he sincerely lauds the noble sense of value and sense of happiness, also finishes illustrating the woman in minute strokes and starts sketching her happiness and anger, pain and joy as an ordinary person. This more deeply, richly, and truly shows a realm of life that is bright and clear, deep and profound, a heroic character one can come close to, respect, trust, and learn from.

I like the work's simplicity, naturalness, freshness, and genuineness--"Clear water produces lotus, and nature decorates them." I like the ingenious concept that forms a whole without leaving any scars, and that detailed description that invigorates and is very vivid. What affected me even more was the strong sense of responsibility, the sense of mission and the mood of respect that permeate every line. This is where the success of the work lies, and

without doubt all this is bequeathed by fervent life. Of course this bequest had to be saturated with the efforts of the author before it could be turned into a beautiful artistic crystallization. It seems that our lives are not lacking in nobility or beauty, the key lies in whether we are good at discovering their spirit and eyes.

/6091

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HAVING A CLEAR-CUT STAND, IMPRESSIVE AND TOUCHING--REVIEWING THE BOOK 'CHATS ON COMMUNIST IDEALS'

Beijing HONGQI [RED FLAG] in Chinese No 15, 1 Aug 87 inside back cover

[Book review by Huang Mingjian [7806 2494 7003]]

[Text] In the new situation, how to carry out education in communist ideals for party members, cadres, the masses and especially for young people is a major issue, and is something to which the whole party and the whole society is paying attention. The book "Chats on Communist Ideals" (published by Henan People's Publishing House), which was co-authored by Yang Jinjun [2799 6651 6511], Sun Baoding [1327 0202 1353], and Wei Fazhou [5898 4099 3166], has made new explorations in this respect and has been well received by the vast numbers of young people and cadres.

The reason "Chats on Communist Ideals" has been so well received by readers lies first in its firm grasp of the major topic of communist ideals, its clear-cut and systematic propagation of communism, and the attention it pays to the scientific nature, correctness, and completeness of theory. It is not a general discussion and does not just explain things as they stand. Rather it uses rich and accurate historical materials to vividly introduce the ABC's of communism, and thereby blends history and theory into a unity. The authors first use the lives of 13 representatives who attended the first party congress more than 60 years ago and who then took three completely different routes, to explain the relationship between "ideals and the road of life." Then they systematically introduce "the seeking of ideals and the development of ideals," explaining that human society progresses in the yearning for ideals and the struggle for ideals. Communist ideals are the continuation of the ideals man has sought for hundreds of thousands of years and the most scientific and noble ideals of the present age. Following this, the authors roll out the scroll of history and concisely introduce the glorious course of communist ideals in practice. In a profound and lively way they point out that the "ideals of the red doctor will not die" and explain the logic of the continued development of the world communist movement. At the same time, the authors concretely analyze the "special nature" of China and logically explain why historical development makes it inevitable that our country follows the socialist road. In this way, one link after another, the ideas are stressed and become more obvious, which results in people being unable to resist the charm of communist ideals. In this fairly uncomplicated book,

the authors have been able to introduce, in a quite scientific and systematic way, communist ideals and practice. This is a difficult task and is a valuable achievement.

What is worth commending in this book is that it is wide-ranging and that theory is contained in what is described. It is able to take communist ideals which are a highly theoretical and extremely serious political topic and, through various lively and interesting people and events and the course of historical development, talks about them in a way which makes complex things clear. It thus expands the readers' field of vision, enabling them to understand and compare communist ideals in a wider temporal and spatial scope. The book uses a wide range of ancient and modern, Chinese and foreign anecdotes about well-known people. It uses over 200 quotations and introduces over 100 lofty persons who struggled for their ideals. It especially notes a large number of brilliant and moving achievements by communist fighters and melds together ideology, knowledge, and interest. Reading it is like attending a fascinating and heart-warming story-telling session. For example, in talking about ideals, the authors use the "paradise" from the "Book of Odes" and the "Great Harmony" from the "Book of Rites" and talk about Sun Yat-sen's Three Principles of the People. They also refer to Utopia and the City of the Sun, talk about three major Utopian socialists of France and England, and finally talk about the fact that communism is the point of return in mankind's quest of ideals. From the vivid historical stories related by the authors and the logical methods of thought they provide, the readers can gain enlightenment and draw their own conclusions.

Another point worth noting about this book is that it dares gear itself to reality. It targets some of the most common and central problems faced by young people in terms of ideals, convictions, and outlook and in socialist construction. For example, it looks at the value of life, the "indistinctness" of communism, why China cannot take the capitalist road, why we need to build socialism with Chinese characteristics, how we should make comparisons with developed countries, and how we are to look on our setbacks and other problems in our advance. On all of these points, the book provides answers and finally encourages people to "grasp the green hill and not let go" and to build and adhere to communist ideals. The authors have explored the crux of people's ideological doubts and have achieved certain theoretical successes and gained certain practical experiences. Thus, their answers to questions are logical and reasonable, in the spirit of seeking truth from facts, absorbing in content and convincing.

The shortfall of this book is that in the coordination of chapters and in the rigorousness of selection of materials, the latter half of the book is not as lively as the first half. However, it is a beneficial effort in terms of educating people in communist ideals and basic Marxist theories and will certainly give people a sense of newness.

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