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JPRS 75983

3 July 1980

China Report

RED FLAG

No. 9, 1 May 1980

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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CHINA REPORT

RED FLAG

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

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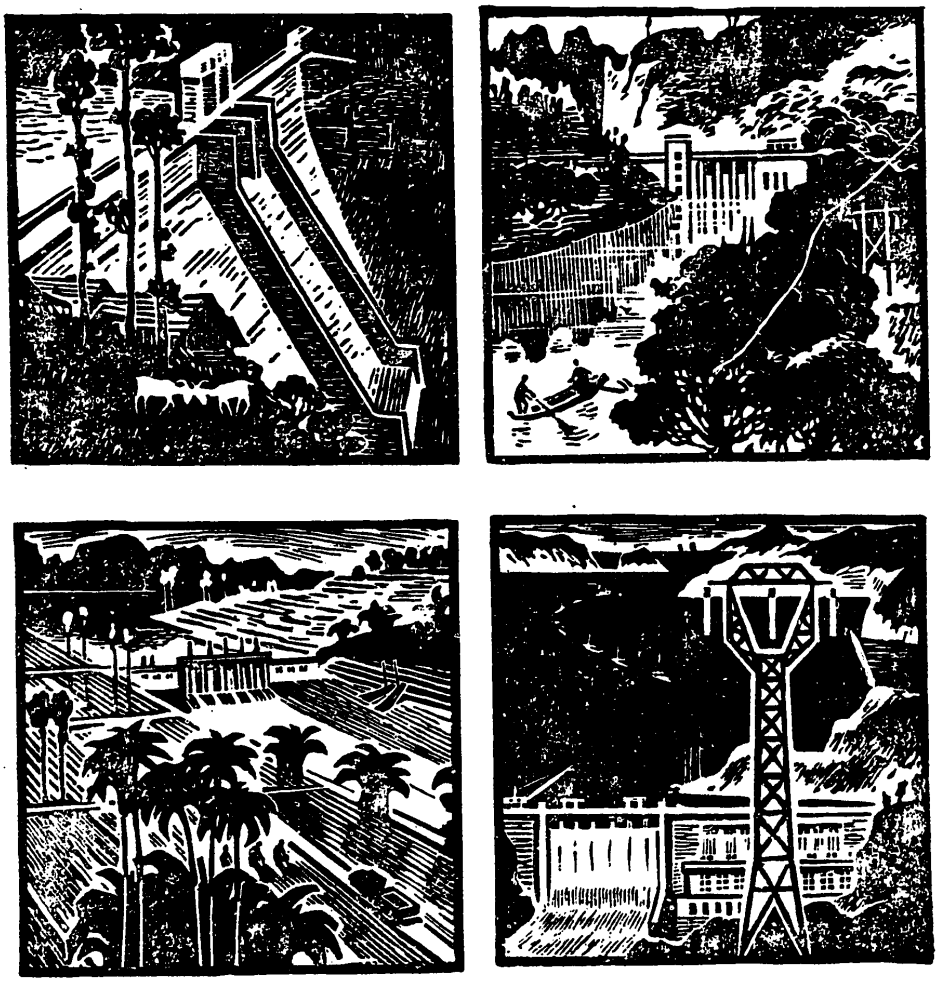
SHINING PEARLS ON THE GREAT EARTH

Beijing RED FLAG in Chinese No 9, 1 May 80 inside front cover

[Woodcut by the Woodcut Group of Water Conservancy and Electric Power Construction]



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OUTSTANDING LEADER OF THE CHINESE WORKER MOVEMENT--IN MEMORY OF COMRADE SHAOQI

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 2-7

[Article by Ni Zhifu [0242 1807 4395], Kang Yonghe [1660 3057 0735] and Gu Dachun [7357 1129 2797]]

[Text] Comrade Liu Shaoqi was a long-tested proletarian revolutionary and great Marxist-Leninist, as well as an outstanding leader of the Chinese workers movement. In his revolutionary practice over half a century he showed constant concern for the development of the Chinese workers movement, made great contributions to the liberation cause of the Chinese working class and the Chinese people and performed immortal feats. For this reason he was deeply loved by the whole party and the people of the whole country, especially the masses of workers and trade union cadres. Here we would like to look back on Comrade Shaoqi's brilliant achievements in leading and expanding the Chinese workers movement to show how dearly we cherish our memory of him.

An Organizer and Leader of the Workers Movement in the Early Days

Comrade Shaoqi displayed his courage, insight and ability as an organizer and leader of the workers movement and manifested his revolutionary spirit in heroically fighting for the emancipation of the working class when he first took part in the workers movement in 1922. In early September 1922 Comrade Shaoqi was sent to Anyuan by the party committee of Hunan and Comrade Mao Zedong to join Comrade Li Lisan in leading the Anyuan workers' strike. At that time Comrade Lisan was threatened by the enemy and was often unable to conduct activities in person. Thus, Comrade Shaoqi became the plenipotentiary representative of the Anyuan Workers Club whose duty was to direct the club's activities and to make contacts and negotiate with various quarters. He enlisted the initiative of all strikers and organized picket and scout groups to keep a close watch on the enemy and to maintain discipline and public order. He made good use of the workers' "legitimate" rights and the enemy's internal contradictions, tried to win as much public sympathy as possible and succeeded in isolating the railroad authorities to the maximum. He even went alone to

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the enemy's curfew command to conduct negotiations. When the enemy threatened to "execute" him on the spot, he did not show the slightest fear and boldly upheld justice. With the correct leadership of Comrades Shaoqi, Lisan and others, more than 10,000 strikers united as one and waged a well-organized and well-disciplined struggle. On the fifth day of the strike the capitalists had no alternative but to sign a 13-point agreement with the Workers Club and consent to most of the demands put forward by the workers. Thus, a quick victory was won in this strike.

The victory in the Anyuan general strike gave impetus to the development of the workers movement in Hunan and Hubei. In December 1922 the workers of the Hanyang iron and steel plant, the Daye iron mine and the Pingxiang coal mine jointly organized the Hanyang-Daye-Pingxiang Trade Union Council. In September 1923 Comrade Shaoqi succeeded Comrade Lisan as director general of the Anyuan Workers Club and chairman of the Hanyang-Daye-Pingxiang Trade Union Council. In March 1925, as representative of the Hanyang-Daye-Pingxiang Trade Union Council, Comrade Shaoqi went to Guangzhou to prepare for the convocation of the Second National Labor Congress. At this congress he was elected vice chairman of the All-China Federation of Trade Unions. After the "30 May massacre" he went to Shanghai to set up the office of the All-China Federation of Trade Unions and was later concurrently appointed director of the General Affairs Section of the Shanghai Trade Union Council. Together with Comrade Li Lisan and Gau Hua, he led several hundred thousand Shanghai workers in staging a mammoth strike against imperialism which brought about a nationwide revolutionary struggle against imperialism. Comrade Shaoqi played an important part in organizing and leading this strike. According to a news dispatch of the All-China Federation of Trade Unions at the end of 1925, Comrade Shaoqi "forgot food and sleep as he went around campaigning for the cause of national salvation and calling on the people to give all-out support to the strikers. His patriotic spirit has won him the admiration of the whole country." ("Documents on the History of Trade Unions in China," Vol 1, p 156)

After the Shanghai anti-imperialist strike, Comrade Shaoqi broke down from constant overwork and had to go back to Hunan to recuperate. There he was arrested by warlord Zhao Hengti. The All-China Federation of Trade Unions and unions throughout the country lodged protests, pledged their support for Comrade Shaoqi and tried by every possible means to secure his release. Deterred by the strength of the masses, Zhao Hengti could not but set Comrade Shaoqi free. Comrade Shaoqi went to Guangzhou on 19 February 1926 after he was released. On 4 March the All-China Federation of Trade Unions held a big rally to welcome him. At the rally Comrade Deng Zhongxia, a member of the federation's Executive Committee, highly praised Comrade Shaoqi for the spirit he displayed in opposing imperialism and the warlords, pointing out that he was a most courageous fighter of the working class. While in Guangzhou Comrade Shaoqi took charge of the work of the All-China Federation of Trade Unions on behalf of Comrade Lin Wenmin, the federation's secretary general, who had been

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ill for months. Together with Comrade Deng Zhongxia and others, he also led the workers' anti-imperialist strike in Guangzhou and Xianggang, supported the revolutionary measures of the Guangdong government and made preparations for the Northern Expedition.

After the Northern Expeditionary Army occupied Wuhan in the winter of 1926, Comrade Shaoqi returned to Wuhan to make preparations to move the federation's office to the north. At the same time he also took part in the work of leading the workers movement in Wuhan. Under his leadership the workers carried out a number of economic and political struggles. Particularly worth mentioning was the great victory won by the Wuhan workers under his leadership in seizing the British Concession. This entered a shining page in the history of the Chinese workers movement.

Since Comrade Shaoqi first became involved with the workers movement, he always stressed the need to incorporate the goal of seizing political power and realizing socialism in economic struggles. After the victory of the Anyuan strike he pointed out that this victory only prepared "the groundwork for the workers liberation movement" and that it was necessary to proceed from this basis to make the workers understand the present and future aim and method of their struggle, unite as one and form a mighty combat force. In May 1926 Comrade Shaoqi delivered a report, "The Development of the Chinese Workers Movement Over the Past Year," to the Third National Labor Congress on behalf of the federation. Applying the Marxist method of class analysis, he profoundly analyzed various classes in Chinese society at that time. He unequivocally pointed out: "Imperialism and the warlords at home will always be enemies of the masses. In other words, they are the targets of the national revolution." "The Chinese bourgeoisie is also oppressed by the imperialists and warlords. It is possible that they may take part in the national revolution, but their participation is, after all, conciliatory and not thoroughgoing." "At a certain time, that is, when the conflict between the bourgeoisie and imperialism is most acute, our working class should cooperate with the bourgeoisie and jointly oppose imperialism so as to enhance the strength of the anti-imperialist movement." "China's petty bourgeoisie, small merchants and students play an important part in the national revolution"; therefore, "the working class should earnestly unite with them and form a united front." "The peasants constitute an important force in the national revolution; they are the natural allies of the working class. The Chinese working class should earnestly guide and support the peasants in carrying out the Chinese revolution." ("Documents of Various National Labor Congresses of China," Workers Press, 1977, pp 59-60) This report by Comrade Shaoqi, together with treatises on "The Basic Organization of Trades," "Trade Union Congresses" and "Economic Problems of Trade Unions" compiled and written by him while in Wuhan, laid the theoretical foundation and set the organizational principles for the Chinese workers movement and gave a forceful push to the victorious development of the cause of liberation of the working class.

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As Comrade Deng Zhongxia pointed out, the Chinese workers movement had two shortcomings in the early days: The first was that, generally speaking, the local trade unions "did not have a lower but only a higher organization." The second was that, generally speaking, comrades engaged in the workers movement "had not tried to expand the ranks of the party within the trade unions." (Deng Zhongxia, "A Brief History of the Chinese Trade Union Movement," September 1949 edition, pp 46, 47) It was precisely in these two respects that Comrade Shaoqi had scored outstanding achievements from the start. After the Anyuan general strike, the Anyuan Workers Club under his leadership elected representatives of 10 workers, representatives of 100 and a chief representative with 10-man groups as basic units, established and strengthened workers congresses and working organs at all levels and properly organized the club's more than 13,000 members. The club also strengthened education among the workers. The number of continuation schools for workers increased from 1 before the strike to 7, with a regular attendance of more than 2,000 people. Comrade Shaoqi also paid great attention to expanding the ranks of the party. By May 1925 the party organization in Anyuan had expanded into one with 15 branches, and the number of party members had increased from a mere dozen before the strike to over 300, accounting for about one-third the total number of party members in the entire country. It was precisely because the Anyuan Workers Club had strengthened the primary organizations of trade unions and its own party organization that it could continue in existence after the "7 February massacre," when the workers movement was at a low ebb. Anyuan's experience had strongly influenced the development of the workers movement in other localities.

A Champion of the Correct Line in Conducting the Workers Movement in the White Areas

After the failure of the 1927 revolution, the revolutionary situation was at a low ebb throughout the country. The Chinese Communist Party led the people in persisting in the national democratic revolution, staged armed insurrections of workers and peasants and embarked step by step on the road pioneered by Comrade Mao Zedong of establishing bases in the rural areas, carrying out the agrarian revolutionary war, encircling the cities from the countryside and eventually seizing the cities. From this time to the liberation of the whole country, the Chinese workers movement in the bases and in the enemy-controlled areas (White areas) proceeded hand in hand. Comrade Shaoqi played an important historical role in leading the workers movement in the bases and in the White areas, especially the latter.

Due to the fact that the "left" opportunist line had gained a predominant position in the party Central Committee on three separate occasions, the party also made mistakes of "left" adventurism and closed-doorism in its work in the White areas. Many party comrades, especially those working at the grassroots level, tried to resist these "leftist" mistakes in the party's work in the White areas. Comrade Shaoqi was the one who put up

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the strongest resistance and advanced a series of correct proposals. In 1928 he presented his correct views on the relationship between open and secret work, the tactics of leading mass struggles and other problems. He also published in BOLSHEVIK, the official paper of the party Central Committee, an article entitled "Changes in Slogans" which criticized the erroneous practice of putting forward too many unduly high-sounding and ultraleftist slogans and forcing the masses to fight for them regardless of actual conditions. In 1930 he went to Moscow to attend the fifth congress of the Red Workers International and was elected a member of its Executive Bureau. He then stayed in Moscow to serve in the Workers International. During his stay he had a few heated discussions with certain leading persons of the Red Workers International on the question of how to handle scab unions. In the fall of 1931 he returned to Shanghai and became minister of labor of the party Central Committee and party and CYL secretary of the All-China Federation of Trade Unions. In these leading posts he exerted tremendous efforts to put an end to the grave situation in which the workers movement in the White areas had suffered repeated defeats. In less than 6 months he successively published "Strike Tactics," "Criticizing the Tactics of Withdrawing From Scab Unions," "A Summary of the Workers Movement in 1931" and a number of other articles and reports. In these works he correctly sized up the situation of mass struggle and put forward policies and tactics for bringing about a change in mass work in the White areas. However, his correct views not only were not accepted but were criticized and attacked by the "leftist" leaders and even slandered as "left opportunism."

Comrade Shaoqi did not begin to make an effort to thoroughly criticize the "leftist" errors in the conduct of work in the White areas and bring about a radical change in the passive state of affairs in our party's work in this regard until after he arrived in Tianjin in 1936 and took charge of the work of the CCP Central Committee's Northern Bureau. At that time the party's Zunyi meeting had already put an end to the domination of the "leftist" line and had established Comrade Mao Zedong's leadership in the whole party. The CCP Politburo had also held a meeting at Wayaobao, Shaanxi, and had decided on the tactics of forming an anti-Japanese national united front. These provided the prerequisites for bringing about a fundamental change in our party's work in the White areas. To implement the party's policy of forming an anti-Japanese national united front and to mobilize and organize the people of various strata in the Kuomintang-controlled areas for the great war of resistance against Japan and the war of national liberation, Comrade Shaoqi, as soon as he arrived in Tianjin, led the party organizations at every level in waging a struggle to oppose closed-doorism and adventurism and in earnestly correcting "leftist" mistakes. He wrote more than 10 articles on the party's work in the White areas in a little more than a year. Among the important works were "Eliminating the Remnants of the Lisan Line--Closed-Doorism and Adventurism" and "An Outline of the Work of Conducting the Workers Movement in the White Areas," written in April 1936; "A Letter to the Central Committee Concerning Work in the White

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Areas in the Past," written in March 1937; and a report entitled "On the Work of the Party and the Masses in the White Areas," delivered at the conference on the work of the party in the White areas which was held in May of the same year. In these works Comrade Shaoqi applied the universal truth of Marxism-Leninism to sum up the historical experience of our work in the White areas, to systematically expose and criticize the "leftist" mistakes in this work and the damage they had done, and to correctly solve the question of policy and tactics concerning this work.

Comrade Shaoqi clearly pointed out the mistakes of the advocates of "left" adventurism and closed-doorism. He said: First, they failed to recognize that after our defeat in the 1927 revolution our work in the White areas should have been mainly to adopt a policy of retreat and defense, win over the masses, build up a strong revolutionary force and prepare to fight a decisive battle against the enemy. They were usually impatient and oblivious to the consequences and effects. They would pitch the only ounce of strength they had against the enemy when the situation and conditions were unfavorable to us. In the end they always found themselves defeated and their only ounce of strength and careful foundation of work ruined. Second, they did not know how to mobilize the masses to wage struggle by putting forward slogans, demands and forms of struggle acceptable to the masses according to the circumstances and conditions at a given time and place and the degree of consciousness of the masses. They also did not know how to gradually carry mass struggle to a higher stage in keeping with changes in the conditions of struggle, or to call a temporary halt to the fighting "before going too far" and to prepare for the next round of fighting at a higher stage and on a larger scale. They always put forward slogans, demands and forms of struggle which were still foreign and unacceptable to the masses and forced the masses to accept them and to wage struggle. Moreover, they mechanically demanded that we hold out to the last in every struggle and refused to call a temporary halt when conditions grew unfavorable to our struggle. Because of them, we often met with defeat in our mass struggle, and our party and masses had to suffer. Third, they did not know how to make use of the contradictions within the ranks of the enemy and to form a temporary alliance with those people in the enemy camp who could cooperate with us or who were not yet our principal enemy in order to fight our principal enemy. They often considered themselves the most revolutionary and thoroughgoing and refused to concede to or compromise with our possible allies. They wanted to topple all enemies, but in fact they toppled no one. They only succeeded in pushing those who could still cooperate with us over to the enemy camp and strengthened the enemy's forces against us. Fourth, they did not understand the relationship between open and secret work and refused to make use of various open and legitimate channels to conduct mass work. Instead, they regarded all public gray organizations among the worker masses as Red unions and asked the party's secret organizations to carry out work which could be carried out in the open. As a result, the party's mass work was confined to secret groups within the Red unions, and the party

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organizations were unable to strictly guard their secrets and were constantly sabotaged by the enemy. It was precisely due to the correctness of Comrade Shaoqi's principles and tactics concerning work in the White areas that the workers movement and other branches of work in the White areas could embark on the road of healthy development.

An Outstanding Leader of the Workers Movement in New China

As a party and state leader and honorary chairman of the All-China Federation of Trade Unions, Comrade Shaoqi showed great concern for the development of the workers movement in new China after the founding of the PRC.

On the eve of nationwide liberation and in the early days of the People's Republic, Comrade Shaoqi repeatedly expounded the need to change the policy of the workers movement after the seizure of political power by the proletariat. At the Sixth National Labor Congress, held in the spring of 1948 at Xibaipo, he and Comrades Zhou Enlai, Zhu De and others told the deputies that the present workers movement had its new conditions and new problems. The guiding principles for the workers movement in the liberated areas were as Chairman Mao had instructed: To promote production, promote economic prosperity, take into account both public and private interests and benefit both labor and capital. Based on these instructions and on the general historical mission then confronting the working class, that is, to topple Chiang Kai-shek and establish the new China, the Sixth National Labor Congress decided on a policy which emphasized production. After the victory in the Beiping-Tianjin campaign, Comrade Shaoqi personally talked to the workers, staff members, cadres and capitalists in Tianjin, Tangshan and Beiping and repeatedly expounded the spirit of the second plenum of the Seventh CCP Central Committee. In view of the "leftist" tendencies found in the takeover of some cities at that time, he also stressed the utmost importance of quickly restoring and developing production, pointing out that this was the fundamental link of all work in the cities. Using very simple terms, he explained the general line for urban work as follows: To wholeheartedly rely on the working class, unite with other working masses, win over the intellectuals and try as far as possible to win over to our side those members of the national bourgeoisie and their representative figures who can cooperate with us, or to let them remain neutral, so that we can wage a resolute struggle against the imperialists, the Kuomintang and bureaucrat-capitalists and step by step triumph over these enemies. After the country entered the period of planned economic construction, Comrade Shaoqi further pointed out in the party Central Committee's congratulatory message to the Seventh National Trade Union Congress that the policy and task of the workers movement in the socialist period "is to industrialize our country and gradually make the transition to a socialist society." "The victorious completion of this historical task will enable our country and people to grow rich and strong. This depends especially on the better organized and more conscious struggle of the Chinese working

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class." ("Important Documents of the Seventh National Congress of Trade Unions in China," Workers Press, 1953 edition, p 15)

In 1956 our workers movement and trade union work again faced a new historical turning point when a decisive victory was won in the socialist transformation of the ownership of the means of production. At this crucial juncture Comrade Shaoqi pointed out in the party Central Committee's congratulatory message to the National Congress of Advanced Producers the orientation we should follow in our workers movement and trade union work. In this congratulatory message he profoundly explained from a theoretical angle the far-reaching significance of the national movement of advanced producers launched at that time. He pointed out: The history of human society is, in the final analysis, a history of production, a history about producers. Advanced producers are the harbingers of progress in the economic life of mankind; they are also the harbingers of progress in the history of human society. The struggle waged by millions and millions of workers under the guidance of advanced producers for the purpose of eliminating backwardness is a kind of driving force which propels the socialist society forward. Comrade Shaoqi's congratulatory message armed the minds of the masses of advanced producers, labor models and union workers and had a far-reaching influence on the workers movement.

Comrade Shaoqi paid great attention to the democratic management of enterprises. He repeatedly pointed out that to develop production and run enterprises well it was necessary to let the workers and staff members take part in the management of enterprises and to fully arouse their enthusiasm. In his address to the North China Workers Congress held in May 1949 he pointed out: All factories and railroads must organize factory management committees and actively grasp democratic management. He also said: Workers congresses are trade union congresses; therefore, they are also organizations of trade unions. Based on the spirit of Comrade Shaoqi's speech and the resolution of the Sixth National Labor Congress, the North China Workers Congress drew up a working ordinance on setting up factory management committees and workers congresses. This ordinance, which was later promulgated by the North China People's Government, was used by various provinces and municipalities to bring about democratic management in factories. It also played an important role in transforming bureaucrat-capitalist enterprises. In December 1957 Comrade Shaoqi attended the Eighth National Congress of Trade Unions and delivered a congratulatory speech on behalf of the party Central Committee. In view of the problems which then existed in the democratic management of enterprises, he emphatically pointed out: Under the present circumstances it is necessary to broaden democratic life within the enterprises. The system of holding workers congresses under the leadership of party committees which had just been put into effect was an effective means of widening the scope of democratic management in enterprises. This kind of extensive democracy, which is aimed at better management, not only will not hamper the centralization of leadership in enterprise administration but will strengthen leadership.

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The socialist system not only must guarantee that the worker masses can play their role as masters of their own affairs but must gradually improve their livelihood on the basis of developing production. Comrade Shaoqi repeatedly dwelled on the importance of this issue in many of his speeches. In his report to the eighth national party congress, he pointed out: Many problems which confront the workers and employees cannot be solved quickly until we make greater advances in socialist construction. We must work hard. We should not concentrate on individual and immediate interests at the expense of national, long-term interests. On the other hand, it is wrong to place one-sided stress on the national, long-term interests and neglect the individual and immediate interests of the workers and employees. Some problems relating to the livelihood of workers and employees at present must and can be solved. They remain unsolved only because leaders of enterprises, trade union organizations and the departments concerned have not made serious efforts to solve them. We must resolutely oppose such a bureaucratic attitude of indifference to the welfare of the masses. In the spring of 1957 Comrade Shaoqi personally conducted an investigation and study among the workers, students and cadres in cities along the Beijing-Guangzhou railroad on the basis of Comrade Mao Zedong's work "On the Correct Handling of Contradictions Among the People." He urged the trade union organizations to maintain closer ties with the workers and employees, to reflect the views and demands of the masses and to truly play their role as a medium of closer communication between the party and the worker masses.

Comrade Shaoqi always paid great attention to educating the workers and employees in communist doctrine. In a directive concerning work in Beiping issued shortly after nationwide liberation, he listed workers education as one of the three important tasks of trade unions and called attention to the need to conduct widespread education in Marxism among the working class. He pointed out: Only when the workers movement is combined with Marxism, as Lenin taught, can it become a revolutionary workers movement. In subsequent years he repeatedly dwelled on the importance of raising the cultural and technical levels of workers and employees and urged the trade unions to energetically develop workers sparetime education and to train millions and millions of working class intellectuals to meet the needs of the technical revolution.

Comrade Shaoqi made outstanding contributions to the workers movement of new China. He combined Marxism-Leninism-Mao Zedong Thought with the actual conditions of the Chinese workers movement, provided answers for many pressing problems in the workers movement, charted a Marxist line for new China's workers movement and trade union work and gave the masses of union workers a powerful weapon. The policy of "doing mass work on production, daily life and education, with emphasis on production" which the masses of trade union workers have always adhered to in conducting the workers movement since the founding of the People's Republic is the epitome of the writings of Comrade Shaoqi, the works of Mao Zedong, Zhou Enlai, Zhu De and other proletarian revolutionaries of the older

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generation and the practice of the workers movement. It was precisely under the guidance of this policy that the trade unions in our country could conduct mass work among the workers in different ways and play an important role in promoting the development of socialist revolution and construction. Today we find Comrade Shaoqi's writings on the workers movement and trade union work particularly warm and close to us when we restudy them on our march toward the four modernizations. His last words for the Chinese workers movement and trade union work will certainly continue to inspire us to make new contributions to the attainment of the great goal of the four modernizations.

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STUDY COMRADE SHAOQI'S THEORY ON PARTY BUILDING

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 8-13

[Article by Feng Ding [7458 1353]]

[Text] Comrade Liu Shaoqi was one of our party's able leaders. For a long time during the reign of White terror he worked in the Kuomintang-held areas and founded and developed the party's underground organizations in extremely adverse circumstances. After the 10-year civil war, together with Comrades Mao Zedong, Zhu De, Zhou Enlai and others, he led our party to great victories in the war of resistance against Japan and the war of liberation. After liberation, as one of the principal leaders of our state, Comrade Shaoqi made great contributions to our socialist revolution and construction.

One of Comrade Shaoqi's traits was that he would work wherever the party needed him and wherever there were difficulties. He did so while in the White areas and later in the liberated areas. In 1941, when the Kuomintang flagrantly instigated the Wannan incident, launched surprise attacks on the New 4th Army and seriously threatened our efforts to fight the Japanese invaders in Central China, Comrade Shaoqi was sent by the CCP Central Committee from the Jiangbei command post to Yancheng to immediately rebuild the New 4th Army and its headquarters. Under the alias of "Hu Fu," Comrade Shaoqi assumed the posts of secretary of the CCPCC Central China Bureau and political commissar of the New 4th Army, with Chen Yi as the acting army commander.

During his stay with the New 4th Army, which lasted more than a year, Comrade Shaoqi, working with Comrade Chen Yi and others, did his utmost to unfold party and political work, offset the losses the party had suffered in the Wannan incident and promote the speedy development of our revolutionary forces. Comrade Shaoqi not only did a great deal of work to establish our bases behind the enemy lines and consolidate our political power, but also paid special attention to party building under busy battle conditions. During this period Comrade Shaoqi delivered some important reports, the majority of which were given to students of the party school attached to the CCPCC Central China Bureau. These

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reports included: "On Communists' Self-Cultivation in Discipline and Sense of Organization," "Why Do People Make Mistakes?," "The Class Nature of Men," "On Inner-Party Struggle" and "Democratic Spirit and Bureaucratism." Some of these reports were later polished and published; others were circulated widely as documents for study within the party. The ideas concerning party building expressed in these reports and in another entitled "How To Be a Good Communist," which had been presented previously, played a tremendous role in and were of far-reaching significance to the work to foster the fine work style of our party members during the new democratic revolution. Because of their theoretical and organizational significance and the impetus they gave to our work in improving party building, these reports laid a solid foundation for the building of a Marxist political party. Reviewing Comrade Shaoqi's contributions to the theoretical work of our party, we are now more aware of the great practical significance of his reports.

To Be a Good Communist We Must Conscientiously Reform Our World Outlook

In two of the reports--"The Class Nature of Men" and "Why Do People Make Mistakes?"--Comrade Shaoqi emphatically analyzed the relations between human thinking and the modes of social production, as well as the questions of human nature and party spirit.

He began by discussing how man came into being. He explained that human beings evolved from the anthropoid ape and were a product of historical development. We had our past, present and future. From the time when recorded history began to exist to the present, only several hundred thousand years or several million years had elapsed. It was not true that human beings would always remain the same, without changes. In the early stage of human development men only had the same instincts as animals--they protected themselves, had appetites and procreated offspring. The most remarkable feature that distinguished human beings from animals was their social nature. Human beings are able to think, have a sense of purpose in their actions and display a high degree of initiative.

Comrade Shaoqi pointed out that due to the different modes of production there were five different kinds of society in human history. According to their fundamental nature, they could also be divided into two social formations, namely, private ownership and public ownership. They had led to two different social ideologies. The common feature of all exploiters had been that they sought personal happiness at the expense of other people. The "nobleness," "greatness" and "respectability" of all exploiters was based on the sacrifice of the happiness of all mankind, or the great majority of mankind, to the enjoyment of privileges by an individual or a handful of individuals. He noted that no exploiter cared how wretched and humiliating a life all mankind or the great majority was leading. By contrast, the proletariat and communists wished to "share happiness with others," abolish privileges for a handful

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and ultimately liberate themselves after liberating the greatest majority of laboring people and all mankind. This was the foundation of communist ethics and of the nobleness, greatness and respectability of communists, he said.

During the formation and development of the proletariat as a class its characteristics also underwent a period of formation and development. However, its characteristics are not immutable. During the period of socialist transformation and the transition from socialism to communism the proletariat continuously transforms its nature and characteristics, while it continuously transforms society and the nature of mankind. By the time communist society is realized, people's class nature and the class distinctions among them will have been abolished. This is the entire process of the transformation of human nature.

As for communists, they must not only possess the characteristics of the proletariat but also acquire the party spirit of the proletariat. Party spirit is the highest and most concentrated form of class character. There is the party spirit of the bourgeoisie and that of the proletariat. The party spirit of the communists is the highest and most concentrated expression of the interests of the proletariat. Actions taken by communists to foster party spirit and cultivate themselves in this spirit mean the transformation of their own nature.

In the present stage of socialism the party spirit of the communists finds its expression in upholding the socialist road, the dictatorship of the proletariat, the leadership of the party and Marxism-Leninism-Mao Zedong Thought, in strictly abiding by the guiding principles for inner-party life and in safeguarding the unity and solidarity of the party and striving for the realization of the four modernizations and communism. If communists today fail to measure up to these requirements and do not treat this as their supreme obligation, and if they are interested only in better living and pleasure seeking, such communists are in fact given to low taste and are incompatible with the mission entrusted to us by the times.

To be a good communist one must first of all make conscientious efforts to acquire the proletarian world outlook. This was the first thing Comrade Shaoqi stressed in his theories on party building.

Liberate the Mind and Adopt the Correct Stand

Comrade Shaoqi treated the question "Why Do People Make Mistakes?" as a special topic because he wanted to make a dialectical materialist analysis of this question, which revolutionaries frequently came across, and to offer his answer. What is the most important thing in the life of a proletarian revolutionary or communist? It is understanding and transforming the objective world. Questions concerning the objective situation, the enemy's relative strength and our own, politics, economy,

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culture, the status quo and how our policies are being received by the population can come up at any moment in our revolutionary practice. We are constantly put to the test by practice as to whether our understanding of such questions is correct, whether our analyses are accurate and whether our line, principles and policies are appropriate. We win when we are right and suffer setbacks when we make mistakes. Therefore, both individuals and organizations must avoid making mistakes in work to the best of their ability, try to make as few mistakes as possible and strive to discover mistakes and correct them in time.

Comrade Shaoqi proceeded from the standpoint of dialectical materialism and through analysis explained why people cannot avoid making mistakes. He said that this was because of the contradictions between subjective thinking and objective reality, even though subjective thinking sometimes overtakes objective reality. Comrade Shaoqi then offered a thorough analysis of the first situation--when subjective thinking lags behind.

Comrade Shaoqi observed that subjective thinking and objective reality as a pair of contradictions were always in a process of development in which they opposed each other and were interconnected with each other. When people's understanding was out of line with objective laws that governed objective things, the actions of people would deviate from the correct direction and their progress would be hampered. At that time people should summarize their experiences from practice, determine the source of the difficulties they encounter, explore the correct way to make their subjective thinking tally with objective reality and continue to make progress in the correct direction. The scientific meaning of the term "emancipate the mind" is to make such subjective thinking coincide with the objective laws governing things. By ideological ossification or semiossification we mean that people's thinking lags behind the development of objective things, erroneous estimates are made and erroneous actions are taken. Therefore, to continually overcome the contradictions between subjective thinking and objective reality it is necessary to continually emancipate the mind and study new problems. People's thinking has always moved in endless cycles which often began with the emancipation of the mind, went through the stage of ossification or semiossification and again reached the stage of emancipation of the mind, he continued. However, such cycles did not mean simple repetitions but meant moving forward in a spiral. In this sense, he explained, the emancipation of the mind could not be achieved once and for all but was an endless endeavor.

In his report Comrade Shaoqi also pointed out the reasons that people make avoidable mistakes: One was that there were mistakes in people's ways of thinking, and another was the wrong stands people adopted.

The analysis made by Comrade Shaoqi still has great practical significance today. It is inspiring because it tells us that we must try our

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best to avoid making mistakes and do a good job in grasping the dialectical materialist way of thinking and that there is no end to the emancipation of the mind, that science transcends all boundaries and creation knows no forbidden zones. Nevertheless, in trying to understand things we must still uphold the proletarian stand. Only when we uphold the socialist orientation and proceed from the fundamental interests of the proletariat and the broad masses of the people will we be able to build China into a modern, powerful country according to the principle of more, faster, better and more economical results. When we say that there should be no forbidden zones we must not do away with our political stand as well. However, we cannot say that upholding the stand of the proletariat means setting up forbidden zones.

There Should Be Both Democracy and Centralism, Both Freedom and Discipline

In the two reports he delivered at the party school attached to the Central China Bureau, namely, "On Communists' Self-Cultivation in Discipline and Sense of Organization" and "Democratic Spirit and Bureaucratism," Comrade Shaoqi emphatically expounded the relations between democracy and centralism, between freedom and discipline, and so on, and he stressed the importance of doing a good job in handling such relations. From this we can see that such problems concerning party building existed and continue to exist during the democratic revolution period and in the socialist revolution period. It is imperative to help people who entertain erroneous ideas in different forms during different periods, to correct such ideas and to make party organizations healthier and stronger.

Comrade Shaoqi first of all analyzed the different origins of bourgeois and proletarian democracy and their different nature. He pointed out that the bourgeoisie talked about equality and human rights in many places, but they allowed an absolutely unequal economic status to exist. He said that a state society was established on its economic structure. The economic foundation of a society included the modes of production of material wealth, productive forces and relations of production. Economic inequality could lead to inequality in other aspects, he said. The so-called equality before the law was actually aimed merely at protecting the bourgeoisie's freedom and rights to exploit the laboring people. He explained that this had been the actual ingredients of bourgeois democracy. Proletarian democracy not only advocated equality before the law and equality in the enjoyment of political rights and the performance of obligations, but also demanded economic equality, the abolition of capital and the elimination of private property. Only when there was economic equality could there be equality in all other aspects: in politics, social status, education, and so on, he noted.

Comrade Shaoqi then went on to analyze the concrete situation within the ranks of our revolution. He said that in society there were different positions because of the division of work. For example, there were

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commanders and soldiers in the army and they performed different duties. The job of a commander was to command, while that of the soldiers was to obey orders. Within the party there were leaders and people under their leadership. However, everyone enjoyed the same human rights irrespective of their different work and positions. Even the commander in chief was not entitled to give anyone a beating or use bad language against others. Nevertheless, he continued, the spirit of equality or the democratic spirit was different from egalitarianism. Comrade Shaoqi pointed out that at that time the democratic spirit had not really taken root among some of the comrades, but on the other hand there had been some signs of egalitarian thinking. He analyzed the different peculiarities of different people and pointed out that no two people could be exactly alike. People received different pay and conditions because of different work and duties. For example, Comrade Shaoqi continued to explain, we allowed the commanders at the battalion, regiment and brigade levels to move on horseback, while others were not given such a privilege, and some ate better than others. Comrade Shaoqi also said that among our comrades there were certain phenomena of ultrademocracy. Some people denied the importance of the sense of organization and the fact that within our ranks there was a distinction between commanders and those under the command of others and that within the party there were leaders and people under their leadership. Such an egalitarian and ultrademocratic stand had nothing to do with the spirit of equality or the democratic spirit. When people worked in different positions, he said, they must be given different pay and conditions according to the spirit of equality or the democratic spirit, and to do otherwise was inequitable. He then went on to say that egalitarianism negated distinctions and that this was wrong. However, leading cadres at various levels must not, because of such distinctions, consider themselves to be a cut above others, because such thinking also ran counter to the democratic spirit.

In his analysis Comrade Shaoqi also looked at the social and historical conditions in China. He said that due to its long years of feudal history and the social basis for the numerous small producers China was devoid of a democratic tradition and its people lacked training in democratic practice. Even within the CCP many party members failed to understand the meaning of democracy, he said. So we must educate the masses of people in the democratic spirit and carry out the same education within the party. Comrade Shaoqi pointed out that there was bureaucratism within the party due to the immense influence of nonproletarian ideas within the party. As a result of the backwardness of China's economy and culture, bureaucratism existed at that time and would continue to exist in the future. Therefore, to eliminate bureaucratism it was imperative to develop production, culture and education. He said that this was a long-term task and that it was impractical to hope for the immediate elimination of bureaucratism.

In his "On Communists' Self-Cultivation in Discipline and Sense of Organization," Comrade Shaoqi elaborated on democratic centralism and its

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implementation. Some of the points he raised are still very instructional today. He talked about the various expressions within the party of mistaken understanding about democratic centralism and cited an example of them: Some people said they would submit themselves to higher authorities or the majority when the higher authorities or the majority had proved to be correct politically or correct in principle. Comrade Shaoqi said that such an attitude was wrong because it undermined democratic centralism. According to the principle of democratic centralism, one must submit to the decisions of the higher authorities or the majority whether such decisions were correct or not. When such decisions were incorrect, abiding by discipline was all the more important. Why should one obey decisions that were wrong? First, when one considered one's higher authorities or the Central Committee or the majority to be wrong, the validity of one's opinion still needed to be proved. Before anything could be done about it, one still had to obey the decision. If not, and if everyone refused to submit to his higher authorities, the Central Committee or the majority, there would be no party unity and the party organization would have to disband. In the past, Chen Duxiu and Zhang Guotao opposed the Central Committee on the pretext that "the Central Committee is wrong and I am right." Later, however, facts showed that it was Chen Duxiu and Zhang Guotao, not the Central Committee, who were wrong. Second, even if the great majority or the higher authorities or the Central Committee were wrong, one must still submit to them and follow the wrong decision. To do otherwise would lead to a split in organization, show variations in action and weaken the party. Comrade Shaoqi stressed the importance of the fight against liberalism, which opposed submitting to the majority, the organization, higher authorities and the Central Committee. Party members who had different opinions could air such opinions to higher authorities through certain formalities, but they should obey the original decisions before their opinions were accepted by the higher authorities. In short, democratic centralism should be absolutely and unconditionally implemented.

Comrade Shaoqi also devoted one chapter to the question of how party organizations at higher levels and leaders of the party should implement democratic centralism. He pointed out that the implementation of democratic centralism embraced two aspects: One was how ordinary party members, party organs at lower levels and any minority in any party organization should implement democratic centralism, and the other was how party leaders representing leading party organizations should implement democratic centralism. Only when we could do well in both aspects would we be able to make democratic centralism a complete success. He opened the discussion on the topic by pointing out the responsibilities of the leading comrades of the party, the qualifications they should possess and ways in which leading comrades broke democratic centralism. He said that the following situations provided the best opportunity to test the willingness of a party member to observe party discipline: A person was a good communist if: 1) He obeyed and helped his superior even though he was better than his superior in terms of political

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consciousness, educational level, work ability or past experiences. 2) He submitted to his superior or the majority in his party committee even though his superior or the majority of his party committee had made a mistake. He maintained his own opinion while making representations to higher authorities. 3) He continued to obey the instructions issued by his organization and respected his superiors even though there had been differences between his own opinions and those of his superiors on matters of principle and in debates on such matters, and he could uphold truth and avoid being overcome by all sorts of erroneous ideas at a time when there was serious ideological struggle going on within the party. 4) He could practice the adage of "returning ingratitude with kindness" and, during times of difficulty and danger, protect and help comrades who had once opposed and borne grudges against him. 5) He could strictly observe discipline under the most difficult or dangerous conditions when even his own life was at stake. Then Comrade Shaoqi cited the following situations and said that they provided the best opportunity to test a cadre's ability to realize correct leadership: 1) Whether a cadre was able to uphold principles and managed to bring the majority of comrades in his organization around when they had all made mistakes in matters of political principles. 2) Whether a cadre assigned to work in a new area was able to gain increasingly popular support through work and struggle and win the trust of superiors who originally had not had much faith in him. 3) Whether a cadre was able to forgive and respect other people, including those under his leadership, when these people criticized and opposed him (whether for good reasons or not). 4) Whether a cadre was able to straighten things out in his organization and reestablish discipline and order when people in his party organization had shown a weak sense of organization and had become lax in discipline. 5) Whether a cadre was able to persuade mischievous people to take their work seriously and was resourceful enough to be able to educate and persuade people who had previously refused to obey the decisions of their party organization to do so. 6) Whether a cadre was able to carry out his duties so well that no one in his organization failed to set his mind on his work.

On the question of freedom and discipline Comrade Shaoqi also made some in-depth analysis. He said that some people were afraid of the party's discipline; they were not willing to join the party for fear that admission to the party would hamper their freedom. Some comrades who had joined the party asked the party to allow them more freedom. He said that these were all expressions of petty bourgeois subjective wishes for freedom. However, in actual fact such freedom was impossible, because in objective reality such freedom was nowhere to be found. Quoting from Engels, Comrade Shaoqi said: "Freedom means understanding necessity." That is to say, one could enjoy freedom only when one was able to understand necessity; otherwise, one had no hope of enjoying freedom. This holds true in everyday life, and there are numerous examples to prove its validity. For example, to raise living standards it is first of all necessary to develop production and improve labor productivity. However, this has so often been neglected by people in actual life. Some people

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become slack in their work because they think their wages are too low; hence, they do not actively try to raise efficiency in production. These comrades must know that their being slack in work will not improve our living standards but will cause our country to remain in the kind of backward situation that existed for long years in the past. This reflects the blindness or even disruptive quality that can often be seen in people's everyday actions. Both our theories and practice have repeatedly told us that a sense of organization and discipline are the prerequisites for acquiring the freedom to act according to objective laws. The stronger we show our sense of organization and the more strictly we observe discipline, the better we will realize the four modernizations.

Integrate Theory With Practice; Combine Practical Examples With Precepts

Comrade Shaoqi paid a great deal of attention to theoretical and ideological construction in our party and in particular stressed the unity of theoretical study and ideological cultivation. Integrating theory with practice has been one of the three fine traditions of our party, and Comrade Shaoqi set a very good example in this respect with his own deeds.

In his letter "In Reply to Song Liang" (that is, Comrade Sun Yefang), written in 1941, Comrade Shaoqi pointed out that in the period following the founding of the CCP some people had been against party members' undertaking thorough and specialized theoretical study. They had even been against the "scholastic style" of study in schools where party members gathered especially to study theory, and they favored steeling oneself through practical struggles. He said that they used to refer to party members who had been paying more attention to study as members of the "scholastic faction." He said that they seemed to believe that experiences gained through practical struggles alone would be enough to lead our revolution to victory without the help of sophisticated theoretical study; they also seemed to believe that it was possible to grasp the theories of Marxism-Leninism without going through assiduous and painstaking study over long periods. At the same time, he said, there existed within the party another view on theoretical study which neglected the importance of practice and was divorced from practice. Comrade Shaoqi said that neither of these two tendencies had adopted a correct attitude toward the relations between theory and practice and that neither of them had correctly handled such relations.

According to Comrade Shaoqi, the viewpoint that neglected the significance of theory prevailed within our party for a certain time and gave rise to a common practice of opposing theoretical study. As a result, the party's theoretical level had remained low all the time. Comrade Shaoqi said that such a practice should be opposed and rectified. It had much to do with the fact that our party so far had not been able to attain the kind of theoretical level it required. This had had a very bad

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influence on our party and prevented the correct viewpoint within our party, which advocated giving equal attention to theory and practice, from being developed. Comrade Shaoqi further pointed out that the numerous failures in the history of the CCP occurred because of failures arising from wrong instructions--failures on an all-party scale or regional failures due to wrong instructions and instructions based on naive ideas. He said that this weakness in theoretical study had not yet been completely overcome. Hence, he said, it was very important to call for unfolding theoretical study within the party. The CCP would be sure to lead the Chinese revolution through to final victory so long as it could overcome this weakness.

Reading these expositions by Comrade Shaoqi today, we feel immensely inspired by his kind intentions. The theoretical study currently being undertaken by our party still leaves much to be desired. How should the proletariat administer the state and carry out socialist construction after it becomes a political party in power? Questions like this are pressing and are awaiting our answers. We must give answers that are more in accordance with objective laws through practice and theoretical study. Rereading these expositions by Comrade Shaoqi makes us recall how Lin Biao and the "gang of four" wantonly distorted and tampered with Marxist-Leninist theories. Lin Biao claimed that in studying Marxism-Leninism one should look for shortcuts and that it would be quite enough to merely read the "three constantly read articles." They quoted articles out of context, picked quotations at random and then used such quotations as dogmas, as things to scare others with, and in a way that divorced the quotations from the kind of historical background against which they had been written. Is it not true that by so doing they reduced serious science to a quack doctor's medicine or a peddler's candies? This historical farce should be used by our theoretical workers today as a reference. We must never again be tainted with that kind of evil practice.

Comrade Shaoqi said that theory must be integrated with practice, and he energetically advocated and earnestly practiced this himself. In the reports he delivered at the party school he always painstakingly advised leading cadres of the party that they should influence other cadres with exemplary actions. He urged leading cadres to adopt the correct stand, make progress in both study and work and be honest and upright in their ways. Comrade Shaoqi himself set an excellent example for others of integrating theory with practice. Everyone knows that at that time Comrade Shaoqi was political commissar of the New 4th Army and secretary of the Central China Bureau. However, to the comrades of the New 4th Army his stature was much higher. Comrade Shaoqi was very much loved and esteemed by the cadres in the entire party. There were many moving episodes that reflected the respect and love that the then acting commander of the New 4th Army, Comrade Chen Yi, showed for Comrade Shaoqi. Despite his enormous prestige in the entire party and army, Comrade Shaoqi was modest and prudent in all aspects, and he never abused his

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power or thought himself a cut above others. He and Comrade Chen Yi respected and cared for each other, and their true, natural and comradely relations left a deep impression on other comrades. This kind of cordial and harmonious relationship between revolutionary leaders was infectious, and our military and political cadres at various levels vied with one another in emulating Comrade Shaoqi.

Comrade Shaoqi took great pains to educate the party cadres and spared no efforts in constructing an excellent party. He showed great solicitude not only for the cadres studying at the party school but also for their families, and he attached much importance to enhancing their political consciousness and ideological level. His farsightedness was of great significance to party building, and his ideas on this matter are still very valuable to us. To foster good party spirit we must not overlook any question, large or small, related to this subject. Many current problems concerning our party spirit can be traced to the results of education given to the sons and daughters of revolutionary cadres. Today, when our party has long become the political party in power, the question of the education given by communists to their children and the kind of influence they exert on them should be given a more important position in the order of the day.

Throughout his life Comrade Shaoqi set strict requirements on himself in self-cultivation, as a communist should. He was able to contribute so much to the party's theories on party building because he earnestly practiced his ideas. His theories on party building have helped bring up generations of CCP members during different revolutionary periods. Let us learn from him, remember him and emulate him in earnestly and constantly remolding ourselves. Communists of the older generation and the younger generations, let us all unite and continue to strive to build a glorious, great and correct party!

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THE HISTORICAL ROAD OF THE MAY 4TH MOVEMENT AND THE CHINESE INTELLECTUALS

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 14-21

[Article by Xiong Fu [3574 1788]]

[Text] The great May 4th Movement has already had a 61-year history, and the Chinese intellectuals were the first to awaken during the movement. The historical road of the Chinese intellectuals and the historical march of the new democratic revolution finally joined hands and took up socialist revolution and socialist construction after 30 years of meandering development. Today a review of the historical road of the intellectuals since the May 4th Movement will help us understand correctly the conditions of the intellectuals of our country, carry out the policy of the party toward intellectuals and bring into full play the service of the intellectuals as a new force in the four modernizations.

The Role of the Intellectuals in the May 4th Movement and Their Parting of the Ways

1. As the Vanguards of Anti-Imperialism and Antifeudalism. The May 4th Movement was a natural product of the ever-sharpening class and nationality contradictions in Chinese society after the failure of the 1911 revolution. The Chinese people had launched numerous anti-imperialism struggles before the May 4th Movement, but they lacked scientific and in-depth understanding of the nature of imperialism. There were people who had illusions about such imperialist countries as Britain and the United States.

The Paris Peace Conference and disputes among the imperialists over the partitioning of China made progressive revolutionary intellectuals, represented by Li Dachao, realize that the world of the imperialists is a world of gangsters, that the imperialists by nature are plunderers of weak and small countries and that all gangster organizations and gangster activities in this world of gangsters are our enemies. Awakened by this new cognition, Li Dachao came up with such anti-imperialism slogans as "overthrow the world of gangsters," "transform the world of gangsters." The exposure of the true nature of imperialism by the revolutionary

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intellectuals helped the Chinese people see more clearly the gangster appearance of imperialism. This is why the May 4th Movement was more thoroughgoing and less compromising than the 1911 revolution.

The May 4th Movement was also an extremely influential ideological revolutionary movement. "Smash the shopfront of Confucius" became the banner of this antifeudalism movement. Those carrying this big banner were intellectuals who had just been exposed to communism and intellectuals imbued with revolutionary democracy.

QINGNIAN ZAZHI [YOUTH MAGAZINE], founded by Chen Duxiu in 1915 but changed to XIN GINGNIAN [NEW YOUTH] in 1916, was the first to kindle the antifeudalism flame. Chen Duxiu wrote in its first issue that China needed radical changes and that it was better to see the quintessence of Chinese culture destroyed than to let the nation fall behind the current of history either immediately or in the future. Writers like Li Dachao and Lu Xun constantly contributed articles to XIN QINGNIAN criticizing Confucius, as they attacked the decadent feudalist and Confucian teachings and laid bare the cannibalistic nature of the feudalist code of ethics.

In 1917 XIN QINGNIAN launched a literary revolution attacking feudalist literature and the classical style of writing. Chen Duxiu and Hu Shi were the first to expound in XIN QINGNIAN their advocacy of literary reform. They were supported by writers like Qian Xuantong and Liu Bannong. Lu Xun's fiction, written in vernacular Chinese, was the model of the literary revolution and the trailblazer of a brandnew literary tradition.

2. As the Media for Publicizing Democracy and Science. Democracy and science were the weapons the Chinese intellectuals of the May 4th era used to oppose feudalist ideology. The democratic spirit they publicized favored individual emancipation and opposition to feudal autocracy and feudalist ethics. This demand for individual emancipation, though limited in scope, was a severe blow to the deep-rooted feudal autocracy. In response to this cry for individual emancipation, numerous intellectuals actually shook off the shackles of feudalist ethical teachings and family ties and became warriors of the new democratic revolution. Another component part of this democratic spirit was the demand for a democratic system of government. The kind of democracy the Chinese intellectuals had in mind 60 years ago was no more than the capitalist democracy of the West. The French Revolution and the "Declaration of Human Rights" captured practically a whole generation of Chinese revolutionary intellectuals, especially before the October Revolution. The capitalist democratic ideology, though somewhat outmoded elsewhere in the world, was a brandnew ideology in China at that time.

The science publicized during the May 4th era was principally a kind of scientific ideology, realism and rationalism, diametrically opposed to

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the feudalist system of idolatry. Publications such as XIN QINGNIAN and XIANGJIANG PINGLUN used to carry articles on these particular topics. The intellectuals who wrote those articles advocated opposition to the cult of Confucius: don't follow anything blindly, but think independently; don't place full faith in those who are in control of political power, but seek to have rational beliefs; don't worship traditions and destroy outmoded rules and practices incompatible with modern civilization. The spread of capitalist democratic ideology and rationalism was a positive influence in the struggle against feudal autocracy. The historical contributions of the Chinese intellectuals in spreading these new ideologies to combat feudalism deserve to be affirmed. Of course, it should be pointed out that the progressive revolutionary intellectuals had learned from the failure of the 1911 revolution that capitalist democracy could not be the way out for China. They turned their truth-seeking endeavor to Marxism-Leninism, which came to China with the October Revolution. This was a new ideological current since the May 4th era.

3. As Disseminators of Marxism. The dissemination of Marxism in China began with the revolutionary intellectuals.

As early as November 1918, when the Allies were celebrating their victory in the European war, Li Dachao published two articles, "The Victory of the Common People" and "The Triumph of Bolshevism," hailing the October Revolution. In 1919 Yun Daiying published in Guangzhou his Chinese translation of Kautsky's "Class Struggle." In April 1920 Chen Wangdao published in Shanghai a complete Chinese translation of the "Communist Manifesto." In May 1919 XIN QINGNIAN put out a special issue entitled "The Study of Marxism," edited by Li Dachao, who contributed an article entitled "My Own Views of Marxism." Thereafter XIN QINGNIAN published a stream of articles on Marxism and set in motion a movement to propagate Marxist theories. A more influential paper, the CHEN BAO Supplement, with the help of Li Dachao, in May 1919 began a special column on "Studies of Marxism" which became one of the vehicles for the revolutionary intellectuals to disseminate Marxism.

The dissemination of Marxism led to the formation of numerous progressive societies which gathered together the first generation of communist Chinese intellectuals. These included such societies as the Shaonian Zhongguo Xuehui [Young China Society], which began in Beijing and then branched out to all parts of the country; the Xinmin Xuehui [New People's Society] of Hunan; the Society for the Study of Marxism at Beijing University; the Juewu She [Awakening Society] of Tianjin; the Huzhu She [Mutual Help Society] and Liqun Shushe [Welfare Book Club] of Wuhan and the Xin Xueshengshe [New Student Club] of Guangzhou. The progressive revolutionary intellectuals of these organizations frequently held intraorganizational and interorganizational discussions of such problems as revolution in Chinese society, new culture and new ideologies. Sometimes the discussions took the form of published

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articles, and some were personal correspondence. For instance, the correspondence between Comrade Mao Zedong and Comrade Cai Hesen are the earliest documents on the study of Marxism in China.

Intensified dissemination of Marxism and the advent of revolutionary struggles led to the breakup of the organizations of intellectuals. The Young China Society, which was the first to break up, is a typical example of the development.

The Young China Society, formed in 1918, broke up in 1925. It was founded by young intellectuals who felt an urgent need to reform Chinese society. However, they could not arrive at a consensus on how to proceed with the reform, which road to follow and how much reform China could take. Differences in ideology and political views finally split its 100-plus members into three different groups. One group consisted of progressive revolutionary intellectuals who were committed to Marxism, including Li Dachao, Mao Zedong, Yun Daiying, Zhang Wentian and Shen Zemin. Another group consisted of capitalist rightist intellectuals who believed in nationalism and opposed communism. They were typified by Zeng Qi, Li Huang and Zuo Shunsheng. The third group consisted of petty bourgeois intellectuals who refused to believe in either communism or nationalism but advocated national salvation through education and science. One of its representatives was Wang Guangqi, who even had the illusion of saving the Chinese nation with music.

The breakup of the Young China Society was a microcosm of the historical development of the Chinese intellectuals. Comrade Mao Zedong described the complications among the Chinese intellectuals of the May 4th era. He said: "At first the May 4th Movement was a revolutionary movement of a united front of three different groups of people, the communist intellectuals, the revolutionary petty bourgeois intellectuals and the capitalist intellectuals (the rightwing of the movement at that time)." ("On New Democracy") As the revolution developed, the ideological differences among these three groups became so increasingly violent that they finally broke up. After a violent debate by members of the Young China Society in 1925, Deng Zhongxia, who had become a communist, said to Zuo Shunsheng, a nationalist, as they parted: "We'll meet again on the battlefield!" The remark turned out to be a historic summation and an accurate prediction. The ideological differences among the Chinese intellectuals after the May 4th Movement finally drove them to divergent political roads.

The number of rightists who followed the bureaucratic compradore capitalists and worked for their interests was very small. Their political ideals reflected the selfish class interests of the capitalists. When the revolution took an in-depth development, they leaned completely on the bureaucratic compradore capitalists. The representative of the rightists who followed this road faithfully was Hu Shi.

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In the May 4th Movement Hu Shi advocated the use of the vernacular style of writing and democracy and science, and he opposed Confucianism for a while. His activities in these areas were manifestations of the opposition of the capitalist intellectuals to an outmoded feudalist culture. It was a sign of progress, but Hu Shi was always a capitalist reformer. After the working class joined the May 4th Movement and built a greater momentum in the Chinese new democratic revolution, the capitalist intellectuals began to break away from the revolutionary united front of intellectuals. Hu Shi at that time felt very disappointed, because "there are 'new elements' who publicize guild socialism and Marxist socialism, 'class struggle' and 'surplus value.'" He became "so impatient" that he engaged Comrade Li Dachao in a polemic debate about "Issues and Isms." Later he advocated "government by good people" and "reform bit by bit." So it is no surprise that Hu Shi later befriended the Northern warlords and finally went to serve Chiang Kai-shek. He openly opposed the anti-imperialism and antifeudalism struggles of the revolutionary people. In the ranks of the intellectuals of the May 4th era, very few remained as loyal to Hu Shi as Fu Sinian and Lo Jialun of the Xin Chao She [New Tide Club], and fewer still acted like Duan Xipang, who became the chieftain of the Kuomintang AB Corps.

The revolutionary intellectuals, such as Li Dachao, Chen Duxiu and Lu Xun, were much more firmly committed to a revolutionary approach in the May 4th New Cultural Movement than such reformists as Hu Shi. During the May 4th Movement, the fact that these progressive revolutionary intellectuals had the courage to reflect the patriotic, democratic demands of the people and launch unrelenting attacks against the government which betrayed the country made them the real leaders of the May 4th Movement and the masters of the New Cultural Movement. The Chinese workers who entered the Chinese political arena in the latter part of the May 4th Movement contributed greatly to its mounting revolutionary influence. The revolutionary intellectuals, newly exposed to communist ideology, began to rest their hopes on the working class and worked hard to link Marxism-Leninism and the Chinese workers movement. Both successes and failures made them aware of their lack of adequate ideological orientation and the need to study Marxism. So many of them (including Zhou Enlai, Deng Xiaoping, Cai Hesen, Zhu De, Zhao Shiyan, Chen Yi, Nie Rongzhen, Wang Ruofei, Li Lisan, Li Fuchun, Li Weihan, Xiang Jingyu, Cai Chang, Liu Baijian, Chen Yannian and Xiong Xiong, all of whom later became well-known communists) left China and went to Europe as work-study students to study the world proletarian revolution. The May 4th Movement laid a firm ideological and organizational foundation for the establishment of the Chinese Communist Party.

Most of the Chinese intellectuals of the May 4th era took a middle position in politics. This "middle position" means that they refused to go along with the reactionary ruling class but did not quite understand Marxism. They were on the side of the masses and shared their views in opposing imperialism and feudalism. Many of them who were

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revolutionary democrats, such as Cai Yuanpei, later became friends of the Chinese Communist Party. But they did not share the views of the Marxists on reforms of Chinese society and the road to realizing such reforms. Their intention at the time was to look around for a better future for China. Compared to the progressive revolutionary intellectuals, they looked in the wrong direction, and their method of approach was not scientific. As a result, they ended up traveling a long winding road. That is unavoidable in history.

The Unique Qualities of the Chinese Intellectuals

The greatest majority of intellectuals in the old Chinese society were either producers who did their brainwork, were engaged in liberal professions or were scholars. Just as Comrade Mao Zedong pointed out, they were close to the worker and peasant masses. "Like manual workers, they are the exploited brainworkers who do not exploit others." ("On the Question of National Capitalists and Enlightened Gentry") Both were the victims of oppression by the imperialists, feudalists and bureaucratic capitalists. Due to the extremely undesirable social environment and harsh living conditions, they were isolated and cut off from help in their particular fields of endeavor, such as scientific research, education, medicine and culture. The unique historical conditions of the Chinese society in which they lived gave the Chinese intellectuals certain common unique qualities. It was these unique qualities which enabled them to unite under the banner of the Chinese Communist Party in 1949 at the founding of the People's Republic and to join the people in participating in the socialist revolution and socialist construction. These unique qualities were as follows:

1. Patriotism. The aggression by the imperialist forces in China after the Opium War turned the Chinese feudalist society into a semicolonial, semifeudalist society. The Chinese intellectuals who lived under such conditions saw with their own eyes imperialist aggression on the one hand and the dark and backward Chinese society brought about by several thousand years of feudalist autocratic rule on the other. No wonder their political objective was to see China become independent, free, prosperous and strong. The most progressive of these intellectuals, the proletarian intellectuals, who due to their communist world outlook understood the special conditions in Chinese society and the revolutionary tasks dictated by such conditions, worked hard to bring together the patriotic struggle and the basic interests of the proletariat and led the Chinese people in the new democratic revolution to topple three powerful forces. The national capitalist and petty bourgeois intellectuals, also oppressed by the imperialists, were equally anxious to get rid of imperialist control and make China prosperous and strong. So they became the allies of the proletariat in the new democratic revolution. The greatest majority of the intellectuals wanted to see China independent, autonomous, prosperous and strong, no longer victimized by other powers. Only a small minority of capitalist rightist

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intellectuals and bureaucratic compradore capitalists were willing to serve the interests of the imperialists to the detriment of the Chinese nation.

2. The Pursuit of Science and Democracy. It is said that the kind of capitalist education the Chinese intellectuals received in the old society was responsible for the ideological and educational differences between the intellectuals on the one hand and the workers and peasants on the other. This is true. But the scientific and democratic spirit engrained in the education turned out to be an antithesis and potential threat to the deep-rooted feudalist ideology in Chinese society. Many intellectuals dedicated their lives to the pursuit of national salvation through science, education, industry and the like. In the past we were more aware of the class implications of these political ideals than we were able to scientifically analyze their creativity. China, poor, underdeveloped and backward, indeed needed to promote science, education and industry. The problem was that it would be hopeless to push for social reform, science, education and industry if feudalism and imperialist control remained intact. We must admit that, even though most of the intellectuals working for the realization of these ideals did not understand this point, they were sincere in their conviction and endeavored to alter the backward appearance of China. Imperialist influence and reactionary government were powerful inhibitors of activities designed to revitalize the Chinese nation, such as the development of science, education, cultural undertakings and national capitalist industry and commerce. Working under double pressure, the Chinese intellectuals kept alive their endeavor and struggle. The material and spiritual wealth they created and preserved finally became valuable assets required for the socialist construction after the founding of new China. The historical achievements brought about by these activities of the Chinese intellectuals should not be written off lightly.

3. A Sense of Righteousness and Historical Responsibility. "Everybody is responsible for the fate of his country." This is an old Chinese saying and also a traditional quality of the Chinese intellectuals. Being a public-minded people, the intellectuals of ancient China used to say: "Be the first one to serve the public but the last one to enjoy comfort." Except for a small minority, today's intellectuals of China have a sense of righteousness and historical responsibility. The manifestations of this are: moral integrity, excellent enterprising spirit, dedication to one's profession, extreme concern for the position of China as a semicolonial, semifeudalist state, contempt for and refusal to work with evil forces, anxiety about the future of the country, and readiness to participate actively in social and political struggles prompted by these qualities. The outbreak of the May 4th Movement was an intense demonstration by the broad masses of Chinese intellectuals of their sense of righteousness and historical responsibility. After May 4th, whenever there was a national crisis, there were always noble-minded patriots among the intellectuals to raise a cry of warning or put up bloody struggles for the interests of the nation as a whole.

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Between the war against Japan and the liberation war, the Chinese intellectuals quickened their pace in the historic march toward progress and revolution. During the war against Japan, as China faced a life-and-death crisis, large numbers of intellectuals went to Yanan to be at the frontline of the war of resistance. Many intellectuals in both the occupied areas and areas under Kuomintang control joined the anti-Japanese and national salvation mass forces. Very few turned out to be traitors and anticommunist lackeys. During the war of liberation the masses of hardship-tempered intellectuals stood up to oppose the reactionary government, which advocated national betrayal, civil war and dictatorship. They opposed the American scheme to interfere in the internal affairs of China and make China an American colony. They also participated actively in the patriotic democratic movement led by our party.

After the May 4th Movement the Chinese intellectuals traveled extremely winding and complicated roads, even though the general trend kept pace with the main historical development. No matter whether they followed the line of Lu Xun, who began his career as an evolutionist, then a class theorist and finally a commander on the proletarian cultural warfront; or the line of Zou Taofen, a propagandist and organizer of the patriotic anti-Japanese movement, a professional promoter and organizer of education and a leader of the Chinese proletarian publication business; or the line of Tao Xingzhi, a "popular education" expert, promoter and organizer of the patriotic movement and patriotic education and a leading figure of the patriotic democratic movement in areas under Kuomintang control; or the line of Wen Yiduo, a poet of the "Crescent School" and a scholar who died a martyr defending the national liberation movement; or the line of Zhu Ziqing, once a poet of high integrity, an essayist, a true defender of the integrity of the Chinese nation who died at old age by rejecting contemptuous charities; or the line of Li Siguang, who advocated national salvation through science, then dedicated himself to socialist scientific research work and became an outstanding Red expert proletarian scientist, they all ended up under the banner of the Chinese Communist Party. This shows that the tide of history is irresistible. Anyone seeking to reform society will be unable to accomplish anything if he divorces himself from the force of the worker and peasant masses. The May 4th Movement was not an extensive sociopolitical movement until the working class joined it. Reinforced by the Marxist scientific world outlook, the progressive communist intellectuals who realized this inevitable trend of history took the first step to integrate themselves with the worker and peasant masses. After 30 years of probing between the May 4th Movement and the founding of the People's Republic of China in 1949, the majority of the Chinese intellectuals finally realized the importance of this point and acted on it in practice.

Intellectuals who had lived in the old society and witnessed the rise and fall of the Chinese nation hail the emergence of a new China in which they see the strength of the people and the hope of a nation. Marked

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contrasts in history give them reason to favor our socialist system and support the leadership of our party, the only place to turn to. A series of important practices conducted under the leadership of the party, including the drive for ideological transformation of intellectuals, the land reform and the socialist transformation, provided them with opportunities to rub shoulders with Marxism and adapt their ideology and conduct gradually to the needs of socialist revolution and socialist construction.

Now there are over 20 million intellectuals in China, 10 percent of whom had lived in the old society. Most of these intellectuals, including 6 million graduates of universities and colleges, have been brought up by the party since the liberation. The greatest majority are from working class families and have received socialist education in schools. They cherish a deep affection for the party and socialism. For 30 years they have done their utmost to study and work actively and patiently, to change their world outlook and to become the hard core cadres on the socialist construction front.

We could see in the Chinese intellectuals such qualities as patriotism, the desire to pursue democracy and science, and a sense of righteousness and historical responsibility, all of which have been kept intact. The fact that the intellectuals who now live under the socialist system have gradually acquired the communist world outlook helps carry forward these fine qualities and excellent traditions. Their high moral qualities as manifested in ardent affection for the fatherland and the party and selfless dedication to the four modernizations bring them even closer to the communist standard of morality.

Now our intellectuals are members of the working class, and their labor falls within the scope of the total labor force serving socialist construction. Without the labor of the intellectuals, our socialist construction would never have achieved the level we have today. In delivering a "Report on the Problem of Intellectuals" before a conference on intellectuals called by the party Central Committee in January 1956, Comrade Zhou Enlai pointed out: "The greatest majority of our intellectuals are already members of the working class." However, due to "leftist" ideological influence in the handling of intellectuals later and the disruption by Lin Biao and the "gang of four" during the Great Cultural Revolution, this scientific assessment has not been persistently sustained. The party Central Committee now affirms that the assessment is completely accurate.

The Question of Implementing the Policy Toward Intellectuals

To recognize intellectuals as members of the working class is the starting point for carrying out the policy of the party toward intellectuals. The most urgent step in the actual implementation of the policy toward intellectuals is to recognize their ability and use them accordingly.

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To know a person's ability and use him accordingly is a strategically vital point of policy in handling intellectuals. To know the ability of the intellectuals means to understand them historically and comprehensively. Sixty-one years have elapsed since the outbreak of the May 4th Movement. What kind of political force do the intellectuals represent over half a century after the May 4th Movement? The question is easy to answer if we follow the analysis given above. During the democratic revolution they were the allies of the proletariat, and the most progressive intellectuals played the role of vanguards and liaisons. During the socialist revolution they became members of the working class, forming a leading force in the socialist modernization of our country. It is a grave mistake to treat intellectuals as the object of revolution and assault. This kind of "leftist" mistake often occurs where there is no historical recognition of the intellectuals, and that was what happened in 1957. During the Great Cultural Revolution, Lin Biao and the "gang of four" persecuted the intellectuals in order to carry out their counter-revolutionary conspiracy. Even though this differs basically from the mistake made by the party in 1957, the lack or absence of a historical assessment of the intellectuals was no doubt an important subjective factor accounting for the conspiracy of Lin Biao and the "gang of four" and their pernicious influence, which still haunts the minds of a small minority of comrades.

Do the intellectuals have any weak points? Yes, they do. That is why we have to have a comprehensive understanding of the intellectuals. For instance, intellectuals are long-term brainworkers. Now many of our colleges, universities and research institutes are so far removed from the production departments and agencies that the intellectuals engaged in research have been led to concentrate more on book knowledge than knowledge of actual conditions. We must take note of this and help correct it by providing opportunities for them to keep in touch with the production departments and actual production activities. In the past the only way for the intellectuals to get close to reality was to stop teaching and research and proceed directly to factories and farms to take up physical labor. That is a misinterpretation of the policy and program of the party. When we ask the intellectuals to penetrate reality, we simply ask them to integrate their research process and results with the process of actual application and production, so as to enable them to have a timely understanding and scientific observation of the application of their research findings to various new problems arising out of actual life. This is designed to help them develop their research and teaching. The masses of intellectuals no doubt welcome this kind of integration of research and teaching with practical production. But this requires organic changes in the system of research and education, a task far beyond the capabilities of individual intellectuals. The responsibility rests with the party leadership. Instead of criticizing and blaming individual intellectuals, the party must assume responsibility for bringing about improvement.

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We must "know a person" before we can "use him successfully." To "use a person successfully" means that to use the intellectuals successfully we must make good use of their specialization in the fields of science and technology, economics or culture, for instance, so that their special knowledge and professional talent can be put to good use. Then let them be the mainstay to lead and cultivate a new force armed with modern scientific and technological knowledge as well as culture on the one hand and to raise the scientific and cultural level of the masses on the other. Even more important is to select those intellectuals who have special knowledge and professional talent and uphold the socialist line and place them in leadership positions at various levels and departments of both the party and the state to participate in leadership activities. Such a move is not only a question of implementing policies but also a vitally important matter affecting our cadre system and the composition of our cadre force. This deserves our close attention and careful consideration.

Our country has now entered a new era of the four modernizations. This new historical era places new and stiffer demands on our party cadres and the leadership in the various fields of state activities. Apart from a higher level of political awakening, they have to have a much higher level of modern specialized knowledge and professional skills. We used to say that all laymen want to be professionals. This is absolutely correct. On the other hand, since our country has large numbers of professionals, especially those whom we have been educating and training for 20 to 30 years, why aren't they given more responsibility to serve the country? The fact is that a considerable number of cadres at the provincial and county levels have had no more than a primary school education. It is urgent that we raise the scientific and cultural levels of these cadres. This, however, requires time and favorable conditions. There is little doubt that the modernization of work of those units and localities would proceed more satisfactorily if their leadership groups could absorb more intellectuals with specialized knowledge and professional skills so as to achieve a complete integration of the practical experience of workers and peasants and the modern knowledge of the intellectuals. Implementation of the policy toward intellectuals requires the restoration of their reputation in politics on the one hand and better working and living conditions on the other. We must do our best in both areas and see to it that the requirements are met. On top of this, we have to select the best qualified intellectuals to take up leadership positions to guide and organize the four modernizations. These are the stiffer and more exacting demands and tasks involved in our policy toward intellectuals since the work priority of the party switched to socialist modernization.

Frankly speaking, the socialist modernization of our country depends on a close alliance of workers, peasants and intellectuals. Our socialist modernization aims at developing a national economy based on high technology and a capacity to satisfy to the extent possible the

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ever-increasing material and cultural requirements of our people. We must have modern culture, science and technology to build a strong economy, to run large-scale socialist production and to achieve a rate of labor productivity higher than that of the capitalists. We won't be able to do this unless we have intellectuals with modern scientific and technological skills. We depend on intellectuals to raise the cultural and scientific levels of the entire Chinese nation. We might say that the four modernizations of our country will not succeed if we do not have the alliance of intellectuals, workers and peasants.

Since the May 4th Movement of 1919 the intellectuals of our country have gone through very severe tests and inherited a glorious revolutionary tradition. Bound together in destiny with the people and the country, they have weathered both the countless gloomy hours preceding the final triumph of the revolution and the 10-year devastation brought on by Lin Biao and the "gang of four." Their dedication to the fatherland and their faith in the leadership of the Chinese Communist Party have never been shaken by hardship and persecution, no matter how brutal. We are proud that our country has such a valuable contingent of intellectuals. As long as we put this contingent to good use, the realization of our grand project of socialist modernization will be very promising.

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FIND OUR OWN ROAD TO AGRICULTURAL MODERNIZATION IN LIGHT OF CHINA'S ACTUAL CONDITIONS

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 22-26

[Article by Chin Lisheng [4440 0500 3932]]

[Text] (I)

Realizing China's agricultural modernization is an intensive revolution; we therefore must start from our actual conditions and walk our own path. Due to the differences in natural, economic and social conditions, the countries of the world which have already accomplished agricultural modernization followed different roads. This is a fact which deserves our attention.

What are the actual conditions of our agriculture?

First, our natural agricultural resources, as a whole, are relatively abundant. However, in terms of the average acreage per capita they are very inadequate. For instance, with an average acreage per capita of only 1.5 mu (as against the world average of 5.5 mu), China is a country with a large population and insufficient arable land. Our per capita average of forestry is only 1.8 mu, while the world average is 15 mu; our per capita average of grassland is 5.3 mu, which is not even half the world average of 11.4 mu; our per capita average of water resources is only 2,700 cubic meters, which is only slightly more than a quarter of the world average. In addition, the distribution of our resources is very uneven. Some 92 percent of the arable land is found in the southeast, which constitutes less than one-half the area of the country, while the northwest, constituting more than one-half the area of the country, has only 7.7 percent.

Next, the single pursuit of grain crops over a long period of time has seriously disrupted the ecological balance of nature. For grain crops we improperly reclaimed wasteland and enclosed tideland for cultivation, which not only squeezed out the economic crops but resulted in the destruction of vegetation, degeneration of the grassland, expansion of

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deserts and enlargement of the area of soil erosion. As a result, drought and flood disasters have become ever more frequent, and the ecological balance is seriously disrupted. Today the annual silt deposit of the Yellow River is 1.6 billion tons, the highest among the rivers of the world. That of the Changjiang River is also rising, reaching 500 to 600 million tons per year. If the situation continues, the Changjiang River may turn into a second Yellow River. In addition, the silt deposit of the river channels and water reservoirs in many areas is becoming ever more serious. This is a grave threat to the development of our agriculture.

The third item is the large rural population. The national population has reached more than 900 million, and 80 percent of the total is rural. In the course of realizing agricultural modernization, several hundred million laborers in the rural areas have to be placed. This is the greatest reality confronting China's agricultural modernization.

The fourth item is the poor foundation of our country, the scanty reserve of the communes and brigades and the low income of the peasants. The agricultural modernization of many countries was accomplished after industrialization, or after their industry was fairly developed, and by means of industry rendering support to agriculture. As we are currently still in the process of industrialization and our country is still very poor, it is impossible to make large investments in and loans to agriculture, and we must depend mainly on the peasants' own effort to modernize. Yet the income of the overwhelming majority of the communes, brigades and peasants is still very low, and they cannot furnish many funds. This is a big contradiction.

The conditions in the aspects discussed above make it necessary for us to adopt special methods and take special measures and to walk our own path to accomplish agricultural modernization.

Generally speaking, agricultural modernization means equipping agriculture with modern science and technology and modern industry, managing it with modern scientific economic methods and raising the land utilization rate, soil productivity and productivity on a large scale.

Some people in foreign countries generalize agricultural modernization into two aspects: "Modernization of machine technology," which means equipping agriculture with modern industry, such as agricultural mechanization; and "modernization of biological technology," which means equipping agriculture with modern science and technology, such as rational layouts, improved varieties, scientific fertilizing, rational use of water, etc. The emphasis of "modernization of machine technology" is on raising the work efficiency, saving labor time and improving labor productivity on a large scale. The emphasis of "modernization of biological technology" is on employing the laws of nature and the achievements of biology, generally developing production in accordance with local

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conditions and raising the quality and quantity of farm products. Needless to say, the two are mutually supportive and promotive, not mutually exclusive. The countries of the world which have already realized agricultural modernization, though they differ in thousands of ways and each has its own special characteristics, all follow one of three ways. Some countries, with a large population but little land, stress unit area yield, following mainly the path of "modernization of biological technology" and launching "modernization of machine technology" only after their industry has developed. Others, with a small population but vast land, are short of manpower. They therefore stress efficiency, following mainly the path of "modernization of machine technology." Still others, with a small population and little land, stress both unit area yield and efficiency and follow the path of simultaneous "modernization of biological technology" and "modernization of machine technology."

By referring to the experiences of foreign countries and in accordance with China's characteristics, we must, in our pursuit of agricultural modernization, primarily stress the "modernization of biological technology," i.e., equipping agriculture with modern science and technology. Thus, we must start from the practical conditions of the particular areas, eliminate the restrictive factors blocking the development of production, act concretely according to natural and economic laws, fully employ our abundant manpower and natural resources and comprehensively develop farming, forestry, animal husbandry, sideline production and fishery. Meanwhile, we must coordinate agriculture, industry and commerce and solve the problem of funds needed for agricultural modernization and the placement of the labor force. With the development of production we must, in accordance with the actual conditions of the different areas and the currently available farm machinery, gradually realize agricultural mechanization and raise labor productivity. Naturally, China's conditions are complex. Instead of generalizing, we must adjust to the local conditions. For instance, while nationally speaking our population is large and our land inadequate, some areas (certain regions in the northeast and the northwest, for instance) have a small population but much land and urgently need mechanization. While nationally speaking the reserve of communes and brigades is small and they cannot buy much farm machinery all at once, some areas are relatively rich, have the ability to buy more farm machinery and can hasten their strides toward agricultural mechanization. Nationwide, "total mechanization" cannot be accomplished all at once. We can only follow the order of importance and urgency, actively create the conditions and realize mechanization by stages and in groups.

Some comrades illustratively describe the work of agricultural modernization as follows: Grasp the main body and fly with both wings. The "main body" is planting, and the "two wings" indicate the comprehensive development of farming, forestry, animal husbandry, sideline production and fishery and the coordination of agriculture, industry and commerce. On the foundation of vigorously applying modern science and technology, we

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must grasp the "main body" and let the "two wings" fly together. In this way the agricultural modernization of our country will proceed smoothly. Food is the most vital thing to the people. The population of our country today has reached more than 900 million, while the amount of uncultivated land is limited, and some land must be used for industrial and agricultural production and the development of communications. At present only 1.3 billion of the 1.5 billion mu of arable land is used for grain crops. By the end of this century, with the continued growth of the population, it is estimated that the average cultivated area per capita will be only a little over 1 mu. Currently the amount of grain per capita is 600-plus jin, only satisfying the caloric standard of nutrition, while the protein nutrient is inadequate. To reach the required levels of calories and protein, the amount of grain per capita should be at least 1,000 jin. In a situation of 1 mu per capita of cultivated land, the average output per mu has to reach 1,000 jin, and such a high unit area yield is not found in any of the agriculturally modernized countries of the world today. For us to become the country with the highest unit area yield in the world, the main method is to equip our agriculture with modern science and technology, because it will be difficult to accomplish by relying only on complete mechanization to raise work efficiency. Therefore, to realize China's agricultural modernization we must primarily solve the following issues: First, we must properly make comprehensive surveys of natural agricultural resources and agricultural regional divisions and, in accordance with such regional divisions, formulate an overall plan for agricultural modernization, create rational production structures, reverse the current situation of a single pursuit of grain crops and realize the comprehensive development of farming, forestry, animal husbandry, sideline production and fishery. Next, we must introduce the coordination of agriculture, industry and commerce, create a rational rural industrial and agricultural production layout and solve the problem of the source of funds required for agricultural modernization and the placement of the labor force. Thirdly, we must create a complete scientific and technical system, fully develop the tremendous impact of modern science and technology on agricultural modernization and greatly raise the land utilization rate. Fourthly, starting from the practical conditions of the various areas, we must, on the foundation of selectively providing the areas with farm machinery, gradually realize total mechanization, equipping farming, forestry, animal husbandry, sideline production and fishery with machinery, and greatly raise labor productivity. Fifthly, we must build socialist new rural villages and gradually close the gaps between the city and the village, between the worker and the peasant and between mental and manual labor. No hard-and-fast line can be drawn among these several items of work. We must intertwine them according to the concrete conditions of the particular areas and place our emphasis according to the different areas and different stages. The key is a relatively accurate assumption and a rational layout right from the beginning.

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(II)

To search for the path of China's agricultural modernization, the Academy of Sciences, with the approval of the party Central Committee, in the spring of 1978 began to cooperate with Hebei, Hunan and Heilongjiang and, with the provinces as the main units, created three comprehensive scientific experimental bases for agricultural modernization. These bases are located in three different types of regions representing north China, the Changjiang River valley and the northeast.

The bases have three characteristics:

The first characteristic is their experimental nature. Their goal is to determine how, by means of the practice of the base counties, to start from China's actual conditions and walk our own path of agricultural modernization. Currently there are numerous views on how to accomplish agricultural modernization. Just how to conform to China's actual conditions must be answered by the experiences of the base counties. Practice is the only criterion for testing truth. Whatever succeeds after the test of practice indicates that an objective truth has been found; whatever fails indicates that it is erroneous and requires rectification and repractice until a Chinese way of agricultural modernization is found.

The second characteristic is their scientific nature. They search for ways to equip agriculture with modern science and technology and modern industry. Money and materials alone will not accomplish agricultural modernization. Today every base county has created a research institute to study the major scientific and technical problems and problems in agricultural economy in the course of the agricultural modernization of the county. Some of them are also in the process of forming an experts group to serve as the technical advisory unit to the county party committee and people's government. Meanwhile, they are striving to gradually assign experts in agronomy, animal husbandry, veterinary science, horticulture, forestry, farm machinery, accounting and agricultural economy to the commune level and corresponding peasant technicians to the brigade and production team levels. In addition, the base counties pay attention to training technical talents and spreading scientific and technical knowledge and to raising the scientific and cultural levels of the cadres and masses. The spread of the fruits of scientific and technological research is, to a great extent, determined by the capacity of the cadres and masses to accept them. The bases plan to create agricultural technical schools, train the existing technical personnel and turn some of the administrative cadres into technicians. Some reforms are needed in the rural education system. Besides the addition of agricultural courses in the rural middle schools, some middle schools should be converted to vocational schools in order to train professionals for the comprehensive development of farming, forestry, animal husbandry, sideline production and fishery and the combined operation of agriculture, industry and commerce.

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The third characteristic is their comprehensive nature. Agricultural modernization requires not only agricultural science but also biology, pedology, mathematics, physics, chemistry and new technological science, combining applied science with basic and technical sciences; it requires not only natural sciences but also the guidance of the social sciences, integrating natural and social sciences and solving the economic and the scientific and technical problems encountered in the course of modernization, in order to act according to natural and economic laws and hasten its progress. We plan to ask more research institutes inside and outside the academy and institutions of higher education to form cooperative links with the base counties, constantly transmit the new scientific and technological results to them, conduct intermediate experiments and promptly turn the results into a direct production force.

With the vigorous support of the relevant departments, scientific research units and higher schools, the three base counties performed the work of comprehensive surveys of natural resources and agricultural regional division as the first step toward agricultural modernization and made obvious achievements.

Generally speaking, such work included the following aspects:

1. They clarified the resources. By ascertaining the farmland, wooded and hilly land, grassland, water surface and mineral deposits, they supplied the scientific bases for the comprehensive development of farming, forestry, animal husbandry, sideline production and fishery; by ascertaining the types of soil and fertility, they supplied the scientific bases for rational fertilizing and soil improvement; by ascertaining the water, soil, light and heat resources, they supplied the scientific bases for adapting to the locale and organizing production. In its comprehensive surveys, Luancheng County discovered that its cotton seeding time in the past coincided with the end of the cold wave. Last year they delayed the seeding for 20 days and found the most suitable period for seeding. As a result, the sprouting was complete and the output increased. This shows that as long as we clarify the condition of the resources, act according to the laws of nature and introduce scientific farming, output will increase on a large scale.

2. They made agricultural regional divisions. On the foundation of the comprehensive surveys and in accordance with such natural conditions as water, soil, light and heat and the social economic conditions, they made comprehensive analyses, determined the direction suitable for agricultural development, performed agricultural regional division and supplied the scientific bases for the rational layout of crops. In accordance with the results of the comprehensive surveys, Hailun County readjusted the layout of crops and introduced regional planting according to the temperature and the distribution of rainfall. Consequently, the corn crop in the southwest part of the county produced about 200 more jin per mu than that in the northeast part, while the soybean crop in the

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northeast part yielded about 50 more jin per mu than that in the southwest part. This adjustment alone resulted in a grain output increase of more than 10 million jin for the county.

3. They located the restrictive factors blocking the development of production. In its soil survey in 1957, Taoyuan County discovered a total of 150,000 mu of low-yield marshy farmland. At that time they felt that it was caused by the lack of fertility in the soil and that all they had to do was to apply more fertilizer. However, for more than 20 years such efforts not only failed to solve the problem but expanded the low-yield farmland to 400,000 mu. By means of the comprehensive surveys this time, they discovered that the inferior ventilation, presence of numerous poisonous substances, paucity of bacteria and difficulty for fertilizer to decompose were due to the improper drainage and irrigation and cultivation over a long period of time and that fertilizing alone would not solve the problem. In its comprehensive surveys Luancheng County discovered that the general presence of a firm plow sole in the soil stunted the growth and development of the root system of the crops, blocked water retention in the soil and affected the supply of nutrients and oxygen. They also found that 98 percent of the soil was deficient in phosphorus and that half of it lacked such trace elements as zinc.

4. They determined the direction of development. The comprehensive surveys enabled the three counties to locate the causes of their ailments and the cure, thus pointing out the direction for the development of production in the future. The 10 suggestions made by Taoyuan County after the comprehensive surveys possess an important significance in the development of agricultural production.

5. They promoted scientific research and production. Based on the preliminary results of the comprehensive surveys, Taoyuan County launched reforms and experiments in eight aspects and achieved remarkable results. Compared with 1978, its 1979 grain output increased by 19.43 million jin, cotton by 27,000 dan, oilbearing seed by almost 3,200 dan, the output value of livestock by almost 4.2 million yuan, the output value of commune and brigade industries by 25 million yuan, and the average income per capita of the commune members by more than 20 yuan, bringing the total income per capita to 110 yuan.

6. They spread scientific knowledge and trained technical personnel. The comprehensive survey is a great school. In the process of surveying, a group of local technical backbone elements was trained; this sowed the seed and trained the personnel for generally launching natural resource surveys and agricultural regional division work in the provinces, prefectures and counties. The comprehensive survey team also served as a propaganda team to spread science and technology. Wherever it went, by means of forums, lectures and joint surveys and analyses, it raised the level of scientific knowledge of the cadres and masses and enabled them to understand the significance of preserving the ecological balance, the

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effect of soil surveys, the utilization of light, etc., thus producing a great promotive effect on agricultural modernization in the future.

As shown by practice, comprehensive surveys of natural resources constitute an indispensable basic task for realizing agricultural modernization. Only when such work is performed properly will we be able to formulate an overall plan for agricultural modernization, and only then will we be able to base our planning on a reliable scientific foundation.

(III)

After completing the comprehensive surveys of natural resources, we must fully apply the results and march toward agricultural modernization in depth and range. Based on the conditions of the base counties, the application of the results of the surveys included the following main aspects:

1. Formulating overall plans for agricultural modernization with the results of the comprehensive surveys as the scientific basis: The short-term plans should be relatively concrete, while for plans of a longer range an outline may be drawn first, to be substantiated according to future conditions.

2. Readjusting the layout of crops and gradually shifting toward the regionalization and specialization of production in accordance with the agricultural regional division: Judging from the experiences of Hailun County in acting according to the laws of nature and the conditions of the local areas, readjusting the crop layout will benefit the development of agriculture. Naturally, production specialization requires a corresponding production socialization. To introduce regionalization and specialization of production we must adopt regulatory measures to insure the supply of commodity grain to the economic crop, forestry and livestock regions. Meanwhile, we must break through the traditional influence of the self-sufficient small peasant economy and gradually march toward modernized large-scale agricultural production.

3. Reforming the cropping system and the agricultural production structure according to the results of the comprehensive surveys: Based on the survey results, Taoyuan County reduced the seeding area of "rice-rice-wheat," increased the areas of "rice-rice-oil" [oilbearing crops] and "rice-rice-fertilizer," experimented with "rice-oil, rice-wheat and rice-fertilizer," the three kinds of crop rotational systems, stopped plundering the soil of its fertility and changed to the cropping system of cultivation and building the soil, made the soil even more fertile and consistently harvested high yields. Taoyuan County also released 2.4 million jin from the emergency grain reserve in order to return more than 40,000 mu of farmland to the forest, introduced the integration of farming, forestry and animal husbandry and promoted the ecological balance.

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It also vigorously pursued the breeding industry, developed livestock and promoted the general development of farming, forestry, animal husbandry, sideline production and fishery.

4. Gradually attaining layout regionalization, production specialization, processing mechanization and quality standardization of seeds according to the results of the comprehensive surveys: With the county seed company as the seed supply unit, the base counties are striving to introduce all improved varieties within a year or two and to rapidly create the seed system of "4-modernization 1-supply." As proved by the practice of the base counties, introducing improved varieties requires very little money but produces great benefits, i.e., there is a big profit with a small investment.

5. Concretely handling methane production to solve the rural fuel supply problem: According to a computation made by Luancheng County in the comprehensive surveys, the stalks of the various crops in 1978 totaled 342 million jin. If such stalks were used as feed and processed by fermentation, alkalization and ammoniation to raise their feed value, the potentials for developing such herbivores as cattle, sheep and rabbits would be great. Some 148 million jin of the total could be used for hog feed, sufficient for 290,000 head; 135 million jin could be used for cattle and sheep feed, sufficient for 19,000 head of meat (dairy) cattle or 95,000 head of meat (dairy) sheep; 58.86 million jin could be used for large animal feed, sufficient for 11,000 head of horses, mules and donkeys. To attain this goal, we must develop methane and solve the rural fuel problem in order to release the stalks now used for fuel for animal feed. Utilizing methane is a revolution in the history of rural fuel. Using stalks as firewood utilizes only the energy, while the organic matters are lost; returning them to the soil utilizes only the organic matters, while the energy is lost. By promoting methane we utilize both the energy and the organic matters of the stalks; it is the repeated utilization of energy. If, like promoting gas in the city, promoting methane in the rural areas is considered a part of modernization, a great change will occur in the rural appearance. In addition, the qualified areas must also develop small hydroelectric stations and utilize the energy from the sun and the wind and solve the rural energy problem in multiple ways.

Currently the base counties are in the process of launching surveys on coordinating agriculture, industry and commerce. After comprehensive surveys and studies they will formulate concrete and feasible programs and, upon approval, introduce the combined operation of agriculture, industry and commerce. This is also an important content of their agricultural modernization. Coordinating agriculture, industry and commerce means linking agricultural production with the processing, shipping and marketing of farm products and the supply of agricultural production means and making them into an organic whole for a combined operation. This is the necessary path for China's high-speed development of

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agricultural production. Only thus will the problem of funds and the placement of the labor force in agricultural modernization be solved relatively rapidly.

Judging from the countries of the world which have already realized agricultural modernization, we find that coordinating agriculture, industry and commerce is an inevitable tendency in the development of history. It is the inevitable result of the development of production and the increased exchange of commodities, as well as an important component of agricultural modernization. It is particularly urgent for China to introduce the coordination of agriculture, industry and commerce.

An extremely complex issue, the coordination of agriculture, industry and commerce involves the reform of the rural economic structure and the economic management system of the state. The key issue is to let the commune handle the processing of a part of the agricultural and side-line products, the small industrial and mining enterprises and rural commerce, so that it will have some reserve and acquire the capacity for expanded reproduction in order to realize modernization by self-revitalization.

Agricultural modernization requires a tremendous effort from the entire party. The Academy of Sciences, under the guidance of the party Central Committee and the State Council, is determined to develop the influence of its multiple academic subjects and multiple arms of service and strive to contribute to agricultural modernization.

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TAKE COMPREHENSIVE MEASURES TO SOLVE THE PROBLEM OF URBAN HOUSING

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 27-28

[Article by Wang Changsheng [3769 7022 0581]]

[Text] We completely agree with the viewpoint expressed in the article by Comrade Su Xing [5685 2502], "How To Solve the Housing Problem More Quickly?" published in RED FLAG No 2 this year and wish to develop extensive discussion of this problem in order to explore a path suitable for housing construction in our country.

To solve our urban housing problem as soon as possible is the common, urgent demand of the vast ranks of employees and workers. Summing up past experience and responding to the actual situation at present, we are of the opinion that we can solve this problem more rapidly only by taking measures of "comprehensive treatment" in approaching it in a versatile manner--by emphasizing both new construction work and maintenance and management, by paying attention to reforming both the existing housing construction management system and the existing housing rental system.

Give Full Play to the Initiative of the State, the Locality, the Enterprise and the Individual and Build More Housing

First of all, ours is a socialist state; the purpose of developing production is to satisfy people's needs in their material and cultural life. Housing is one of the basic conditions in people's life; the state should take the solution of the housing problem as seriously as it does the solution of the feeding and clothing problems. At present, food grain quotas and cloth rationing coupons are provided for urban residents, so that they are guaranteed supplies in these aspects, but the contradiction in housing alone remains outstanding in a serious way. We hope the state will list housing construction as a special heading, include it in the long-range plan as well as fiscal year plans of the national economy, establish a reasonable investment ratio for housing construction according to the law of planned proportionate development of the national economy, and proceed in an orderly manner to carry out construction work,

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so that old debts in this regard can be paid up more rapidly and no new debts will be incurred.

Next, we must give full play to the initiative of the enterprises, so that they will build more housing. Can we not consider, for instance, enabling the industrial and communication enterprises to gradually solve the problem of providing construction capital for the housing of their employees and workers through fund-raising programs of their own? This is something which is not only necessary but also possible. Solution of the housing problem of the employees and workers must be closely combined with efficient enterprise management so as to permit more spacious and finer housing for those employees and workers whose enterprises have achieved better productivity, earned more profits and made greater contributions. According to available statistics, capital raised by enterprises for their own housing construction in 192 cities amounted to 1.54 billion yuan in 1979, and this sum made up one-third of the total investment in housing construction by these cities; this outcome illustrates that this is an important approach to accelerating housing construction. Along with the expansion of enterprise autonomy from now on, the potential in this regard should become even greater.

Third, we must actively encourage individuals to buy or build their own housing. This is one way to solve the housing problem in the cities, and it should be made an important policy of the state. We must explicitly prescribe that property rights to all housing bought or built by individuals belong to them and are protected by law so as to mobilize the enthusiasm of individuals among the masses to build their own housing. In view of the experience of the peasants in building their own housing through self-reliance and considering the fact that fixed-term savings in the country's cities and towns now amount to more than 20 billion yuan, it appears that organizing individuals to buy or build their own housing is quite feasible. Wuxi Municipality has built a total of 2.54 million square meters of housing during the past 30 years, 0.83 million square meters of which, or 32 percent of the total, were built by private individuals. Helongjiang Province's individually built housing in 1979 amounted to 0.61 million square meters. Both are persuasive examples. The way to organize individuals to build their own housing should be versatile and flexible so as to adapt to the needs of different objectives. One approach would be for the state to put up the investment, build the housing and then sell it to individuals on the basis of building costs; the individuals could pay for it all at once or in installments. Another way would be for relevant departments of a city to gather the scattered capital of individuals, build the housing in a centrally planned manner and then "divide it among them according to their original capital contributions." A third approach would be to open housing construction savings accounts and, on a voluntary basis, encourage those employees and workers who need housing and who at the same time have the economic means to participate in housing construction savings programs; capital from this source can then be applied to the construction of housing, the

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establishment of construction material factories and the development of collectively formed working forces. When a participant's savings reach a given amount, he would be entitled to buy his residence, or a relevant portion of the housing built could then be allocated to him on a priority basis, with attendant rentals as his repayment into the savings capital. And a fourth way would be to allow individuals to build their own housing in small cities and towns, but they must conform to the requirements of urban regulations and obtain advance approval.

The development of private housing construction should facilitate the concentration of floating capital and reduce the burden of the state; it should help the employees and workers to run their households with industry and frugality, accumulate capital and improve their residential conditions through their own efforts; it should facilitate the development of production of construction materials and the placement of unemployed youths; and it should help recall surplus currency and reduce the pressure on supply in the market. All authorities concerned should actively support such a measure.

In housing construction work at present a shortage of steel products, lumber and cement supplies is an acute problem; if we want to accelerate housing construction, we must do all we can to solve the problem of finding the source of such supplies. The main solutions are increasing production and practicing economy. We should mobilize the relevant units to actively increase the production of steel products, lumber and cement supplies for construction use. We must seriously take inventory of our warehouses to make as much use as possible of our stockpiled resources; some of them may be processed and changed so that they can be converted from unsuitable to appropriate materials for immediate use. At the same time we must improve our designing work, enforce control over the consumption of materials at construction sites, minimize losses, preclude waste and endeavor to use the same amount of supplies to build more housing.

Reform the Existing Housing Construction System and House Rental System

Doing things according to economic laws is the fundamental way to solve the housing problem more rapidly. The existing system takes housing as a welfare arrangement; it is therefore built with state investment and allocated to the employees and workers as their residence with a small rental collected from them; in reality this is a "quasi-free supply system." Under such a system the state must invest large amounts of capital each year without being able to recover them, thus incurring a heavy burden upon itself. If housing is regarded as a commodity, then, like an industrial product, it can be sold once it is built; thus the investment is recovered and a certain profit is made. This way the reproduction of housing can be expanded on the one hand, and the state's economic burden can be reduced on the other.

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Since housing falls in the category of commodities, it should be managed as such. But under the existing low rental system the rentals collected are not sufficient to even cover maintenance expenses. According to statistics of 192 cities, a yearly average of only slightly over 1 yuan in rent has been collected for each square meter of construction space, whereas at least 1.2 yuan would be required for maintenance expenses for the same space. Because of low rents, 50 percent of existing housing is not properly repaired and maintained. If we manage it as commodity, then the component factors of house rental should include depreciation costs, maintenance costs, management costs, rent and interest; under such circumstances, it would be possible to maintain the reproduction of housing and achieve "maintaining a house with its own rental income."

Perhaps some people will say that our present production level is relatively low; even if such production is further developed hereafter, a citizen's average income will still not be very high, and we still cannot adopt a system of high salaries; hence, it is unrealistic to readjust house rentals. This consideration is offered, however, merely from the standpoint that the burden of the employees and workers should not be increased. We think that managing housing with economic means is the fundamental way to solve the housing problem; reform of the existing rental system is something that must be done. We have conceptualized a way to accommodate the interests of both sides: one is to calculate house rental according to maintenance costs, management costs and depreciation costs, with rent and interest exempted; the financial or business unit concerned would subsidize the difference between the new rental and the existing rental; the other way is to calculate the rental according to the above-mentioned factors of the rental structure and require the occupant to pay it himself. In order not to increase the burden of the employees and workers, we may refer to the auxiliary food subsidy method and formulate a housing rental subsidy scheme after thorough investigation and study. Relatively speaking, under the former approach the state would provide a smaller subsidy, but the subsidy cannot be recovered; this subsidy is also offered in a hidden way and does not directly concern the masses. The rental each family must pay each month accounts for only a very small proportion of its income; hence it often demands more housing and thereby aggravates the contradiction between housing supply and demand. Under the latter approach the state would provide a larger subsidy, but the subsidy can be recovered, and it is also offered explicitly. The occupant must thus make some calculations regarding ways to economize: a family occupying less space would enjoy some surplus, whereas a family occupying more space would suffer a shortage, since the "housing subsidy" would be insufficient and it would have to pay more from its wages. This way there is encouragement to not waste housing space, and the system would also be more reasonable.

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There Is Need To Enforce House Management and Maintenance

An important question in house management work is to allocate housing reasonably by apportioning limited space first of all to families lacking housing or short of housing. Housing utilization standards and regulations must be formulated. Pertinent readjustments must be made in the case of those who occupy too much space, or progressive rental charges should be made for portions exceeding the prescribed limits. While urgent efforts are being made to build new housing, existing housing should also be maintained well, so that the term of utilization can be prolonged and natural depreciation reduced; this would be equivalent to building more new housing. On the premise of not affecting any existing urban planning, limited construction efforts should also be considered, as expanding housing from existing space is also a good measure of expediency to alleviate housing contradictions.

To sum up, we must take comprehensive measures to solve the housing problem. We must correctly handle the relationship between production and our livelihood. The improvement of housing conditions and raising of our housing level must be handled on the basis of the development of our production. Housing construction requires large quantities of capital and construction materials such as steel products, lumber and cement supplies; we must have an abundant material base. We must actively handle our four modernizations work well, make a go of our production and create beneficial conditions for building more housing.

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APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000200100014-3

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GROSS INDUSTRIAL OUTPUT VALUE AND NET OUTPUT VALUE

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 29-30, 35

[Article by Zhang Yinghua [1728 5391 5478]]

[Text] The computation and use of the quota for industrial output value is an important problem in industrial planning and business administration.

Since the founding of the People's Republic we have been using the factory method to compute the gross industrial output value in our planning and statistical work. The factory method takes a factory as a computing unit to reflect production achievements. The gross output value of a factory is the sum total of the various products produced multiplied by the producer's price for each product. The gross output value of a factory consists not only of the value of finished products (including semimanufactured products on sale) but also of the value of industrial processing done on contract for other factories (repair of industrial products and the processing of materials, parts and semifinished products brought in by other factories) and the increased value at the end of a given period as compared with that at the beginning of that period of semimanufactured products and products which take a longer period of time to finish. As a unit of value, the gross output value consists of three different components: (1) The value of raw materials, fuel, power and fixed assets consumed during production; (2) the wage and welfare fund of staff and workers; and (3) profit from sales and tax. This means that gross output value consists of the converted value of the means of production and value newly created by workers. At present, industries and enterprises of all sizes at various localities and the departments of industry must periodically compute their gross output value according to a uniform procedure prescribed by the state and report the results through channels to the responsible departments and the general statistics departments so that composite reports can be prepared.

Judging from years of experience, gross output value, which reflects the development and changes in industrial production as well as interdepartment and intradepartment exchange of products, provides an important basis

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for the study of such economic factors as the speed of development of production and the ratio between labor productivity and the national economy. The computation of gross output value is comparatively simple. It can be done within a short time by any economic agency, be it an enterprise at the grassroots or any economic administrative organ at any level. But the quota for gross output value can very easily breed abuses.

First of all, let us look at the internal relations of the national economy. Since some departments or enterprises have to use the products of other departments or enterprises as raw materials, the former are likely to include a part or the entire gross output value of the latter as transferred value in their own gross output value. This kind of overlapping computation occurs more frequently in industry, heavy industry and processing industry than in agriculture, light industry and industry turning out finished products directly from raw materials. This cannot accurately reflect the ratio of relations between industry and agriculture and within industry. But overlapping computations are unavoidable as the economy and technology develop and the social divisions of labor multiply.

Secondly, as the gross output value of individual enterprises computed by the factory method contains the transferred value of the means of production, the greater the transferred value, the greater will be the gross output value. This can lead to a number of problems. If an enterprise seeks only to boost the value of its products, it will try to use more raw materials and might even try to use more expensive raw materials and manufactured products which cost more to produce. If it is interested only in fulfilling the quota for gross output value, it will want to produce only standard and popular products which do not take too much labor and will not want to spend too much time producing improved new products. Thus, it produces the wrong kind of products, overstocking the market with products not in demand and creating a shortage of goods in acute demand. There also are enterprises which practice fraud. They often ask other enterprises to manufacture parts which they are capable of manufacturing and buy them back at a price below par for assembly. But these parts are computed at a price at or above par in their gross output value. Sometimes they commit much more raw material to production at the end of each month and increase the amount of products being manufactured. Thus, the gross output value of these enterprises does not accurately represent the economic efficiency of their operations. In the days of the "gang of four," who did not observe the objective law of economics, the quotas for gross output value were so unreasonable that the industries felt pressured to resort to any practice to meet the quota. When this became impossible to fulfill, they simply rigged their output value. This erroneous practice still persists to a certain degree in a number of localities.

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To overcome the abuses associated with quotas for gross output value, it is suggested that quotas for net output value might be a better basis for assessing the achievement and rate of growth of industrial production and a yardstick for measuring the business administration of all enterprises.

Net output value is the monetary equivalent of the new value created by an industry. It is the remainder of gross output value after deducting raw materials, fuel, power and depreciation of fixed assets. Viewed as a measure of distribution, net output value stands for the tax an enterprise pays to the state, profits, the wage and welfare fund of staff and workers, the production reserve fund and interest paid to banks. There are two methods of calculating net output value. One method is the production method, which obtains net output value by deducting directly from the gross output value the transferred value of the means of production used in the process of production. This is a more accurate but complicated method of computation. Moreover, the fact that many enterprises are so weak in management and do not have complete financial and cost data further complicates the procedure. The other method is the distribution method, which obtains net output value by adding up the total amount of the wage and welfare fund of staff and workers, the production reserve fund, profit from sale of products, tax and interest paid to banks.

Quotas based on net output value are better than those based on gross output value for the following reasons:

First, they reflect more accurately the production activities and achievements of an enterprise, because the transferred value of the means of production is not included. If labor productivity is computed according to net output value, the labor efficiency of the enterprise can be more accurately assessed and easily compared with other enterprises of the same kind.

Second, profit constitutes a major portion of net output value. If commodity prices are stable, an enterprise seeking to increase its net output value must practice austerity, reduce consumption of raw materials, fuel and power and increase production in order to earn more profit. This is conducive to more effective economic accounting, improved business administration and enhanced economic efficiency.

Third, as for products which take equal amounts of raw material, those of higher quality of course require better technology and more labor. When production achievements are expressed in terms of net output value, it is more direct to show that high-quality products are higher in value than ordinary products. They yield greater profit and encourage the enterprises to produce higher quality goods.

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Fourth, the value newly created by an enterprise is distributed to a number of sectors, a part as profit and tax paid to the state, a part retained as the production reserve fund, and another part as the wage and welfare fund of staff and workers. As net output value is the monetary equivalent of the value newly created by an enterprise, if its production achievements are calculated in terms of net output value, it will be easier to assess its business achievements, its distribution ratios and its contribution to the state's capital accumulation.

In a word, the use of quotas for net output value could overcome the unavoidable shortcomings of quotas for gross output value. Now, as the party Central Committee is rallying all enterprises to pursue more actively the four modernizations and to overhaul our economic system as a whole, the use of quotas for net output value is even more meaningful and practical.

Of course, no economic quota system is perfect. The use of net output value could run into difficulties, too. First of all, since profit is the core of net output value, when commodity prices are irrational, an enterprise interested solely in the pursuit of profit might want to produce products which yield higher profit than those urgently required by the state. This would upset the schedule of industrial products planned by the state. When commodity prices are stable, the same enterprise might try to do shoddy work and use inferior material in order to earn more profit, thus lowering the quality of products. Moreover, net output value represents only the newly created value of one enterprise or department instead of the total value of all products. This quota alone can reflect neither the exchange of products between any two units nor the ratio of economic relations between different categories of products within individual enterprises. Furthermore, the computation of net output value requires comparatively complete financial and cost accounting, and the computation procedure is complicated. Any delay by a grassroots enterprise in its report to the higher authorities would affect the timely control over the progress of production by the higher responsible authority. But practice and experience would solve these problems one by one. For instance, the use of quotas for net output value could be accompanied by quotas for specific products in kind to prevent unrestrained changes in the direction of production. The quotas for gross output value could be retained to stop shoddy work, the use of inferior material and the lowering of product quality and help the planning and statistical authorities to prepare composite averages. On top of all these, an overall assessment of other quotas would offer a basis for comparison. At present, since a considerable number of enterprises do not have sound cost statistics, it is advisable not to push hard for the use of net output value as a basis for quotas. It takes time to work out the system. The best way is to make preparations for putting it into practice, along with reform of the administration of the economy as a whole.

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SERIOUSLY STUDY THE WORLD ECONOMY AND PROMOTE CHINA'S FOUR MODERNIZATIONS

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 31-35

[Article by Qian Junrui [6929 0193 3843]]

[Text] China has entered a new period of development. The general line and general task of our party and state in this era is to unite, be of one heart and one mind and advance bravely toward the magnificent goal of the four modernizations. We are carrying out the four modernizations in a world filled with contradictions and intense struggles, and we need a peaceful environment. Therefore, one of our vital tasks in international affairs is to oppose hegemonism and safeguard world peace. We must develop foreign economic relations on the basis of equality and mutual benefit, learn and draw on the useful experiences of other countries for reference in carrying out the four modernizations, make proper use of foreign capital and energetically introduce advanced technology under the logical premise of relying on our own efforts. All these things require us to conscientiously and promptly acquire a penetrating insight into the world economy and political situation and thoroughly study the new conditions and problems in the present world economy in order to adroitly provide guidance according to circumstances, make foreign things serve China and effectively promote our country's four modernizations.

The world economy is a historical concept. It is a product of the capitalist form of production. Although there were relations of commodity exchange in the long period of slave and feudal societies, these international relations of exchange could only be of a limited, regional and fortuitous nature because of the low productive forces. Only after the Industrial Revolution did a real world market come into being. Following the development of the international division of labor, the utilization of world currencies and the expansion of the export of capital, a unified world economy began to take shape on the basis of the world market. It was not until capitalism developed into monopoly capitalism that a unified world economy eventually materialized. The world economy of this period was a completely capitalist one. It was also a unified, all-embracing world economy wholly dominated by the capitalist form of production.

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The formation of a capitalist world economy played a great progressive role in the development of human society. It eliminated the state of isolation between nations and countries and opened up a broad road for the flourishing development of the world's material production and exchange of science and culture. It also greatly promoted the internationalization of economic relations and prepared material prerequisites for setting up a unified world socialist economic system.

The victory of the Great October Revolution founded the first socialist state--the Soviet Union--and opened up a new era in the history of mankind. From then on the world economy entered a new historical period: the transition period from a unified capitalist world economy to a unified socialist and communist world economy. In this period, as Stalin pointed out in his political report of the Central Committee to the 16th CPSU Congress: "Capitalism is no longer the only all-embracing world economic system; apart from the capitalist economic system, there is also the socialist system." ("Collected Works of Stalin," Vol 12, p 216) These two economic systems not only coexist but are in opposition to each other. This will be a long and tortuous historical period filled with unprecedentedly violent struggles and a period of revolutionary changes of great historical significance. We are in this kind of transition period. As the inevitable result of the development of the world's material production, the socialist economic system will ultimately triumph over the capitalist economic system throughout the world; consequently, the world economy in which both systems coexist will change into a united, all-embracing socialist and communist world economy that is infinitely bright, prosperous and happy. Only then can mankind begin to write its own history with complete awareness. This historical trend of the world economy is the objective law governing the development of human social production, independent of man's will.

This transition period of the world economy may be divided into two stages. The first covers the period from the victory of the October Revolution to World War II. What are the special features of the world economy at this stage?

1. The fundamental change in the nature and pattern of the world economy. The world economy is no longer a united, all-embracing capitalist world economy but a transitory unity of contradictions in which the two opposing systems of capitalism and socialism coexist at the same time. In the international economic relations of this time, in addition to the mutual contention and collaboration among the imperialist countries and the old economic relations of exploited and exploiting between imperialist countries and colonial and semicolonial countries, there appeared the interdependence and mutual struggle between the socialist Soviet Union and the imperialist countries and the new economic relations of equality, mutual benefit and cooperation between them and the weaker small countries.

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2. The development and growth of the socialist economic system. Under the leadership of Lenin and Stalin, the Soviet people realized that the industrialization of the state and the collectivization of agriculture emancipated social productive forces, developed rapid economic development and labor productivity, greatly improved the level of material and cultural life and gave play to the superiority of the socialist system. After several 5-year plans from 1928 to 1940, the Soviet national income increased 4.1 times, industrial output value 5.5 times and agricultural output value 30 percent. The speed of these developments far exceeded that of the capitalist economic system of that time.

3. The upheaval and decline of the capitalist economic system. World War I and the emergence of the Soviet socialist system in particular caused the capitalist system to go through a period of general crises for which there was no cure. At that time the capitalist system became more decadent, and various contradictions became more acute. The economy of the capitalist world went through recovery, crisis (1920-1921), relative stability, general crisis (1929-1933) and special depression and crisis (1937-1938) until the outbreak of World War II. During this period the colonial and semicolonial countries bore the heaviest economic exploitation and burden, which caused their national democratic revolutionary movement to gather momentum daily.

World War II was the inevitable outcome of the contradictions between the capitalist countries and the unprecedented intensification of contradictions between the imperialist and socialist countries on the basis of the capitalist general crisis. The final result of World War II greatly weakened the foundation of capitalist imperialism, greatly improved the socialist position and gave rise to a number of developing countries. Thus, the world economy entered the second stage of the transition period. We are in this period now. What are its special features?

After the war the capitalist general crisis further deepened. The socialist economic system further developed and strengthened but also experienced and is experiencing serious setbacks. A new situation of unprecedented, complex interdependence, interpermeation and mutual struggle has appeared between the socialist and capitalist economic systems. The emergence and development of Third World countries has made them the principal target for the exertion of influence and contention between the two systems. Under this basic condition, many new conditions and problems have appeared in the world economy.

First, let us talk about the capitalist economic system. We should see that at the moment the capitalist economic system still occupies the dominant position in the world economy. After a period of recovery and readjustment following World War II, the principal capitalist countries of the world went through a period of rapid economic growth in the 1950's and 1960's. At that time the growth rate of such countries as Japan and West Germany set the highest record in capitalist history. In spite of this,

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the general crisis of capitalism continued to deepen, and periodic crises continued to appear. The most serious postwar economic crisis of a worldwide nature broke out in 1974-1975. After the economy had slowly recovered, a new form of depression appeared. Economic stagnation or slow growth, serious inflation and high unemployment combined to bring about a new situation of "stagflation" or "recession growth." This situation could continue for a long time. Naturally, economic crises of a worldwide nature could appear in between, and there is also the possibility of faster economic growth for individual countries at a given time. In this way the cycle of capitalist production tends to shorten, and crises and depressions tend to multiply and continue.

The international bourgeoisie has long experience in domination. To prolong the life of the capitalist system, it adopted all sorts of means to adjust the existing capitalist relations of production so that they can, within certain limits, adapt to the needs of the development of productive forces. The major policies and measures taken by the international monopoly capitalists at present are as follows:

1. The implementation of state monopoly capitalism. This is a new stage in the development of monopoly capitalism. They closely combine monopoly capital with the bourgeois state machinery and, by means of state intervention (including planning, nationalization, credit, taxation, finance and increased military orders), control and adjust every link of domestic and international economic life to achieve the goal of earning the highest profit for monopoly capital. At the same time, for the sake of contending for world markets, while vigorously enforcing the concentration of capital they have at the same time paid attention to giving play to the special features of the adaptability of medium and small enterprises, raised the levels of their administration and technology and promoted "intermediate crafts" or small but exacting crafts of a very flexible nature. On the other hand, the major enterprises themselves have generally practiced the strategic policy of diversification and set up a succession of composite and joint enterprises to increase their own competitiveness in the international market.

2. Going in for a range of bourgeois reforms: "welfare society," "people's capitalism" and the "humane market economy." For the sake of mitigating bourgeois contradictions and safeguarding the capitalist system, they energetically promoted all sorts of reformist methods such as "high wages" and "high consumption," encouraged the workers to buy shares, allowed worker representatives to participate in enterprise management, presented gifts to workers on New Year's and holidays and permitted worker representatives to take part in the formulation of economic plans and even economic policies, consultations about wages between management and worker unions and increased profits and income tax. The development of capitalism to the stage of imperialism has indeed entered its senile and dying period. However, the capitalists are definitely not reconciled to their doom. They are still waging a

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dying struggle, making certain partial readjustments in the relations of production and the superstructure and, like an old man taking tonic, trying to preserve a certain degree of vitality.

3. Paying close attention to scientific and technological developments. After the war the developed countries relied mainly on new breakthroughs in science and technology to increase labor productivity and speed up economic development. The governments and enterprises of these countries put large amounts of manpower and funds into departments of scientific research and development. Scientists, engineers, technicians and economists often become important government officials and leading forces within enterprises. They will use modern scientific methods and computers to forecast economic development, production and the level of consumption in the latter part of the 20th century and the early part of the 21st century, trial-develop new products for the year 2000 or further ahead and strive to seize the initiative and control the world market.

4. The further internationalization of capital and the adoption of a new form of infiltration of the Third World by international monopoly capital. Transnational corporations have gradually become the organizational form of the internationalization of capital and monopolize the economic lifeline of the greater part of the world. Faced with the powerful pressure of the demands of developing countries for economic independence and for the establishment of a new international economic order, the developed countries adopted a policy of making limited concessions and allowing the developing countries a certain degree of development in their national economy, and they used this to safeguard their international domination. It is precisely against this kind of background and in addition to the struggle of the developing countries that many international economic organizations have been set up and international economic relations greatly developed. The amalgamation of the capitalist economies into a single body has developed a stage further, whereas the growth of the recently coalesced democratic economies of the Third World has, on the one hand, strengthened the forces against hegemonism, imperialism and colonialism and, on the other, developed into a part of the reserve force of the world's capitalist economic system.

Second, let us talk about the socialist economic system.

After World War II, on the basis of the victory of the war against fascism and the protracted struggle of the peoples of various countries, China and other socialist countries were born. This greatly strengthened the power of the socialist economic system and enabled it to more effectively contend with the capitalist economic system. These socialist countries generally developed their national economy as well as their science and culture with greater speed. Take China, for example. Despite many reverses, especially the serious sabotage caused by Lin Biao and the "gang of four," if we take the overall situation into consideration, the rate of our economic development has still been faster than

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that of many capitalist countries. From 1952 to 1975 the average annual output value of our industry increased by more than 11 percent. Compared with 1949, grain output in 1978 increased 1.7 times and cotton 3.9 times. In 1979 the fixed assets of enterprises owned by the whole people reached 320 billion yuan, the equivalent of 25 times the fixed industrial assets accumulated by old China in nearly a century. The other socialist countries have also shown a faster rate of development, with a marked improvement in the living standard of the people.

However, important changes and complications have appeared in the socialist economic system in the last 20 years. Following the rise to power of the Khrushchev-Brezhnev clique, the first socialist country, the Soviet Union founded by Lenin, degenerated into a social imperialist country that internally oppresses the people and the minority nationalities and externally contends for hegemony and wantonly carries out invasion and expansion. Its ambition for world domination far exceeds that of the old tsars, and it has become the most dangerous source of a new world war. This is causing great harm to the socialist economic system and to the cause of progress of all mankind. The world's socialist camp no longer exists. Under the instigation, utilization and support of Soviet hegemonism, Cuba and Vietnam have practiced mercenary hegemonism and regional hegemonism to invade and menace socialist and developing countries. Most unfortunately, for the sake of realizing their sinister design to usurp party and state power and restore capitalism in China, Lin Biao and the "gang of four" went on a rampage for 10 years, practiced feudal fascism in a big way and almost brought our socialist economy to the brink of collapse. These bad events greatly damaged the lofty prestige of socialism among the world's people. However, they were only of short duration in the long river of history. Following the heightening of consciousness among the people, these events will eventually be washed away by the mighty current caused by the inexorable advance of history. The fact that the Chinese people, under the wise and brilliant leadership of the Chinese Communist Party, smashed the "gang of four" in a single stroke and are advancing with big strides on the road to restoring and developing the socialist cause and making splendid achievements is the most convincing proof.

As mentioned above, in addition to the Soviet Union a number of other socialist countries also appeared after World War II. Under the leadership of Stalin, the socialist economy of the Soviet Union was a highly centralized economy planned in the order of heavy industry, light industry and agriculture. This is one example. In the course of building socialism, Yugoslavia under Tito practiced worker and socialist autonomy which embodied great political and economic democracy. It attached more importance to the market economy and at the same time gradually paid attention to planning and adjustment. This is another example. China at first completely copied the Soviet Union but later carried out certain reforms. Korea and Romania also have their own unique experiences. We must conscientiously compare and study all the experiences in socialist

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construction, learn from their strong points and avoid their shortcomings to speed up our socialist modernization.

Finally, let us talk about the developing countries. These are the countries that have cast off the yoke of colonialism, semicolonialism and dependency. They are the main force of the contemporary era in the struggle against hegemonism, imperialism and colonialism. On the whole, they may be divided into three categories and present a spectacle of big in the middle and small at both ends. One of the "ends" refers to the developing socialist countries and the other to countries which still depend on other foreign countries since their independence and which have not really cast off their colonial and semicolonial status. The so-called "middle" refers to the developing nationalist countries which are in the majority. These countries usually have nationalists holding power, with emphasis placed on developing the national economy. They are powerful allies of the international proletariat in the struggle against hegemonism, imperialism and colonialism. These developing countries are relatively poor; some are still very poor. The gap between them and the affluent countries is still widening. In the present increasingly serious energy crisis and raw material shortage, some of these countries have taken up all manner of weapons (such as petroleum and other raw materials) to carry out an effective struggle against the developed capitalist countries. The developing countries are uniting and working hard to establish a new international economic order with the Group of 77 nations as the mainstay.

The above are the principal new contradictions and problems that have appeared in the world economy since the war. We must carefully and thoroughly study them, use the basic theory of Marxism for guidance, always proceed from reality, combine theory with reality and make a concrete analysis of concrete things to study these new conditions and problems, as well as the new conditions and problems that will continue to emerge in the future. Proceeding from these constantly moving and changing realities, we must, by means of analytical study, raise them to the plane of theory to develop and enrich our existing world economic theory and use them in turn to guide our practice. For the sake of adapting to this urgent need, we propose that, together with Marxist economists of various countries in the world, we share in the arduous task of establishing and developing Marxist world economics on the basis of the theories of the writers of Marxist classics. The object of this new science of world economics is to study the general pattern of production in the world since the formation of the world economy. For the present this mainly entails studying the forms of production of capitalism and socialism themselves and their interrelations and the forms and laws of their movement in the world. The new conditions and problems of the world economy mentioned above are important contents of the world economics we are studying today. The establishment and development of Marxist world economics will enable us to obtain guidance by more closely combining reality with specialized theory in understanding and studying world

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economic problems, so that we can better see through the appearance and grasp the essence and main trend of the political and economic world situation. At the same time, it will also help us when studying and introducing the experiences of other countries in realizing modernization to improve the quality of scientific achievements, so that they will play an advisory and helping role when we make strategic policy decisions.

Our basic method for studying world economics and world economic problems is materialist dialectics. At the same time, we must analytically and critically study the methods of the Western bourgeoisie in studying international economics, such as the input and output method, mathematical economics, operations research, systems engineering and forecasting, and assimilate their scientific contents to enrich and improve our own methods. We must also use the Marxist stand, viewpoint and method to transform them into our own scientific methodology. We should have this aspiration, and this is what we must do. In this way we will enhance our ability to understand and study the world economy.

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THE SOCIALIST CAUSE CANNOT SUCCEED WITHOUT UNITY OF WILL AND IRON DISCIPLINE

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 36-41

[Article by Dai Yun [2071 0061]]

[Text] Sixty years ago Lenin wrote "'Leftwing' Communism, an Infantile Disorder," explaining to the communists of all countries the basic experiences of the Bolsheviks in withstanding all rigid tests at that time after assuming the reins of government. He emphatically pointed out: "Absolute centralization and the strictest discipline of the proletariat constitute one of the fundamental conditions for victory over the bourgeoisie." ("Selected Works of Lenin," Vol 4, p 181) Today the party Central Committee stresses strengthening party building, improving party leadership and heightening the party's fighting capacity to guarantee the smooth progress of socialist modernization. Rereading this work by Lenin will help us learn from the above experiences of the Bolsheviks and gain new insights.

The Crux of Socialist Economic Construction

In this work Lenin first talked about the international significance of certain fundamental features of the Russian Revolution. Immediately after that, in the chapter entitled "One of the Fundamental Conditions for the Bolsheviks' Success," he straightforwardly pointed out: "The Bolsheviks could not have maintained themselves in power for 2 1/2 months, let alone 2 1/2 years, unless the strictest, truly iron discipline had prevailed in our party and unless the latter had been given the fullest and most unreserved support of the whole mass of the working class, that is, of all its thinking, honest, self-sacrificing and influential elements who are capable of leading or of carrying with them the backward strata." Indeed, we can just look back into history, put ourselves in the Russians' position and think about the difficulties which the young Soviet republic faced after the October Revolution: The people were exhausted by the imperialist war during the preceding years, the moribund bourgeoisie was madly offering resistance, the Soviet state in this pressing situation had to accept the extremely harsh terms of a peace agreement with German

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imperialism, and very soon after that there were the imperialist armed intervention by the Entente countries and the counterrevolutionary rebellion of the White Guards at home... Once we think about all this, we can easily realize that each of the sentences Lenin wrote in this work carried weight.

However, Lenin did not regard the maintenance of iron discipline merely as a special requirement for winning the war at home. He repeatedly emphasized the need to apply this experience to "a war without bloodshed," that is, peaceful construction. Before writing this work, that is, a short time after the ninth congress of the Russian Communist Party (Bolshevik), he pointed out: "Not only the experience of the Red Army and the experience of victory in the war at home, but also the more deep-going things which are fundamentally connected with the tasks of exercising the dictatorship of the working class, make us concentrate all our attention as we did 2 years ago on the questions of labor discipline, that is, on the crucial question concerning the entire socialist economic construction and the fundamental question of how we should approach the dictatorship of the proletariat." ("Speech Delivered at the Third All-Russian Congress of Trade Unions," "Collected Works of Lenin," Vol 30, p 462)

Why is the question of discipline the crucial one concerning all socialist economic construction and the fundamental question of how we should approach the dictatorship of the proletariat?

We can sum up Lenin's relevant writings during this period in the following several points:

First, after the proletariat seizes political power in a socialist revolution, and after the task of expropriating the exploiters and suppressing the resistance of the exploiters has been accomplished in the main, the proletariat invariably faces a still more difficult and complicated task of concentrating all forces on economic construction and creating a labor productivity higher than that in a capitalist society. This is the most important and most essential thing guaranteeing the victory of the new social system.

Second, socialism is a product of the machine-building industry. The machine-building industry invariably requires not only absolute obedience to the unity of will of the leaders in the course of work, but also the observance of the strictest discipline. This requirement is very obvious, whether technically, economically or historically. However, some of the workers who have just shaken off the capitalist rule cannot immediately adapt themselves to the new situation. They lack the sense of responsibility of being masters of their own affairs. Under these circumstances, it is necessary to establish new labor discipline and a new type of social relations between one man and another and to create a new pattern and a new method which will draw more people into the work. This task will take many years and even a few decades to accomplish.

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Third, the proletariat should not expel and suppress the peasants, who account for the overwhelming majority of the country's population, as it did the landlords and capitalists. It must form an alliance and build socialism with them. However, on the one hand the peasants are laborers and are willing to join the workers in advancing along the socialist road; on the other hand they are private, small-commodity producers, and small production often engenders spontaneous capitalist forces. At the same time, being economically decentralized, the peasants lack the common basis which unites the proletariat in cities and factories. They are incompatible with the unity of will and iron discipline which are prerequisites to large-scale production. Socialism will then be impossible if the conscious discipline of the proletariat cannot triumph over the spontaneous petty-bourgeois anarchy.

Fourth, the dictatorship of the proletariat not only aims at overthrowing the bourgeoisie and the landlords but also is "the guarantee for the labor system, labor discipline, labor productivity, statistics and supervision and the unprecedentedly consolidated Soviet government of the proletariat." ("All-Russian Conference of the Central Executive Committee," "Collected Works of Lenin," Vol 27, p 274) Lenin put the cultivation of new discipline on an equal footing with the suppression of the resistance of exploiters, the civil war, the recruitment of remolded petty-bourgeois elements and peasants and the use of bourgeois experts, and he listed them as the five most important new tasks for the dictatorship of the proletariat and five new forms of class struggle. He said: The general slogan of the proletariat during the period of transition from the seizure of political power to state management and construction is: "Build iron discipline, thoroughly exercise the dictatorship of the proletariat and oppose the wavering of the petty bourgeoisie." ("Concerning the Six-Point Program for the Current Tasks of the Soviet Government," "Collected Works of Lenin," Vol 27, p 293)

Fifth, for these reasons the proletarian political party "must be organized in a highly decentralized way and enforce iron discipline in the form of military discipline within the party. The party Central Committee must hold extensive power, have the trust of all party members and become an authoritative organ." ("Conditions for Joining the Communist International," "Selected Works of Lenin," Vol 4, p 312) Only in this way can the party perform its duty, correctly, effectively and triumphantly play the role of an organizer and lead the proletariat and all workers to smoothly build socialism.

Of course, we want conscious discipline. This does not deny inner-party criticism and controversies and vivid democratic life within the party but takes them as preconditions. Lenin drew up a famous definition of the discipline of the workers' political party: "Unity of action, freedom of discussion and criticism." ("Party Discipline and the Fight Against the Pro-Cadet Social Democrats," "Collected Works of Lenin," Vol 11, p 301)

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Are Lenin's assertions applicable to the current situation in our country? We should say that our current situation is greatly different from the situation in Russia soon after the October Revolution. Yet, Lenin's basic viewpoints are still applicable to our country's current situation. The following two points alone can sufficiently explain the question.

First, Russia was then in the historical period of transition from civil war to peaceful construction, whereas our country was founded three decades ago. Our newly established discipline and unity withstood severe tests, such as that during the 3 years of difficulties in the 1960's. At that time, in response to an order, 20 million people went to the countryside to overcome the temporary difficulties. This was marvelous. However, this iron discipline and unity was later seriously damaged by Lin Biao and the "gang of four." At present, vestiges of a catastrophe can be seen not only among the working masses but above all within the party. It can be seen not just at the grassroots levels but particularly in some leading organs and many localities. It is manifested in intolerable laziness, delay, confusion, low proficiency, a demoralized attitude, unhealthy tendencies and other phenomena of lack of organization and discipline.

Second, the Chinese peasants differ from the Russian peasants in that they have formed collectives which are steadily advancing along the socialist road. Selecting a phrase or two from Lenin's works, the "theorists" of Lin Biao and the "gang of four" said that our country was an ocean of small production which engendered capitalism and the bourgeoisie daily, hourly and on a mass scale. This was completely unfounded nonsense. However, our practice in the past three decades has proved this truth pointed out by Lenin: "The transformation of small peasants and the whole of their psychology and habits takes a few generations to complete. This question concerning the small peasants cannot be solved and the whole of their psychology strengthened until the material base and the techniques exist, until tractors and machines have been used in large numbers for agriculture and until electrification is realized on a large scale." ("Tenth Congress of the Russian Communist Party (Bolshevik)," "Collected Works of Lenin," Vol 32, p 205) We have a relatively strong material and technical base, but modernization in agriculture is needed to basically transform the peasants and "the whole of their psychology and habits." At present the habits of small producers which have been formed over the past centuries are still exerting a formidable force.

This shows that unity of will and iron discipline are the crux of our country's socialist modernizations and the key to our correct approach and adherence to the dictatorship of the proletariat.

Three Conditions for Maintaining Iron Discipline

However, Lenin pointed out: Knowing the utmost importance of strengthening discipline is not an important question, because it can be easily

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understood by "those who are unable to think or who have not had occasion to ponder over this question"; the important question is that we "should more frequently make a profound analysis of the reason why the Bolsheviks were able to build up the necessary discipline of the revolutionary proletariat," make clear "why they were able to build up and maintain the iron discipline under very difficult conditions" and make clear the questions of "how this discipline is maintained, how it is tested and how it is reinforced." ("'Leftwing' Communism, an Infantile Disorder," "Selected Works of Lenin," Vol 4, p 181) Making these questions clear is of very great significance in rectifying the style and strengthening the discipline of our party.

After raising these questions, Lenin analyzed the necessary conditions in Russian history which existed during the rise of Bolshevism. He gave this answer: "First, the class consciousness of the proletarian vanguard, its devotion to the revolution, and its perseverance, self-sacrifice and heroism existed. Second, its ability to link itself with, keep in close touch with and, to a certain extent, merge with the broadest masses of the toilers--primarily with the proletariat, but also with the nonproletarian toiling masses--existed. Third, correct political leadership exercised by this vanguard and correct political strategy and tactics which won the support of the broadest masses existed. Without these conditions, discipline in a revolutionary party which is really capable of being the party of the advanced class and whose mission is to overthrow the bourgeoisie and transform the whole of society cannot be achieved. Without these conditions, all attempts to establish discipline inevitably fall flat and end in phrasemongering and grimacing." (Ibid., pp 181-182) He also pointed out that these conditions could not be created overnight but could only be formed through protracted efforts and strenuous experiments.

Then what are the conditions for our party to restore and strengthen its discipline?

To make it simple, I want to start with the third condition, that is, the condition of party leadership. Indeed, as far as party leadership is concerned, the correctness of the ideological and political line decides everything. The unity of the whole party based on its ideological and political line is the foundation for maintaining party unity and the precondition for establishing really conscious discipline. This conformed to the experience of the Bolsheviks. Our party's history also shows that if the ideological and political line is wrong it will be very difficult to maintain a correct organizational line, and it will be impossible to really maintain discipline in the form of democratic centralism. Lin Biao and the "gang of four" deliberately created and pushed an ultraleftist line which basically betrayed the interests of the party and the people and did serious harm organizationally. It destroyed democracy and centralism and freedom and discipline. After toppling Lin Biao and the "gang of four," our party restored its fine tradition of seeking truth from facts

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and reaffirmed its political line of achieving the four modernizations, which is the Marxist line which has won the wholehearted support of the 900 million Chinese people and is the fundamental condition for strengthening discipline at present. Marked improvements have been made in party style and discipline, which were impaired by Lin Biao and the "gang of four." This is because, first of all, the ideological and political lines have been rectified. The correctness of the party's lines can be regarded as the most fundamental guarantee for eliminating chaos and restoring order which has developed during the past few years. Although there still are many problems in inner-party political life and in party style and discipline, with a correct line it is possible to solve the problems in this connection. This is clearly laid down in the "Guiding Principles for Inner-Party Political Life" recently promulgated by the party Central Committee: "Adhering to the party's political line and ideological line is the most fundamental of the guiding principles for inner-party political life." It is also the most fundamental rule of party discipline. In strengthening discipline it is first necessary to guarantee the implementation of the party's line, principles and policies. The comrades inside and outside the party are now very critical about the unhealthy tendencies, such as bureaucracy and seeking privileges, among some leading cadres. In rectifying party style and discipline we must seriously solve problems in this connection, because these unhealthy tendencies seriously corrode our party as an organism and prevent us from working wholeheartedly to accomplish the four modernizations. However, in guiding ideological and practical work we should pay attention to closely combining the elimination of these unhealthy tendencies with the implementation of the party's political line and our efforts to achieve stability and unity and accomplish the four modernizations. In no way should we adopt the methods formerly employed to launch political campaigns.

The second condition concerns the question of maintaining close ties with the masses of people. Our party has also learned a very impressive lesson in this connection. Without winning the love and support of the masses of people and fully carrying out the mass line, our party cannot establish healthy democratic centralism and maintain iron discipline. When a party member begins to part from the masses, he is consciously or unconsciously disrupting party style and discipline. Our party is the vanguard force of the proletariat. A characteristic of this vanguard force is that it comprises only a few people of the proletariat. If these few people depart from the proletariat and the majority of the masses, and if they cannot win support and supervision from this majority, our party cannot be the vanguard force of the proletariat and maintain its discipline. Today the Chinese people of all nationalities are deeply concerned about party building and the rectification of party style and discipline. This shows that our party has bright prospects. Our party has created this good mass base with hard work, through arduous, tortuous and protracted struggle in the past six decades and by shedding the blood of a large number of martyrs. This mass base is an invaluable asset for building our party.

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Every party member should treasure it and consciously maintain party style and discipline.

The first condition is this: Whether the party can enforce and maintain iron discipline is determined first of all by the situation within the party. During the years of revolution and war our party's ranks were small but well trained, like the Russian Communist Party (Bolshevik). Our party members' consciousness and loyalty to the revolution were tested in rigorous struggles. However, after our party seized political power, the opportunists who worked for private interests by taking advantage of the party's position, those who boasted and flattered in order to get promotions and become rich, and those who wanted to profit from the party's position and were unwilling to work selflessly for communism tried to sneak into the party in every possible way. That was why Lenin, Stalin and Comrade Mao Zedong always stressed the need to pay attention to the quality of party members and not just concentrate on quantity. Lenin and Stalin strongly stressed party purges and registration of party members in order to maintain and improve the quality of party members. We carry out party rectification and not party purges. We stress ideological rectification, which also includes organizational rectification. The total number of our party members has increased by more than 100 percent since the Great Cultural Revolution. Recently the party Central Committee seriously pointed out that some new and old party members were not well qualified. Therefore, the decisive condition for strengthening discipline at present is to do a good job in party rectification, improve the quality of party members, increase the number of qualified party members and help party members establish the communist world outlook and outlook on life, heighten party spirit and consciously carry out the party's political, ideological and organizational lines.

Struggle Against Petty-Bourgeois Revolutionism

The ability of the Bolsheviks to build up strict centralism and iron discipline under the very difficult conditions in the 1917-1920 period was inseparable from certain characteristics in the history of the Russian Revolution. In analyzing this history, Lenin emphatically pointed out that the Bolsheviks grew up and became strong and steeled in the course of struggle against the enemy within the working class movement. The struggle was first and foremost against the Mensheviks and the Second International, who were opportunists siding with the bourgeoisie. Then it was against petty-bourgeois revolutionism.

Lenin pointed out: Petty-bourgeois revolutionism smacks of or borrows something from anarchism. In essential areas it falls short of the conditions and requirements of a consistently proletarian class struggle. Ideas of this kind reflect the wavering of the social stratum comprising small owners and small masters. They easily go to revolutionary extremes, because under capitalism they always suffer oppression and a rapid deterioration in their condition and are brought to ruin, but they are

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also incapable of perseverance, organization, discipline and steadfastness. Such revolutionism is characterized by its instability, its barrenness and its liability to swiftly turn from ultraleftist revolutionary fervor to submission, apathy, fantasy and even a "frenzied" infatuation with one or another bourgeois "fad."

This kind of petty-bourgeois revolutionism was reflected in the Russian Communist Party (Bolshevik) and some European communist parties. Such "leftist" ideas involved a series of questions concerning the party's strategy and tactics. A prominent viewpoint was that the party was put absolutely against the class and the leader against the masses, thereby underestimating and even denying the party's role and party spirit and discipline.

During the early 20th century, as a result of the uneven development of capitalist imperialism, some advanced countries in Europe and America were in a privileged, monopoly position, and some labor artistocrats were bought over or paid directly or indirectly by the bourgeoisie and split off from the proletariat. This gave rise everywhere in the Second International to a certain type of traitorous, opportunist, social-chauvinist leader who championed the immediate interests of his own craft and the vested interests of the labor aristocracy and betrayed the cause of the liberation of the proletariat as a whole. The masses of workers naturally had the utmost contempt for such a party and leaders and were utterly indignant toward them. Some people who cherished petty-bourgeois ideas, such as the "leftwing" communists of Germany and Britain, went from one extreme to the other and publicly put forward such slogans as "We want dictatorship of the class and not dictatorship of the party" and "We want a mass party and not a party of leaders." In Germany, Karl Erler made the absurd proclamation that political parties were generally unnecessary and that all political parties were "bourgeois."

Some groups within the ruling Russian Communist Party (Bolshevik), such as the "leftist communists," the "democrat centralists" and the "working class reactionaries" which emerged later than the other two, vigorously propagated these ideas and views. For example, they demanded that the work of managing the national economy be assigned to the trade union--the "All-Russian Congress of Proletarians"--and denied the role of the party and the Soviet state as leaders in socialist construction. They demanded full freedom for different factions and groups within the party and opposed centralism and strict discipline in economic management. What deserved attention was that they used opposition to bureaucracy in the work of the party and state as an excuse.

In light of these petty-bourgeois "leftist" ideas at home and elsewhere, Lenin elucidated in this book in an all-round manner the relationship among the leaders, the political party, the class and the masses and stressed that it was extremely necessary to uphold the party's centralized and unified leadership and iron discipline. He said.

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"The mere presentation of the question--'dictatorship of the party or dictatorship of the class, dictatorship (party) of the leaders or dictatorship (party) of the masses?'--testifies to the most incredible and hopeless confusion. These people are straining to invent something quite out of the ordinary and, in their effort to be clever, make themselves ridiculous. Everyone knows that the masses are divided into classes; that the masses can be contrasted to classes only by contrasting the vast majority in general, regardless of division according to status in the social system of production, to categories holding a definite status in the social system of production; that usually, and in the majority of cases, at least in modern civilized countries, classes are led by political parties; that political parties, as a general rule, are directed by more or less stable groups composed of the most authoritative, influential and experienced members, who are elected to the most responsible positions and are called leaders. All this is elementary. ("'Leftwing' Communism, an Infantile Disorder," "Selected Works of Lenin," Vol 4, pp 197-198)

"Repudiation of party principles and party discipline is the opposition's net result. This is tantamount to completely disarming the proletariat in the interest of the bourgeoisie. It is tantamount to that petty-bourgeois diffuseness, instability and incapacity for sustained effort, unity and organized action which, if indulged in, must inevitably destroy every proletarian revolutionary movement." (Ibid., p 200)

Our party has acquired direct experience regarding Lenin's assertion. Like the Russian Communist Party (Bolshevik), we won victory in a big country where the petty-bourgeoisie accounted for the majority of the population; we carried out socialist construction and gained experience in launching a protracted revolutionary struggle against the petty bourgeoisie. Lin Biao and the "gang of four" were able to push the ultraleftist line for such a long period and on such a large scale chiefly because they stirred up and used the feverish revolutionism of the petty bourgeoisie. This revolutionary fever was at that time expressed largely in the form of "leftist" anarchical or semianarchical ideas. Its unbridled spread was in a sense a sort of "punishment" for the international revisionist ideas and the daily growing bureaucracy at home at that time. Now that we have toppled the "gang of four" and repudiated the ultraleftist line, this petty-bourgeois revolutionism has gone to the other extreme, turned into apathy and pessimism, deviated from and turned against the four basic principles and become another "fad" of bourgeois liberalism. In a sense, this is also a "punishment" for the ultraleftist line. In the course of correcting the phenomena of too much centralism and a lack of democracy within the party some time ago, some comrades did not pay much attention to the whole situation and the party Central Committee's instructions and consciously or unconsciously deviated from the demands for party principle and the party's centralized and unified leadership. Some comrades showed a kind of "leftist" impatience toward the rectification of the party's defects and mistakes. On the other hand, their underestimation of the danger of bourgeois liberal ideas in

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society was expressed in their rightist tendency to neglect and slacken party leadership. This petty-bourgeois instability is greatly disadvantageous to us today in completely wiping out the organizational and ideological remnants of Lin Biao and the "gang of four," continuously opposing ideological ossification within our ranks, strengthening and improving party leadership and opposing the idea of doing away with the four basic principles. We must pay attention to struggling against this petty-bourgeois revolutionism and overcoming the interference coming from the right or the "left." However, in launching this struggle we must seek truth from facts and make a concrete analysis, and in no way should we rush our work and demand uniformity. Only in this way can we successfully rectify party style and discipline and do a still better job of party building!

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THE SPIRIT OF BUILDING ENTERPRISES AMID HARDSHIPS MUST BE CARRIED FORWARD IN THE MODERNIZATION EFFORT

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 42-44, 7

[Article by Wang Chonglun [3769 1504 0243]]

[Text] In February this year I returned to the Anshan Iron and Steel Company to spend the pleasant Spring Festival with worker-comrades with whom I had fought together in the past. As we recalled earlier events and exchanged ideas, everyone was of the opinion that what Comrade Deng Xiaoping had proposed was entirely correct--namely, "In China's effort to promote four modernizations we must earnestly and practically build our enterprises amid hardships," "we must have a spirit of hard struggle in building our enterprises." This proposal has an extremely important meaning for us in our attempt to secure decisive victory in our four modernizations work in the 1980's.

Hard struggle is our party's fine tradition and style of work and a legacy of our proletariat. Comrade Mao Zedong said: "We must constantly remind our cadres and people that our country is a socialist power but at the same time an economically backward, poor country; this is a great contradiction. To make our country prosperous and powerful we need several decades of hard struggle." ("On the Correct Handling of Contradictions Among the People") During the past 30 years our working class has resolutely followed this path of building enterprises amid hardships and has achieved one victory after another. The development of the Anshan Iron and Steel Company is a vivid example. When Anshan was liberated, the Anshan Iron and Steel Company was full of weeds, with hares running everywhere and crows flying confusedly over a general scene of ruin. Imperialist forecasters mumbled that "The Chinese can only plant sorghum on these ruins"; but facts have refuted the hallucinations of the imperialists. For the sake of building a new Anshan Iron and Steel Company at the time, old hero Meng Tai [1322 3141] shoulder-poled his luggage and his rice bag into the plant to live there, taking the plant as his home. He earnestly organized others to recover old and otherwise useless parts in order to have the blast furnaces repaired. Taking old hero Meng Tai as its example, the working class at the Anshan

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Iron and Steel Company adopted the attitude of masters of the house, bargained about neither wages nor their working conditions and proceeded immediately to labor in a selfless manner. Thanks to everyone's hard and earnest work, steel production was restored in 4 short years, and our country's very first steel base was thus built; the working class' prowess was vindicated and the motherland's glory redeemed. Subsequently, the working class continued to maintain this spirit of building enterprises amid hardships and thus enabled this particular old enterprise to make more and more new contributions without interruption. Especially after the smashing of the "gang of four," the party committee at the Anshan Iron and Steel Company, while proceeding under the leadership of the provincial and municipal party committees and in accordance with arrangements by the party Central Committee to expose and criticize the criminal conduct of Lin Biao and the "gang of four," eliminate the rampant poison and influence of the ultraleft line and realize the various policies of the party, at the same time energetically restored and gave full play to the party's fine tradition, struggled hard, developed production and thereby brought further profound changes to this greatest steel and iron joint enterprise of ours; the situation of stagnation or even retrogression in steel production created by the interference and sabotage of Lin Biao and the "gang of four" was terminated; the best historical record of a daily production of 20,000 tons of steel was broken; and the plant joined the ranks of advanced enterprises. The victories secured by the Anshan Iron and Steel Company fully demonstrated the great power of hard struggle.

When our conditions were very bad in the past, we gave full play to our spirit of building enterprises by way of hard struggle; now that our conditions have improved, is it all right for us not to promote hard struggle any longer? Of course not. Not only can we not abandon our spirit of building enterprises by way of hard struggle, but we must develop it even more energetically. Because our economic foundation is weak and our population large, the addition of 10 years of vicious sabotage by Lin Biao and the "gang of four" pushed the national economy to the brink of collapse. Since the smashing of the "gang of four," our economic situation has changed rapidly for the better and achieved new development. But because the state of disproportionate development of our national economy has remained basically unchanged, problems and difficulties of this or that kind continue to exist in our production and our livelihood. Under these circumstances, giving full play to our spirit of building enterprises by way of hard struggle in handling our four modernizations work is no doubt of decisive significance for us. We cannot buy modernization; we cannot beg modernization from the "philanthropists"; and it is even less likely that modernization will drop from heaven or spring up from the earth. We can only rely on the people of the whole country to bring into play their wisdom and strength and work out modernization with their diligent hands.

In devoting ourselves to the four modernizations work by way of hard struggle, we must give full play to the role of old enterprises and old equipment. We must comprehensively carry out the policy of relying

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mainly on ourselves and securing foreign aid only as a remedy. In a situation in which the science and technology of various countries is developing rapidly, a refusal to learn advanced things from other countries or looking down on our own strength will hardly help build a socialist modern power at high speed. We must therefore criticize the "closed-doorism" of Lin Biao and the "gang of four," appropriately import advanced science and technology from foreign countries and also pay full attention to the utilization of our own resources, thereby setting forth a path of starting from our existing foundation in order to explore our potential and effect renovation. Comrades of certain enterprises today often think of "divorcing" their old equipment as soon as the modernization effort is mentioned; they want to throw away the old equipment, import entirely new equipment and start things all over again. In thus placing the full development of the role of old enterprises and old equipment in opposition to the importation of advanced technology from foreign countries, they adopt an approach which is obviously biased and simply will not work. In our native district there is an old saying which points out that "If one has to pin one's hopes on a relative, one can hardly become rich oneself; if one waits to be fed, one can never gain weight by oneself." The whole sets of equipment we can buy from foreign countries can, after all, only be limited in quantity. We must never abandon our policy of self-reliance. In our modernization effort we cannot rely solely on imported equipment for the establishment of new enterprises; we must still rely mainly on our old enterprises. We must mobilize the broad ranks of workers and technical personnel to get to work on the technical transformation of our existing enterprises and on the creation of new technology and new materials. We now have 400,000 large, medium and small enterprises, and the overwhelming majority of them are old enterprises of the 1940's, 1950's and 1960's. These old enterprises possess great potential; they are the important "bases" from which we can march forward toward the four modernizations. For instance, the Anshan Iron and Steel Company is a large enterprise as well as an old enterprise. After 30 years of transformation and construction through hard struggle by its working class, the Anshan Iron and Steel Company has already been built into an iron and steel joint enterprise of a fairly large scale and considerably advanced technology, both in terms of its productive capacity and in terms of the degree of its mechanization and automation. The entire company has nearly 100 factories and mines, and both in technology and in management it has already acquired a good foundation, and its productive capacity is fairly solid. Therefore, we must see not only the fact that the equipment of an old enterprise is outdated and its craftsmanship and technology not sufficiently advanced, but also the fact that the manpower, material resources and other potentials of such an old enterprise are fairly great. As long as we have that spirit of building enterprises by way of hard struggle, we can turn disadvantageous factors into advantageous factors and backwardness into advancement and create a new level of modernization with our old equipment.

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Many industrially developed countries in the world also emphasize the transformation, utilization and full development of the role of their old enterprises. Last year I went to Japan for a visit; of the more than 20 factories I inspected, most were medium or small enterprises; many still had their old buildings and old equipment; the buildings of some were only wood structures reinforced by steel bars and steel plates. In one of the factories of the Osaka Steelcasting Works, old lathes of the 1930's still numbered among the present equipment, and some equipment was quite similar to that at the northern branch of the machinery repair plant of our Anshan Iron and Steel Company; such equipment is still playing its role and doing so with great efficiency; the quality of its products is also very good. This shows that, while they have new equipment of the 1970's, they also retain equipment of the 1930's. We must not think that the equipment that produces modern products in foreign countries is all newly installed. Many of our domestic enterprises have done things this way, just as they are done in foreign countries. Our Chinese working class has the necessary aspirations and capabilities and is bound to work out a modernization on the existing foundation.

Ours is a socialist state; it can neither exploit our own laboring people nor plunder the laboring people of foreign countries. When we work on our modernization, we can only rely on ourselves, struggle hard, and transform our old enterprises, utilize our old enterprises, give full play to the role of old enterprises and old equipment and let old enterprises and old equipment produce modern products. The technical transformation of old enterprises can be effected with only limited investment and in a short period of time, while the result is efficient operations which can double output with half the labor which otherwise would be required. In recent years the workers at the Anshan Iron and Steel Company have insisted on the principle of effecting great change in the case of large repairs, medium change in the case of medium repairs and small change in the case of small repairs, as well as a change in each case of repair in order to replace the backward with advanced technology, to change the backward into the advanced, to change a small productive capacity into a great productive capacity and thereby to gradually transform the Anshan Iron and Steel Company into a modern enterprise. In a series of steps they have carried out technical transformation on 3 blast furnaces, 4 open-hearth furnaces, 4 coking furnaces, 4 sintering machines and 8 sets of steel rolling machines, adopted several dozen new techniques and hence achieved conspicuous results. Steel refining plant No 2 renovated 4 old open-hearth furnaces of the 1940's into a new type of open-hearth furnaces employing the oxygen top-blowing technique. The steel-refining time of each furnace was thus reduced from the past average of 10 hours to only 4 hours. In 1979, 3 of the 4 renovated open-hearth furnaces were put into productive operations, and the yearly production of each of these furnaces increased from 240,000 tons before the transformation to 450,000 tons, an increase of 87.5 percent. The steel-pipe welding plant of the Anshan Iron and Steel Company insisted on the approach of making changes while keeping production going; in 1978 it

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succeeded in changing the set of fixed-position intermittent-furnace-welding machines of the 1930's into a set of continual welding machines by investing only 1.8 million yuan; thereby raising productivity by 22 percent compared with the past. The actual yearly increase in production of welded steel pipes was 18,600 tons, of which 95.72 percent was up to qualifying standard, showing an improvement of 7.07 percent compared with the past. The cost of each ton of steep pipes was also reduced by 15.71 yuan, and the yearly profit was raised by more than 7 million yuan. All main economic indicators became conspicuously superior to those of the set of the old welding machines. The quality of 38 products put out by this plant reached the domestic advanced level, and some of these products entered the international market. Facts thus prove that the utilization and transformation of old enterprises is an important way to realize modernization.

In working on the four modernizations by way of hard struggle we must pay full attention to undertakings in scientific research. We must closely combine our revolutionary spirit of hard struggle with our scientific attitude of seeking truth from facts, so that we can do not only hard and earnest work but also skillful work. Marxism views science and technology as productive power. The key to the realization of the four modernizations is scientific and technological modernization. For a long time Lin Biao and the "gang of four" trumpeted the idea that they "would rather have socialism at a low speed than capitalism at a high speed," wantonly alleging that "when the satellite flies into the sky the red banner drops to the ground." As a result, our contingents of scientific and technological personnel were subjected to devastating blows, our scientific research work suffered serious obstruction and serious damage was brought to the cause of our socialist construction. After the smashing of the "gang of four," the party committee at the Anshan Iron and Steel Company seriously carried out the party's policy on intellectuals by carefully arranging the work of the scientific and technological personnel according to the principle of having everyone put his talents to practical use; in a series of steps it promoted 103 persons to positions of chief and deputy chief engineers and 1,756 to engineers. It also paid attention to giving full play to the role of mass organizations in technical cooperation. At present there already are 73 factories which have restored and established technical cooperation committees, with labor models as their core members and workers and engineering personnel as participants, plus 641 technical trouble-shooting groups; those who regularly participate in technical cooperation activities already number nearly 10,000. This contingent of personnel works to meet the demand for continued development of our production by energetically attempting to carry out the technical transformation of old enterprises and old equipment as well as by helping to develop extensive scientific research and technical renovation with mass participation. Last year the entire company carried out 3,959 scientific research and renovation projects, 462 of which were major ones. These achievements are the rich fruits reaped by the working class of the Anshan Iron and Steel Company in

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relying on themselves to carry out scientific research and to conduct technical renovation.

In working on the four modernizations by way of hard struggle we must insist on the principle of running enterprises with industry and thrift. We must endeavor to increase production and practice economy, preclude extravagant spending and especially reduce the number of rejects, cut down on raw material consumption, raise the capital utilization rate and improve labor productivity. This is one important question to which the enterprises must pay great attention. In working on the four modernizations we must carefully calculate everything in order to spend less and do more and thereby effectively use every single penny for the cause of our socialist modernization work. We must use as little manpower and material resources as possible to produce as many and as fine products as possible in order to satisfy the needs of society. After the focus of work of the whole party was shifted, the party committee at the Anshan Iron and Steel Company mobilized all employees and workers to unfold within the entire company an increase-production and practice-economy movement centered on improving quality, expanding variety, reducing consumption and boosting profits; it achieved conspicuous results in this regard. In 1979, while the production of steel, pig iron, steel ingots and steel products scored increases, the use of heavy diesel oil decreased by 250,000 tons from the 1978 figure, the use of natural gas decreased by 56 million cubic meters and the use of electricity decreased by 59.8 million kilowatt-hours; these decreases were equivalent to a savings of 360,000 tons of standard coal, and more than 600,000 tons of steel and iron rejects were also recovered. This shows that the increase-production and practice-economy movement offers great promise and is an important measure to accelerate the four modernizations work. In developing such an increase-production and practice-economy movement we must both grasp the ranks of specialized personnel and extensively mobilize the masses, both grasp key measures and generally develop activities to induce reasonable suggestions, so that everybody will think up some ways and offer some ideas, work on some reform and make some contribution; this way we are bound to achieve great results.

In working on the four modernizations by way of hard struggle we must change our leadership style. First of all, we must demand that a leading cadre develop the spirit of "starting with myself" by setting himself up as an example and operating as a model of hard struggle, so as to lead hundreds and thousands of others to work on the four modernizations. Many leading cadres at the Anshan Iron and Steel Company dug deep into reality to conduct their investigation and study, to discover problems and to provide timely solutions to them, and they have thus played a very good role. To satisfy the needs of consumers and solve the problem of low-quality products, the principal leading comrades of the Anshan Iron and Steel Company personally participated in the work of product quality investigation groups by paying visits to consumers and listening to their opinions; they also seriously solved their problems, improved the quality

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of the products and made the consumers satisfied. In early 1977 the party committee at the Anshan Iron and Steel Company, in order to accelerate the modernization work there, decided to take advantage of the period of extensive repairs on blast furnaces No 7 and No 8; it organized a joint combat program to merge the two furnaces into one modern, large-type blast furnace. In the course of this operation, many leading comrades participating in the joint combat worked just like the workers, eating and sleeping at the operating ground and getting dusty on a sunny day and soaked on a rainy one. Thus the masses were inspired and their enthusiasm became even more pronounced. From designing to execution of the work to the return to production, only 9 months were spent on completing the rebuilding of this blast furnace No 7 at the iron-refining plant; this was a miracle in the history of furnace-building in our country. Practice thus indicates that every single word, deed, act or move on the part of the leaders constitutes a silent order which directly influences the masses. So long as the leading cadres take the lead in engaging themselves in hard struggle, it is always possible for us to maintain and raise the prestige and credibility of the party, to secure the support of the vast ranks of the masses, to mobilize the enthusiasm of the masses and to forge a common will and common effort in working out our four modernizations.

The 1980's are years of great promise. We of the working class must, under the guidance of the spirit of the 5th plenary session of the party's 11th Central Committee, fully recognize the heavy historical mission we shoulder, insist on giving full play to the spirit of self-reliance and building enterprises by way of hard struggle and make our due contributions to the four modernizations work.

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HOW TO UNDERSTAND 'TRUTHFUL WRITING'--ON THE DEMARCATION LINE BETWEEN REVOLUTIONARY REALISM AND NATURALISM

Beijing RED FLAG in Chinese No 9, 1 May 80 pp 45-48

[Article by Lu Guishan [7120 6311 1472]]

[Text] Our literary and art circles today cannot agree on the interpretation of "truthful writing." This is normal. Discussion of "truthful writing" enhances a healthy literary and art movement and enriches literary creations.

"Truthful writing" as a literary theory of the naturalists was advanced first by Zola of France, Later, Stalin, who read into "truthful writing" the implications of a new era, also promoted the theory. I think it is correct to take "truthful writing" as a simple explanation of revolutionary realism and a summary of Engels' exposition that "in addition to truthful details, truthful writing should also portray typical characters in typical situations." But a small number of comrades have given "truthful writing" a naturalist interpretation.

Different interpretations of "truthful writing" which reflect different philosophies of writing determine the different inclinations and social consequences of different writings. It is therefore urgent that we draw a demarcation line between revolutionary realist "truthful writing" and the naturalist "truthful writing."

I

The naturalists favor truthfulness in describing appearances and details. Revolutionary realism favors the use of descriptions of phenomena as a vehicle to penetrate the internal relations of things in order to portray the true intrinsic qualities and to present details that make possible the emergence of "typical characters in typical situations."

In his scientific discussion of realism, Engels criticized, on the one hand, the idealist inclination to portray intrinsic quality divorced from description of detail and, on the other, the naturalist inclination

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to pursue only the description of detail. Engels thought that (Heiknise), author of "City Girls," was not a true realist because this prorevolutionary writer did not really understand that truly realist writings should reveal the reality of "typical characters in typical situations." It is clear that Engels' exposition of realism was the outcome of his struggle against these inclinations in literary and art creations. It overcame the one-sidedness of both idealism and naturalism and brought into the limelight the revolutionary dialectical method. A comprehensive and correct understanding of Engels' exposition of realism provides a guideline to the development of socialist literary and art work. The confusions in our literary undertakings are due not only to social and political reasons but also to the lack of a correct understanding of Engels' exposition of realism. When the "gang of four" were in power, our literary and art work was dominated by an idealist inclination to portray the "intrinsic quality" divorced from both real life and the truthful presentation of details. The downfall of the "gang of four" gives the literary drive for "truthful writing" a new lease on life and sweeps away the fog of literary "deception and fraud." But a few comrades have carried their criticism of idealism to such an extreme that naturalism begins to emerge in the theory and work of literature and art.

There are people who believe that, inasmuch as "intrinsic qualities are invariably reflected in life," it is unnecessary to stress "the intrinsic quality of life" as long as "the reality of life is portrayed." This approach confuses the distinction between phenomena and intrinsic qualities and obliterates the difference between the reality of life and the reality of art. It is true that the intrinsic qualities of life are present in phenomena, but phenomena do not reflect the intrinsic qualities in all cases. False appearances are the reflections of distorted intrinsic qualities. Fortuitous phenomena do not always reflect the inevitable, while outward, fragmentary, scattered and fleeting phenomena are too far removed from the intrinsic qualities. Some phenomena might be meaningful and valuable in certain areas, yet they do not fully reflect the intrinsic qualities and the trend of development of life... In a word, an artist must select the typical phenomena and put them through artistic synthesis and purification to reflect certain aspects of the revolutionary intrinsic quality.

We know that the most important requirement of naturalism is to eliminate artistic selection and purification, abandon artistic fiction and imagination and emphasize one-sidedly minute and accurate descriptions. Zola said: "Imagination is no longer the highest virtue of a novelist," and he believed that "the more commonplace a story is, the more typical it becomes" and that the highest principle of art is to apply "a sense of reality" to demonstrate "a return to nature." ("On Fictions") But, as pointed out by (Lafarge), "the vulgarity of their observation" makes them "see only the appearances of phenomena which everyone else can see. They are unable to penetrate the direction of the development of an event, nor can they search for its cause." ("Money," by Zola, in

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"Selected Essays on Literature," by (Lafarge), p 153) Referring to the literary viewpoint of the naturalists, Gorkiy said very candidly: "I am not a naturalist, and I am of the opinion that literature should be a bit above reality so as to observe reality from a commanding position, because the role of literature is more than the reflection of reality. A description of existing things is not enough. We must not forget the things which we hope will happen or might happen. We must make phenomena represent a type." ("Talk With Young Writers") He also pointed out: "The reality of literature represents the essence extracted from numerous facts of the same type." ("To Young Writers") Even those outstanding critics of realism realized the importance of artistic synthesis and purification. To Chekhov, a typical character is "filtered out of the filter-like memory of the writer" ("Letter to F. D. Batyushkov") or "the essence distilled from the character of a man," as Turgenev put it. ("Letter to Annenkov") Goethe was of the opinion that "Works of literature and art must be selective." ("Poetry and Reality") The achievements and creative experience of these writers demonstrate convincingly the importance of artistic "filtration," selection, synthesis and purification, as well as fiction and imagination, in the creation of typical artistic images and the attainment of a high degree of artistic reality.

II

Naturalism asks all writers to be detached, objective observers, maintaining strict neutrality as outsiders and passing no judgment on the object they describe in order to preserve the so-called "absolute reality." This theory of literature pits goodness against reality, the inclinations of literature and art against the reality of literature and art, suggesting that the former would ruin the latter. The literary theory of revolutionary realism, which takes Marxism as its guiding ideology, regards the will, interests, wishes and needs of the proletariat and the masses of people as being in accord with the general trend of historical development. The pursuit of the dialectical unity of the inclinations of literature and art, on the one hand, and the reality of literature and art on the other, agree not only with the trend of history and the wishes of the people but also with the law of literature and art.

Instead of indicating expressly the inclinations of literature and art, the story should unfold naturally as the plot evolves. Footnotes, charts and deductions must not be permitted to influence the reading public and viewing audience. But this does not mean that the attitude of an artist toward the object he depicts, such as his love and hatred, likes and dislikes and judgments, can be overlooked, played down, covered up or obliterated.

Strictly speaking, literature and art showing no inclinations simply do not exist anywhere in the world, even though some might be more explicit than others. Literary work and art represent the conscious activities of the mind. Gorkiy pointed out that an artist, as the

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spokesman of his times, "enjoys ideological and emotional freedom," but he has to adapt to the requirement of the times, abide by the interests of the class he represents, and "be responsible for what he says." ("Letter to E. Y. Livine") All revolutionary writers and artists who seek to use literature and art to light "the torch of national spirit," to penetrate the human world and human mind, to bring nourishment of the mind to the people and enrich and raise the mental state of the people with new ideology, new morality and new habits of a new era should consciously employ the Marxist position and viewpoint to reflect and evaluate life.

The Marxist theory of literature and art recognizes both the decisive effect of life and the far-reaching influence of the world outlook on the works of literature and art. The difference in the position and viewpoint of the revolutionary realist writers and those of the naturalist writers determines their selection and handling of life, what they write about and how they write it. Gorkiy made a comprehensive study of all these possibilities. He pointed out that in the minds of the revolutionary realist writers, "since the reality we construct" is "more important" than "the reality which is in the process of dying," it is acceptable that "we sacrifice certain parts of that obsolete reality for our own reality." ("Selected Essays on Literature," p 150) Thus, they concentrate on describing the newly emerging revolutionary things and "endeavor to create even better, wiser and brighter things." ("Letter to E. Y. Livine") The naturalist writers, however, "do not seem to find those phenomena which require affirmation and development." ("Selected Essays on Literature," p 314) "They still focus their attention on the path of critical realism which dwells 'exclusively' on descriptions of 'bad phenomena of life.'" ("Selected Essays on Literature," p 301) According to Gorkiy, revolutionary realist writers should not overlook the need to expose the dark side of life and might even use the technique of the critical realists. "We need this kind of realism," he went on to say, "simply to expose the remnants of the past, to struggle against them and destroy them." ("Selected Essays on Literature," p 357)

These observations of Gorkiy remind all artists to consider what to praise and what to expose, to have the correct attitude toward exposures and to weigh the social consequences of one's own work. Exaggerations of the ugly side of our lives, the belief that the sole responsibility of a writer is to expose "the repulsive phenomena of life," and detached, objective and pessimistic elaborations and playing up of ugly and repulsive phenomena are incompatible with the intrinsic qualities and reality of actual life in a socialist society. Writings such as "Transfer," a fiction, and "In the Social Archive," a film scenario, are not good enough to help people see the positive historical background, the true revolutionary force which represents light, the confidence of a courageous socialist state relying on its own strength to overcome all the dark and negative phenomena and the historical trend of light

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replacing darkness. The overall inclination of these writings calls for careful scrutiny.

All works of literature and art, including those by the naturalists or influenced by naturalism, are bound to show certain inclinations. Take the description of love, for example. The inclinations shown in revolutionary realist writings and those by the naturalists are distinctly different. "Anxious To Return to His Unit" is a moving, successful love story. It is the story of Wei Desheng, a wounded soldier who has fallen behind his unit. He falls in love with a gentle, virtuous and open-minded village girl named Yuchen who had saved his life. Being a dedicated revolutionary warrior, Wei Desheng is not intoxicated by the blissful atmosphere. He is anxious to return to his unit. Moved by his lofty behavior, Yuchen, who knows very well the righteousness of his cause, gives him a memorable sendoff instead of pressing him to stay. After returning to his unit, Wei longs for his sweetheart as he watches the flying migratory geese, legendary letter carriers for lovers. The film presents love so rationally that it demonstrates the healthy proletarian view of love and revolutionary outlook on life. Descriptions of love in writings influenced by naturalism are usually indecent, base and full of vulgar and extremely individualistic, selfish desires. Such writings are harmful to both society and youths.

The philosophical basis of the naturalist writings is mechanical materialism. Instead of revealing the intrinsic qualities of phenomena as seen in their development and interrelationship, it encourages outward, lopsided, isolated and static observations. Lenin, the great leader, once called on all revolutionaries to master the materialist dialectical way of thinking and know how to observe things comprehensively. They "must not grab at worthless isolated instances and facts which could easily be drawn from the relations of social phenomena." ("Selected Works of Lenin," Vol 3, p 73) To do so is "to indulge in triviality, perhaps even worse than triviality." ("Statistics and Sociology," "Lenin on Literature and Art," p 86)

III

The "reality" written about by revolutionary realists ought to be beautiful. Even the ugly things they write about must pass through careful artistic treatment. The naturalists, however, love to write about the vulgar, trivial, filthy and ugly phenomena of life.

Gorkiy said: "Man's own activities, especially those in the field of art, ought to be artistic." ("Letter to E. Y. Livine") Beautification of art does not imply false affectation. It means improving the objects described through artistic processing and transformation so as to impart brilliance to reality. We must make use of the technique of art to affirm good and beautiful things in life in order to arouse man's enthusiasm to pursue light and foster his fine and noble values. We must make use of

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the technique of art to expose decadent things in life, to make people disdain, look down upon and hate ugly phenomena and help them gain a comprehensive, in-depth understanding of truth in life and the difference between beauty and ugliness.

Not long ago, works of literature and art actually played a vanguard role in exposing and criticizing the offenses and atrocities of the "gang of four." But some of these writings were influenced to a certain extent by naturalism. They became commonplace writings about murder, brutality, robbery, gang war, scandals and the pursuit of sensationalism and physiological stimulations. The writers even went to the extent of elaborating and exhibiting sympathetically and appreciatively a morbid mentality and filthy conduct. Even though there are not too many writings like this, this literary phenomenon is still worth watching. This does not imply that art must not reveal ugliness, but ugliness in art should not be the replica of ugliness in life nor the playing up of minute details. Writers should employ their cleansing pens to punish ugly things and ugly souls. Only artists imbued with the ideal of revolutionary realism can make light replace darkness and let beauty tear down ugliness.

Extremely disgusted with nihilism and pessimism, Gorkiy looked at life as a whole and the trend of its development and found "life brighter than ever." ("Letter to E. Y. Livine") Art depends on the esthetic feeling it generates to make its social impact felt. As socialist works of literature and art take on the new historic mission to struggle for the realization of our country's four modernizations, all revolutionary artists should demonstrate the beauty and ideals of art to envisage the triumph of light over darkness and affirm the good things in life in order to cleanse man's soul, broaden his views and strengthen his confidence and courage to fight for the realization of lofty ideals and a promising future. We know that members of the audience viewing "The Flower That Ushered in the Spring" fell in love with Bai Jie because of her virtuous soul, fine disposition and remarkable achievement. They were also moved by Li Jian, a selfless trailblazer of the new Long March. His lofty ideals, courage and vitality are so inspiring that they, like Bai Jie, want to follow the leadership of Li Jian and march forward joyously along the road to the four modernizations. The people really need writings which rally them to advance.

In conclusion, we would like to give a revolutionary realist interpretation instead of a naturalist interpretation to the slogan of "truthful writing." We do not mean to abandon it simply because some comrades have given it a naturalist interpretation. The fact that I have tried to point out traces of naturalism in certain writings does not amount to total rejection of them all. My purpose is to arrive at a scientific interpretation of "truthful writing" through discussions of literary works and to defend "truthful writing."

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ON SOLVING THE PROBLEM OF URBAN HOUSING

Beijing RED FLAG in Chinese No 9, 1 May 80 inside back cover

[Letter to the editor from Comrade Li Ying [2621 3576] of the Pharmaceutical Company of Guangdong Province]

[Text] Unreasonable housing rentals have really aggravated the problem of unreasonable housing occupancy. I am not aware of the situation in other places, but the way housing rentals are collected in Guangdong basically belongs to the "free supply" system. The standards for charging these rentals were formulated by the provincial people's council in the 1950's, and they are far lower than those prescribed by today's real estate companies. For living in public dormitories, employees and workers only have to pay a "symbolic" house rent and water and electricity charges; the unaccounted portions are subsidized by their affiliated institutions from "administrative expenses" (these subsidized portions exceed 50 percent of what they should have paid). Whoever occupies more housing space actually also takes greater advantage of the public. Comrade Su Xing's article said: "He who occupies better housing and more rooms should have to pay more rent; such an economic approach may be more effective than criticism and education." I think the case is not "may be" but "will surely be" more effective.

Comrade Su Xing considered it unrealistic to raise housing rentals when the wages of employees and workers are very low. But I think we can find a way to readjust housing rentals which increases neither the burden of the employees and workers nor the expenditure of the state.

Take the current housing rental regulations of Guangdong, for example: I think only some slight change is needed--that is, if we change the rent which today is subsidized from administrative expenses and paid to the real estate owner into "house rent and water and electricity charges subsidy" according to housing occupancy standards of the employees and workers (Guangdong's rule: in general, 5 square meters for each employee or worker himself and 4 square meters for each member of his family) and paid to the employees and workers themselves in the first instance, and then let the employees and workers in turn pay their rent to the real estate companies according to the standards of rental charges based on

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their actual housing occupancy, and their water and electricity charges to the water and electricity companies, respectively; and let rentals also be collected on enterprise-owned housing according to the standards of housing rental charges, and let subsidies also be granted in the above-mentioned way--and when this change is thus made, expenditure is by no means increased insofar as the affiliated units are concerned. But for the employees and workers themselves, three situations will emerge: in the first situation, the burden of those employees and workers who occupy housing according to prescribed standards is by no means increased; in the second situation, there is some gain for those employees and workers whose housing occupancy is lower than the prescribed standards; but in the case of the extra rent charged to those whose housing occupancy exceeds the prescribed standards, the public no longer provides any subsidy for it, and it is changed into "payment by your noble self," this being the third situation. Such a scheme will then have the effect of "economic restraint" on those who occupy better housing and more rooms. For instance, in the case of a section-level cadre with a family of 4, he should, according to prescribed standards, occupy 24 square meters of an ordinary housing structure; if, beyond this limit, no further subsidy is granted to him as his rental payment, then the more and the finer housing he occupies, the greater will be the rent he has to shoulder himself. Adoption of this kind of economic approach, I think, requires no extra mobilization or persuasion, because those who occupy more housing, especially those who occupy plenty of high-class housing, would be compelled by the heavier rental burden to automatically propose a housing readjustment and return the extra housing occupied on their own. To do so would be not only beneficial to alleviating the current housing shortage but also especially conducive to limiting the assumption of privileges and improving relations between cadres and the masses and between the party and the masses.

When we raise standards of rental collection according to the principle of helping to maintain the reproduction of housing, the portion of the raise may also be adopted in the form of a "subsidy." This will neither add to the burden of the employees and workers nor increase state expenditures very much. This kind of "subsidy" is different from the "subsidy" granted after an increase in the price of agricultural and sideline products today. In the case of the "subsidy" granted after an increase in the price of agricultural and sideline products, the beneficiaries are the peasants; in the case of the subsidy granted after an increase in housing rentals, however, except where private buildings are rented (these being very few in number), the entire remainder of such an increase is recollected by the real estate companies as "rentals"; here the beneficiary is the state. And such "rental increases" are most likely to be beneficial to the maintenance of the simple reproduction and expanded reproduction of such housing, as well as to an accelerated solution of the housing problem; at the same time they would even more effectively restrain cadres from assuming undue privileges in housing.

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THE INTERNATIONALE WILL BE THE HUMAN RACE

Beijing RED FLAG in Chinese No 9, 1 May 80 outside back cover

[Woodcut by Shen Rongnan]

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