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JPRS 80469

1 April 1982

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China Report

RED FLAG

No. 3, 1 February 1982



FOREIGN BROADCAST INFORMATION SERVICE

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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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ENHANCE PARTY SPIRIT, STRIVE FOR A FUNDAMENTAL TURN FOR THE BETTER IN PARTY SPIRIT

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 2-14

[Article by Zhang Yun [4545 5686]]

[Text] The problem of party work style is a very important task in party building and a matter of primary importance with which people inside and outside the party are concerned. I would like to talk about my understanding and thoughts on this problem.

The Relationship Between Party Work Style and Party Spirit

A stream has its source and a tree has its roots. Party spirit determines party work style and the latter is the manifestation of the former. To talk about the problem of party work style, we should, first of all, be clear about party spirit and the relationship between party spirit and party work style.

What is called party spirit is the intrinsic nature of a political party. The Chinese Communist Party is the vanguard organization of the Chinese proletariat, the nucleus of the socialist cause in China and the faithful representative of the interests of the people of various nationalities in China. Our party's intrinsic characteristics, which are different from those of other political parties, formulate our party spirit. Each and every Communist Party member should acquire this party spirit. Comrade Liu Shaoqi said explicitly: "The party spirit of Communist Party members is the highest expression of the principled nature of the proletariat, the intrinsic quality of the proletariat and the highest and most concentrated expression of the interests of the proletariat. The tempering and cultivation of the party spirit of Communist Party members are the reform of the innate character of the party members themselves." ("How To Be a Good Communist," pp 94-95, People's Publishing House, August 1949) What does party spirit encompass, then?

We should take Marxism-Leninism-Mao Zedong Thought as the theoretical basis guiding the thinking of our party. This is the first important principle of the theoretical nature of our party spirit. In accordance with the principle of combining theory with practice, we should unswervingly use

Marxism-Leninism-Mao Zedong Thought to guide all the actions of our party, conscientiously study and use the stand, viewpoints and methods of Marxism-Leninism-Mao Zedong Thought to practically deal with new situations occurring in revolutionary practice and solve various new problems. In so doing, we will adhere to party spirit. If we fail to uphold or even abandon the basic principle of Marxism-Leninism-Mao Zedong Thought, or regard it as an ossified dogma while supposedly upholding it, or take a pragmatic attitude to quote out of context and distort it willfully, we will not be adhering to party spirit.

To strive to accomplish the great objectives of wiping out all remnants of the exploiting system and realizing socialism and communism is the second principle of our party spirit. As early as the time of the birth of our party, we had already worked out the party's ultimate program of striving for the realization of socialism and communism. This is a sacred mission entrusted by history to the proletarian revolutionary political parties. Only by unwaveringly upholding this lofty belief, can we adhere to party spirit. If we give up this communist ideal and abandon the party's ultimate goal, our party spirit will no longer exist.

Working selflessly and serving the people wholeheartedly is the third principle of the party spirit. The Communist Party stands for the abolition of classes and the implementation of public ownership and collectivism. Thus, it represents the greatest interests of the broad masses of people. The interests of the party are identical with those of the people. The party does not or should not have any narrow and sectarian selfish interests which hold it aloof from the people. We should work selflessly, attach primary importance to the overall interests of the party and the revolution and serve the people wholeheartedly. This is the purpose of our party and an important criterion for being a qualified Communist Party member. The fact that every Communist Party member devotes his energy or even his life to the cause of the party and the people is the most perfect manifestation of party spirit. If a Communist Party member always thinks of his personal interests and disregards the interests of the party and the people or even goes so far as to seek personal gain at the expense of the interests of the party and the people, this means that his party spirit is not pure or that he has not acquired it.

Enforcing iron discipline on the basis of the high level of consciousness on the part of party members is the fourth principle of our party spirit. Ours is a centralized and unified political party which takes democratic centralism as its basic organizational principle. It resolutely follows the practice of "centralism on the basis of democracy and democracy under the guidance of centralism" and resolutely observes the iron discipline that "individuals should follow organizations, the minority should submit to the majority, the lower level is subordinate to the higher level and the whole party must obey the party Central Committee." We absolutely forbid the existence of factions within the party and resolutely oppose any kind of sectarian tendencies and activities in violation of organizational discipline. Such discipline is established on the basis of party members' high level of consciousness. Therefore, it is truly authoritative and powerful.

We should conscientiously act in accordance with the principle of democratic centralism and always uphold the unity and centralism of the entire party. In particular, we should keep in line with the central authorities politically, always uphold the party's strict discipline and constantly strengthen the sense of organization and discipline of the whole party. In so doing, we will uphold the party spirit of the proletarian vanguard. If we allow individualism, anarchism, extreme democracy and factionalism to spread unchecked, the party's organizational principle and iron discipline will be weakened and obstructed. This will lead to an abnormal inner-party political life and will trample upon the principles of our party spirit.

Maintaining close ties with the masses and upholding the mass line is the fifth principle of our party spirit. The mass line is our party's fundamental line. As early as at the party's "seventh congress," Comrade Mao Zedong explicitly pointed out: The fact that we Communist Party members can maintain the closest ties with the broadest masses of people is a marked sign which differentiates us from other political parties. In his "On the Party," Comrade Liu Shaoqi said: "The standpoints of everything for the people, of holding oneself responsible to the people, of having faith in the people's ability to emancipate themselves, and of learning from the people constitute our mass standpoints. These are the standpoints of the vanguard of the people in regard to the people." We should uphold the mass line which is the characteristic of the proletarian political party, fully realize that the interests of the party and people are identical and that the act of holding oneself responsible to the party is the same as that of holding oneself responsible to the people and identify ourselves with the masses. We should share the comforts and hardships of the masses and should not for a moment divorce ourselves from the masses. In so doing, we will uphold party spirit and strengthen it. All erroneous tendencies such as bureaucracy, warlordism, tailism, closed-doorism and so forth will weaken or nullify our party spirit.

We should be very conscientious and never carry out self-criticism perfunctorily and should openly acknowledge and correct our own shortcomings and mistakes. This is the sixth principle of our party spirit. The fact that we conscientiously practice self-criticism and never conceal faults or hide our sickness for fear of treatment or put the blame on others is another hallmark distinguishing the CCP from all other political parties. We can consciously adopt the method of criticism and self-criticism to constantly expose and overcome shortcomings and mistakes occurring in our activities to educate ourselves and the people. This is the quality and character of the Communist Party and where our party spirit lies. We can judge a party member's party style by how he practices self-criticism. Those who fear criticism and self-criticism are not good party members.

The above-mentioned six principles of the party spirit embody, in essence, the intrinsic nature of our Communist Party which strictly distinguishes it from all other political parties. Viewing the situation as a whole, we know that these principles of the party spirit cannot be changed and transformed. If they are changed, transformed or even abolished, our party will lose its nature and characteristics of the proletarian vanguard. In so doing, it will inevitably degenerate, and no longer be a Communist Party. Therefore, party

organizations at all levels and comrades of the whole party should always consolidate and strengthen these six principles of party spirit. They are not allowed, in the slightest degree, to weaken and destroy them.

Our party spirit is specifically reflected and embodied in the activities of the party organizations and words and deeds of party members. Those Communist Party members who are truly qualified and not merely nominal should possess this kind of party spirit. However, party spirit possessed by party members as individuals are like fingers which are different in length. Individuals' party spirit might change. Under certain conditions, some individual party members will strengthen or weaken or even lose their party spirit. Those who formerly neglected party spirit might attach importance to and strengthen it. Strong party spirit will become weak and vice versa. Pure party spirit might become impure and vice versa. All these are determined by whether party organizations are constantly providing party members with education on party spirit, whether party members as individuals accept the party education and whether they are able to conscientiously carry out the cultivation and tempering of their party spirit. If one can conscientiously study theories by integrating what he has learned with ideological reform and dares to build up his willpower in revolutionary practice, his party spirit will be strengthened and become purer. Otherwise, his party spirit will be weakened and his revolutionary will lessen or he may even lose his communist outlook. Therefore, to maintain our party's intrinsic character, all our comrades should strengthen the cultivation and tempering of their party spirit and never become lax in their efforts. Young and new party members should exert great efforts. These veteran comrades who have been party members for a long time should also work very hard and take the lead in this respect. During his lifetime, Comrade Zhou Enlai had a well-known saying: "Learn, work and remold yourself as long as you live." "Remold yourself as long as you live" means a process of constantly tempering and cultivating one's party spirit.

Party spirit and party work style cannot be separated from each other. Whether our party work style is healthy is determined by our party spirit. Historical facts have told us: Within our Communist Party, there is no party member whose party spirit is strong but whose party work style is bad. There is no party member who has healthy party work style and very bad party spirit. Party spirit and party work style are in direct proportion. Some people with bad party spirit and unhealthy party work style always take extreme individualism as their jumping-off point. They act according to circumstances and are good at changing their guises and pretending. Outwardly, they act with feigned impartiality, but inwardly they are filthy. Such hypocrites and chameleons have shown their true colors even though they can deceive people for a period of time. They eventually are exposed and come to no good end. Only by constantly strengthening our party spirit can we truly improve our party work style.

The Relationship Between Party Work Style and the Party's Destiny

Since the 3d Plenary Session of the 11th CCP Central Committee, the party Central Committee has repeatedly stressed that we should do well in improving

party work style, restoring and carrying forward the party's fine traditions and that we should regard the practice of enforcing party discipline as a matter of primary importance in party building and in bringing order out of chaos. We should grasp this work firmly. Why should we do so? Comrade Chen Yun's remark hits the nail on the head. He said: "The party work style of a ruling party has a direct bearing on the life and death of the party."

Whether the party work style is good or bad determines the people's will. The people's will in turn decides the destiny of the party. The masses of people will never follow the party blindly. They not only "listen to what the party says" but also "watch what it does." They appraise and assess our party based on the activities of party organizations, the behavior of party members and the advantages of the party's line, guiding principles and policies. All these will determine whether they trust and support the party or respond to the party's call to work together with us.

Two kinds of conditions occurred in the party's history. The first condition was: All our party members possessed strong spirit and our party work style was good. The party organizations and party members looked upon the interests of revolution as their very life. They always thought of the masses, trusted and relied on them. They gave due consideration to the overall situation when matters arose, kept the whole situation in mind and were the first to bear hardships and the last to enjoy comforts. They had the masses in mind, and were eager to meet their needs. They never hesitated in shedding blood and making sacrifices in order to safeguard the interests of the masses and strove for the emancipation of the people. They thought and acted as one and their deeds were consistent with their words. The broad masses of people saw all this with their own eyes and were pleased. Therefore, they followed the party wholeheartedly or even supported the revolution and protected the party organizations and party members at the risk of their property and lives. During the years of the revolutionary war and White terror, the People's Army led by the party became more and more powerful. What were the sources of our troops? We mainly relied on millions upon millions of people who voluntarily joined the army. Wives sent their husbands and mothers sent their sons to join the army. They truly vied with one another in signing up for military service! At that time, when our troops fought east and west on many fronts and were both on the offensive and the defensive, logistic support never stopped. Who carried out the transportation work? We mainly relied on millions upon millions of the masses who pushed their carts, drove their donkeys and used their carrying poles. Those magnificent sights were truly earth-shaking and soul-stirring! "Those who are supported by the people will surely prosper." Due to the assistance and support of the broad masses of people, our party overcame one difficulty after another. It was truly invincible.

Another condition is poor party spirit and unhealthy party work style. Party organizations and party members have given top priority to partial and individual interests. They show no consideration whatsoever for the overall situation or effect and always proceed from the advantages or disadvantages of their own units and themselves. They are fond of arrogating power, seeking

private gain and resorting to dishonest means. They do not show the slightest concern for the sufferings of the masses and do not mind infringing on or damaging the interests of the masses and riding roughshod over them. They think in one way and behave in another, and their words do not tally with their deeds. Consequently, they have become more and more separated from the masses, turned into "armchair commanders," lost all popular support and suffered a crushing defeat. Judging from the situation as a whole, this kind of condition has never appeared before in the history of our party. Judging from individual places and individual party members, such instances are rather common.

Since party work style has a bearing on the destiny of the party, why did Comrade Chen Yun give prominence to the words "ruling party" and lay special emphasis on "the question of the work style of the ruling party is a matter of vital importance to the party"?

First, following the victory of the revolution, our party shifted from the grim wartime environment to a stable peacetime environment. From the status of being oppressed and massacred, it has become the ruling party of the country controlling enormous state power and national wealth and having contacts with various sectors both at home and abroad. The principal task of the party has shifted from leading the people to seize power to leading the people to consolidate power, constructing the country, building a strong and modern socialist country and creating conditions for the future transition to communism. This is an excellent thing. However, because of the fundamental change in the circumstance and status of the party and the task of the party under the new historical situation, the slightest negligence in party building will also result in new problems, produce certain side effects and affect the change in party work style.

During the revolutionary war years, one had to endure great hardship and run risks in making revolution, and there were not many small personal advantages to be gained. Most of the people who joined the party were dedicated to the revolution. They were always prepared to spill blood, make sacrifices, go to prison or lose their heads, and their revolutionary will was very strong. Speculators and waverers generally would not join, and even those who were swept in by the revolutionary torrent would also be continuously eliminated in the struggle. At the same time, objective circumstances also compelled us to make a success of party work style and to be modest and prudent in the struggle. We had to work hard, go deep into reality and keep in touch with the masses, and we could not practice subjectivism, bureaucratism or seek personal privileges; otherwise, we would be in danger of being defeated and exterminated by the enemy. At that time, the quality of the whole party was very good. Everybody attached greater importance to the tempering of party spirit and consciously improved the party's style of work. Therefore, even when troubles appeared, they were also not difficult to overcome. After the Yanan rectification campaign, our party summed up both the positive as well as negative aspects of the experience since the founding of the party, applied the method of criticism and self-criticism to carry out education on Marxism-Leninism-Mao Zedong Thought and enabled the party spirit of the whole party to be greatly strengthened. This developed into the party's

three important styles of work of integrating theory with practice, forging close ties with the masses and practicing self-criticism and fostered the fine traditions of the party. This not only guaranteed the survival of our party and pulled it through the difficult years of the war of resistance against Japan and the liberation war, but also enabled it to keep on developing and growing and to eventually score a nationwide victory with the all-out support of people of various nationalities throughout the country. Our party won lofty prestige among the people of the whole country and the whole world and became known as the great, glorious and correct Chinese Communist Party.

In the face of the great epoch-making victory, under the conditions of suddenly becoming the ruling party of the whole country, what were the problems which were to appear in the party? Comrade Mao Zedong had foreseen them long ago. At the 2d Plenary Session of the 7th CCP Central Committee, he warned the whole party: "With victory, certain moods may grow within the party--arrogance, the airs of a self-styled hero, inertia and unwillingness to make progress, love of pleasure and distaste for continued hard living. With victory, the people will be grateful to us and the bourgeoisie will come forward to flatter us. It has been proved that the enemy cannot conquer us by force of arms. However, the flattery of the bourgeoisie may conquer the weak-willed in our ranks. There may be some communists, who were not conquered by enemies with guns and were worthy of the name of heroes for standing up to these enemies, but who cannot withstand sugar-coated bullets; they will be defeated by sugar-coated bullets. We must guard against such a situation."

This well-meaning advice given by Comrade Mao Zedong was mainly intended for the veteran party members and cadres of that time. However, it is also suitable for the other party members and cadres who have joined the party since the founding of the People's Republic.

On the one hand, there are many good comrades in the party who have remembered Chairman Mao's warning. For the last 30 years, they have stood up to the test of changing environment and conditions and always preserved a strong party spirit and the fine traditions and styles of work of the party. For the sake of the cause of the party and people, they quietly immerse themselves in hard work, labor diligently and uncomplainingly and bend their backs to the task until their dying day. They are worthy of the honor of being called a communist. It is only natural that they are loved and respected by the comrades in the party and the broad masses of people and regarded as models for emulation. To make a success of party building and national construction, we must rely on comrades with this kind of strong party spirit and pure party work style as pillars and mainstays.

On the other hand, we must see that as a result of the change in the environment and status of the party after it came to power in the country, there are definitely quite a number of party members who cannot stand up to the test in this period. Consequently, those conditions which Comrade Mao Zedong warned us to guard against have appeared in varying degrees. The problems which occurred are even more complicated and serious than he had anticipated. Just as the broad outline of the resolution approved at the third plenary session

of the Central Discipline Inspection Commission held in the spring of 1981 pointed out: Since the founding of the PRC, in our party "we have on the one hand certain veteran cadres who have been through rigorous tests during the revolutionary war and under the reign of White terror and certain advanced elements on various fronts who have joined the party after the victory of the revolution. After becoming 'officials,' they are fond of flattery and cannot be criticized. They become complacent and lethargic and gradually show no concern for the sufferings of the masses. They allow themselves to be covered with the dirt of bureaucratism, become arrogant, conservative, lazy and greedy for creature comforts and develop a 'special privilege' mentality. A handful of them cannot withstand the 'sugar-coated' bullets of various shapes and forms in society, mainly the influence of feudal ideas and the corrosive influence of moribund bourgeois ideas, and they change from public servants of the people into overlords sitting on the backs of the people or become mediocre people without revolutionary enthusiasm and with no sense of political responsibility and think only in terms of personal advantages. On the other hand, there are many people whose motives are not pure. Because they see that by joining the party in power they no longer have to take rigorous tests or risks but will be trusted and given responsible posts, they therefore use every means to worm their way into the party to scramble for power and profit."

Actually, we do not want these nominal party members even as a gift. Unfortunately, this kind of people have already wormed their way into the party. When joining the party, these people also verbally vowed that they would dedicate themselves to the struggle for achieving the lofty ideals of communism. In reality, they have a "small abacus" in their hearts. What they mainly want is to use the title of a member of the ruling party and take advantage of the status of the ruling party to reap as much profit as possible. Moreover, they are neither prepared nor have any intention of really discharging their responsibilities or making contributions to the cause of the party and people. Some of them even have ulterior motives and are bona fide speculators and careerists. How can we expect such unqualified or questionable party members to display strong party spirit or good party work style?! The large number of such people in the party will more easily give rise to problems in party work style. All this has obviously become even more conspicuous as a result of the new conditions and problems appearing in the building of the ruling party after the 10 years of internal disorder of the "Great Cultural Revolution."

Second, the question of the ruling party's work style needs to be particularly stressed also because, under the new historical circumstances, this question is easily overlooked by party organizations at all levels and by comrades in the party.

Meng Ke of the Warring States Period, in the book "Mencius," said: "Without enemy states and foreign aggressions, a nation will perish." Ouyang Xiu of the Song Dynasty, in "Preface to Lingguan Zhuan," a history of five generations, said: "Worries and labor can contribute to the rise of a nation, leisure and overindulgence will lead to ruin." The historical lessons summed up by the ancient people are quite true, and they also deserve to be used as object lessons by our Communist Party and our socialist state.

Since the founding of the People's Republic, although enemy countries and foreign countries still exist, the threat of this kind of external pressure to the survival of our country is no longer as pressing as during the revolutionary war years. Under the condition of the peaceful and stable environment and as the ruling party, the quality of the ties between the party and the masses no longer has such a direct bearing on the prosperity and decline and the ups and downs of our party as during the revolutionary war years. Large numbers of troops, who lived scattered among civilian houses, have now moved to centralized camps. Large numbers of comrades have shifted from the countryside to the cities and large numbers of cadres have been transferred from the basic levels to leadership organs. Naturally, their ties with the people are no longer as close as in the past. After a while, the concept of the enemy's situation and the mass viewpoint of many of the comrades in the party soon begin to weaken and arrogance, complacency, bureaucracy and apathy begin to develop. At the same time, everyone soon forgets and no longer pays attention to the question of how to preserve the fine traditions of the party and improve the party work style. They often cannot coordinate holding themselves responsible to the leadership organ and holding themselves responsible to the people. We must also see that regardless of whether in internal affairs or foreign affairs, our work has become increasingly difficult. To begin with, the leadership of the party should be political leadership. However, for the sake of convenience, much of the work which should be carried out by the government is often directly taken over by party organizations. Consequently, there is no distinction between the party and the government and the party no longer runs the party. In other words, the bulk of the energy of party organizations is tied up in administrative work and the building of the party itself is slackened off instead. Under this kind of situation, it is naturally very easy to neglect the question of improving party work style.

Third, the reason we must place special emphasis on the importance of improving the party work style of the ruling party is also because whether or not the Communist Party will degenerate and collapse after coming into power is no longer an abstract theoretical question, but the danger really exists in actual struggle.

What our party has been through is sufficient to explain that if the ruling party neglects and slackens off the building and rectification of the party itself for any length of time, or even if it attaches importance to and firmly grasps the work, but cannot accurately diagnose the "symptoms" or write out a correct "prescription" because of the domination and influence of "leftist" ideas, the consequences will be disastrous. Under these two kinds of conditions, the quality of the whole party will further deteriorate, and correspondingly, party spirit will certainly become more and more impure and party work style will certainly become more and more unhealthy. If this situation continues, it will provide suitable soil or climate for the conspirators and careerists in hiding to unite and form themselves into a reactionary force, and they will take advantage of the opportunity to carry out activities to usurp party leadership. In this way, there will be the danger of the party being undermined and usurped and this will lead to degeneration and changing color. It would be well for everyone to think of the past:

During the "Great Cultural Revolution" the Lin Biao-Jiang Qing counterrevolutionary cliques took advantage of the mistakes of the party to arrogantly go on a rampage and wreak havoc. They turned the whole party and the whole country into a mess. In those years signs of danger appeared everywhere and there was a danger of the party degenerating and the country changing its color. Are these facts not vividly displayed before the comrades of the whole party and the people of the whole country?!

In conclusion, it is definitely very easy for the work style of the ruling party to have problems. It is definitely also very easy for the ruling party to neglect party work style. If the ruling party is not well run, there is definitely the danger of becoming estranged from the masses, being sabotaged by conspirators and careerists and also degenerating and changing color. To always preserve the quality of our party as the vanguard of the proletariat and always maintain blood ties between our party and the broadest masses of people, we must improve party work style.

The Current Situation of Party Work Style

In the beginning of 1981, it was pointed out in the "summary of the third forum convened by the Central Discipline Inspection Commission on implementing the 'guiding principles'" which had been approved by the CCP Central Committee that: "Since the smashing of the 'gang of four,' and particularly since the 3d Plenary Session of the 11th CCP Central Committee, and with the hard efforts of the party, there has been a considerable improvement in our party's work style." "However, generally speaking, there has not been a fundamental change for the better in our party work style when compared with the early years since the founding of the party. In many places and departments, the unsavory trends practiced by the party members and cadres have become very serious questions." One year has passed now since this was published. Our party work style at present has been greatly improved compared with 1 year ago. Despite a varying speed of improvement on all fronts and in all aspects, the general situation is promising and the prospects are bright.

Speaking from the point of view of the CCP Central Committee, since the 3d Plenary Session of the 11th CCP Central Committee and in view of the principle that within our party's highest leadership nucleus, party spirit decides party work style and the latter is the manifestation of the former, party spirit has been strengthened and the party work style has fundamentally changed for the better. We have strong grounds to support such a saying.

For instance, since the third plenary session, our party has redressed a large number of unjust, false and wrong cases in the manner of seeking truth from facts and has seriously implemented the party's cadre policy, giving a large group of proletarian revolutionaries who have undergone repeated tests and good cadres who are loyal to the party's cause a chance to work for the party again. Under such a premise, the question of collective succession of the leadership nucleus of the CCP Central Committee in carrying forward the revolutionary cause pioneered by our predecessors and forging ahead into the future is completely solved. Can the CCP Central Committee do this if it

does not possess the principles of being selfless, proceeding with everything from the interests of the revolution and wholeheartedly serving the people and the resulting fine party work style?

For instance, the sixth plenary session has adopted a practical and convincing resolution which is full of the spirit of self-criticism regarding several questions in the history of the party since the founding of the state. These questions include complicated ones such as the "Great Cultural Revolution," particularly some major questions such as the historical role of Comrade Mao Zedong and how to correctly understand and view Mao Zedong Thought. Can the CCP Central Committee do this if it does not possess the party principles of Marxist dialectical materialism and historical materialism and the resulting fine work style?

For instance, since the third plenary session, the CCP Central Committee has been leading the whole party in turning chaos into order in various fields and has formulated a complete set of correct line, principles and policies in order to liven up the political sphere, the economic sphere and the ideological sphere and to advance and win victories under the guidance of the four basic principles. Comrade Zhao Ziyang gave an encouraging report on this at the Fourth Session of the Fifth NPC. Can the CCP Central Committee do this if it does not possess the party principle of upholding the socialist road and the communist ideals and the resulting fine party work style?

For instance, since the third plenary session, the CCP Central Committee has been continuously calling for upholding party discipline and promoting party work style, and for this very reason, it has decided and has officially restored the discipline inspection committees at all levels, formulated and adopted the "Several Guiding Principles on Inner-Party Political Life" and several regulations on the livelihood and treatment of high-level cadres. In addition, the CCP Central Committee has taken the lead in upholding democratic centralism, upholding collective leadership and upholding the launching of criticism and self-criticism in the political life inside the CCP Central Committee. As far as leading work is concerned, it has taken the lead in going deep into reality, going deep among the masses, carrying out investigations, seeking truth from facts, opposing bureaucratism and opposing lies, exaggerations and empty words. As far as everyday life is concerned, the CCP Central Committee has advocated hard work and plain living, opposed practicing extravagance and waste and seeking personal privileges, striving to improve as soon as possible the party work style which has been totally ruined in the 10 years of upheaval by the Lin Biao and Jiang Qing counter-revolutionary cliques and striving to restore as soon as possible the fine traditions of the party. Can the CCP Central Committee do all this if it does not possess the intrinsic essence of communism and the resulting fine party work style, and consequently be bold in upholding the truth for the people's interests and correcting mistakes?

For instance, news of victory has kept pouring into the rural areas over the last few years. The 800 million peasants, who suffered during the 10 years of upheaval and under the guidance of the erroneous "left" agricultural

policies, are content now, singing the praises of the CCP and socialism. What accounts for this change? It is because, since the third plenary session, the CCP Central Committee has been proceeding from our national condition, rationally readjusting the agricultural policies and vigorously pushing forward the agricultural production responsibility system. Consequently, the whole rural economy has been enlivened, giving the peasants something to strive for and gradually enriching them. Can the CCP Central Committee do this if it does not possess the party principle of seeking truth from facts and following the mass line and the resulting fine party work style?

During his lifetime, Comrade Mao Zedong put forth a tentative idea of "creating a political situation which has both centralism and democracy, discipline and freedom, unified will and individual ease of mind and liveliness and vigor." This wish has fundamentally been realized in the CCP Central Committee since the third plenary session. Our CCP Central Committee has actually taken the lead in enhancing party spirit and correcting party work style. It has set a very good example for the whole party. As a veteran party member, I am elated by the strong party spirit and fine party work style which have been realized by our CCP Central Committee since the 3d Plenary Session of the 11th CCP Central Committee, and I am confident that the whole party's work style will be improved under the leadership of the CCP Central Committee.

The promising situation of strengthened party spirit and improved party work style has been clearly manifested and reflected in various aspects in many places and departments throughout the country.

For instance, since the CCP Central Committee reiterated the party discipline and urged the whole party to keep political unanimity with the CCP Central Committee, the situation has been improved among the party organizations at all levels and party members who went their own way, feigned compliance and openly boycotted the decisions and policies of the CCP Central Committee. Regarding the implementation of the party's line, principles and policies, although there still has not been strict enforcement of orders and prohibitions, the situation is much better than it was 2 years ago.

For instance, since the CCP Central Committee published the "Resolution on Several Questions in the History of Our Party Since the Founding of the PRC" adopted at the sixth plenary session, conducted the forum on questions on the ideological front, reiterated the four basic principles and further expounded on the party's "double-hundred" policy, the ideological confusion inside the party has fundamentally been cleared up and the arrogance of bourgeois liberalization and extreme democratization has obviously been weakened.

For instance, since the Central Discipline Inspection Commission worked in compliance with the instructions of the Central Committee, worked in coordination with other departments concerned, and strengthened struggles against unsavory trends and deeds in violation of law and discipline in the economic realm, it has seriously investigated and dealt with typical cases, vigorously commended good people and good deeds and severely dealt with bad people and vicious deeds. Thus, the unsavory trends in the economic realm which had

aroused discontent among the people have disappeared to a varying degree. Being condemned by public opinion both inside and outside the party, departmental selfishness which does not take the interest of the state into consideration and is only concerned with the interest of the unit itself and the trend of practicing extravagance, has changed. Criminals inside the party who ganged up with bad social elements, engaged in speculative activities, practiced corruption and theft, engaged in smuggling activities, accepted bribes and seized state property have been taught a lesson by the party discipline and state law.

Another example is that in the course of further implementing the "guiding principles," party organizations at all levels have generally restored the system of inner-party life. Integrating study of the central documents, CCP committees of the various departments and various state organs, and CCP committees of all provinces, municipalities and autonomous regions have generally conducted party group and party committee meetings on life. Many places have improved the system of democratic centralism and established the system of collective work, bringing about obvious changes in some places where the patriarchal system and the practice that one person alone has the say existed for a very long period of time. Particularly, since the Central Committee issued instructions to all areas and departments on overcoming weakness and laxness in leadership and vigorously strengthening ideological and political work, the mental state and leadership work style of many leading cadres have been improved to a great extent. Grasping ideological and political work cannot be separated from grasping party work style. In order to improve the state of weakness and laxness, we must straighten our backs to carry out struggles against the unsavory trends. Many heads of party committees and party groups have personally listened to reports on discipline inspection work, personally made arrangements for carrying out large-scale inspection against unsavory trends and personally approved handling of serious discipline violation cases. They have taken the lead in thoroughly grasping work, starting with themselves and extending work from this point to all areas. There have been good examples of grasping party work style at provincial, prefectural and county levels in many areas.

Another example is that since the CCP Central Committee published the decision on two agricultural problems, the whole rural economy has been livened up and various forms of the production responsibility system have been implemented. In many places, party work style and the relationship between the party and the masses at the grassroots have been improved to various degrees.

Not long ago, Comrade Deng Xiaoping said: We have made a judgment that the current political situation of the party and the state is the best since the 1960's. Comrade Zhao Ziyang pointed out in his report delivered at the Fourth Session of the Fifth NPC that the whole economy at present has turned out to be better than we had anticipated. We should like to ask: Is it possible that such a good political and economic situation appeared without there being a great improvement in our party work style? Therefore, speaking from the viewpoint of the party and the state as a whole, we have already put an end to the dangerous situation created as a result of the 10 years of upheaval, in which individualism, anarchism, and extreme democratization ran

rampant, in which factionalism took the place of party spirit, and in which the healthy atmosphere was not expanded, unhealthy trends ran rampant, evildoers were in power and good people suffered. We have led the party and the country onto a normal and healthy road of development.

However, we must not let success go to our heads and must soberly realize that unsavory trends are still commonly found inside the party. Unsavory trends are found in all departments and all areas to varying degrees, and the situation is grave in certain departments. Serious cases occur constantly. All this shows that there has not been a fundamental turn for the better in party work style. Although some unsavory trends have been checked today, they may manifest themselves again tomorrow. Although some have been checked in certain places, they may gain ground in other places. We must make still greater efforts in correcting party work style and must not slacken our efforts in carrying out resolute struggle against various sorts of unsavory trends inside the party in order to restore our party work style to the level of that after the Yanan rectification or in the early years after the founding of the country. We must enable our party work style to serve as a strong guarantee, play an active role in fulfilling our task of realizing the four modernizations, build a high degree of material and spiritual civilization and not become obstacles.

At present, what are the serious unsavory trends inside the party which merit our closest attention and should be vigorously corrected?

As far as the political and ideological realm is concerned, the problem of maintaining political unanimity with the CCP Central Committee cannot be said to have been solved in all levels. The letters from the masses and the cases of appeals and accusations of the party members in some departments and places show that a small number of cadres including leading cadres still feign compliance with the party Central Committee's line, principles and policies but stick to their old way of doing things. They always delay implementation of policies which should be promptly implemented and refuse to redress unjust, false and wrong cases which should be redressed. Seen from the ideological front, it cannot be said that everyone has accepted the four basic principles. A small number of party members still have the erroneous thinking of shaking off party leadership, shaking off the socialist road and promoting bourgeois liberalization. It will be impossible for these party members to talk about party spirit if they persist with their erroneous thinking and refuse to correct it.

As far as social and economic life is concerned, unsavory trends which are commonly found include making use of connections, doing things through the back door, giving banquets and presents, practicing extravagance and waste, benefiting oneself at the expense of the public by means of one's own authority, promoting departmental selfishness, seeking personal privileges for oneself, dependents, and relatives and so on. Many of these unsavory trends were first practiced by party members and cadres. Some leading cadres not only turned a blind eye to all these but even ganged up with these people, not feeling ashamed and thinking themselves clever. Proceeding from promoting unsavory trends, some party members and cadres gradually supported,

tolerated, sheltered or even took part in illegal activities such as corruption, theft, speculation, smuggling, tax evasion and so on. Being corrupted by foreign bourgeois thinking and way of life, some party members and cadres have lost national self-respect and they worship and have blind faith in things foreign. Even more, they try to seek benefits for themselves from foreigners at the expense of national pride and their own integrity.

In party and national political life and in economic management, bureaucracy is also commonly found. This has become a major obstacle in the course of taking the new road of national economy and building the four modernizations. Administrative work style and party work style are basically the same thing, and unsavory administrative work style is the consequence of unsavory party work style. In his government work report, delivered at the Fourth Session of the Fifth NPC, Comrade Zhao Ziyang put forth that it is necessary to "resolutely change the unbearable situation in which there is a great number of departments and overstaffed organizations, in which the administrative structure is complicated, in which departments argue back and forth over trifles, in which there are more hands than needed and there is an excessive number of deputy posts and empty posts and in which efficiency of work is low." At the same time as we are vigorously simplifying organizations, it is demanded that leading cadres of state organs constantly go deep into the realities of life, go deep among the masses, carry out investigations and go to the lower levels and grassroots to solve practical problems. "We must resolutely correct the bad practices of shifting responsibility onto each other, being dilatory in doing things and being irresponsible in work and resolutely get rid of the 'yamen' work style of being enthusiastic in passing around official documents and correspondence but not in solving practical problems."

Why has there not been a fundamental turn for the better in our party's work style even up to now? There are many factors accounting for this and the major ones are as follows:

1. The 10 years of upheaval have seriously ruined the party's body and corrupted the party's traditions and work style, exerting deep and wide pernicious influence on the people. All these wounds cannot be healed in a short time. When we recall that it took our party 10 years from the Zunyi meeting to the seventh party congress to fundamentally exterminate the pernicious influence of leftist adventurism, it is not hard for us to imagine how tough the task is to exterminate the "sequelae" of the "Great Cultural Revolution."

2. Over the last few years, many party organizations and leading party cadres have not paid serious attention to grasping education in the party spirit. They always separated party work style from party spirit and grasped party work style merely for the sake of grasping party work style. They did not exert sufficient guidance or support in the course of struggling against various unsavory trends inside the party, only relying on a small number of people who worked off and on and were unable to concentrate all forces to work at one stroke. Neither have they made good use of the masses' supervision or press criticism to build up momentum. Grasping party work style

in such a way can only get half the result with twice the effort, wasting energy and having very little effect.

3. From the upper levels to the lower levels, the questions of mixing party and government work and the party not minding its own affairs have not been solved in actual practice, despite the CCP Central Committee's repeated demands to find solutions for them. Up until now, a considerable number of party organizations of various departments and areas have not paid serious attention to grasping party work style and education in the party spirit and have ignored ideological and political work. As soon as they immersed themselves in production and business, they turned a blind eye and a deaf ear to the unsavory trends. They could not exercise strong and powerful leadership or display combat effectiveness. In many cases, severe unsavory trends existed in the leadership groups themselves. Therefore, they could not improve organizational life or carry out positive ideological struggles in accordance with the party's organizational principles and even dreaded criticism and self-criticism in the same way as people dread tigers. Grasping party work style faces more obstacles in places where the following "three kinds of persons" still occupy leadership posts: those who gained ground by following Lin Biao and the "gang of four," those who are seriously affected by factionalism, and those who beat, smash and loot.

4. There has been no party rectification for a number of years and the problem of the impurity of the party ranks and organizations has not been solved. It was mentioned above that some party members inside the ruling party might have degenerated and that it was unavoidable that certain speculative and ambitious members were admitted as party members. All this brought about the impurity of the party organizations. The party ranks were expanded by 100 percent amid the chaos during the 10 years of the "Great Cultural Revolution," and it is true that some of the party members were basically not qualified. This aggravated the situation of impurity of the party organizations. In January 1980, in the report entitled "The Current Situation and Tasks," Comrade Deng Xiaoping said: "At present, some party members are unqualified. Those new party members who joined the party when it was under the rule of the ultraleftist line had never received any party education. They cannot set examples for the masses and thus are unqualified. Some of our veteran party members have been qualified party members for a long time in the past. However, they have become unqualified now because they also are unable to set examples for the masses. We advocate party spirit and oppose factionalism. However, some people can never discard factionalism. A large number of people, including our veteran party members, have a higher sense of factionalism than of party spirit. How can these people be qualified?" Those unqualified party members inside the party have not established a revolutionary world outlook and have no communist ideals. The minds of some of them are filled with individualism and they even treat the distorted theories of "one's authority will become invalid if one does not make good use of it," "with power, one has everything" and so on as truth. How can they talk about party spirit? And how can they display good party work style?

5. Party discipline has not been strictly enforced. At present, unsavory trends involve political, economic, cultural and other fields. However, over

the last few years, there were many obstacles in the course of correcting unsavory trends and party discipline was not strictly enforced. Punishments have been too lenient and perfunctory; those who should have been punished were not punished at all or were just lightly punished. Thus, punishments have not played the role of rescuing the individual and educating the majority of the people.

How To Bring About a Fundamental Change for the Better in the Party's Work Style

Over the past year or so, while affirming on many occasions obvious signs of improvement in the party's work style, Comrade Hu Yaobang has pointed out that a fundamental change for the better in the party's work style has yet to be achieved. He has suggested that a decisive turn for the better in the party's work style be achieved this year. The No 21 issue of RED FLAG in 1981 specially carried "Comrade Deng Xiaoping's Talks on Rectifying the Party's Work Style" and also an article by its editorial department entitled "Fight for a Fundamental Change for the Better in the Party's Work Style." As for how to achieve a fundamental change for the better in the party's work style, I think that the following several points must be further stressed:

1. We must pay close attention to education in party spirit and intensified training in party spirit.

In order to achieve a fundamental change for the better in the party's work style, a decisive part is the vigorous continuous conducting of partywide education in party spirit so that every party member can consciously strengthen his training in party spirit. On this basis, we must continue to firmly implement the "Guiding Principles on Inner-Party Life" and more resolutely fight various unhealthy and evil practices within the party. Taking good care of education and training in party spirit is a fundamental guarantee for the proper rectification of the party's work style. Establishing a proper work style will in turn stimulate the strengthening of party spirit.

The main contents of the program for education in party spirit should include: Education in Marxism-Leninism-Mao Zedong Thought; education in party regulations and guiding principles on inner-party political life; and education in the party's fine traditions and work style. At present, strengthening education in party spirit is a matter of urgency. I suggest that some concrete measures be adopted in a down-to-earth manner.

The discipline inspection commissions and organizations and propaganda departments at the central, provincial, municipal and autonomous region levels must join forces to work out, as soon as possible, teaching materials aimed at strengthening education in party spirit--materials to be handed over to the lower-level party organizations for reference and to party members for reading or study.

Our party has said much about party spirit, as can be found in some documents of and appeals by the party Central Committee over the past many years and

the speeches and articles of the leading comrades of the party Central Committee. Since the 3d Plenary Session of the 11th CCP Central Committee, the party Central Committee has also stressed and reaffirmed many points. For example, as far as the ideological line is concerned, we have reaffirmed practice as the only criterion of truth and opposed the philosophy of "two whatevers." Politically, we have reaffirmed the four basic principles and opposed bourgeois liberalization and ultrademocracy. In regard to inner-party political life, we have reaffirmed guiding principles for the actions of the party, have upheld party spirit and opposed factionalism and have supported the party's fine traditions and fought various unhealthy practices. In actual work, we have stressed that we must be down-to-earth, concretely analyze problems, do everything with reality in mind, uphold the principle of "no right to speak without having made an investigation," and oppose subjectivism, bureaucratism, factionalism, decentralism, and so forth. That portion of the 6th Plenary Session of the 11th CCP Central Committee's "Resolution on Certain Problems in the History of Our Party Since the Founding of the PRC" on Mao Zedong Thought, reaffirmed in a concentrated form some correct viewpoints and suggestions by Comrade Mao Zedong on the building of the party. Many slogans reflecting the principles of party spirit, such as "utter devotion to others without any thought of self," "fear neither hardships nor death," "be the first to march forward and the last to retreat," "be the first to suffer and the last to enjoy comforts," "the foolish old man who removed the mountains," "serve the public selflessly," "learn from Comrade Lei Feng," "party members must play an exemplary role and party branches must play the role of a bastion," and so forth, seemed for a time to have gone out of fashion. Some of these slogans were even criticized in newspapers and magazines as wrong. Now they have again been affirmed and advocated. All these principles, demands and slogans translated into the actions of party organizations and party members represent the fine party work style. Are they not very good teaching material on party spirit if properly compiled, expounded and developed?!

Party schools at all levels should attach importance to education in party spirit and should not one-sidedly raise the theoretical level without regard to education in party spirit.

Party newspapers and magazines at all levels should attach importance to publicizing problems of party spirit and party work style. They must take the trouble to publish some theoretical articles on party spirit and party work style. They must always act in cooperation with the discipline inspection departments reporting typical cases and openly praising or criticizing them. They must conduct publicity in a big way to inspire and arouse people. They must stimulate the effort of various quarters to fight unhealthy trends.

As bastions in the forefront of work and production, basic-level party organizations should become regular classrooms for conducting education and training in party spirit. We must regularly call party branch general meetings, party branch meetings and party group meetings and regularly give party lessons to party members and prospective members. These efforts, known in brief as "three meetings and one class," must be properly handled. But we cannot just talk nonsense or mechanically pass on what is being publicized.

Instead, we should take the actual conditions of party members into consideration and conduct education with targets in mind. Through education in party spirit, we must enable party members to continuously strengthen the concept of the party, to consciously carry on the party's fine traditions, to put party interests above everything else and to better fulfill party assignments.

In a word, the party at all levels must in all fields tackle the problem of strengthening party spirit as a major issue in building up the party and as a major theme in strengthening the building of the party ideologically. The job must be done well in a serious manner.

Comrade Mao Zedong said: "There are many party members who have joined the Communist Party organizationally but have not yet joined the party wholly or at all ideologically. Those who have not joined the party ideologically still carry a great deal of the muck of the exploiting classes in their head and have no idea at all of what proletarian ideology, or communism, or the party is. 'Is proletarian ideology not the same old stuff?' they ask. Little do they know that it is no easy matter to acquire this 'stuff.' Some will never have the slightest communist flavor about them as long as they live and can only end up by leaving the party." ("Selected Works of Mao Zedong," Vol 3, p 832) In judging whether a party member has joined the party ideologically and whether he is qualified as such, we must chiefly check to see whether he is imbued with party spirit and how strong his party spirit is. In training a prospective party member, we must pay primary attention to his training in party spirit, apart from giving him a fundamental knowledge of the party. Only after he acquires a certain degree of party spirit can he be admitted to the party. After joining the party, he must continuously strengthen party spirit and give expression to party spirit in his words and deeds at all times, embracing a fine party style. Every party member must have a sense of honor or guilt where the degree of party spirit is concerned. Within our party, we should create a trend where everyone equates party spirit with honor and lack of it with shame.

How should our comrades make a start in strengthening training in party spirit in order to acquire the spirit of the Communist Party and become a good party member who is imbued with party spirit and is worthy of the name? Comrade Li Shaoqi's "How To Be a Good Communist" is very good teaching material for strengthening training in party spirit. We should seriously read it and follow what is said. Every Communist Party member who makes it his ambition to fight for communism throughout his life must continuously transform himself in practice. He must distinguish between communist ideas and individualist ideas, between proletarian ideas and all nonproletarian ideas, between materialism and idealism and between dialectics and metaphysics. He must correctly handle the relations between party interests and individual interests, gradually cultivate a communist world outlook and relevant methodology, solve the problem of joining the party ideologically and make himself a really qualified Communist Party member. Now we must build socialist spiritual civilization. For a Communist Party member, being mindful of party spirit and acting according to the principles of party spirit is an embodiment of a high degree of spiritual civilization.

2. We must purify the ranks of the party and perfect the life of the whole party.

In order to purify the ranks we must do an organizational overhaul. The impurity of the party ranks is a realistic problem confronting us and is one of the main reasons why our party work style has so far not basically taken a turn for the better. Therefore, in their speeches in the past 1 or 2 years, Comrade Deng Xiaoping and Comrade Hu Yaobang have time and again pointed out: There is now really a problem of reorganization confronting our party.

At present, we must first properly reorganize various leading groups. In recent years, our party has done much work in this respect. But the problem has still not been completely solved. This is a very complicated and unusually important problem. It concerns the party's organizational line. Continuous and serious efforts should be made toward its proper solution. We must resolutely get rid of those who made a start by joining Lin Biao and the "gang of four" in rebellion, those seriously affected by factionalist ideas and those given to beating, smashing and looting--people who still exist in the leading groups. In no way can we show compassion and leave them alone so that they constitute a potential threat to the party. We must also remove from leadership posts those who obstinately resist and oppose the party's line and general and specific policies introduced since the third plenary session, those who take the lead in promoting unhealthy practices and even act against the law and those who are unamenable to reason and incorrigible. We must resolutely rid the party of those who have made serious mistakes and have become completely disqualified as party members.

Second, we must rely on those leading groups which have already been purified to further overhaul party organizations and purify the ranks. We must take effective measures to make a clean sweep of speculators who have wormed their way into the party to pursue their own ends and those careerists given to making trouble and carrying out sabotage. Coping with this matter is a long process. We must at all times combine our efforts with various tasks and show not the least slackening of effort in taking care of every one of these undesirable persons and in getting rid of all who are discovered. According to the standards for party members, the above-mentioned several kinds of people of course do not qualify for membership. But we cannot hold the sweeping view that those party members do not qualify as such are beyond help. Therefore, in overhauling organizations, we must guard against putting things in simplified terms. All those Communist Party members who can be saved after being educated must be subjected to patient and conscientious education and be saved and transformed. Otherwise, we are very likely to make serious mistakes. Another point worth noting is that we cannot complete the purification of the party ranks at one stroke. We must not only work at it at present but also do so in the days to come. We must treat it as a long-term task in the organizational building of the party.

Apart from organizational consolidation, we must give a lot of attention to the rectification of thinking and the rectification of the work style. In solving the latter two problems, we must chiefly rely upon the whole party to further implement the "guiding principles" and other relevant central

documents. Everyone from party committees and organizations at all levels to basic-level party branches must strive to improve organizational life and to seriously unfold criticism and self-criticism. Now some areas and departments are plagued by unhealthy trends. In several speeches in 1981, Comrade Hu Yaobang pointed out that those who supported the central line were isolated, those who worked energetically were isolated, and those who spoke the truth and upheld justice were isolated. Some people made a point of criticizing and finding fault with those relatively active comrades. This actually discouraged what was right and proper and dampened the revolutionary enthusiasm of the masses of party members. This trend must be reversed. Our party member cadres cannot neglect their party spirit and go with the tide, doing as others do and playing the role of "good old me." Instead, they should make a clear distinction between right and wrong where principle is concerned and dare to uphold what is right and proper and to wage a resolute struggle against those unhealthy and evil practices. They must strictly enforce party discipline concerning some people who perform poorly ideologically and who make a practice of defying law and discipline. Party organizations at all levels must strive to overcome the state of laxity and weakness, so that we can get well organized and be well guided in our work style and can distinguish between right and wrong, between merits and demerits and between what should be penalized and what should be rewarded, making the party branch a really strong bastion.

3. The whole party must get involved in taking comprehensive measures and vigorously rectifying party work style.

The party work style permeates and finds expression in the whole party's political life and various tasks and party members' words and deeds. Rectifying the party work style is the task of the whole party and also the duty of party organizations at all levels and the whole body of party members. As adjuncts to party committees in rectifying the party work style, discipline inspection commissions at all levels, in particular, cannot shirk the responsibility. Some comrades have shifted this important issue completely on to discipline inspection committees and party committees, doing nothing and even taking it as an extra burden. This is a very wrong idea. Experience in several years fully shows that only by getting the whole party involved, taking comprehensive measures, linking up efforts at all levels and going whole hog can we basically bring about a turn for the better in the party style.

First, party committees at all levels must realistically strengthen leadership. In rectifying unhealthy trends, the most important point is to start with the leadership, set examples at every level and have one level take care of another. Facts tell us that where the party committee of an area or department has directed intensified efforts toward this job and exercised effective leadership, the party style changes quickly for the better. The stimulating effect of a turn for the better in the party work style on vocational matters and on production and construction is also very obvious. Conversely, where the party committee of an area or department has treated the problem of party work style lightly and is weak in its leadership, unhealthy practices inevitably remain very common and pervasive, making it

difficult to achieve remarkable results in vocational and production fields. We hope that those areas that have achieved something in this respect should strive for still greater progress. Those areas which for a time failed to exert themselves seriously should also strive to learn from others' useful experiences and lose no time catching up. Comrade Yang Yichen, first secretary of the Heilongjiang provincial party committee, said: "If the party work style is not properly taken care of in Heilongjiang Province, we of the provincial party committee must hold ourselves responsible. I, for my part, must bear the greater part of the responsibility. If the party work style is not properly taken care of in various prefectures and municipalities, the prefectural and municipal party committees must be held responsible and the principal men must be made to answer for it." I set great value on what he said. If leading groups at all levels and the principal men of party committees, in particular, display such spirit and courage in handling the party work style, is there still any need to worry about not properly rectifying the party work style?

Second, discipline inspection departments, organizational departments and propaganda departments of the party are the three main active departments helping party committees in taking charge of party building. These three departments assume important responsibilities in organizational and ideological fields and in how to develop a proper party style in work, life and other respects. Therefore, the discipline inspection, organizational and propaganda departments of the party must act in cooperation in their routine work, sharing tasks and taking unified steps. They must also make well coordinated arrangements and take concerted actions concerning how to help party committees in properly handling the matter of strengthening party spirit and basically bringing about a turn for the better in the party's work style.

Third, various specialized departments, enterprises and units serving the people in such fields as the national economy, culture, education, science and technology must, on the one hand, keep busy with business matters and, on the other, take care of party spirit and party work style. Generally speaking, many departments connected with business matters perform relatively well in "paying simultaneous attention to the two fields." But the situation of the party committee of a department stressing business and production to the neglect of ideological and political work and paying no or scant attention to unhealthy party practices is also rather common. Such a trend must be realistically reversed.

Fourth, we must realistically promote democracy and safeguard the democratic rights vested in party members by the party constitution and the power vested by the state's constitution in the people to be masters of their own house. The aim is to enable party organizations at all levels and leading party cadres at all levels, in particular, to receive supervision from the party and the masses. To consciously strengthen their training in party spirit, our comrades should not be afraid of supervision and criticism by lower levels and by the masses. They should instead actively create conditions and arouse and welcome all comrades, friends and people who show loyalty to the party and love for the party inside and outside the party to strengthen supervision

over themselves, to criticize our shortcomings and mistakes at any time and to help us rectify unhealthy practices. The kind of attitude adopted toward supervision and criticism from inside and outside the party is in itself a test of party spirit on the part of every one of our party members.

Fifth, party discipline inspection departments at all levels must strive to raise their ideological level and their professional level. In their work, they must keep summing up experiences and lessons and get deeply involved with the world of reality. The aim is to make investigation and study, get acquainted with new conditions and solve new problems. In helping the party committees to rectify the party style, they must have a clear idea of prevailing conditions, get properly oriented, cherish a great determination and follow correct methods, in order to achieve outstanding results.

To basically bring about a turn for the better in the party's style, the comrades of discipline inspection departments must get armed ideologically, enhance their sense of party spirit, arouse their spirits, and cherish a firm militant will. They must set great store by "courage," showing no fear for trouble, no fear for hardships, no fear for great obstacles, no fear for offending others and no fear for a vengeful counterattack and adhering to the principle of everyone being equal before party discipline and state laws. They must have the courage to fight all unhealthy trends and bad men and bad deeds. In the past, some comrades doing discipline work often confined the problem of party work style to the limits of a party member's life style and had a narrow outlook. Therefore, opposing the seeking of privileges in life was regarded as the sole aim of the effort to rectify the party work style. This represented a biased view. Should unhealthy practices in life be opposed? Of course, they should be. Should they be overcome? Of course, they should be. For a time, both the central and local authorities directed vigorous efforts toward this matter and achieved obvious progress. Such efforts should be continued. But judging by the situation as a whole, the whole party must at present especially focus attention and energy on overcoming unhealthy practices in the political, ideological and economic areas. In no way can we neglect or relax our struggle against the unhealthy practices in these fields.

At present, there are many favorable conditions when it comes to the rectification of party work style. The passive and pessimistic feeling of "a disease being incurable at its terminal stage" is unjustified. We should note that the party Central Committee has attached great importance to the rectification of party work style and cherished a great determination for that matter. Comrade Hu Yaobang urged the whole party to take up two important issues: the building of material civilization and the building of spiritual civilization. The rectification of party work style was also treated as an important part of the effort to build spiritual civilization. Recently, he again clearly stressed that in the new year, we must strive to bring about a decisive turn for the better in the party's work style. Under the impetus of the central appeals, the leading comrades of party committees at all levels and of various areas and departments have paid increasingly close attention to the problem of party work style concerning the ruling party. The great majority of comrades within the party and the masses of people have called on us to rectify the party work style as quickly as possible. Rectifying party work style is the common desire of the party and the people. A matter that has won such keen support from the masses of party members and people can surely be handled well.

AN IMPORTANT PRINCIPLE IN THE WORK OF CADRES

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 15-17

[Article by Commentator]

[Text] Setting strict demands on cadres and taking good care of cadres who have resigned or retired is an important principle of the party's cadre work. Some departments and units pay very little attention to this. They have not shown due respect and concern for cadres who have stepped back to the second and third lines but give much consideration to cadres on the frontline and do not set strict demands on the latter. This has reversed the order of importance.

The fundamental goal of our cadres is to wholeheartedly serve the people and hold ourselves responsible to the people. The reason why we must set strict demands on cadres, especially leading cadres on the frontline, is that they have directly shouldered the arduous task of organizing the masses in building the socialist economy and culture and their work has a most important bearing on the development of the entire socialist cause. At the very least it should be demanded that all leading cadres on the frontline conscientiously and effectively implement the line, principles and policies of the party and become models of political unity with the Central Committee. They should not, however, merely mechanically copy and relay instructions, and even less should they all go their own separate ways. In their leadership work they must stick to principle and should also give concrete guidance. They should be able to frequently examine the work of lower levels and offer prompt assistance to their subordinates to help them resolve difficulties in their work and should become models of a high degree of responsibility toward the socialist cause. However, they should not merely talk about things without taking any action, hemming and hawing whenever they face a decision or performing their duties in a perfunctory manner. They must not only work 8 hours each day but must also combine an enthusiastic spirit with scientific method. Working creatively they should become models of raising efficiency in work. They must not pass their time in a careless and sluggish manner. They must strictly follow the guiding principles for inner-party political life, and by refusing to use their official authority for personal gain and steadfastly opposing unhealthy trends they should become models of arduous struggling and honesty in performing official functions. They should never pose as "special citizens," making strict demands on others while being very

lax themselves. In other words, they must be able to prove through their own practical actions that they are qualified leaders worthy of their position and authority. No matter what position a cadre is in, he should fully realize the necessity of setting strict demands on himself and conscientiously performing his duty in his position. The higher the position and the greater the authority of a cadre, the stricter the demands should be.

What should the examination of whether or not a cadre, particularly a leading cadre on the frontline, measures up to the above-mentioned conditions be based on? It should not be based on what he has said or how others have lavishly praised him but should be based on what he has done while performing his duty at his post and on what achievements he has scored that have been acclaimed by the masses. As far as the secretary of a county committee is concerned, if after 2 or 3 years' work, he has brought about remarkable changes in building the party and socialism in the county through his work and has won the support of the great majority of cadres and people, he has proved himself worthy of his post and is even a relatively fine secretary of the county CCP committee. On the contrary, if after several years of work he has made no contribution and nothing has really changed, and if even after he has been offered assistance he has neither attempted nor accomplished anything, causing the majority of cadres and people to become dissatisfied with him, then permission should be given for his resignation from office and the organization should reassign him to work more suited to his capabilities and political integrity. It should be like this for the secretary of a county committee and for other cadres as well.

For a long time, a certain view has been quite common among some comrades. It seems that once a cadre has been assigned to a post, he cannot be transferred to other posts even if he has made no achievements for a long time. If he has not violated any laws or regulations, whether or not he is earnestly working at his post or whether or not he is worthy of his post does not matter. Otherwise, the party organization will be asked to treat him according to the party's policy. This is a misunderstanding of the party's policy for cadres. It is incorrect and harmful. Only if we truly set strict demands on leading cadres at all levels can we spur them on to forge ahead, to raise their efficiency in work, to maintain and develop the party's fine work style and to resist corrosion of various nonproletarian ideas. Only in this way can we organizationally ensure the training of fine capable persons and the continuity of leading groups at all levels.

Stressing setting strict demands on cadres, particularly leading cadres on the frontline, does not at all mean that we need not consider their actual needs. The purpose of giving consideration to their actual needs is to provide them with conditions for serving the people better. At present, our country is not yet rich and we are carrying out economic readjustment. Even the people's livelihood can only be improved step by step. So matters concerning cadres' livelihood can only be tackled in order of priority. It is impossible to meet all the needs of cadres. We must also plainly tell cadres on the frontline that since they are entrusted with the important historical mission of carrying forward the revolutionary cause pioneered by our predecessors and forging ahead into the future, they should conscientiously share

worries with the party, understand the country's difficulties and make up their minds to work harder and bear hardships in their daily life. If cadres can set an example in this respect, the masses will have greater faith in the four modernizations and their enthusiasm to realize the four modernizations will further be increased. We are sure that the great majority of cadres are eager to see that our country becomes strong and prosperous earlier and are aware of the great responsibility they have undertaken. They have acted or are acting in accordance with the strict demands set by the party and the people. However, there are also a few leading cadres on the frontline who do not work hard but incessantly scramble for special treatment or considerations of this kind or that. They even make use of their authority to seek special interests. We should not be overlenient toward them. On the contrary, we should uphold the principle of setting strict demands on them. Only in this way can we help them get the loads off their backs so that they can make further progress.

We should give due political respect to cadres who have stepped back to the second and third lines and fully meet their livelihood needs. Viewed from the current situation, many units have made much improvement in this respect but quite a few problems still exist. What is most worthy of attention is: As soon as some old comrades have stepped back from the frontline, they have to work in another office and no telephones are provided for them. They are no longer given the same treatment as when they were on the frontline in reading documents, listening to reports, using cars, consulting doctors, distributing houses, in cultural life and welfare in daily life. When they were at their posts, people offered help even when they had no difficulties. But after they have stepped back to the second and third line, their actual difficulties are not reasonably resolved and remain for a long time. They are sometimes given the cold shoulder. "When a cadre is at his post, human feelings exist. But once he has retired, human feelings disappear." This phenomenon is a reflection of the bad work style of "snobs" of the old society in the work of cadres. It runs completely counter to the principle of setting strict demands on cadres at their posts and taking good care of cadres who have stepped back from the frontline. An important reason why this situation exists is that some leading cadres or cadres in charge of this kind of work lack politics in their minds. They are not clear about the far-reaching significance of old comrades stepping back to the second and third lines. We should understand that old comrades who can no longer take up heavy work due to age and physical weakness have struggled for decades for the cause of the liberation of the Chinese people and for the cause of socialism. They have been the party's backbone and have rendered meritorious services to the country. Today, they are still an important political force in our party and country's life. Although they have stepped back from the frontline, they continue to play their parts as long as their health permits. This is an important measure to maintain the succession and continuity of the party's leadership and to ensure the long-term order and security of our country. Only after they have shaken off their heavy routine work can they devote their time and energy to considering the overall situation of socialist construction and put forth suggestions and methods for handling matters involving the fundamental interests of the party and the country and for solving important problems of respective localities and units. For example,

old comrades regard discovering and training young cadres as a matter of utmost importance. This ensures that fine young cadres will be selected and tempered better and mature sooner with the help of old comrades. Since the 3d Plenary Session of the 11th CCP Central Committee, some old comrades of the Central Committee have stepped back to the second and third lines. They not only have been able to play their roles as usual but even better. Therefore, as long as comrades on the frontline truly respect old comrades who have stepped back to the second and third lines, try hard to provide even more convenient conditions for them than for cadres on the frontline and pay great attention to their rest and health, they will then be able to play a role in the party's cause which other people can hardly play.

What is most important at present is that leading cadres on the frontline of all departments and at all levels, cadres of administrative departments of leading organs and cadres who are in charge of the work of old cadres must have a thorough understanding of the importance of work in this respect and should never regard it as routine work. The bad work style of "snobs" in the old society runs counter to the fine tradition of respecting the old and worthy Chinese people and conflicts with our party's principle of respecting and showing consideration for old comrades. If we tolerate the existence of this kind of thought and work style in the revolutionary ranks, we are indulging a bad work style to corrode and disintegrate our ranks, sabotage the party policy for cadres and harm the traditional bonds of friendship among revolutionary comrades. Only if we put forth the question in this solemn manner in order to warn comrades who are tainted with harmful thoughts and work style and if leading cadres set an example and regularly inspect and give guidance to departments concerned, will it be able to earnestly improve the work of giving due consideration to old comrades who have stepped back to the second and third lines.

In order to effectively implement the principle of setting strict demands on cadres at their posts and taking good care of cadres who have stepped back to the second and third lines, we must also take necessary practical measures. Organizationally, we must continue to properly reorganize leading groups of all departments and at all levels according to the requirements of "three-in-one" and the spirit of being capable and keen-witted so that they can truly become leading groups which can lead others in a charge and which have a high quality and efficiency of work. Institutionally, we must actively establish a strict and scientific system of personal responsibility and, on this basis, give regular and realistic examinations to cadres in the light of achievements made by respective cadres and using the method of combining appraisals made by the masses and assessments made by the organizations. As far as policy is concerned, we must resolutely protect and support comrades who uphold the party's principles and policies and dare to bring forth new ideas, comrades who work with all their might and comrades who uphold principles and are not afraid of giving offense. This will make it harder and harder for those cadres who have neglected their duty and are irresponsible. Besides, we must set strict demands on party life, rigorously enforce the party discipline and state laws and resolutely change the lax and weak situation in organizational work. As to those who have seriously failed to fulfill their duty, who are derelict in their duty or who make use of their

authority to seek personal interests, we should appropriately deal with them in the light of each specific case by criticizing them, transferring them to other places, demoting them, recording a demerit or giving them the severest punishment according to party discipline and state law. There should be rules and regulations mapped out by organizations at higher levels concerning political and everyday treatment of cadres who have stepped back to the second and third lines. Concrete requirements should also be made in departments in various localities. A system in this respect should be formed. If the strength of work organs serving old cadres is insufficient or too weak, we must send more people to strengthen them. The system of personal responsibility should also be practiced in these work organs in order to ensure that each comrade is duly taken care of. We must uphold principles and at the same time be reasonable.

CSO: 4004/23

AN IMPORTANT QUESTION IN THE EMANCIPATION OF THE MIND

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 18-19

[Article in "Ideological Comment" column by Shi Jian [0670 6015]]

[Text] Basically speaking, emancipation of the mind is the use of Marxism-Leninism-Mao Zedong Thought to examine situations and solve problems so that the objective and the subjective become one and thinking and reality conform with each other, that is to say, seeking truth from facts. However, this is not an easy thing to do. This is because when people examine new situations and resolve new problems they are restricted not only by the development of objective matters and the level of expression of these objective matters, but also by their own position and capacity for knowledge. It is obviously impossible for someone having lofty communist ideals and someone who is shortsighted and selfish to have the same understanding of the conditions and the problems involved in the construction of the four modernizations. Therefore, in the course of emancipating the mind, one also encounters the problem of remolding the subjective world.

Is this to say that we are again raising the slogan "ideological reform"? Since the founding of the PRC, our party has followed the development of revolution and construction in upholding its unity with and the teaching of intellectuals. Since 1951, with the beginning of efforts to reform thinking, the party has also called on intellectuals to adopt the methods of criticism and self-criticism and to carry out self-education and self-reform. Under the guidance of the party's policies of unity, education and reform, vast numbers of intellectuals have made great advances in their thinking. However, the growth of leftist thinking led us to adopt various mistaken methods in our work to reform the thinking of intellectuals. Because this led to many abuses, harmed many comrades and created very unfavorable effects, many people now react against the slogan "reform of thinking." At the same time the broad masses of intellectuals have already become a part of the working class working to serve the socialist cause. The practice of raising the slogan of "ideological reform" is liable to reactivate the bias some people feel against intellectuals and could lead to the revival of such mistaken practices as discrimination, infighting and arbitrary criticism. This would hinder the implementation of the party's policy toward intellectuals and damage efforts to arouse the socialist enthusiasm of the intellectuals. For this reason the party's Central Committee has neither raised the slogan

"ideological reform," nor planned to use the slogan against either friends outside the party or intellectuals. This is undoubtedly correct.

Since our party has not raised this slogan, does this mean that there is no need for the broad masses of party cadres and people, including intellectuals, to bother with ideological reform? This is not the case. The decision not to raise this slogan has been made on the basis of the lessons of historical experience, and the need to promote both unity and our work in no way suggests that a Marxist-Leninist can discard the principle that everyone must carry out conscious ideological reform. Comrade Mao Zedong emphasized that "the struggle of the proletariat and revolutionary people to reform the world includes the fulfillment of the following tasks: Reforming the objective world and, at the same time, their own subjective world--reforming their cognitive ability and reforming the relationship between the subjective and objective worlds." ("Selected Works of Mao Zedong," Vol 1, pp 272-273) Every one of us must steadfastly uphold this irrefutable truth of Marxism. During his lifetime, Comrade Zhou Enlai would often encourage others and urge himself on by using the phrase "live until you are old, study until you are old and reform yourself until you are old." This reveals to us an important principle: Only by continuously reforming one's subjective world in the course of understanding and reforming the objective world will one be able to unify the objective and subjective worlds. This reform of the subjective world refers to ideological reform.

In actual fact, the emancipation of the mind and ideological reform are intimately connected with each other. The call for the emancipation of the mind made by the 3d Plenary Session of the 11th CCP Central Committee means that we must free ourselves from the fetters of leftist errors committed before and during the "Great Cultural Revolution" and the restrictions of the "two whatevers" and that we should return to the scientific path of Marxism-Leninism-Mao Zedong Thought. It means that we must oppose idealism and uphold materialism, that we should manage affairs in accordance with the objective rules and use Marxism-Leninism-Mao Zedong Thought to examine conditions and solve problems. It means that we should liberate ourselves from the vestiges of feudalism and the influence of bourgeois thinking, shatter the force of habit and the fetters of subjective prejudice, and establish a true proletarian stand, viewpoint and method. The opposite of this is what we have called the ossification of thinking. Ossification of thinking reflects an ideological condition that is severely restricted by metaphysics. It means being unable to see the differences and connections between things and unable to distinguish the development and changes in things. Extreme solipsism is when this ossification of thinking develops to the point where one expects the whole of humanity to follow one's own individual ideas, wishes and will. If such ossification of thinking and solipsism are to be smashed, the mind must be emancipated; that is to say, thinking must be reformed. It is in this sense that emancipation of the mind and ideological reform are interlinked. The emancipation of the mind contains rather than excludes the idea of reforming the subjective world.

At the same time, however, emancipation of the mind demands only that we break out of old and erroneous restrictions. It in no way suggests that all

restrictions, even correct ones, should be done away with and that we should be able to say and think whatever we like without any restriction whatsoever. The emancipation of the mind we are advocating must at all times be firmly based on the foundation of the four basic principles. At present some of the people who wave the banner of emancipation of the mind are in fact advocates of bourgeois liberalization. Seeking to break away from the leadership of the party and the socialist cause, they directly violate the four basic principles. This goes to show how great the differences are between objective reality and their own subjective world. If with regard to such people we fail to carry out ideological reform, will it not be impossible to achieve true emancipation of the mind? It is perfectly clear that if we are to emancipate the mind, we must first of all uphold the four basic principles and then work ceaselessly to reform any aspect of our thinking that does not accord with the four basic principles. In this sense emancipation of the mind is interlinked with ideological reform. Moreover, such emancipation presupposes the transformation of one's own subjective world. It is impossible to talk of any emancipation of the mind if an individual either fails to take an active part in the practice of changing the objective world or, during the course of such efforts to change the objective world, neglects to pay attention to transformation of their own subjective world. To put it mildly, for people who have such an attitude, emancipation of the mind is nothing more than idle talk; or, put more harshly, such people are merely selling their own contraband goods under somebody else's banner.

The problem at the moment is that many comrades, including some leading cadres, lack any consciousness of self-reform. They become extremely resentful and contrary as soon as anyone mentions reform, criticism or self-criticism. This only goes to prove that as far as these comrades are concerned there is an even greater need for reform, criticism and self-criticism. Comrade Mao Zedong once modestly said, "As to myself, I used to have all sorts of non-Marxist ideas, and it was only later that I embraced Marxism. I learned a little Marxism from books and took the first steps in remolding my ideology, but it was mainly through taking part in class struggle over the years that I came to be remolded. And if I am to make further progress, I must continue to learn; otherwise I shall lag behind." ("Selected Works of Mao Zedong," Vol 5, pp 382-383) While Mao Zedong had made a great contribution to the revolutionary cause, he still recognized his own need for continuous reform and study. So how can cadres at any level, all of whom are the students of Comrade Mao Zedong, possibly say that there is no need for such reform? The fact that Comrade Mao Zedong made some mistakes in his later years merely goes to show that every revolutionary must follow these words.

However, some comrades are still unwilling to reform themselves even though it is perfectly clear that their own subjective world is divorced from the objective world, that their own ideas, positions, views and writings are both different from or even divorced from revolutionary practice and do not suit or may even run counter to the demands, wishes and will of the masses. This is obviously a case of people sticking to their old views, methods and experiences, even though conditions have changed and history has advanced. How can such an ideological condition possibly suit the needs of

socialist modernization? How can it suit the glorious mission of our party? While we are not able to raise again the slogan "ideological reform," we must at no time slacken our efforts to reform our subjective world. In carrying out our remolding of the objective world we must raise our consciousness of self-reform and work ceaselessly to reform our own subjective world. The only correct attitude is one that unites these two in both understanding and practice.

CSO: 4004/23

ON THE QUESTION OF ACHIEVING GREATER INVESTMENT RETURNS

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 20-23

[Special commentary by Song Shaowen [1345 0508 2429]]

[Text] At the 4th session of the 5th NPC, Comrade Zhao Ziyang suggested a new road of development which really conforms with our country's actual conditions and advocates a relatively dependable rate of development that can produce comparatively good economic results and from which people can derive fairly substantial benefits. He pointed out: "It is a pivotal point that we must, by thousands of ways and means, upgrade the economic results from production, construction, circulation and other sectors." Herein, I propose to discuss the question of achieving greater investment returns.

I

Since the founding of the PRC, our accomplishments in economic construction have been enormous, but the losses from extravagance and waste have also been startling. There has been much disparity between the degree of improvement in the people's standard of living and the amount of their labor contributions. According to statistics from the State Statistical Bureau, of the construction investments made from 1950 to 1979, only 70 percent have been formed into fixed assets, of which there is still a portion which is unable to perform its role or which has not yet formed any productive capacity. In other words, a large amount of investments have been wasted. In 1980, the value of the country's industrial fixed assets increased by 26 times over that of 1952, the year when the nation had just completed its economic recovery, but the gross industrial output value increased by only 14.5 times. According to a preliminary estimate, it was found that on the basis of the average figures over the years, the proportion of industrial fixed assets which could accomplish normal production results was only 70 percent of the whole. From 1957 to 1980, the gross industrial output value derived from each yuan of industrial fixed assets dropped year by year: in 1957 it was 2.88 yuan; in 1970, 1.78 yuan; in 1975, 1.4 yuan; and in 1980, 1.2 yuan. The amount of gross industrial output value derived from each yuan of industrial fixed assets in 1980 was 41 percent of that in 1957. As for the amount of profits and taxes derived from each 100 yuan of fixed assets, the average for the "fifth 5-year plan" period was only 35 percent of that for the "first 5-year plan" period. All this illustrates that in

return for the labor input of the people (materialized labor and living labor), the volume of income and products derived has greatly diminished. In other words, with double the effort only half, perhaps less than half, of the result was achieved, and 2 yuan now are not worth as much as 1 yuan before. This represents the most gigantic waste in the economic life of our country over the past 20 years. If the investment returns could match those during the "first 5-year plan" period, industrial production in 1980 would have been twice as high as what was actually accomplished.

II

There are many causes for this serious waste and poor returns in the investment sector. Basically, they were inseparable from the "leftist" guiding thought in economic construction over a prolonged period of years. I believe that a concrete analysis will reveal the following three major factors:

First, faults in strategic decisionmaking and construction policy. Since 1958, the economy has undergone vast and catastrophic changes, all of which can be ascribed to blindly striving for a high rate of development. A dependable growth rate must be built on a foundation of the actual productive forces available. Blindly striving for a high growth rate will necessarily expand the accumulation rate and lengthen the capital construction front. For example, the blind call to double steel output made it necessary to launch a big steel-refining campaign while striving to realize an annual steel output of 60 million tons had to be followed up by the building of several large iron and steel bases. Similarly, seeking the early realization of the four modernizations has brought in its wake many projects which required enormous efforts and early completion, besides the importation or introduction of numerous new projects. Indeed, careless decisionmaking on big and important construction projects makes it difficult to handle many of them well, and a faulty construction policy can bring about serious consequences. For example, the anxiety for the early realization of agricultural mechanization, and the call to the various provinces, municipalities and autonomous regions to form separate systems of their own to achieve this purpose, have brought about the building of countless agricultural machinery plants in a blind manner and have caused over half of the production capacity to lie idle. Actual practice has shown that a definite speed can be achieved only through man's subjective wishes corresponding to the objective laws and the exertion of subjective efforts. Blindly chasing after speed, like the foolishness of pulling up the roots of a seedling plant to help its growth, is not only useless but harmful. Seen from the experiences of the first 5-year plan, the industrial production growth rate for any one fiscal year depends on the newly added production capacity of the same year to the extent of only a few percent. This is rather limited and any attempt to exceed this objective possibility will bring about catastrophic fluctuations and punishing results. Indeed, on this score we have learned very painful lessons.

Second, in reality since 1958 we have not had in force a medium-term or long-term plan. Investments under the yearly plans were made more or less according to the circumstances of the moment. They were merely strategic arrangements, whereas considerations for long-term planning, for taking the whole

situation into account and for achieving an overall balance have been sadly lacking. As a result, a disproportion was created between accumulation and consumption, between the various departments of the national economy, and between the industrial and communications departments. The iron and steel and machine-building industry departments for a time became long lines [a glut or oversupply of products] (within the departments themselves, there were both long lines and short lines [products in short supply]), while departments handling energy, communications and transportation, education, light industry, forestry and construction of public utilities in cities and towns became short lines. Conversion from long line to short line is difficult while the opposite is time consuming. Seen from the experiences of the first 5-year plan, a fixed rate of development will bring prosperity to the national economy, improve the people's standard of living, and make the people happy. Otherwise, there will be vast fluctuations in capital construction and often the construction period is unduly extended. For example, in the first 5-year plan period, for large- and medium-scale projects the construction period averaged about 6 years each, but in the fifth 5-year plan period, it was increased by 12 years and the construction cost was doubled, thus wasting a lot of money. This deeply affected the improvement of the people's standard of living and caused great difficulties to current economic readjustment work.

Third, the irrational economic management system which encourages the demarcation of separate units, each with a system of its own, has been responsible for the waste of much valuable capital through extravagant and wasteful expenditures on duplicate construction, duplicate scientific research and duplicate importation of foreign technology. As a result, on the whole, little net production results have been achieved. Indeed, there are many problems in this respect, particularly concerning the metallurgical products processing industry and the agricultural products processing industry. For example, there are in the country some 192 plants turning out internal combustion engines for agricultural use. They are distributed throughout 167 cities and towns. Currently, their production tasks take up only half of their production capacity, but some of the departments are still insisting on expanding their production capacity and are busy on new building and expansion work. Again, from 1972 to 1978, the production of machine tools yearly exceeded the production plan by about 100,000 units. In 1979, the excess production was 43,000 units and in 1980, nearly 40,000 units. Most of them were bought by enterprises run by communes or production brigades. By the end of 1980, the number of machine tool units owned by the collective enterprises was well over 700,000 (surpassing the total number of units in the whole country in 1965), making up one-fourth of the total number of units in the whole country. However, most of these collective enterprises were duplicative in nature. In regard to the agricultural products processing industry, there has been a large increase of small textile plants, small wineries, and small cigarette plants. As a result, many abnormal phenomena have appeared, such as competing for raw materials and for markets, the small squeezing out the big and plants producing substandard goods replacing plants producing good quality products, and so on. Much money has been wasted in this fashion.

Many other causes have branched out from the three above-mentioned main causes and have led to much extravagance and waste. Fairly outstanding among them is the failure to observe the capital construction procedure. Normal capital construction procedure should be as follows: (1) Several comparative plans must first be prepared for deliberation. In preparing these plans we must first do the necessary investigation and research and subject the plans to technical and economic comparison and analysis. (2) Following repeated deliberation and discussion, and also taking into account actual need and possibility, a workable plan should be selected. (3) Prospecting, surveying and planning work should then proceed on the plan selected, and in the course of the planning consideration must be given to the possibility of supplementary and accessory construction work both inside and outside the plant. (4) Under the logical premise of this preliminary preparation work having been completed well and after having made sure that the plan is in accordance with the principle of overall balance, consideration may then be given to its inclusion into the medium- and long-term plan. (5) Planning will next proceed on the work in accordance with the capital construction plan. The planning should specify details of the construction work in time periods and stages so as to ensure that the project will be completed and put into operation on schedule. The capital construction procedure is in reality an organic whole. Poor work done on any of its parts will cause enormous losses and extravagance. For this reason, it is entirely correct that careful research has been done on extra-large projects such as the plan "to carry water from the south to the north," the water conservancy work at the Changjiang River gorges, and others. In the past, in carrying out many construction projects, preliminary preparatory work was frequently neglected. In some cases, even before the resources and the geological data of the locality had been ascertained, hasty decisions were made on the plant location and on planning and work procedure, and construction actually started. The idea seemed to be to do the planning along with actual construction in progress, to make on-the-spot revisions, to make repeated changes, and to engage in construction work on a stop-and-start basis. The results were that when problems arose, they had already become very serious. The construction period had to be extended and the investments increased repeatedly. Some of the projects eventually had to be abandoned. It could be expected that the larger the projects involved, the greater the losses and extravagance. The project on piping natural gas out of Sichuan Province is a case in point. In addition, there were many capital construction projects in which the internal and external parts could not form a whole, or which could not form any productive capacity or could not be put into production. There were also cases in which the management was in great disorder and could not carry out construction work according to a scientific work procedure, thus causing the abnormal situation of a large number of construction workers drawing their pay regularly, but actually not having any work to do. There are, of course, many causes which can lead to the extension of the construction period, or to the poor quality of the economic results, or to doubling the time required for the full recovery of the investments, but seen from the standpoint of management organization, the failure to abide by the capital construction procedure has been a major cause. We must indeed rectify the above-mentioned defects.

III

In connection with the three major causes mentioned above, I believe that there are at least three basic measures to improve investment results:

The first measure is to do the utmost to avoid errors in strategic decision-making and the construction policy. Since the 3d Plenary Session of the 11th CCP Central Committee, and particularly since the sixth plenary session's correction of the effect and influence of the "leftist" guiding thought, everybody has considered that the evil wind of blindly seeking high targets and enlarging the scale of capital construction at will has become a thing of the past. However, in order to basically avoid repetition of the errors of giving blind directions, we must still seek protection from economic legislation and from the improvement of the system itself. (1) In regard to strategic questions and questions of important economic construction policy-making, we must first carry out full investigation and research work on the topic involved. The principle of "without investigation there is no right to speak" must be thoroughly implemented. A minority must not be allowed to make decisions. Socialist democracy must be encouraged and developed, and the system itself must give it due protection. Important policy-making problems concerning especially large projects, such as "Baoshan steel" and several other important production projects, should first be carefully scrutinized by technical and economic experts. After repeated deliberations, the experts should present plans for comparison. The projects should then be submitted to a larger circle of people for democratic discussion, following which the leadership should make a decision from the options and select one of the projects. This will ultimately be submitted to an organ of the people's representatives for appraisal and approval. (2) All those in charge of the discussion and deliberation work, including the leadership cadres and the approving organ, should implement the responsibility system and should bear a suitable responsibility for the accuracy or inaccuracy of the decision made. This will rectify the situation of nobody being responsible for incorrect decisions.

The second measure calls for greatly strengthening planning work and the compilation of a medium- and long-term plan which can generally reflect objective economic laws. This aims at bringing into full play the superiority of a planned and proportionate development of the socialist economy. This also aims at utilizing well all construction investment funds, including those already included in the budget and those outside the budget. As for the construction projects, the measure will endeavor to make suitable arrangements for ensuring that both heavy and light projects, urgent and not so urgent projects, and the number of projects in each category are considered. This will include consideration of the necessity and feasibility of the projects. This is an important matter having a bearing on the rate of progress of our country's four modernizations and constitutes the pivotal center of the medium- and long-term plan. (1) All construction funds, be they within the budget or not, regardless of to what level or class they belong and regardless of whether they are for technical restructuring and equipment renewal or for new building and expansion, must be subject to an overall appraisal and unified arrangements. (2) In the case of construction

projects, including the many projects requiring technical restructuring work, we must rigidly stipulate the proportion of gross investments to be allocated to those projects, the schedule for completion and handing over of which is 1 year, 2 years, or 3 years. It may be worthwhile to stipulate in the 5-year plan that those projects which will be completed within 3 years should constitute not less than 70 percent (on the basis of the funds involved), while the percentages occupied by the 1-year and 2-year projects should also be stipulated. These stipulations should have legal effect and should be subject to rigid checking in order to ensure their observance. During the first 5-year plan period, the 36 large and medium-sized projects completed, including the three large power plants in Harbin, a number of coal pits each with an annual capacity of 600,000 tons, and 300 km of major railroad tracks all had a construction period of less than 3 years, while the construction period of a large number of large- and medium-sized fuel-power stations and textile mills was also under 2 years. Current conditions might differ somewhat from conditions at that time, but after rigid and down-to-earth reorganizational work, we should be able to do just as well now as before. (3) In particular, we should be extremely careful in tackling the specially large projects (items involving investments of billions of yuan), because once work is started on them we must carry on until they are fully completed. This might require 8 to 10 years, during which time the state must continuously provide the investments without getting any immediate returns. During the first 5-year plan period, among the large projects, besides the Anshan Steel Works (investments in which from 1949 to 1959 were 3.09 billion yuan) and a small number of other extra large projects, the majority required an investment each of 200 to 300 million yuan. At present, the investments in the so-called "large" projects have been continuously increased, and projects requiring investments of several hundreds of millions of yuan are so numerous they are hardly worth noting. But this does not help at all in upgrading the investment results. We should have a mixed grouping of large, medium-sized and small projects and should not blindly strive for something big or foreign.

The implementation of the medium- and long-term construction plan and organizational plan must be based on a solid foundation of making a complete summary of past experiences, reorganizing the capital construction system, and formulating and rigidly enforcing capital construction legislation.

The third measure calls for combining the enthusiasm and planning work of the localities and the central departments. Blind efforts should be avoided as should useless investments such as those in duplicative construction, duplicative scientific research, and duplicative importation of foreign technology and capital. To achieve this objective, we must basically accomplish the following: (1) We must determinedly implement the policy of treating the whole nation as a single chessboard. All construction projects with a bearing on national equilibrium, including those of technical restructuring and those calling for "tapping potential, renovating or restructuring," regardless of their size, must be carried out under a national unified plan and be subjected to overall planning, and classified according to industry or trade and according to the category of its products. The readjustment of industries in central cities and towns should likewise be implemented under the guidance of a national unified plan. (2) As for those industries and trades which, viewed

on a nationwide basis, already possess excess production capacity, we should, based on the principle of achieving an overall balance but taking into account the conditions of each case, proceed to have some of them closed, suspended, merged or shifted to other industries or trades. We should not continue with the former practice of ignoring the overall situation, lopsidedly stressing local needs, and blindly filling gaps or actually undertaking expansion under the pretext of technical restructuring. (3) We should reinforce our planned guidance over the industries run by the communes or production brigades. At the present time, enterprises run by the communes or production brigades have large amounts of funds in their hands. Viewed from the situation as a whole, if these funds are not put to proper use, they will be wasted and serious consequences might result, such as competing with the backbone enterprises for raw materials and for energy supplies and adversely affecting the production of the original enterprises. As already mentioned above, we should especially note the effect on the metallic products processing industry and the agricultural products processing industry. In a word, we must clearly stipulate how to use and how not to use funds belonging to the central and local departments, or to the enterprises, or to the communes and production brigades. Only in this way can we achieve the objective of each being provided for and avoid wasting money or wasting much money.

IV

It is indeed a difficult and complex task to achieve greater investment returns, to obtain 1 yuan's worth for every yuan spent, and to go a step further and realize the ideal of "spending less but accomplishing more."

In order to realize the above-mentioned objective, first of all, the whole party from top to bottom must be of one mind, strictly following Mao Zedong Thought in all their activities. Based on the concepts of "serving the people" and "categorically working for the people's interests," in undertaking any activity we should pay due regard to the situation as a whole. If there occur contradictions between partial interests and the interests of the whole, the interests of the whole should come first, and when there is conflict between current, or temporary, interests and long-term interests, long-term interests should take precedence. Only by having our thought smoothly adjusted will it be possible to handle well problems such as whether a project should be undertaken, whether it should be expanded, whether it should be closed, or whether it should be shifted to another industry or trade. In this way we can rationalize the investment structure to the fullest extent. Second, during the period of further readjusting the national economy, the enterprise control system must be appropriately reorganized. We must alter the current divided state of there being a multitude of systems in force which hamper each other. We must put the system and the organizational structure in smooth running order, so as to facilitate overall planning and overall arrangements. In this way, the various localities, departments, industries and trades can fully display their enthusiasm.

The socialist system possesses an unparalleled superiority over the capitalist system. The situation of enormous waste, low economic results, and the

improvement in the people's standard of living not being in keeping with their labor input is by no means an inherent law of socialist economy. If only we can thoroughly rectify the old methods derived for a prolonged period from the guidance of "leftist" thought, greatly promote investigation and research, and earnestly do our work well, then it is certain that we can make good use of our funds and march on a new road toward higher investment returns.

CSO: 4004/23

THE REORGANIZATION, REFORM AND REVITALIZATION OF CHINA'S MACHINE BUILDING INDUSTRY AS SEEN FROM SHANGHAI

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 24-28

[Article by Zong Tang [1350 2768]]

[Text] Not long ago I joined a factfinding group of the State Machine Building Industry Commission and visited more than 60 machine building plants and research institutions in Shanghai. As seen from the situation in Shanghai, the 10 principles for economic construction put forth by Comrade Zhao Ziyang at the 4th session of the 5th NPC have great guiding significance for reorganizing, reforming and revitalizing the machine building industry in our country.

Be Good at Making All-Round Arrangements and Dare To Make Major Break-throughs

Comrade Zhao Ziyang pointed out that carrying out technological reform and equipment renewal in existing industrial and communication enterprises is a key issue for the smooth development for our economy. In order to carry out technical reform, it is imperative to have general planning, while various enterprises must have their own concrete requirements. This work must first of all be carried out in industrially advanced key cities and a number of key enterprises by stages and in groups.

Thanks to the efforts made over the past 32 years, our machine building industry has developed from small-scale to large-scale, from assembling to manufacturing, from copying to designing, and from making single machines to making complete sets of equipment. It has made rapid development and has provided our country with an enormous amount of technical equipment and mechanical and electrical products for daily use. Taken as a whole, our machine building industry has basically formed a material base for providing various kinds of technical equipment for our country's modernization program. Our task is, through reorganization and reform, to enable the industry to give play to its strong points and overcome its weak points so that it will be able to develop vigorously and make contributions to the modernization program. Reorganizing means that it is necessary to follow the principle of coordination among specialized departments, organize coordination in the production of parts and in technology, and form a rational production system.

Reforming means reforming technology and equipment, speeding up the improvement of product quality and renewal. The purpose of reorganizing is to solve the question of rationalization in production while that of reform is to solve the problem of technological modernization. They complement each other and develop simultaneously. It is a very complicated task, and therefore it is necessary to work out unified plans and make all-round arrangements so that various trades, departments and localities will be able to play their proper roles and promote each other. It is also necessary to grasp well the production of certain key products and the tasks in certain key cities, concentrate our efforts on solving one problem after another so as to make major breakthroughs, use the experiences of selected units to promote the work in the entire area and maintain a harmonious development.

Shanghai is the greatest coastal key city of our country and its machine building industry has many features. First, it has greater output value, accounting for one-sixth of the gross output value of the national machine building industry. Second, it has a better technical foundation and better quality products with more varieties. Third, it has fairly complete departments with better conditions for coordination. Fourth, it has stronger adaptability and digestive capacity. Fifth, it has better management and economic effects. For example, the fixed assets of the system of Shanghai's No 1 Bureau of Mechanical and Electrical Industry make up about one-eighth of the system of the First Ministry of Machine Building Industry, but the output value of this bureau comprises more than one-quarter, the profits handed over represent almost one-third, and the profits made in 2 years equal the original value of the bureau's fixed assets. The annual output value for 100 yuan of fixed assets of Shanghai's Instruments and Telecommunications Bureau is as high as 995 yuan, almost 5 times the national average level, and the profits made in 1 year equal the original value of the bureau's fixed assets. The profits handed over to higher authorities by these two bureaus over the past 3 decades and more is 24 times the amount of state investments. Of course, the city has disadvantages such as overpopulation, and its machine building industry must not be developed excessively. These problems also exist in Beijing, Tianjin, Shenyang and other key cities, but to different degrees.

Therefore, in my view and under the premise of unified planning and overall arrangements and under the condition that no new factories are to be built, we must be bold in letting Shanghai and other key coastal cities give play to the advantages of their technology, get ahead of the rest, and turn out products that require intensive technology and that are export-oriented, so that they will be able to promote vigorously the development of the whole machine building industry and make preparations in materials and technology for the further development of our economy. Consequently it is necessary to readjust and restructure guiding ideology, general planning, the organizational system, and policies and measures.

Technological Reform in the Machine Building Industry Must Start With Transforming the Structure of Products

The problem of how technological reform in the machine building industry in our country should be started is yet to be fully resolved.

Some people hold that although the number of machine tools owned by our country's machine building industry ranks second in the world, most of the machinery is outdated and was manufactured in a rough and slipshod way, and only one-third of it can really play its proper role. Therefore, these people suggest that technological reform of the industry must start with renewing equipment.

Others hold that the technology of our machine building industry, particularly the technology in mass production, is too backward. Therefore, they suggest that technological reform must start with making innovations in the work process.

Still others hold that the current main contradiction in our machine building industry is that the technology of products is too backward and it cannot meet the needs of the people's livelihood, economic construction and expansion of exports. Therefore, they suggest that technological reform must start with transforming the product structure.

My view is that all the above-mentioned problems really exist and they are closely related to each other. With regard to a unit, technological reform must be carried out according to specific conditions. It must start with the weakest link; it cannot be carried out indiscriminately.

But taken as a whole and compared with the world's advanced level, our machine building industry lags behind in many aspects such as variety, quality, complete sets and services. It is true that we have made great achievements over the past 3 decades, but the quality of many mechanical products is low, the varieties are too few, the products are mainly not in complete sets while the related services are too backward. We will neither be able to revitalize our machine building industry nor to realize the socialist modernization program unless we are determined to completely solve these problems through consolidating the foundation, upgrading standards, sparing no efforts in producing complete sets of products and stepping up services.

How do we solve these problems? My view is that we must solve the problem of backwardness of our equipment and technology. But the most important thing is to solve the backward nature of our products so as to solve the problem of adequately serving the people. Technology and equipment are means or methods, while our purpose is to manufacture good products. The principle of technological reform should be: to proceed from improvement and renewal of products through substitution, by means of reforming work processes and renewing equipment so as to reach the goal of producing high-quality products at low prices. According to the demand for products, work processes that are not reformed must be reformed and equipment that is not renewed must be renewed. If we spend a lot of money on technological reform and equipment renewal and still cannot manufacture quality products, then we are just shooting an arrow at a nonexistent target and putting the cart before the horse. Consequently, the more we carry out such technological reform, the more our country will lose.

An analysis made by the First Ministry of Machine Building showed that of the total existing mechanical products across the country, only 5 percent have the technology that equals the level of the 1970's. The amount of products with 1970's technology in Shanghai, which has a higher technical level, only makes up 10 percent while the remaining 90 percent are of the 1960's or the 1940's and the 1950's. Most of these products are characterized by poor structure, low efficiency, high consumption of energy and materials, and short life-span. For example, the "Shanghai" limousines are of poor quality and have high gasoline consumption. The car consumes 13.5 kl of gasoline per km, 4 kl more than the gasoline needed by similar cars made in West Germany. This means that the car has to consume 12,000 kl more fuel to cover a distance of 300,000 km, with 7,400 yuan in fuel costs. Our internal combustion engine consumes 10 to 20 grams more gasoline per hph than a foreign one, and if we use the annual production of the engines in Shanghai as the basis, this means that we have to consume about 60,000 tons more gasoline a year. Our thermoelectric power generating units consume 5 percent more coal than foreign ones, their quality is unstable, stoppage rate is high and regulating efficiency is low. We have to work harder before the units we produce are safe, stable and able to operate at full capacity. The average heat utility rate of our industrial boilers is 20 to 30 percent lower than that of foreign products, while the efficiency of our water pumps, air blowers and other products is 5 to 10 percent lower. Therefore, if we do not work hard to improve product quality and if we renew old equipment for backward products, we will not only be unable to realize the modernization program but will also lag further behind the world's advanced level.

The key to improving product quality is to step up research and development. We must transform old products, study and turn out new products, and study and predict the products of the new generation. In maintaining their competitiveness and in order to survive, foreign enterprises are spending a lot of money on research and development of new products. According to the Japanese Hitachi Company, if an enterprise spends 1 percent of the total sales of its commodities on research and development, this enterprise will fail. It will be able to just survive if it spends 3 percent. It will be able to compete with 5 percent and develop with 8 percent. The situation in other countries is almost the same. What about our enterprises? The research and development costs of the Shanghai electronics industry were maintained at a little more than 2 percent of the total sales in the past many years and they were increased to 6.85 percent in 1973. But this figure has continued to drop over the past few years: it dropped to a little more than 2 percent, then a little more to 1 percent and at last to below 1 percent. Over the past 20 years and more, the research and development costs for the "Shanghai" limousines have been maintained at 0.4 percent of total sales. The state has stipulated that the dozen machine building plants in Shanghai with expanded decisionmaking power can only put aside 3 percent from profit retention for production development funds. The funds are used for the nine major items, and only 8 percent are used in research and development on products. This figure is less than 0.1 percent of the total commodity sales. If this situation continues, our enterprises will not only be unable to develop new products but will also be unable to improve old products. Consequently we will not be able to solve the problem of the "fixed 20-year system" for mechanical products.

A certain amount of money is needed in stepping up research and development work in our machine building industry. If we calculate the costs of this work on the basis of 1 to 2 percent of total sales, several hundreds of millions of yuan are needed each year. Part of these costs are included in production costs. For the remainder, the industry depends on the state to set up special funds for research and development. It is understood that during the economic readjustment period our country is faced with financial difficulties. But my view is that with financial difficulties, it is even more important for us to use the limited money properly. Since we are able to allocate tens of billions of yuan each year for capital construction, why can we not allocate several hundreds of millions of yuan for research and development, which is more important than capital construction? As Marxists, we must be able to see even farther into the future and we can no longer hesitate in this matter.

Be Determined To Promote the Production of Basic Components and Basic Machinery

Comrade Zhao Ziyang said that we have to conserve our strength during the sixth 5-year plan so that we will be able to form a better foundation for further carrying out technological reform in our national economy during the seventh 5-year plan.

One of the most important tasks for our machine building industry during the sixth 5-year plan is to form a solid technical foundation.

An important reason for the low quality of our mechanical and electrical products is that our basic mechanical products and electronic components are poor in quality. Another reason is that the quality of our basic machinery is low. We have a large quantity of machinery, but it is characterized by low quality, low precision, low speed and high noise level. In particular we lack some key precision machine tools, such as digital control machine tools, and consequently we cannot produce high-precision parts. We also do not have enough precision measuring and testing apparatuses to check the quality of processing. An old saying goes that in order to attain a good result in one's work, it is necessary first of all to use good tools. It is true that with low-quality basic machinery we are still able to produce some quality products, but we cannot mass-produce them, and this is our weakest point.

Without good-quality basic components and basic machinery we will not be able to improve the quality of our mechanical products and we will lack a technical foundation for renewing the products. Therefore, we must be resolute in making use of the readjustment period and manufacture quality basic components and basic machinery so as to form a basic technical foundation. In order to improve the quality of basic machinery parts, I suggest proceeding from improving the quality of such products as hydraulic parts, sealing parts, oil inlets of oil pumps, low-voltage electrical products, bearings and gears. We must work hard to improve the reliability of our electronic products to minus 7 grade. With regard to basic machinery, I suggest producing or improving the quality of 30 types of precision machine tools and 10 types of

digital control machine tools. At the same time, we must also solve the problems of precision measuring and testing apparatus.

In order to produce improved quality basic components and basic machinery it is imperative to organize scientific and research work in a big way so as to master advanced technology. The experiences in organizing the work for mastering the advanced technology for the nine major items of equipment in the 1960's have been very good. We must proceed from the features of each product, organize organically the technical strength of scientific and research units, colleges, factories and enterprises, form technical responsibility systems and assign people who have a certain amount of decisionmaking power to be responsible for technical matters. This work must be started by studying basic theory, then studying basic materials, basic work processes and basic components. It must be started by studying advanced technology, then carrying out production, reorganizing specialization and technological reform so as to create production capability and make achievements. If we can do these tasks for several years, we will be able to form a good technical foundation.

Do a Good Job in Importing Technology and Increase Self-Reliance

Comrade Zhao Ziyang said that we must, by displaying our own advantages and through international exchanges, make up for our shortcomings and increase our self-reliance.

Over the past 2 years, the Shanghai machine building industry and electronics industry has imported a dozen small, individual technical items. The city has mainly imported individual technical items. It has also imported some major equipment and measuring and testing apparatus. There are differences between imported large and complete sets of equipment and imported small and individual technical items. First, they require less money. The average cost of the 11 items that have been put into use by Shanghai's No 1 Mechanical and Electrical Bureau is \$450,000. Second, such items can be put into operation faster. The import of such individual items of technology is carried out by making full use of the existing factories and without having to build new ones. The small items are able to begin production in 6 months to 1 year, medium-sized items in 1 to 2 years, and the bigger ones in 2 to 3 years. Third, the results are better. With such items it is possible to improve quality, save energy, decrease the consumption of materials and decrease costs, increase profits, shorten the period for the study and production of new products, promote the transformation of old products, decrease imports, expand exports, open up more channels for selling and improve the vitality of enterprises. The Shanghai No 17 Radio Factory imported from Sweden manufacturing technology and key equipment for producing diodes at a cost of \$110,000. The equipment was put into operation just 40 days after it arrived. The percentage of products up to standard increased from 75 to more than 95 and production capacity increased by 6 times. The factory also saved 80 percent on premises and 90 percent on energy. As a result, the cost of the diodes dropped from 90 cents to 50 cents. In a matter of less than 6 months, the factory was able to recover all its investment. The Pengpu Machine Building Plant was trying to manufacture

320-hp bulldozers, but it failed after 2 years of effort. It then imported technology and key parts and in a matter of 1 year began to manufacture products up to standard with sales prices 50 percent lower than foreign ones. All the products for this year have already been ordered.

In order to do a good job of importing individual items of technology, it is necessary to do a good job in division of labor so as to prevent duplication in importing technology. The most important thing is to select a good factory site. If we build a new factory without selecting a good site and without the ability to absorb technology, we will be bound to fail.

It is likely for places with a better technical foundation and stronger absorbing ability that the importation of small and individual items of technology will enable them to drastically reduce the gap between our level and the world level. But foreign capitalists are not willing to let us see their newest technology. Therefore, in order to scale the summits of technology, we must rely on our own efforts. We must oppose the idea of one-sidedly understanding the meaning of self-reliance and refusing new foreign technology; on the other hand, we must oppose the illusion of relying on the strength of foreign countries in realizing our modernization program. Modern science and technology are common results of the wisdom of mankind throughout the world, and the general law in the development of science and technology is that all countries must learn from each other's strong points and promote each other. An outstanding engineer must be good at absorbing new foreign technology so that he will save time by not starting from the beginning. He must be good at absorbing another's strong points to make up for his weak points and to improve his ability. On this basis, he must step up research and development work so as to reach the world's advanced level. In my view, this is the true self-reliance we need. With \$100 million to \$200 million a year, we will be able to import 100 to 200 individual technical items, and in one decade we will have 1,000 to 2,000 such items. On this basis, we can make thousands of such technical items by ourselves and these items will be very useful for improving the technology of our machine building industry.

Make the Machine Building Industry a Strategic Export Industry

I visited a number of machine building plants in Shanghai which produce export-oriented products. The conditions and technical level of these plants can still be improved. But I believe if we do our work seriously, the products of these plants will be able to enter the international market, while some might well surpass the general foreign level. Exports of these products is very limited at present, but I have the feeling that a single spark can start a prairie fire. Therefore, as long as we are able to do our work boldly and conscientiously, these plants will have bright prospects. But, based on some methods we are now using, we are not encouraging enterprises to spare no effort to expand their exports. On the contrary, we have covered their eyes to prevent them from understanding international market situations. Based on these methods, the more the enterprises export the more economic losses they will suffer. As a result, the workers' welfare will decline and the enterprises themselves will not be active in exporting their products. If the state regards Shanghai as a base for the export of machinery

and helps transform and support the city's machine building industry, such exports will no doubt drastically increase.

Other key coastal cities have conditions similar to Shanghai's. If these cities are encouraged to "push outward" by exporting their products, they will be able to lead the whole machine building industry to march into the international market in breadth and depth.

The development of our machine building industry depends mainly on the domestic market. But, under current international conditions, it is important to pay attention to opening up the international market. In order to realize the modernization program, our country needs enormous foreign exchange. How can we obtain foreign exchange? In the past we pinned our hopes on oil exports and now we pin them on coal exports. But at present the supply of energy in our country is tight and consequently the development of the whole economy has been limited. Is there a better way in the future besides stepping up the exploitation of oil and coal? Japan has virtually no energy resources but its economy has been developing rapidly. In the early 1950's, the Japanese saw that they had the capability to produce sewing machines and ships for the international market. This increased their self-confidence. Consequently, they developed the machine building industry as a strategic export industry and concentrated their efforts on reorganizing, reforming and revitalizing the industry. Following 10 years of effort, Japanese mechanical and electrical products dominated the international market and earned an enormous amount of foreign exchange (now about \$60 billion annually) and supported economic development. Compared with Japan in the 1950's, our machine building industry now has a greater capacity, is greater in scope and has more advanced technology. In addition, the wages of our workers are low. Therefore, our machine building industry has a certain competitiveness. If we are able to carry out technological reform and work hard for 10 years, we will no doubt be able to develop an advanced manufacturing industry, gradually expand our international market, obtain an enormous amount of foreign exchange for the state and step up our modernization program. It is more advantageous economically and technically, and easier to achieve results, to combine the advantages of resources, technology and labor power and expand processed products rather than just export resources. If several years later we are able to export 10 billion yuan of mechanical and electrical products annually, this figure will then be comparable to the export of 40 million tons of oil or 200 million tons of coal. Therefore, we have to use a certain amount of money for research-development and technological reform in our machine building industry, and these costs are much lower than those required to exploit oil and coal.

International competition will help develop the domestic market. We must make use of the motivating force of international competition to change our business thinking, improve our management, change our bad habits and laziness, improve the quality of our products, increase variety, improve our ability to produce complete sets of equipment and improve our services, so that our machine building industry will develop vigorously and our economy will develop as a whole.

Therefore, I suggest that the state must promote the machine building industry as a strategic export industry, consider the whole problem as an important task, take various effective measures, and open up a road for expanding the export of mechanical and electrical products. These tasks are of great significance in helping to accelerate our socialist modernization program.

CSO: 4004/23

COMRADE LIU SHAOQI'S CONTRIBUTIONS TO MAO ZEDONG THOUGHT--STUDYING VOLUME 1 OF THE 'SELECTED WORKS OF LIU SHAOQI'

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 29-31, 17

[Article by Shi Zongquan [4258 0112 3123]]

[Text] Volume 1 of "Selected Works of Liu Shaoqi" has come off the press. The glorious image of a great Marxist and proletarian revolutionary appears again before us. During the long years of revolutionary practice, Comrade Liu Shaoqi steadfastly persisted in applying Marxist theory to creatively solve the concrete problems of the Chinese revolution. Volume 1 of "Selected Works of Liu Shaoqi" is the product of the integration of the universal principles of Marxism with the concrete practice of the Chinese revolution as well as the scientific summing up of the rich experience of the Chinese revolution. Regardless of whether in the harsh class struggle against class enemies both at home and abroad or in the complicated struggle over principles against the erroneous line and tendencies inside the party, Comrade Liu Shaoqi always stood on the side of the correct line represented by Comrade Mao Zedong. He made enormous contributions to the formation and development of Mao Zedong Thought and to the propagation and popularization of Mao Zedong Thought.

I

At the memorial service for Comrade Liu Shaoqi, Comrade Deng Xiaoping pointed out: Comrade Liu Shaoqi was a Marxist theoretician of our party and he was good at raising practical experience to the height of theory. "He made important contributions in both practice and theory to the building of our party, to the workers' movement in our country and to party work in the White areas. The theoretical viewpoints and ideological principles he advanced in these respects crystallized the experience accumulated by the party and the people in their heroic struggle over the decades and were a component of the scientific system of Mao Zedong Thought." The valuable works written by Comrade Liu Shaoqi during the period of the democratic revolution and compiled in volume 1 of "Selected Works of Liu Shaoqi" fully testify to the correctness of his theses. Comrade Liu Shaoqi contributed to the shaping and development of Mao Zedong Thought in many ways and also made unique contributions particularly in the fields mentioned by Comrade Xiaoping above.

First, in the field of party building, Comrade Liu Shaoqi was one of the outstanding leaders of our party. Regardless of whether working in the locality or the Central Committee, he always racked his brains and devoted tremendous energy to the work of building our party into a political party of the proletariat. He laid special emphasis on the building of the guiding ideology of the party and gave priority to raising the level of Marxist theory of the whole party. He pointed out that the revolutionary spirit of fearing no sacrifice and the work spirit of hard struggle of the Chinese Communist Party is very admirable, but in guiding ideology, the understanding of Marxist theory is inadequate, and this is one of the greatest weaknesses of our party as well as the subjective reason for the repeated setbacks suffered by the revolution in the past. "As long as this weakness is overcome, the Chinese Communist Party will have every assurance of leading the Chinese revolution to total victory." Therefore, "the advocacy of theoretical study in the party has become very essential." ("Selected Works of Liu Shaoqi," Vol 1, p 220--only the page number will be given henceforth) He said that the mass line is not only a fundamental political line of the party but also an organizational line of the party and scientifically summed up the mass standpoints as: "Everything for the people, holding oneself responsible to the people, having faith in the people's ability to emancipate themselves and learning from the people." (p 354) He stressed that all the organizational work of our party must be closely integrated with the masses and that we must adopt a correct attitude toward the masses and use correct methods to lead the masses. He attached great importance to the self-cultivation of party spirit of the party members and raised party ideological construction to a new height. He pointed out: "The supremacy of the party's interests is the highest principle that must govern the thinking and actions of the members of our party." "Unhesitating readiness to sacrifice personal interests and even one's life for the party and the proletariat and for the emancipation of the nation and all mankind--this is one expression of what we usually describe as 'party spirit.'" "It is the highest expression of communist morality, of the principled nature of the party of the proletariat, and of the purest proletarian class consciousness." (pp 130, 131) He systematically summed up the historical experiences of inner-party struggle and suggested correct policies and methods for launching inner-party struggle. In the light of the leftist mistakes in inner-party struggle in history, he emphasized: "Inner-party struggles consist principally of ideological struggles." (p 179) He called for making a sharp distinction between educating the comrades who have made mistakes and struggling against the enemy. On the other hand, he also opposed the liberalist trend of giving up ideological struggle and pointed out: "Inner-party struggle is a struggle over principle," and strict self-criticism is the motive force advancing the progress of our party. (p 187) He also regarded the correct handling of the interrelations between the masses, classes, political parties and leaders as an important aspect of party building. These ideas of Liu Shaoqi's enriched Comrade Mao Zedong's theory on party building and fostered large numbers of revolutionaries and party members.

Second, Comrade Liu Shaoqi was for a long time an outstanding leader of our labor movement. He took part in the labor movement not long after he joined the revolution and displayed his revolutionary spirit of selfless heroism and

outstanding leadership ability for the emancipation of the working class. He was one of the principal leaders and organizers of the Anyuan general strike, the Shanghai 30 May movement and the Guangzhou-Hong Kong general strike which shocked the country and the whole world. He was good at integrating the political task of the party with the immediate interests of the masses and stressed that in developing political struggle, attention must be paid at the same time to economic struggle. When summing up the experiences of the labor movement during the great revolutionary period, he pointed out that under the situation of the low ebb in the revolution, the economic struggle of the masses is at the same time a political struggle, and for the sake of "conserving the forces of the working class, it is imperative to pay special attention to leading the routine economic and political struggles of the workers." (p 35) In view of the shortcoming of not paying attention to setting up basic-level organizations and not developing party organizations in the trade union during the early period of our labor movement, he not only immersed himself with work in these two fields and made outstanding achievements, but he also summed up experiences in these fields and pointed out that only by setting up "a close-knit organization can the trade union fulfill its mission." (p 7) He paid great attention to the work of raising the consciousness of the workers. When criticizing leftist errors in the labor movement, he pointed out that everybody should be prepared to go and work wherever there are people. Such ideas as paying attention to the organizational role of the trade union, showing concern for the immediate interests of the workers and raising the consciousness of the workers, energetically advocated by Comrade Liu Shaoqi during the early period of our labor movement, are still of guiding significance even today.

Third, in the field of work in the White areas, Comrade Liu Shaoqi carried out an arduous and brilliant struggle in order to formulate and maintain a correct line for work in the White areas. Comrade Liu Shaoqi carried out the most resolute resistance and corrected the adventurist and dogmatic leftist errors represented by Wang Ming. He correctly analyzed the change in the balance of class forces after the great defeat of the revolution and proposed that the work policy in the White areas should give priority to defense and not offense; should take advantage of the legal status as much as possible in carrying out work and should not refuse to take advantage of the legal status; should strictly turn the open organization of the party into a secret organization in order to go deeply among the masses, carry out long-term concealment, conserve their forces and always be prepared to send their forces to develop armed struggle in the countryside and push forward the development of the revolution. He summed up the art of leadership for the mass struggle in the White areas and proposed that the slogans, demands and forms of struggle for developing mass struggle should be acceptable to the masses and should be based on the circumstances and conditions at that time and place and on the degree of consciousness of the masses. He advocated proceeding from reality, integrating the principle of struggle against the enemy with flexibility, taking full advantage of the contradictions among the enemy and winning over temporary allies to oppose the principal enemy. These policies and tactics formulated by Comrade Liu Shaoqi, together with Comrade Zhou Enlai's ideas concerning work in the White areas, constituted the basic theoretical principles of our party with regard to work in the White areas.

This is an important aspect of the valuable experience of our party as well as an important supplement to Mao Zedong Thought.

II

Comrade Liu Shaoqi was one of our party leaders who actively propagated Mao Zedong Thought. In his report on amending the party constitution delivered at the seventh party congress, Comrade Liu Shaoqi made an extremely penetrating and comprehensive summary and exposition on behalf of the CCP Central Committee regarding the contents and characteristics of Mao Zedong Thought, which enabled the whole party for the first time to have a more systematic and thoroughgoing understanding of Mao Zedong Thought. This had a far-reaching impact on the dissemination and popularization of Mao Zedong Thought.

Comrade Liu Shaoqi's summary and exposition regarding Mao Zedong Thought stressed the following points:

First, Mao Zedong Thought is the only theory and policy for saving China. After the Opium War, China had become a semicolonial and semifeudal society. The country was in dire straits and the people were extremely impoverished. People with lofty ideals continually stepped forward in large numbers to take the place of those who fell and endured great hardship to find the principle for saving the country and the people. Such theories as the parliamentary road, national salvation through industrialization, anarchism and guild socialism were unable to solve China's problems. "Only Marxism can save China." This is the correct conclusion obtained from history. However, finding the principle is not tantamount to being able to apply the principle, because Marxism is mainly "European in form" and very little has been written on the subject of China in the works of Marx and Lenin. "Moreover, the concrete road of historical development of the Chinese society is exceptional compared with the road of historical development of the societies of various European countries." (p 222) This required the changing of Marxism from the "European form" into the "Chinese form," or applying the stand, viewpoints and methods of Marxism to creatively solve the problems of the Chinese revolution. However, this point was not understood by the erroneous leftist and rightist leadership. In particular, the erroneous leftist leadership represented by Wang Ming made Marxism into a dogma, deified the Comintern resolutions and the experience of the Soviet Union and copied them indiscriminately. This tendency almost pushed the Chinese revolution to the brink of total failure. The Chinese communists, represented by Comrade Mao Zedong, waged a resolute struggle against the leftist errors and integrated the universal principles of Marxism with the concrete practice of the Chinese revolution. This enabled Marxism to take on Chinese characteristics and gradually evolve into a scientific system of guidelines suited to conditions in China. This is precisely Mao Zedong Thought. Under the guidance of Mao Zedong Thought, the forces of the Chinese revolution grew from small to big and from weak to strong and ushered in an unprecedented situation of victory. Comrade Liu Shaoqi said: "Historical events have shown that whenever the revolution followed the leadership of Mao Zedong and his theory of the Chinese revolution, it succeeded and developed; but whenever it departed from that

leadership, it failed or had to retreat." Therefore, Mao Zedong Thought "is the only correct theory and policy to save China" and "the only correct theory and policy to guide the proletariat and all the working people of China in their fight for emancipation." (p 334)

Second, although Comrade Liu Shaoqi did not put forward the concept that Mao Zedong Thought is a crystallization of the collective wisdom of the Chinese Communist Party, he also did not regard the theory on the Chinese revolution as purely the personal thought of Comrade Mao Zedong. In 1941, he held that "some of the comrades in the party, especially those in the Central Committee, have a unified understanding of the Marxist theory and the historical development of the Chinese society." (p 220) In 1943, he again said: "The genuine Marxists in China are Comrade Mao Zedong and the many other comrades who have rallied around him. The line they have pursued and struggled for throughout the past years, and their methods of work, are, in essence, the Bolshevism of China." (p 296) In "On the Party" he said: The scientific theory on the Chinese revolution can only be "created by the representatives of the Chinese proletariat," "of whom the greatest and most outstanding is Comrade Mao Zedong." (p 333) Comrade Liu Shaoqi regarded Mao Zedong Thought as the thought of the Chinese Communist Party represented by Comrade Mao Zedong and truthfully reflected the objective process which led to the shaping and development of Mao Zedong Thought. What should be pointed out is: Not only is the shaping and development of Mao Zedong Thought a crystallization of the collective wisdom of the Chinese Communist Party, but the concept of Mao Zedong Thought also cannot be summed up as the product of any single mind. Regardless of whether it is Comrade Liu Shaoqi or other comrades, when advancing the concept of Mao Zedong Thought, they must not divorce it from the historical conditions of that time.

Third, Comrade Liu Shaoqi strongly stressed the necessity of using Mao Zedong Thought to unify the ideological understanding of the whole party and to root out all kinds of erroneous ideas, especially the influence of erroneous leftist ideas. Comrade Liu Shaoqi said: "In the course of our history we have suffered the most from errors that arose in the leadership of the revolutionary movement, which caused partial, sometimes serious, avoidable harm to the movement." (p 293) After the Yanan rectification campaign and the criticism of leftist errors represented by Wang Ming, the restoration of order out of chaos in guiding ideology could be described as initially completed. However, as the leftist errors had been dominant for a long time and had caused a great deal of harm in the party, their pernicious influence could not be rooted out within a short time. For the sake of enabling the party to make fewer mistakes and detours, it became imperative to unify the understanding of the whole party with Mao Zedong Thought. Therefore, Comrade Liu Shaoqi proposed: "The important task now is to mobilize the entire party to study and disseminate Mao Zedong's theory of the Chinese revolution, and to arm our membership and the revolutionary people with this theory, so that it may become a living, irresistible force." (p 337) Under the call made by Comrade Liu Shaoqi on behalf of the Central Committee, a movement to study Mao Zedong Thought quickly sprang up. With the whole party united under the banner of Mao Zedong Thought, a great victory was soon scored in the Chinese revolution.

Mao Zedong Thought is the correct theory for the Chinese people in carrying out revolution and construction as well as the spiritual wealth of our party. Comrade Liu Shaoqi had set a glorious example for us in adopting a correct attitude toward Mao Zedong Thought. In studying volume 1 of "Selected Works of Liu Shaoqi," we must uphold and disseminate Mao Zedong Thought with absolute sincerity in the manner of Comrade Liu Shaoqi.

CSO: 4004/23

WHAT ARE THE PROBLEMS THAT THE MARXIST THEORY OF CIRCULATION CAN HELP US SOLVE?

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 32-34

[Article in "Theoretical Study by Cadres" column by Lin Zilin [2651 1311 0500]]

[Text] Over the past year, the broad masses of cadres have achieved excellent results in their study of the Marxist theory of reproduction. This study is continuing this year. The editor of this "Theoretical Study by Cadres" column asked me to say something about the significance of this study. I talked on this subject a year ago, so I will just make a few supplementary comments here.

Although there are numerous problems in social economic life, they can all be summed up into two major problems. One is the economization of labor; the other is the proportionate distribution of labor. Both are problems that any society has to solve. According to Marxist theory, this is a common law of human social production.

When the natural economy, characterized by self-sufficiency, prevailed in human society, these two problems were solved in a simple way. For example, in a feudal manor or in a peasant family, the lord or the patriarch knew fairly well how much labor he had and how strong his production labor forces were. He had to distribute his labor for the production of his own necessities. He would plan how much grain and vegetables should be planted, how much livestock and poultry should be raised, and how much spinning and weaving should be done. He would also calculate, if he was able to save some labor from planting, raising animals, spinning and weaving, how many houses he would probably be able to build. On all these things, the lord or the patriarch could make decisions and arrangements himself.

However, with the development of the social division of labor and the exchange of products, production for the purpose of exchange, that is, commodity production developed and, over a long period of time, became the prevailing mode of production. Things are not quite the same now. The economization of labor and the proportionate distribution of labor are not as simple as in the old days; they have become rather complicated. The production of every producer must rely on social demands. Only by means of

buying and selling, or through the channel of circulation, can his products be consumed, including consumption in production and consumption by people in their daily lives. At the same time, the consumption of every producer or every common person also relies on social production. Only through the channel of circulation can he obtain the things he needs in his production and daily life. In this, circulation seems to play an important role. The economization of labor and the proportionate distribution of labor can no longer be carried out directly in the course of production. Instead, they must be accomplished by means of circulation. Take a capitalist enterprise which produces teacups as an example. The boss of this enterprise has tried all means to economize on the consumption of materialized labor and actual labor. That is to say, he has reduced the production costs. Can we say then he will certainly make a profit by selling his cups? If his cups do not meet a need, or if there are already an excessive number of this kind of cup on the market, that is to say, his production does not accord with social demands, his cups will not sell well. Then the labor devoted in the production of these cups will be wasted, and the boss will not only make no profit but might incur a loss. If the situation is different, and the cups are all sold, but some raw materials or some spare production tools for making cups are in short supply on the market, the boss cannot purchase these goods. As a result, the process of reproduction will be interrupted and the machines and the workers will stop working. The economization on labor is then out of the question.

If products of all enterprises can be sold well, and the capital goods or consumer goods needed by the capitalists and the workers are all available, the production structure of the entire society must be in conformity with the social demands, and it can be said that conditions for circulation in the entire society are favorable. Therefore, the economization of labor and the proportionate distribution of labor are not only the internal affairs of individual enterprises, but a problem concerning the reproduction and circulation of the entire society.

The Marxist theory of circulation, including the theories on cycles, turnover and reproduction, has brought to light the laws on circulation in the whole society. What he spoke of was the circulation of capital. But, disregarding the forms of capital, this law is universally applicable to any social production.

This law can help people understand how important circulation is in the course of social production and commodity production.

It can also help people understand that, in an enterprise, in order to improve economic results, not only must the consumption of materialized labor and actual labor and the consumption of funds be economized, but the products must be made to suit social demands. Thus, measures in conformity with the law of circulation of funds should be adopted to speed up turnover and to reduce the amount of capital used. In this way, the funds can play a greater role.

Furthermore, it can help people understand how the circulation of funds in all the enterprises interact by determining and conditioning each other, and how these movements interlock with each other and constitute the general movement of funds in the entire society. People will then understand how all kinds of proportionate coordination of social production function as conditions for the movement of social funds. From this, people can find some regularity in the movement, such as what balance should be kept between two major categories of social production in simple and expanded reproduction, how compensation of value should be carried out between different social products, and how goods should be exchanged.

The economization of labor and the proportionate distribution of labor, which are the most common laws in social production, take different forms during different stages in the development of human production. When commodity production is the prevailing mode of production in the society, they take the form of the law of value. People have frequently discussed the law of value and expressed various opinions on it. In my opinion, the law essentially brings out the following two points: (1) the society only recognizes average necessary labor; (2) this labor must accord with social demands. If the amount of labor put in by a producer in the course of making a product is more than the average and necessary amount, the excessive part will not be recognized by society and the producer will be operating under adverse conditions when he puts his products into exchange. Even if the amount of his labor has not exceeded the average and necessary level, but his products are of a type which has been overproduced, his labor will not be recognized in society and he is still operating under unfavorable exchange conditions. Therefore, producers are compelled to make more efforts to economize on the consumption of labor and do their best to suit their production to social demands. During the period of nonmonopoly capitalism, all this was done in a spontaneous way and was effected completely through market competition. That is what is called a typical example of regulation by market mechanism.

Commodity production is not a social economic form or a given type of production relationship. There have been many social economic forms in history, but none can be called commodity production. So we cannot distinguish or decide the nature of a social economic system from whether commodity production exists in it or not. The essential feature of capitalism is wage labor, and commodity production based on wage labor is the production of surplus value. Our socialist society still needs commodity production. However, it is not based on wage labor but on united labor. The entire united labor represented by the socialist state enables us to consciously control social production. Planning is the means of this conscious control. However, various enterprises inside this economic entirety are socialist economic units which remain relatively independent. Their products, both capital goods and consumer goods, all become commodities. When value, currency, price and funds still exist, the conscious control by the state of socialist economic activities has to be effected through commodities and currency. The form of direct labor distribution in the entire society has not yet occurred. For example, economization of labor takes the form of economizing on the consumption of funds. The distribution of labor also takes the form of the allocation of funds. In his government work report delivered to the 4th

session of the 5th NPC, Comrade Zhao Ziyang pointed out that "while upholding the planned socialist economy, we are giving scope to the supplementary role of market regulation and fully taking into account and utilizing the law of value when working out state plans." In production based on united labor, consciously applying the law of value to control the social economic activities, attaching importance to economic measures and devoting attention to utilizing economic levers can all be considered conscious applications of the law of value and all are facets of planning. This has functions that differ from market regulation. These are the manifestation of the law of economization of labor and proportionate distribution of labor in the current socialist society.

Only when we understand the law can we become conscious. Since conscious labor economization and proportionate labor distribution are necessities, research and study of the theory of circulation, including the economic theories of cycles, turnover and reproduction, are especially important.

The government work report by Premier Zhao pointed out, "The crux of the problem is to do all we can to get better economic results in areas of production, construction and circulation." The report also listed facts which show that economic results in our construction are not yet satisfactory, and analyzed the causes for this. It said, "From now on we must tackle all economic problems with better economic results as the fundamental objective, ensuring a more satisfactory sustained development of our economy." In addition, Premier Zhao held that "as far as readjustment is concerned, we should not only readjust the proportions between industry and agriculture, between light and heavy industries, and between accumulation and consumption; we should also readjust the product mix, the technological makeup, the line-up of enterprises and the organizational structure so as to rationalize the overall structure of our national economy. Therefore, economic readjustment covers a much wider range than we first envisaged. The overall restructuring of the economic management system will take an even longer period."

Economic results essentially are the economization of labor, or the achievement of higher labor efficiency. In the form of value, this is a reduction in consumption and the use of funds together with an increase in gain. Economic structure essentially means the proportionate distribution of labor which manifests itself in the form of the industrial makeup and distribution structure. As for the reform of the economic system, this involves all the areas in social life and has many related problems. If we sum these up, we can synthesize them into two major requirements: (1) to arouse the internal motive force of the socialist economy; (2) to handle the balance mechanism in the socialist economy. Their purpose is to achieve the economization of labor and the proportionate distribution of labor.

From now on, for a period of time, we will always face these problems and must properly handle them. At present, these problems are not very simple but rather complicated for us, and we have found that they involve many objective laws which we should recognize. If we can gradually understand them and properly apply them, we will certainly do a better job and solve the problems more smoothly. The Marxist theory of capital circulation can offer us theoretical guidance and help us solve these problems. That is why we should study this theory and that is also the significance of our study.

THE KEY LIES IN STRENGTHENING LEADERSHIP

Beijing RED FLAG in Chinese No 3, 1 Feb 82 p 35

[Short commentary in the "Theoretical Study by Cadres" column by Ji Xin
[4764 6580]]

[Text] The experiences of the cadres in Jiangxi Province and Guangxi's Mashan County and what they have learned in the study of reproduction theory tells us that it is very important for our cadres to study theory in the new historical period and that they can study it very well, too. The key lies in strengthening leadership of CCP committees at various levels.

Different views and attitudes have appeared since the broad masses of cadres began to study economic theory last year in accordance with the arrangement of the Propaganda Department of the CCP Central Committee. Some comrades find it difficult to understand Marx' theory of reproduction, while others still have doubts about the necessity of studying theory. We must admit that for those comrades who have a lower educational level and poor theoretical basis, it is really not so easy to study economic theory, and guidance is quite necessary for them to overcome difficulties. Nevertheless, we should not have any doubts about the importance of studying reproduction theory for the broad masses of cadres, especially those in leading positions and those who are in charge of economic work. The theory of reproduction is an important component part of Marxist political economics. It is not only an ideological weapon for understanding the law of development in capitalist society, but also an indispensable theoretical guidance for organizing and leading socialist economic construction. One of our past lessons in economic construction is one-sidedly emphasizing high speed and high accumulation and promoting a scale of capital construction which is beyond the capacity of our financial and material resources. These factors caused the serious disproportion of the national economy. At the same time, we interfered too much and were too rigid in economic management, and our actions ran counter to the objective law of economic development in many respects. All this is a result of insufficient study and understanding of the theory of reproduction. Just as a comrade who studied reproduction theory at a party school said: If we had begun our study 20 years earlier, we might not have made so many serious mistakes and had so many problems. This implies a deep understanding of our past experiences and lessons and shows, at the same time, the importance of studying the theory of reproduction.

Can we master the theory well? How many things can we learn from our study? We can find the answer in both Jiangxi and Guangxi's experiences. Of course, it takes time and energy to master the theory well. As to whether or not we can learn a lot, that depends on whether there is good guidance. Without guidance, it will be difficult to study the theory and the results will be affected. However, if the CCP committees pay enough attention, strengthen leadership and create conditions to push forward our study, the difficulties can also be overcome. This is one of the experiences in the two provinces as well.

There are many good experiences in various localities on the study of economic theory by cadres. We hope that they will sum up and exchange experiences among themselves so that the study will be pushed forward and more achievements will be scored.

CSO: 4004/23

WHAT CADRES HAVE GAINED FROM STUDYING THE THEORY OF REPRODUCTION

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 36-37

[Article in "Theoretical Study by Cadres" column by the Propaganda Department of the Jiangxi Provincial CCP Committee]

[Text] In carrying out economic theoretical study, our province has decided to conduct study sessions on the book "Study Marxist Theory of Reproduction" for 5,460 cadres at the county level and above. In 1981, 3,670 of these cadres had completed their study, while the rest are expected to basically complete their study in March of this year.

There has been a good response to the study of this book. Prior to their study, a considerable number of the cadres were not aware of the importance of studying this book. They said: "Since we are carrying out socialist construction today, why is it necessary for us to study 'Das Kapital,' which was written by Marx over 100 years ago?" "Is this not divorcing theory from reality?" In the first 5 to 7 days of their study, the participants generally found the going "rough" and they could neither understand the definitions nor grasp particular viewpoints. But, as the members of the standing committee of the provincial CCP committee took the lead in the study, they all decided to continue their study whatever the cost. Their efforts were at last rewarded. In a matter of 5 to 7 days after beginning their study, they began to understand the book, and the more they studied the more interested they became. They studied very hard. At the end of their study, they generally felt that the time was too short and they asked to have it lengthened. They came to realize that it is necessary to read classical works and that they can understand these works if they decide to study hard. They hope to be able to have more such courses in the future.

Those comrades who have completed their study and made achievements can be generalized as the following:

First, they have understood the basic principle of Marxist political economy. Many leading cadres above prefectural level in our province did not study political economy systematically, and this was their first complete reading of a classical book. They found the book to be fresh and impressive although it only contained excerpts of lengthy writings. They said that after 1 month of study, they had not only covered a classical book, but also understood

such basic economic principles as the circulation and turnover of capital, the reproduction of social gross capital and the flow of capital. In addition, through this study they were able to "link together" systematically the fragmentary knowledge they had gained through their own self-study over the years, deepened their understanding and improved their economic theoretical level.

Second, they deepened their understanding of the party's principles and policies for readjusting the national economy. Many comrades did not have enough systematic knowledge of Marxist political economy and thus failed to correctly understand the principles of readjustment, restructuring, reorganization and upgrading that has been formulated since the 3d Plenary Session of the 11th CCP Central Committee. Some were even doubtful and asked themselves, "Is this really Marxism?" Following their study, they understood that many of the principles and policies advocated by the CCP Central Committee are in line with the Marxist theory of reproduction. Some comrades said that they did not understand why the readjustment of the national economy requires such a considerable amount of time. Now they have come to understand that the general guiding ideology has caused a serious imbalance in the proportionate relations between the two big economic categories and such a situation cannot be corrected in a short period of time. Many comrades said that they now understand even more deeply the party's line, principles and policies that have been formulated since the third plenary session.

Third, they have deepened their understanding of the importance of theory and theoretical study. Because of the interference and sabotage of Lin Biao and the "gang of four," the broad masses of cadres, in the past few years, have developed many misunderstandings with regard to theory and theoretical study; they thought that "theory was useless" and consequently, they were unwilling to undertake any study. But following their study this time, many comrades have changed their understanding and attitude. They said, "It is not because theory is useless but because we did not study theory well enough." Some comrades came to know that Engels once said that "Das Kapital" was often referred to as the "bible for the working class." He also said: "We are so sorry that we failed to read 'Das Kapital' after joining the revolution and the party decades ago, and this situation cannot be justified; it must be read by the working class." Following their study, many comrades became aware of the practical significance of the Marxist theory of reproduction in realizing the modernization program. They have consequently been able to see things more correctly and they have found that they have enriched their knowledge. Many comrades have combined their theoretical study with the summing up of their experiences. They have written on their understanding of some principles that are easier to grasp, such as how to scientifically make use of funds, step up the turnover of the funds and actively tap potential in intensively expanding reproduction. They have also expanded their understanding of these questions to improve their knowledge.

Considerable achievements have been made in the study not only because of the attention paid by the party committees at various levels but also because the organization, leadership and method of study have been improved. Many

units have resorted to the method of "small centralization" in the interest of strengthening leadership and providing coaching in the study to the cadres so they can concentrate their efforts and time on study. As the time for study was too short and the participants, in general, found it difficult to read the book because of their weak foundation, many units generally resorted to the study method of combining reading with coaching and discussion. They stressed that all participants must "begin by reading original writings" and read them at least 2 to 3 times. For many cadres it has been very difficult to start their study without help from instructors. Therefore, beginning in November 1980, measures have been taken by the provincial departments down to localities to train theoretical instructors and compile and print coaching materials. Coaching is carried out by an instructor reading out loud the main passages, explaining the main points of each chapter and section in order and systematically, while the main points, difficult points and points on which there are differing views are explained in detail through basic principles. The purpose of coaching is to help understand the book, master the basic contents, and point out the direction for combining study with reality. It was also necessary to have discussions, but they could not be carried fully because of the limited time. Therefore, the participants deepened their understanding by exchanging views among themselves. In order to make greater achievements in the limited time, it was necessary to organize the discussions well.

A number of good study situations have developed for the first time because we began theoretical study in 1981. But there is room for improvement in our work and a number of problems still exist. Some regions and units still believe that it "makes no difference whether we study or not" and thus they are passive and reluctant to undertake studying. While other places and units have not even started the study. Our coaching ability is weak. Although our instructors have worked hard, they still cannot carry out their coaching task well. The provincial CCP committee has decided to restore its lecturer group and strengthen the coaching ability so as to create better conditions for cadres in their study. Some units have failed to handle well the relations between political study and theoretical study, which has slowed the pace of the study. All these problems must be overcome and the study situation improved.

CSO: 4004/23

EVEN LEADING CADRES OF COUNTIES AND COMMUNES CAN MASTER THE THEORY OF REPRODUCTION

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 37-38

[Article in the "Theoretical Study by Cadres" column by the Theoretical Education Office under the Propaganda Department of the Guangxi Zhuang Autonomous Region CCP Committee]

[Text] The Mashan County CCP Committee organized three study courses on the Marxist theory of reproduction in the county party school from mid-May to the end of September 1981. Participating in the courses were 108 cadres at the level and above of county department and bureau directors and senior leading cadres of people's communes. After the courses were concluded, the participants said that they had made achievements in their study, and these are mainly shown in the following:

First, they have deepened their understanding of the principle of national economic readjustment. Prior to their study, some cadres, particularly the comrades from the industrial and communications system, did not really understand the significance of the readjustment, or they felt that it was necessary to readjust the national economy but they could not tell why. Following their study, they came to understand that not only must the two major categories develop in balance, the inner relations of these categories must also develop harmoniously and that if they are out of balance, they will consequently hinder the smooth development of social reproduction. The director of the county finance office said: "Carrying out production is just carrying things with a shoulder pole: if one end of the pole is heavy and the other end is light, we will not be able to walk. In the past, we stressed the importance of primarily developing heavy industry to such an extent that we spoiled the balance of the two major categories; such a practice runs counter to the Marxist theory of reproduction. If we do not readjust the proportionate relations among various departments, we will continue to cause enormous waste in our economic construction." Some factories and mines that had to be closed down refused to do so; but after gaining an understanding of the above-mentioned principles, they fairly cheerfully complied with the decision of the county.

Second, they have further paid attention to economic results. A deputy secretary of the county CCP committee did not really understand the importance of

improving economic results, which is necessary for guaranteeing smooth reproduction. Therefore, in building the "five-small" industry, he neglected economic results and developed the industry blindly. When production could not be carried out normally, he was at a loss as to the reason. Following his study of the theory of reproduction, he has deepened his understanding of developing the economy through low investments with high economic results. He also came to understand that the core of the previous problem was that he did not pay enough attention to economic results. Thanks to their study, the comrades from the county forestry department understood that a reason for their loss was that the proportion of their fixed assets was too high, with idle funds amounting to as much as 250,000 yuan. When they finished their study and returned to their unit, these comrades rapidly readjusted the assets. The director of the county's light industrial bureau further understood that flows of funds will help promote production and, therefore, he became more active in smoothing channels for the flow of goods and in promoting the development of production. When he was solving the problem of serious overstocking in a county winery, he carried out deep investigations and found that, following measures taken by the commercial department to change the method of unified purchasing and fixed sales quotas, the winery leadership did not pay attention to smoothing out channels for the flow of products. He then helped the winery to sell its products and solved the problem of production being divorced from sales. In 1981, this winery overfulfilled yearly production quotas.

Third, they have deepened their confidence in the leadership of the CCP Central Committee and the State Council. Prior to their study, some comrades misunderstood the road for a Chinese-style modernization program that has been put forth by the CCP Central Committee and the State Council. But, following their study, these comrades understood that under the influence of the "leftist" guiding ideology prior to the 3d Plenary Session of the 11th CCP Central Committee, many policies and measures ran counter to the Marxist theory of reproduction to enhance national economic imbalance. They have now come to understand that the principles and policies put forth by the CCP Central Committee and the State Council for economic work are in line with the Marxist theory of reproduction and our national conditions. They said with confidence that it is true that with the current principles and policies the pace of the current development will be slowed, but if we are able to continue to implement these principles and policies, our economy will develop faster once our economic work is carried out smoothly.

The study courses in the theory of reproduction held by the Mashan County CCP Committee has made better achievements thanks to the hard study of the participants. In addition, there are two other reasons for the achievements.

Primarily, the county CCP committee has paid much attention to and strengthened its concrete leadership. Senior leading cadres in the county joined the courses in turn and they took timely measures to solve the concrete problems in the course of the study, such as providing additional expenditures for the party school and drawing up lists of the leading members that were to take part in each term of study so as to guarantee that the courses would be carried out according to plan.

In addition, the teaching was carried out by proceeding from reality. The cadres from the county CCP committee understood that most participants have a low theoretical level and that it was, therefore, difficult for them to read the original works. Therefore they used three articles in the study of the Marxist theory of reproduction as the main teaching materials. In addition, comrades from the propaganda department and party school also compiled some reference materials for the participants while instruction was given to help them overcome stumbling blocks. The comrades from the county CCP committee also led others to combine their study with their past experiences and lessons in economic construction, with the party's principles and policies and with the measures that have been issued and taken since the 3d Plenary Session of the 11th CCP Central Committee and with the economic work of their own units. This method has proved very effective. The participants said that in the beginning of their study, some expressions and concepts were strange to them, but when they deepened their study, they found that many of the concepts were not difficult to understand. They said that the more they studied, the more useful they felt the roles of these concepts to be and the more interested they became in the study.

CSO: 4004/23

WHY MUST THERE BE A CEILING ON THE ISSUING OF BONUSES?

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 39-40

[Article by Fu Rong [5958 2837]]

[Text] As bonuses are payment for extra work, the amount issued is decided by the amount of extra work, and no restriction on issuing them in the first place is necessary. But there must be some preconditions to ensure that the bonuses are actually rewards for extra work. One of these important conditions is that work quotas should be reasonable and progressive. They should be standards that most people can attain or surpass through efforts within a given period of time. This means that only some of the workers can overfulfill their quotas and the amount of their overfulfillment is not large. There should only be a few who can overfulfill their quotas by a wide margin. They are the advanced elements and generally those who are inventive and can carry out technological renovation. If most people can overfulfill their quotas by a wide margin without effort, this only indicates that the work quotas are set at unreasonably low levels and should be revised. When work quotas are reasonable and progressive, the number of people who can do extra work and the amount of extra work they do are certain to be limited, and thus bonuses are also limited. However, at present, administrative systems in many enterprises have not yet been perfected. Particularly, there are still a large number of problems in quota controls. In some enterprises, no work quotas have been set. Extra work in these enterprises often does not reflect the true situation, and the amount of bonuses issued is much greater than the actual amount of extra work. In order to make bonuses really reflect extra work and to eliminate the excessive issuing of bonuses, first of all, the control of work quotas should be handled well. Before this problem is solved well, it is necessary to limit the issuance of bonuses.

The measures for implementing the economic responsibility system in enterprises, linking bonuses with profits of an enterprise and reserving bonus funds from profits proportionally, are conducive to overcoming egalitarianism. However, since the people-owned economy is a single entity, in a given period, the state has to make overall planning for the amount of funds which can be used for issuing bonuses according to the existing level of social production and productivity growth. That portion of an enterprise's income reserved for itself cannot be excessively large and the portion for individuals cannot grow too fast. Otherwise, the state's financial revenues

will be adversely affected, thus reducing the sources of state accumulation, slowing down state construction and industrial and agricultural production, and in turn adversely affecting the improvement of workers' livelihood. Since 1980, the nationwide bonus growth rate has exceeded the growth rate of production, productivity and profits. This state of affairs must be remedied. Particularly in the current period of national economic readjustment, for the sake of overcoming the state's financial difficulties and rapidly improving the national economy, the state cannot be expected to spend more money to improve the people's livelihood. It was proceeding from this overall situation that limits to the amount of bonuses issued were placed on the enterprises. It was in the fundamental interests of the broad masses of workers. Some comrades felt that only their enterprises had gained more profits, thus demanding that more bonuses be issued. This showed that they lacked an overall point of view.

Wages and bonuses constitute the monetary income of workers and also the social purchasing power. A balance should be maintained between social purchasing power and the available supply of social commodities. If purchasing power grows too fast and the growth of commodities supply cannot keep pace, commodity price hikes will result. In order to avoid this phenomenon, the growth of social purchasing power should be in line with the coordination of state plans. Restricting the issuance of bonuses is one of the ways in which state planning can adjust consumption. Bonus funds do not take the form of bonuses which are paid out to the individuals once and for all. Bonus funds can be turned into reserve funds, which can be used to make up for some future shortages of bonus funds and can also be turned into welfare funds. This will be conducive to reducing the pressure of individual purchasing power on the markets and at the same time will benefit the workers.

When a ceiling on the issuing of bonuses is set, this does not mean that all the enterprises should issue bonuses up to the maximum set by the ceiling, still less does it mean that all the workers can get their bonuses under the same standard. It is correct to issue bonuses in enterprises which are managed and operated well, but poorly managed enterprises should issue fewer bonuses or even stop issuing bonuses. As for the bonuses issued to the individual workers, it is necessary to control them within the limits and to issue the bonuses exactly according to extra work. So long as ideological and political work is strengthened, and the principle of distribution according to work is effectively implemented, the limited bonuses can surely play a greater role.

CSO: 4004/23

IS IT IN CONFORMITY WITH THE PRINCIPLE OF DISTRIBUTION ACCORDING TO WORK TO CONSIDER ALL SIDES WHEN ISSUING BONUSES?

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 40-41

[Article by Zong Han [1350 1383]]

[Text] Whether an enterprise draws bonus funds and the amount of these funds depend on how much above-quota labor it can offer to society after fulfilling the state plan. If it can overfulfill the state plan and provide extra labor, it can have bonus funds; otherwise, no bonus funds are available. Within an enterprise, things are the same. The availability and amount of a bonus for a worker depend on the amount of his above-quota labor. The more above-quota labor he provides, the greater the bonus he can get; but if he does not provide any above-quota labor, he gets no bonus.

Then, why should the interests of related enterprises be considered when bonuses are reserved by an enterprise and issued to its workers? The main reason lies in the fact that the above-quota profits of an enterprise, although they embody above-quota labor, are not created merely by the workers in this enterprise alone. There are many factors which can affect the profits of an enterprise. They include the following:

At present, prices of some products in our country are not reasonable. Prices of some products are higher than their real value, resulting in comparatively high profit rates. Other products are in a reverse situation; their low prices lead to low profit rates or even losses. For example, the profit rate of power industry funds in our country is about 13 percent, while the profit rate of coal industry funds is only 2 percent. In 1978, the production cost for raw coal under unified distribution was 16.34 yuan per ton, but its selling price was only 15.96 yuan. This resulted in a loss of 1.67 yuan per ton after taxes were deducted. After ex-mine coal prices were increased by an average of 5 yuan per ton in 1979, two-thirds of the coal mines still continued to incur losses. Owing to the low price of coal, power stations can reap a profit of 34-51 yuan with the consumption of 1 ton of coal. The profit rate of power industry funds is high, but that of the coal industry is low. Some coal mines even incur losses. Does this mean that the workers in the power industry have supplied above-quota labor and that this corresponds to the profit rate in this industry, or that the workers in the coal industry have not supplied any above-quota labor or have not

even fulfilled their quotas? It is not correct to draw such conclusions. The large gap between the profit rates of these industries is caused to a great extent by the price factor. Owing to the low price of coal, the value created by the coal workers, including that part created by their above-quota labor, has been transferred to and realized by those coal-consuming enterprises. A similar state of affairs exists in the production of other products. Therefore, when bonuses are reserved and distributed in those enterprises which have gained higher profits owing to the low prices of their raw materials and fuel and to the high prices of their products, they should not just consider how much above-quota profit they have made. Instead, they should also consider where this above-quota profit comes from. That is to say, consideration should be given to those enterprises which have actually contributed above-quota labor but which, because their prices are unreasonable, have made low profits. Only in this way can the principle of distribution according to work be implemented well; without this mutual consideration, the principle will be violated.

Enterprises differ greatly from each other in the aspects of geographic position, equipment and degree of coordination. In raw materials industries and the mining industry, natural conditions (reserves of natural resources, their grades and the degrees of difficulty in exploitation) also differ greatly. Enterprises that are well-equipped, well-located, close to sources of raw materials and have good natural conditions can generally make higher profits with the same amount of labor than those under comparatively adverse conditions. But the objective conditions are not entirely determined by the enterprises themselves. Above-quota profits made by enterprises which have favorable conditions do not always indicate that the workers there have supplied equivalent above-quota labor. On the other hand, above-quota labor in those enterprises, the conditions of which are worse, sometimes reaps no superprofits. Take, for example, two chemical plants, one with advanced equipment and in which, on average, each worker can utilize fixed assets of 30,000-40,000 yuan; and the other, poorly equipped with an average fixed assets utilization by each worker of less than 10,000 yuan. With equipment of different technical levels, workers will create different amounts of use value while putting in the same amount of labor. In other words, unit products with different production costs but sold at the same price will result in different profits and above-quota profits for the enterprises. Our enterprises are socialist enterprises. Generally, the equipment in the enterprises is provided by state investment. That is to say, the objective conditions with which those well-equipped enterprises can make above-quota profits are mainly created by the state and all the workers of the society. In addition, at present there are still no fixed capital utilization taxes or resource disparity taxes imposed on enterprises in our country. Therefore, above-quota profits of an enterprise do not exactly reflect the amount of above-quota labor supplied by workers of the enterprise. Thus it is necessary to take those enterprises which are poorly equipped but which have supplied extra labor into consideration when bonuses are drawn and issued. Mutual consideration should also be given in cases where natural conditions and other external objective conditions differ between the enterprises. This is in conformity with the principle of distribution according to work.

When we encourage people to consider all sides when issuing bonuses, we should also prevent that kind of egalitarianism in which bonuses of all enterprises are made the same. If enterprises have provided the society with different amounts of above-quota labor, it is absolutely reasonable for certain variations to exist when bonuses are drawn and issued among them.

CSO: 4004/23

THE 320TH ANNIVERSARY OF THE RECOVERY OF TAIWAN BY ZHENG CHENGGONG

Beijing RED FLAG in Chinese No 3, 1 Feb 82 p 41

[Historical data by Li Hong [2621 1347]]

[Text] This year 1 February marks the 320th anniversary of the successful expulsion of Dutch aggressors and the recovery of Taiwan by Zheng Chenggong, an outstanding national hero in Chinese history.

Taiwan has been an inalienable part of China from time immemorial. However, it was forcibly seized and occupied by the Dutch aggressors in 1624 (the fourth year of the Tianqi period during the reign of Emperor Xi Zong of the Ming Dynasty). The Dutch aggressors exercised brutal colonial rule over the island and plunged the local people into the abyss of suffering. With a view to driving away the Dutch aggressors and recovering the treasure island of Taiwan, Zheng Chenggong set off from Liaoluo Bay on Jinmen Island with an army of 25,000 men on 21 April 1661. After passing Penghu Island and surmounting numerous difficulties at sea, they victoriously hit the beach in southern Taiwan on the morning of 30 April. On the same day, with the positive support and help rendered by the local people, Zheng Chenggong swiftly foiled the stubborn resistance put up by the Dutch aggressors both at sea and on land and immediately laid siege to the important stronghold of Kanchien city (today's Tainan), forcing the city's commanding officer to surrender. After this, Zheng Chenggong laid siege to another stronghold called Taiwan city (today's Anping) while proceeding to recover other lost territories. Tei Kokukyo, the Dutch-appointed viceroy of Taiwan, tried to lure Zheng Chenggong into abandoning his determination to recover Taiwan with the promise of tribute and money. However, Zheng Chenggong said: "Taiwan has been run by the Chinese people since ancient times. It is a Chinese territory although it has been occupied by your country all these years. Now I have come to claim it back and the land should belong to me." This shows his determination to recover the territory of his motherland and reflects the glorious tradition of the Chinese people in resisting foreign aggression and safeguarding national sovereignty. After fighting valiantly for 9 months, Tei Kokukyo was forced to surrender on 1 February 1662 due to the lack of reinforcements. Thus, Taiwan, which was occupied by the Dutch aggressors for as long as 38 years, was finally returned to the embrace of the motherland.

The recovery of Taiwan by Zheng Chenggong goes down in the annals of Chinese history as a brilliant victory in the struggle against aggression. It is of great historic significance. Today, we must continue to carry forward Zheng Chenggong's patriotic spirit and strive to bring about the return of Taiwan to the motherland and fulfill the great cause of reunifying the motherland.

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WHAT SHOULD BE OUR ATTITUDE TOWARD THE PARTY'S MAKING MISTAKES?

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 42-45

[Article by Li Mingsan [2621 2494 0005] and Guo Dehong [6753 1795 1347]]

[Text] Guiding the Chinese people in carrying out socialist revolution and socialist construction over the past 32 years, our party has scored remarkable achievements and at the same time, it has made mistakes, particularly mistakes such as the "Great Cultural Revolution" which has had a long-term and overall significance. How to correctly view our party's committing mistakes has become a very important question. By means of studying the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted at the sixth plenary session, the broad masses of party members, cadres and people have been educated and encouraged to adopt a positive approach to help the party sum up historical lessons and be united to struggle for realizing the four modernizations. However, some comrades hold a different attitude. Whenever they see that the party has made mistakes, they begin to lose their confidence in the party's ability to lead the people to construct a strong and prosperous state and even spread the passive attitude of waning confidence among the people. Some of them even go as far as to exaggerate the party's mistakes and allege that they manifest the main trend of the party's work. There are some others who willingly vilify the party, claiming that it has made mistakes in order to shake off party leadership. These questions are worth great attention, and we should seriously deal with them.

Marxism tells us that it is unavoidable for any individual or any political party to make mistakes. There has never been a political party which is free from mistakes. Whether a political party is great, glorious and correct does not depend on whether or not it has made mistakes but on what mistakes it has made and what attitude it has taken toward the mistakes. In other words, we must first make clear the nature of the mistakes. In a broad sense, there are two kinds: First there are those which people make in propelling history forward and which are correctable. Second there are those which people make in achieving their reactionary goal to prevent history from advancing, and which are irremediable. In order to safeguard their own reactionary rule, the exploiting class rulers in successive dynasties, when trying to put the clock back, opposed the people by every means. Their mistakes were irremediable and they were bound to be destroyed. The mistakes which our party made

are completely different from theirs. As ours are the ones which emerged in the course of advancing and probing, they can be corrected as soon as they are found. It is very important to classify mistakes by their nature. In talking about Luxemburg's shortcomings and mistakes, Lenin quoted a fable by Krylov which pointed out that an eagle sometimes flies even lower than a chicken, whereas a chicken can never fly as high as an eagle. Lu Xun also said: "A fighter with shortcomings remains a fighter, while a perfect fly is after all nothing more than a fly." ("Collected Works of Lu Xun," Vol 3, p 30) All these metaphors can be applied to the case of our party as well. Being an old man who has witnessed the rise and fall of several dynasties and has rich experience, Hu Juewen, vice chairman of the Standing Committee of the National People's Congress, talked about the mistakes of our party in the light of his own experiences obtained in both the old and new societies. He said: "There is no doubt that the CCP and the people's government have made mistakes; however, compared with what the rulers of old China had done, the nature of their respective mistakes cannot be mentioned in the same breath. What especially gratifies, moves and inspires us is that the CCP and the people's government, after having summed up and taken lessons from past experiences, distinguished right from wrong in their guiding ideology, are taking a more and more conscientious attitude toward the shortcomings and mistakes emerging in the course of work." His is an objective and fair appraisal.

In the second place, we must make clear whether the mistakes were the principal or secondary aspect of our party's work. If on the whole, what a party has not done are not good deeds but has made mistakes and it has brought not welfare but catastrophes to the state and the people, of course it can hardly be called great, glorious and correct. Nevertheless, the mistakes which our party made were only in the secondary and minor aspect of its work, and the great achievements that our party made during the period of democratic revolution are extensively recognized all over the world. Although we have made quite a few mistakes during the last 32 years since the founding of the PRC, the achievements we have made were the principal aspect of our work. We have successfully eliminated the system of exploitation, established the socialist system and thus completed the most profound and greatest social change in our country's history. From the shambles left by old China, we have built up step by step an independent and relatively complete industrial system and national economic system. In 1980, the total industrial output value increased by 34.7 times and the total output of grain increased by 1.8 times over 1949. Although we carried out a large-scale economic readjustment in 1981 and also suffered from serious natural disasters, the total industrial output value still increased by 4 percent over the previous year. Last year's grain production was the second highest since the founding of the PRC. Although our country's population is close to 1 billion, and our cultivated land amounts to only 7 percent of the world total, we have still managed basically to guarantee the food and clothing needs of a population which is close to one-quarter of the world's total relying entirely on our own strength. We must say, this is a really amazing achievement. We have also made great developments in the fields of education, science, culture, public health, physical culture and sports and so on. Our achievements in scientific fields such as nuclear technology, satellites and carrier rockets, and

so on have in particular drawn the world's attention. These are not only miracles in our country's history but also in the world's history. Undoubtedly, these achievements are primary; and in contrast to them, the mistakes which our party made are after all secondary.

In the third place, we must make clear what attitude our party has taken toward the mistakes. Lenin said: "The attitude of a political party toward its own mistakes is one of the most important and surest ways of judging how earnest the party is and how it fulfills in practice its obligations toward its class and the toiling masses. Frankly admitting a mistake, ascertaining the reasons for it and thoroughly discussing the means of correcting it--that is the earmark of a serious party." ("Selected Works of Lenin," Vol 4, p 213) Always taking a practical and realistic attitude toward its mistakes, our party never covers up facts or evades problems. It dares to expose itself and is brave and active in correcting its mistakes. Back in the period of the war of resistance against Japanese invaders, our party mobilized the masses, ranging from high-ranking cadres to all party members, to take part in the rectification movement which thoroughly cleared away the prevailing influence of leftist doctrinairism. This rectification movement, which laid down an ideological foundation for the victory of the war of resistance against Japan and the war of liberation, has always been commended inside and outside the party and this time, in redressing the leftist mistakes made before and during the "Great Cultural Revolution," our party has not only mobilized the whole party but has also extensively and thoroughly mobilized hundreds of millions of people to engage in exposure and criticism. This is an unprecedented undertaking in the history of the international communist movement. This is an action which shows our party's strong sense of responsibility to the people's cause and its firm confidence in its own strength and in the future of the socialist cause which it leads. Only a party which is armed with Marxism-Leninism-Mao Zedong Thought and which represents the fundamental interests of the people can take such an action.

Of course, it was really distressing to see our party make mistakes and thus bring about serious damages to the revolutionary cause and great misfortunes to itself and the people. But the mistakes taught the party and the people. In talking about the mistakes of the "Great Cultural Revolution," Comrade Zhao Ziyang said that from a certain point of view, if there had not been a "Great Cultural Revolution" in which all extremist practices were promoted, we would not have been awakened as thoroughly as we are today, we would not have reexamined all the problems since 1957 and could not have been as liberal as we are today for a long time to come. It is in experiencing mistakes and setbacks that we have managed to become coolheaded and more mature; and it is through the practice of correcting mistakes that we have become firmer and stronger. This has been proved by facts. Doubting the party or even trying to get rid of the party's leadership just because the party has made mistakes is not only wrong but will also bring about more serious mistakes. Comrade Hu Qiaomu pointed out: "The party's leading body did make mistakes but nobody is allowed to use this as a pretext to weaken, cast off or destroy the party's leadership, since doing so will only lead to terrible catastrophe."

Since our party has made mistakes, will it still be able to undertake the important task of leading the people in building a prosperous and powerful socialist country? In our opinion, this problem is not a theoretical one but rather a practical one. Since the third plenary session, our party has taken a series of resolute and correct measures to redress the mistakes, and thus brought about an excellent situation unprecedented in the last 20 years. This fully proves that our party is absolutely up to its task.

In terms of guiding ideology, leftist mistakes have brought about the most serious damage to the socialist cause since the founding of the PRC. Our party is very determined to redress this mistake and has devoted much effort to this. Because the "leftist" mistakes have been dominant for a rather long period--in particular, the longstanding personality cult of Comrade Mao Zedong and the doctrinaire habit of blindly copying certain speeches of Marx, Lenin and Comrade Mao Zedong; which enabled the "leftist" guiding ideology to dominate the whole party and go deep into every domain--a number of people made "leftist" thinking a criteria in judging the situation and in taking action; and thought that this thinking conformed with Marxism-Leninism-Mao Zedong Thought. Since the smashing of the Jiang Qing counterrevolutionary clique, many comrades inside the party have strongly called for the redress of such "leftist" mistakes. However, as the "two whatevers" were put forward and upheld, the "leftist" mistakes have continued to exert influence. This shows that it is not an easy task to redress the "leftist" mistake. In a certain sense, it is even more arduous and difficult than the task of redressing the leftist adventurism of Wang Ming in the past. As the representative of the people's fundamental interests, our party will never be overwhelmed by any difficulty. From painful lessons our party has learned the truth that it and the country will not make any progress and the socialist cause is likely to be destroyed, if the "leftist" mistakes are not redressed. Therefore, the party has devoted much effort to redressing its own mistakes. The general guiding principle of emancipating the mind, using one's brains, taking a practical and realistic attitude and uniting to strive for the future, was established at the third plenary session. It enabled the party to comprehensively redress its own mistakes, carry forward and further develop the scientific system of Mao Zedong Thought, restore the original face of Mao Zedong Thought and thus reestablish the party's ideological guideline on a scientific basis of dialectic materialism. At the same time, the party has accordingly readjusted and changed all the past evaluations of situations, theories and points of view, political slogans, guiding principles and policies which did not conform with objective reality. It has also revised and made, based on Marxism, a new and correct explanation and some decisions which conform with the objective reality for all important and new problems emerging in the realms of politics, economy, culture, social life and so on. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" has made in particular a comprehensive, practical, realistic and scientific analysis of the "leftist" mistakes, thus fulfilling the party's historical task of setting to rights things which have been thrown into disorder in the realm of guiding ideology. It has thus established a correct road, which conforms with our national conditions, to construct a powerful socialist country. All these facts show that our party is one which is not only earnest in correcting mistakes but also adept at learning lessons from mistakes.

The main reason our party could successfully fulfill such an arduous task is that it possesses a strong central leading group which guarantees the implementation of the correct Marxist line adopted since the third plenary session. The existing leading core of the CCP Central Committee has been shaped since the third plenary session. In this group, we have some proletarian revolutionaries of the older generation who have stood the test in the long-time revolutionary struggle and are enjoying a good reputation. With rich and overall experiences in all fields of politics, economy, culture, military and so on, they are the mainstay which ensures the smooth implementation of the process of setting to rights things which have been thrown into disorder, as well as the success of the cause of the party and the people. In this group, we also have those comrades who are in the prime of life and possess rich practical experience. They have made important contributions in restoring and reestablishing the party's ideological and political lines, in reversing unjust, false and wrong verdicts, in carrying out the party's policies, in promoting the national economy and so on. Working together, all these comrades can help each other and complement each other. The high sense of responsibility to the people which they have shown in collectively handling major issues has set a good example for leading organizations at all levels. Therefore, it can be seen that the present leadership group of the CCP Central Committee has become more energetic and has improved its ideology, work style and so on, as compared with the past. It is now a strong and united leadership group. Comrade Tan Zhenlin, proletarian revolutionary of the older generation, said: The profound changes in various fields since the third plenary session are enough to show that "the present leading core of the CCP Central Committee is a strong leadership group which is absolutely trustworthy." This is a very appropriate appraisal. Under the leadership of this CCP Central Committee, we will be able to redress our mistakes; and we can be certain that we will overcome all difficulties and thus lead our socialist cause from one victory to another despite tremendous obstacles in the course ahead. As pointed out by Comrade Deng Xiaoping: "We will be able to concentrate the strength of the whole party or even the strength of the whole country to accomplish marvelous deeds so long as our party's leadership remains correct."

The history of modern China has shown that only the CCP can redeem the people from untold miseries, lead them to overthrow the three big mountains and win independence, freedom and liberation. Without the CCP, there would be no new China. This is a conclusion drawn from history. Now the history of the last 32 years shows once again that without the CCP, there will be no modernized socialist China. The party can hardly avoid mistakes in exercising leadership. However, in closely uniting with the people, it can surely redress mistakes and successfully lead the people throughout the country to turn our homeland into a prosperous and powerful socialist country. Therefore, there is nothing to worry about, and there is no reason for us to lose our confidence.

In the eyes of some other comrades, the CCP still has certain defects, such as the existence of unhealthy trends. They are worried about whether a party like this can properly lead the socialist construction. It is true that certain unhealthy trends, some of which are serious, exist among some of our

party members and cadres who practice bureaucracy, seek personal privileges, make use of the power which the people grant them in seeking private interests. Unhealthy trends like these are a kind of corrosive. They can corrupt our cadres, party members and the party, destroy the flesh-and-blood ties between the party and the people, go against the fundamental interests of the people, deprive the party of combat strength and endanger the construction of the four modernizations. It is completely understandable that the broad masses of the people are discontented with such a situation. However, it should be noted that the situation did not arise from mistakes in the party's guiding ideology but from problems existing among some party members and cadres. We can be certain that the party will be able to redress the unhealthy trends existing among these party members and cadres since it has dauntlessly admitted and corrected its mistakes in guiding ideology. We should have a correct understanding of these unhealthy trends existing inside our party.

First, numerous historical facts have proved that most of our party's cadres are good or relatively good and completely trustworthy. Those cadres who are contaminated by unhealthy trends represent only a small part. If this is not our appraisal and understanding of the situation, we will not be able to understand the reason why the party managed to redress its mistakes and win the support of the masses of the people in the last few years, and we will be puzzled in witnessing the rapid favorable turn of the situation and the splendid achievements in the fields of politics, economy, culture and so on.

Second, unhealthy trends such as bureaucracy, seeking personal privileges and private interests, and so on are expressions of the old society's ideologies which serve the exploiting system. They certainly have to be overcome and eliminated under the socialist system. However, there are still some old elements left over from the past which keep exerting an influence on the people since the socialist system is a new one with a short history. After our party seized political power, a change occurred in certain people's thinking. They forgot or even discarded the party's fine tradition and work style and adored and contracted bad habits of the old society. Due to the evil practices of the Lin Biao and Jiang Qing cliques, the remnants of feudalism, the bourgeois thinking, anarchism and out-and-out egoism were on the upsurge during the 10 years of turbulence, and thus the thinking of a number of party members and cadres was seriously corroded. All these unhealthy trends are, Marx put it, the "vestiges" of the old society. They will eventually be overcome by the highly developed material and spiritual civilizations which are to be established in our country.

Third, the CCP is the vanguard of the proletariat and a party which serves the people wholeheartedly without seeking any private interests. This characteristic determines the party's resolute attitude in opposing privileges, bureaucracy and various unhealthy tendencies. Our party never praises, supports and appeases the small number of people inside the party who are contaminated by unhealthy trends, but unremittingly criticizes and educates them. As pointed out by Comrade Hu Yaobang, "various evil things exist at present and will remain for quite a long period of time in the future in the socialist society. There is nothing unfathomable about this. However, the

socialist society cannot tolerate the roots of trouble left by the old society. Our party always claims that we will struggle against those wrong, evil practices and unhealthy trends by mobilizing and depending on the broad masses of the people." While a great number of problems are waiting to be handled since the smashing of the "gang of four," our party has listed right away the rectification of the party's work style as a priority item on the agenda. We have established discipline inspection commissions at all levels from central to local, worked out and promulgated the "Guiding Principles for Inner-Party Political Life," set some necessary regulations governing the living conditions of high-ranking cadres, disclosed, criticized and seriously handled some cases of severely unhealthy trends, of which only a few have been published in newspapers. Recently, our party also put forth the task of resolutely simplifying the leading organs of the party and state at all levels and overcoming bureaucracy, so as to bring about within this year a favorable trend of decisive importance toward improvement of the party's work style. All these facts show that our party is conscientiously redressing the unhealthy trends, just as one removes dirt from a healthy body. Being relatively impetuous, some comrades are itching to redress all unhealthy trends overnight. Their desire is fine but impractical. We need to go through a whole process to clear away all vestiges of several thousand years. As long as we strive unremittingly and persistently with one heart and one mind and give full play to tenacious combat spirit, we will surely be able to cure the persistent sequelae derived from the old society.

Lenin said: "If we are not afraid of admitting our mistakes, not afraid of making repeated efforts to rectify them--we shall reach the very summit." ("Collected Works of Lenin," Vol 33, p 182) In view of this, it is very wrong to spread words casting doubt on the party, and thus undermining confidence in the party's leadership, under the pretext that the party has made mistakes and there are still unhealthy trends in the party. The only right attitude a revolutionary should take is to treat the party's mistakes and shortcomings just as Lenin did.

CSO: 4004/23

SOVIET EXPANSION IN SOUTHEAST ASIA

Beijing RED FLAG in Chinese No 3, 1 Feb 82 pp 46-48

[Article by Sun Fusheng [1327 4395 3932]]

[Text] Southeast Asia is an important area in the global strategy of the Soviet hegemonists.

This is, first of all, determined by the strategic importance of the geographic situation of this area. The Southeast Asia area consists of two major parts: the Indochinese Peninsula and the Malay Archipelago. It covers a vast stretch of the sea spanning both the Pacific and the Indian Oceans, encompassing more than 12,000 islands, big and small. China lies to its north, and India to its west, and Japan, Australia and the U.S. bases in the Pacific stretch across the seas. Its situation in the oceans makes it imperative for the Soviet hegemonists to establish for themselves a "bow-shaped navigation line" in the east that links the Mediterranean, the Red Sea, the Indian Ocean, the southwest Pacific, the Sea of Japan and the three continents of Europe, Asia and Africa, if the Soviet navy wants to enter the Indian Ocean and the Mediterranean to scramble for supremacy with the United States. The establishment and control of this navigation line will not only link their Black Sea Fleet with their Pacific Fleet and enable them to support one another, but will also enable the Soviet hegemonists to close up the channel through which the U.S. Pacific Fleet enters the Indian Ocean, reduce the strength of the United States in the Far East and threaten China from the seas. Moreover, the establishment and control of this navigation line will enable them to cut off the transportation line between the Far East and Australia and between the Far East and Europe, and thus seriously threaten the United States and Japan and economically stifle Japan, which relies on foreign trade for its survival. The situation of mainland Southeast Asia will enable the Soviet Union to coordinate activities in this area with its expansionary activities in northeast Asia, central Asia and the subcontinent of India and to set up anti-China bases in the areas to the south and southwest of China, if the Soviet Union controls the Indochinese Peninsula.

Second, there are abundant natural resources in Southeast Asia. For example, more than half of the tin reserves in the world are located there, and about 85 percent of the natural rubber in the world is produced there. In the land and sea areas of Southeast Asia there are also rich sources of important

strategic materials such as oil and natural gas. For the Soviet Union, the Southeast Asia area is not only a important source from which it grabs strategic materials, but also an important latent market.

Third, most of the Southeast Asian countries did not achieve their independence until after World War II. They are economically poor and backward and they urgently want to develop their national economies. Politically, because of the protracted colonial rule and oppression, there is a relatively strong nationalist feeling in most of them. Besides, they are all faced with problems of varying degrees of complexity relating to nationalities, religions and borders, and that originate from their history. For Soviet hegemonists who are carrying out expansionary activities in the guise of "anticolonialism" and "socialism," these problems are something they can take advantage of.

From the mid-1950's to the late 1960's, the Soviet policies in Southeast Asia were aimed at establishing a foothold there. For this, it tried every trick to stretch its antenna into this traditional sphere of the Western colonialists' influence by exploiting the conflicts between the new and old colonialists and the Southeast Asian countries and people and by focusing its penetration activities on a few selected districts under the banner of "supporting the national liberation movement" and "opposing imperialism and colonialism."

From the late 1960's to the mid-1970's, the Soviet Union took the opportunity of the U.S. predicament in the Indochina war and hastened to increase its strength. Along with the growth of its military and economic strength, the Soviet Union fiercely scrambled with the United States throughout the world and thus started its all-round expansion in Southeast Asia.

Politically, the Soviet Union put forth the proposal for establishing the so-called "collective security system in Asia." It vainly hopes to incorporate not only Southeast Asia but the whole of Asia into its sphere of influence. But the Southeast Asian countries have given a cold response. The five ASEAN countries, furthermore, proposed to set up a peaceful, free and neutral Southeast Asia area that would be free from external intervention in order to counter the Soviet proposal. At the same time, the Soviet Union has been vigorously intensifying its penetration in Vietnam. During the Khrushchev period, the Soviet Union adopted a "noninterference" policy toward Vietnam's national salvation war of resistance against the United States, and refused to give any support. On the contrary, it continuously put pressure on Vietnam, for fear that the aggravation of the war in Vietnam would lead to direct conflicts between the Soviet Union and the United States and make it impossible for Khrushchev to carry out the policies he was craving at that time of "Soviet-U.S. cooperation" in ruling over the world. When Brezhnev came to power, he saw the advantage in interfering in Vietnam. He changed Khrushchev's policy and gave "aid" to Vietnam in order to exert a greater influence in Vietnam, foster the pro-Soviet clique and use the Vietnam problem as something to barter in its contention for hegemony with the United States. According to statistics, by the end of 1975, the Soviet Union had staked more than \$5 billion in Vietnam.

Militarily, despite the "awesome" strength of the Soviet Pacific Fleet in the eyes of American Navy specialists, this fleet can only perch in two easily vulnerable bases (Vladivostok and Petropavlovsk). Therefore, the Soviet Union urgently wants to find bases in the Southeast Asian sea area. Its activities are focused on "internationalizing" the Strait of Malacca and on seeking to establish navy bases in Southeast Asia to berth its warships and to install equipment for supplying and repairing its warships.

Economically, besides intensifying its trade activities, the Soviet Union was characterized, in this period, by attempts to make more use of the form of setting up joint venture enterprises and transnational companies. Taking the opportunity of the situation whereby the Southeast Asian countries suffered from the monopoly over maritime trade by European and American shipping companies because of their lack of shipping enterprises of their own, the Soviet Union made a breakthrough in the shipping business and set up a "Singapore-Soviet shipping company," "Philippine-Soviet joint shipping company" and the "Thai-Singapore-Soviet shipping company." It was not a casual occurrence that the Soviet Union worked hard to seize a part of the shipping business in Southeast Asian countries. On the contrary, this was closely related with the maritime expansion of the Soviet Union. The Singapore branch of the Moscow People's Bank, the most important Soviet transnational company in Southeast Asia, tried every means to conduct economic penetration in Southeast Asian countries. It gave loans to some enterprises there and then put them under its control by compelling them to repay the loans. It also supplied loans to speculators there and helped them create confusion in the market there.

The Soviet Union has sent a large number of spies in the guise of diplomats, reporters and sailors to steal information, foster pro-Soviet elements and carry out other illegal activities. According to the information disclosed by the relevant departments in Thailand, more than half of the 80-plus Soviet officials who work in the Soviet Embassy in Bangkok and in the Economic and Social Commission for Asia and the Pacific of the United Nations are spies of the KGB and the military intelligence agency.

Since the end of the war in Indochina in 1975, Soviet expansion in Southeast Asia has entered a new stage. Under the new situation, the Soviet Union's policies in Southeast Asia have been aimed primarily at taking advantage of the readjustment and further reduction of the strength of the United States in Southeast Asia and by a single stroke filling the "vacuum" and supplanting the United States. Its strategy has been to use Vietnam as its Cuba in Asia. It exploits the regional hegemonist ambition of the Vietnamese authorities, supports Vietnam to piece together the so-called "federation of Indochina" and regards this measure as an important step in its expansion throughout Southeast Asia.

First, the Soviet Union continues to increase its economic investment there. It has given a huge amount of "aid" totaling 2.5 billion rubles for Vietnam's 1976-1980 economic development plan. In 1975 and 1976 the two sides signed trade payment and technical assistance agreements in which the Soviet Union planned to "help Vietnam in the construction" of 40 new projects and increase

the total value of trade by 50 percent. According to statistics, the total trade between the Soviet Union and Vietnam amounted to 200 million rubles in 1975, but it increased by leaps and bounds later and jumped to more than 610 million rubles in 1980. In July 1981 the two sides signed the economic and technical agreement for the period 1981-1985 which stipulates that the Soviet Union should provide "aid" for Vietnam's more than 100 industrial projects. Thus, the Soviet Union has made Vietnam economically dependent on it to a serious extent.

Second, the Soviet Union has been making great efforts to rein in, control and use the Le Duan Vietnamese clique as its "firm outpost in Southeast Asia." It has unconditionally supported Vietnam in raising unreasonable territorial claims to China's Xisha and Nansha Islands, cruelly persecuting and expelling the Overseas Chinese in Vietnam and conducting various regional hegemonist activities in Indochina. In June 1978 the Soviet Union took Vietnam into the COMECON, and in November the two sides signed a "treaty of friendship and cooperation" that was, in essence, a treaty of military alliance. Thus it has tightly bound Vietnam to the chariot of the Soviet hegemonists' expansion. At the instigation and with the support of the Soviet Union, Vietnam compelled Laos to sign the "Vietnam-Laos treaty of friendship and cooperation" and the "border treaty" in 1977, thus establishing the so-called "special relations" between the two countries, and it launched large-scale military aggression against Kampuchea in 1978, occupied Phnom Penh in 1979 and set up a puppet regime there.

Third, through Vietnam, the Soviet Union has demonstrated its military strength in the Indochinese area on a large scale. Since 1980, the Soviet Union, under the pretext of "aid," has continuously sent arms and military equipment, the average daily value of which has amounted to more than \$3 million, into Vietnam. It has equipped the Vietnamese Army and Navy with Soviet-made bombers, fighter planes, "Petya" class escort vessels and other warships. At the same time, a large number of Soviet military advisers and specialists have poured into Vietnam. Their number now totals more than 10,000, and they control the Vietnamese Army, Navy and Air Force. The Soviet Union is speeding up its establishment of military bases in Indochina. As was reported, the former American large-scale, modern military bases in Vietnam, such as Cam Ranh Bay and Danang, have now become Soviet naval bases. Moreover, the Soviet Union has built a navy base in Kompong Som, Kampuchea and a series of radar stations, electronic reconnaissance installations and ground-to-air missile bases along the coastal areas and the Sino-Vietnamese border areas in Vietnam and in many places in Laos and Kampuchea. Because it has obtained military bases in the three Indochinese countries, the Soviet Union has greatly increased its military strength in the Pacific and Indian Oceans. This has made it possible to push its Pacific Fleet 2,000 nautical miles further south and expand the area of its activities to the Gulf of Thailand. Soviet long-range reconnaissance planes and intelligence ships of various types have been collecting information on a large scale in the Southeast Asian sea area, using Vietnam as their base.

The fact that a Soviet military force has entered Southeast Asia on a large scale has greatly worried the countries there as well as intensified its

threat to the United States, Japan and other countries. If the Soviet Union launches an attack from its bases in Vietnam, it can immediately cut off the vital channel that connects the two oceans and is vital to the United States and Japan. Thus, it can establish strategic supremacy over the United States in the entire "dumbbell-shaped area" from the Persian Gulf in the Indian Ocean to the Pacific Ocean.

Fourth, the Soviet Union continues to collude with Vietnam in its international activities. They are striving to legalize their aggression against Kampuchea and are trying every political and diplomatic means to give a legitimate appearance to the puppet regime in Kampuchea. For example, at the United Nations General Assembly sessions, the Soviet representative has time and again tried to deprive Democratic Kampuchea of its legitimate seat in the United Nations and attempted in vain to force the seating of the representative of the Kampuchean puppet regime in the United Nations. Brezhnev even personally "invited" the head of the Kampuchean puppet regime to visit Moscow in order to raise the regime's prestige in the world and to give it a legitimate appearance. However, because of the opposition of the countries in the world that uphold justice, and especially of the ASEAN countries, the United Nations has not only consented to Democratic Kampuchea's retention of its legitimate seat, but has also passed one resolution after another demanding the withdrawal of the Vietnamese Army from Kampuchea.

The Soviet Union, seeing that the attitude of the ASEAN countries is of key importance if the Soviet Union and Vietnam are to change their isolated position in the world caused by the Kampuchean problem, has tried hard to persuade the ASEAN countries to get over the "misunderstanding caused by the Kampuchean clash." It has asked the ASEAN countries to hold talks with Vietnam and promises that if only ASEAN recognizes the Kampuchean puppet regime, all the problems troubling the ASEAN countries, such as those related to the Vietnamese refugees and the "security" in Southeast Asia, will be "readily solved." This hypocritical attitude of the Soviet Union has been exposed and denounced by the ASEAN countries.

The expansion in Southeast Asia of the Soviet Union and Vietnam in collusion has further revealed the hegemonist nature of the Soviet Union to the world's people and made the Soviet Union even more isolated in the world. The heroic Kampuchean people have persisted in their patriotic armed struggle and have placed the Soviet and Vietnamese hegemonists in a more and more difficult predicament and in a more and more passive political position. At the initiation of the active efforts of the ASEAN countries, the United Nations passed a resolution to hold an international meeting on the Kampuchean problem in the summer of 1981, which was to be attended by dozens of countries. During the meeting the correct demand for the withdrawal of the Vietnamese Army was again passed. In October 1981, the UN General Assembly approved the report by the international meeting on the Kampuchean problem with an overwhelming majority and reiterated its resolution, demanding the complete withdrawal of Vietnamese troops from Kampuchea.

The development of the situation in Southeast Asia at present is very unfavorable for both the Soviet and the Vietnamese hegemonists. But we should

not fail to see clearly that the Soviet Union will never be easily compelled to change its expansionary policies in Southeast Asia. In September 1981 Brezhnev held secret talks with the so-called heads of the three Indochinese countries in the Crimea and drew up the new strategy of continuously holding "dialogues" with ASEAN, "softening the attitude" of the ASEAN countries, demoralizing and dividing them. The people of the Southeast Asian countries and people throughout the world have to persistently carry on a blow-for-blow struggle to stop the Soviet hegemonists' expansion in Southeast Asia and throughout the world so as to safeguard peace in Southeast Asia and in the entire world.

CSO: 4004/23

IT IS NECESSARY TO CONSTANTLY AND CONSCIOUSLY STUDY COMRADE MAO ZEDONG'S
SCIENTIFIC WRITINGS

Beijing RED FLAG in Chinese No 3, 1 Feb 82 inside back cover

[Article by Chen Zhongbang [7115 0022 6721] of PLA Unit 35201]

[Text] The "resolution" passed by the 6th Plenary Session of the 11th CCP Central Committee points out: "Mao Zedong Thought is the invaluable spiritual wealth of our party, and it will guide our action for a long time to come." Therefore, it is very important to constantly and consciously study Comrade Mao Zedong's scientific writings. But in the recent past a number of places and units did not pay attention to the study of political theory; in particular, there has been the tendency of paying no attention to the study of Comrade Mao Zedong's works. Not long ago, our unit carried out investigations on studying in the army and the results were that most units and individuals basically have not studied Comrade Mao Zedong's works in the past few years. As a consequence, we feel this is a weak link in political theory education, that is, not to actively encourage the study of Comrade Mao Zedong's scientific works.

We found from our investigations that there are several reasons for this situation. First, our young cadres at various levels and most fighters do not really understand the great contributions and achievements of Comrade Mao Zedong and the scientific system of Mao Zedong Thought, nor do they really understand the importance and necessity of studying Comrade Mao Zedong's scientific works. Second, some comrades cannot differentiate between Mao Zedong Thought and the mistakes made by Comrade Mao Zedong in his later years; they do not know what they should be studying. This occurrence has been one of the main reasons for there being an unwillingness or fear to study. Third, some units and individuals have mixed up the good atmosphere and the good method in the mass study of Comrade Mao Zedong's works with the absurd theory, formalism and pragmatism that were peddled by Lin Biao and the "gang of four" and consequently, they have completely denied the initiative of the masses. Fourth, the leadership of some units and political organizations are worried and doubtful and they have taken a wait-and-see attitude. Therefore, they have neither taken the lead in study nor conscientiously analyzed and solved various misunderstandings among the masses by organizing study sessions.

In order to change this situation and restore the good atmosphere in the study of Comrade Mao Zedong's works, we suggest that it is necessary first of all to study the "resolution," fully understand the historical contributions and achievements made by Comrade Mao Zedong and the scientific value of Mao Zedong Thought and understand that Comrade Mao Zedong's scientific writings were, are and will continue to become invaluable spiritual wealth in our study and inheritance, so as to unify our thinking on the basis of the conclusion of the "resolution." This is the basic premise and ideological foundation for studying well Comrade Mao Zedong's scientific writings. In addition, it is necessary to continue to eradicate the influences of the "left" and other wrong ideas in our study and practice, further restore order theoretically and draw a distinction between Mao Zedong Thought and the mistakes he made in his later years. We must overcome the trend of unwillingness to study Comrade Mao Zedong's scientific writings because he made mistakes in his later years; we must also overcome the tendency of adopting his wrong views and denying that his views in his later years were wrong and subsequently continuing to hold such views. That is to say, we must study correctly. The leadership and political organizations at various levels must correctly understand and analyze the study situations in their respective units. They must understand that some comrades are disgusted with study and are passive because of the influence of wrong ideas; but at the same time they must also understand that many comrades respect Comrade Mao Zedong and are aware of the great role of Mao Zedong Thought and consequently, they have a desire to study. With such an understanding, the various leadership and political organizations will have the courage to advocate study and organize various army units to study well. We must correctly sum up experiences and draw lessons from our study in the past, persist in the principle of giving guidance so as to basically improve the consciousness of the masses in their study. It is necessary to work out practical planning, take concrete and effective measures, sum up experiences in time, constantly improve the method of study and raise the study level. A key question for consciously carrying out this study to attain certain achievements is that the leadership at various levels must take the lead in the study. Therefore, the leadership at various levels must strive so that they will become pace setters in the study and use of the stand, viewpoint and method of Mao Zedong Thought in guiding all of their work.

We believe that so long as we are able to consciously study well the "resolution" and actively lead and organize well the study of Comrade Mao Zedong's scientific writings, we will be able to build a good study atmosphere and Mao Zedong Thought will be handed down generation to generation to steadily guide our cause on the correct road.

CSO: 4004/23

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