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22 April 1983

China Report

RED FLAG

No. 5, 1 March 1983

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

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'HONGQI' ON ADHERENCE TO ADAPTATION OF MARXISM

HK300607 Beijing HONGQI in Chinese No 5, 1 Mar 83 pp 2-8

[Article by HONGQI editorial department: "Advance Along the Marxist Road"]

[Text]

I

On 14 March 1883, the day a century ago when Marx passed away Engels, in a letter to W. Liebknecht, wrote: "This genius no longer nurtures the proletarian movement of the two hemispheres with his vigorous mind. We owe what we have today to him. All achievements attained in the current movement should be attributed to his theoretical and practical activities for, without him, we would still be lingering in the dark." ("Complete Works of Marx and Engels," vol 35, p 457) Now, the Chinese people are commemorating the great teacher of the proletariat, Marx, with a feeling of great reverence. The theory and practice of Marx, like a beacon in a gloomy night, illuminates the road to liberation for the proletariat and laboring people the world over as well as the Chinese people.

Marxism, with Marx as its chief founder, is a complete scientific and theoretical system. The materialist conception of history he founded brought to light the general law governing the development of human history. The theory of surplus value he founded brought to light the specific law of motion governing the capitalist society. On the basis of these two great discoveries, Marx turned utopian into scientific socialism, that is, he scientifically proved that capitalism is doomed and will inevitably make the transition to communism, in which the phenomenon of exploitation of man by man no longer exists. Marx discovered the social force for realizing the social transformation, the modern proletariat, and called on "the workers of all countries to unite" and accomplish their great historical mission.

Marx was not only a "great master of science" but "first and foremost a revolutionary." He closely integrated these two all his life. From the 1840's, he actively participated in and led the international workers' revolutionary movement and devoted himself to the cause of liberation of the proletariat and the oppressed nations. In the course of his revolutionary activity and theoretical creation, Marx scorned the desperate persecution by the reactionary forces and endured extremely poor working conditions.

He perseveringly and unswervingly fought for communism all his life, bending his back to the task until his dying day. Both in theory and practice, Marx bequeathed to the proletariat and working people the world over an inexhaustible, valuable legacy.

Over the past century, the history of the world has developed in precisely the direction pointed out by Marx. Under the banner of Marxism, the communist movement has developed from a movement of a small number of people to one with an extensive mass character and from one chiefly limited to Western Europe to a worldwide movement. Now, the socialist system, as an initial stage of the communist society, has been established in a number of countries. Under the influence, promotion and support of the world workers' movement and the socialist countries, nearly 100 countries in Asia, Africa and Latin America have cast off the yoke of colonialism and won independence. The Chinese people have an especially fond feeling for Marxism. Beginning from the Opium War of 1840, the outstanding sons and daughters of the Chinese nation advanced wave upon wave, seeking the truth to save the nation and people. It was not until the October Revolution that they succeeded in finding Marxism and integrating it with the reality in China. The Chinese revolution thus took on an entirely new look and the dark China was gradually transformed into a bright China. The history over the past century since the death of Marx is one in which Marxism has continuously won successes and developed. Wherever Marxism is spread and grasped by the people, earth-shaking changes take place. This is an objective truth which has been repeatedly proved by the historical facts of the past century.

The thinking and theory of Marx constitute the greatest achievement in the history of human ideology. There has never been a theory in the world which possesses such might to bring about radical changes in the situation as Marxism. Isn't this so? We may well ask: Were the philosophies of ancient Greek and Rome comparable to it? Was the Renaissance of the 14th-16th centuries comparable to it? No. Undoubtedly, the advanced ideas of different times in human history made their own historical contributions to history. Their rational elements have been absorbed by Marxism and are still radiating with light today. However, as theories, they are incomparable to Marxism either in character, content, depth or extent. As for some theories or ideological schools that sprang up before and after the founding of Marxism, most of them lasted briefly and became things of the past in no time, forgotten by people. Marxism, and only Marxism, lasts long and always keeps young. In the past century and more, the name of Marx has sounded everywhere, from Europe to the Americas and from the capitalist countries to the colonial and semicolonial countries. All reactionaries look upon Marx as a sworn enemy and do their utmost to oppose him. The revolutionary people of various countries, however, loyally look upon Marx as a teacher and rally under the banner of his thinking.

II

Marxism has played a decisive role in changing the political and social outlook of the 20th century. This is a hard fact. However, some people hold that Marxism "was suitable only to the conditions in the mid-1900's" and that with respect to the 20th century, particularly after World War II,

it is unsuitable and "outmoded." They said: Since World War II, in the developed capitalist countries, production has developed speedily, the livelihood of the people has improved, "the demarcation line between labor and capital has tended to disappear," the great majority of the working class "has merged" with the existing system and the capitalist system has injected a new "life force" so that we cannot get rid of its crisis and "be prosperous forever." They hold that the Marxist theory on the contradiction between labor and capital in capitalist society has become invalid and that the thesis that capitalism is doomed is untenable. All genuine Marxists should face up to this problem and give a reply.

True, the production of the capitalist countries speedily developed for a certain period of time after World War II. However, this phenomenon could not negate the Marxist analysis of capitalism. Marxism holds that productive forces are the most revolutionary and active factor of the modes of production. They always forge ahead. In the long process of social production, people constantly improve tools, accumulate labor experience and raise labor skill, thus raising productive forces to a new level. Even when the relations of production no longer suit the nature of productive forces, and in the long process during which the old relations of production have not been replaced by the new ones, it does not mean that productive forces no longer develop or come to a standstill. As is known to all, Lenin brought into full light the decadent and moribund nature of capitalism when it develops to the stage of imperialism; at the same time, Lenin also told people that "it would be a mistake to believe that this tendency to decay precludes the rapid growth of capitalism" ("Selected Works of Lenin," vol 2, p 842). Marxism holds that due to various factors, there is nothing strange about the economic development of capitalist countries since World War II. However, this development has in one way shaken the basic Marxist analysis of capitalism. Facts prove that the basic contradiction of capitalism as revealed by Marx, that is, the contradiction between the mass character of production and the private ownership of the means of production, not only still exists but also becomes more acute.

1. The development of capitalism since World War II has not removed economic crisis. Since the end of World War II, that is, in the 37 years between 1945 and 1982, five worldwide economic crises have occurred in major capitalist countries. The current economic crisis is the most serious and profound since the war. It has lasted for more than 3 years and is still lingering at the bottom of the valley. The frequent occurrence of the periodic economic crisis is the concentrated expression of the basic contradiction within capitalism. As long as the capitalist system exists, the social pestilence which brings disaster to entire production and worker's life cannot be prevented or cured. Over the years, in an effort to extricate themselves from the crisis, the Western capitalist countries have adopted numerous measures. However, by treating the symptoms instead of the disease, they have attended to one thing and lost sight of another. Keynesism has failed to work properly; monetarists and supply-siders are also unable to offer any "good recipes." Bourgeois politicians and economists exclaimed pathetically: The capitalist world has entered a time of hesitation, groping and depression" and the West now has a crisis of political economics but does not possess the political economics to remedy the crisis.

2. The status of the working class as wage slaves has not changed. Since World War II, the material life of the working class in the developed capitalist countries has indeed improved to some extent: their salary has increased to some extent; durable consumer goods have increased; some capitalist countries have implemented social welfare measures, such as unemployment relief and social security, and they even recruit some workers in the management of enterprises. However, wage workers are still wage workers and capitalists are still capitalists. The demarcation line between them has not disappeared and they have not merged into one. Marx pointed out: "A larger part of the workers' surplus-product, always increasing and continually transformed into additional capital, comes back to them in the shape of means of payment, so that they can extend the circle of their enjoyments; can make some additions to their consumption-fund of clothes, furniture, etc., and can put by small reserve-funds of money. But better clothing, food and treatment, and a bigger wage do nothing to eliminate the exploitation of the slave; and the same applies to the wage-worker. A rise in the price of labor, as a consequence of accumulation of capital, only means, in fact, that the length and weight of the golden chain the wage-worker has already forged for himself, allow for relaxation of its tension." ("Complete Works of Marx and Engels," vol 23, pp 677-678) The situation today is still the same. Let us set aside the high taxation, commodity prices and rent which leave the workers little money after deducting various expenses from their salary; and set aside the misfortune of being dismissed, which always threatens the employed workers so that they live in fear; let us take, for example, the fact that the livelihood of the workers has indeed attained certain improvement. This has been achieved with the price of intensifying the exploitation degree of the working class. From 1948-1977, the rate of surplus value rose from 236.7 to 280.9 percent in the United States. From 1950-1975, the rate of surplus value rose from 181.4 to 260 percent in West Germany. It is not hard to see that the contradiction between labor and capital not only continues to exist but becomes more acute. This basic contradiction is still the axis on which the entire social relations of capitalism revolve. The working class will never be content with the status of being wage slaves. They are still the grave diggers of capitalism and founders of socialism and communism. Sooner or later, they will perform and accomplish their historical mission. There is not the slightest doubt about this.

3. The capitalist countries are in the grip of social crisis. Every capitalist country has its own insurmountable dark side and irremediable social evils. Various ugly phenomena, such as putting profit-making first, benefitting oneself at the expense of others, trying to do each other harm, practicing the law of the jungle, lacking spiritual ballast, degenerating, raping, looting and committing homicide, are common occurrences which emerge one after another. In the capitalist countries, neither ordinary people nor millionaires have a sense of security. These serious social problems are an expression of the decadence and decline of the capitalist system. A professor of the Massachusetts College of Science and Engineering said: "Now, even

some conservative Americans find it very difficult to see the superiority of the capitalist system," and "in the United States, a multitude of moral, social and economic issues remain unsolved." His conclusion was: "The United States should take the road of socialism."

More than 70 years ago, Lenin pointed out: "Only for a very short time could people, and then only the most short-sighted, think of refashioning the foundations of Marx' theory under the influence of a few years of industrial boom and prosperity." ("Selected Works of Lenin," vol 2, p 5) After World War I, a short period of prosperity emerged in the capitalist countries and the bourgeoisie and its scholars asserted that Ford had replaced Marx, but before long, the grave crisis of 1929-1933 blew their illusions to smithereens! Today, Marx basic analysis of capitalism is not outmoded. We should like to ask: At the present stage, which capitalist country, no matter what great changes it has undergone, can solve the contradiction between mass social production and capitalist private ownership, the contradiction between the organizational character of production in some individual enterprises and the anarchy of the entire social production and the antagonism between the working class and the bourgeoisie? Facts show that capitalism is unable to solve any of these contradictions and antagonisms. Only Marxism can give a scientific reply to the various issues which bewilder the contemporary capitalist world and point out the road to solving these issues. Marxism is still our powerful weapon for correctly understanding contemporary capitalism.

The inevitable doom of capitalism as revealed by Marx is a general trend independent of man's will. It is a trend that cannot be reversed. The capitalist social system has died out in some areas of the world; it is beset with difficulties in other areas. Naturally, the "inevitable doom" of capitalism does not mean that it will die out immediately. In judging the emergence and destruction of a social form, it is necessary to have an historical perspective. In the long river of human history, several decades and even a century are only a short time. Some people exaggerate the development and prosperity which capitalism enjoyed for 10-20 years after World War II, negate the inevitability of socialism replacing capitalism and preach the rational and eternal nature of capitalism. This is not a scientific viewpoint but the "biased mentality" of the bourgeoisie.

Naturally, we in no way hold that Marx exhausted the study and analysis of capitalism. As a matter of fact, Lenin greatly developed Marx' understanding of capitalism. Since Lenin, Marxists all over the world still continue to deepen the understanding of capitalism. The capitalist society is the most complicated social form in human history. Just as Lenin said, even if there had been 70 Marxes, they would have been unable to grasp the sum total of its complex changes. However, Marx brought to light the essence of capitalism and grasped its chief points, thus clearly showing the orientation to people so that they would not be confused by the myriad changes of capitalism. History will not be at a standstill and theories will also constantly develop. It should be acknowledged that we have not conducted

sufficient study of contemporary capitalism. According to the fundamental Marxist viewpoint, it is an unshirkable duty of contemporary Marxists to study the new phenomena of contemporary capitalism, analyze the new features of class struggle which the proletariat wage against the bourgeoisie, and seek various specific paths to socialism which conform to contemporary conditions.

III

The fact that the theories of scientific socialism have become a living reality in a number of countries constitutes a tremendous victory and development of Marxism. However, almost all countries which have completed socialist revolution and are engaging in socialist construction have taken a roundabout path, and are confronted with various difficulties or problems. Our socialist cause has also suffered serious setbacks. The "great leap forward," and particularly the "Cultural Revolution," greatly infringed upon the interests of the people. There is a viewpoint which holds that this shows that socialism is unworkable and that there is a crisis of Marxism. This is an erroneous viewpoint.

We all know that the establishment and development of any new social system in history, whether a feudal or a capitalist society, go through several centuries, full of war, turmoil, progress and retrogression. The replacement of the capitalist society by the socialist society constitutes the most thorough-going and profound transformation in human history. How can we imagine that it will be smooth in its development, without tossing and turning? Lenin pointed out: "It is undialectical, unscientific and theoretically wrong to regard the course of world history as smooth and always in a forward direction, without occasional gigantic leaps back." ("Selected Works of Lenin," vol 2, p 851) This is universal truth. In the course of its development, socialism is bound to meet with various setbacks and reversals. This [phrase indistinct] of the theoretical question of scientific socialism.

Marx put forth the basic principles of socialist construction, but he did not and could not give a detailed exposition of or provide readymade answers to the question of how socialist construction was to be carried out in various countries. That the victories of socialism were first achieved in relatively backward countries was what Marx failed to foresee. Therefore, in carrying out socialist construction in these countries, the communists there are more urgently required to carry out independent exploration in accordance with the Marxist stand, viewpoints and methods and in the light of the reality there. In exploration, there are inevitably errors and setbacks. This will certainly cause losses. Of course, we should do our best to avoid errors and setbacks; but it is impossible to completely avoid them. In this sense, we can say that twists and turns in the development of socialism are phenomena that conform to the laws.

In the more than 30 years since the founding of the PRC, our country has committed errors and undergone setbacks, but has also scored tremendously great achievements in all fields. This is a fact seen and acknowledged by

all. We have consolidated the state power of the people's democratic dictatorship and realized the reunification of the whole country, except Taiwan and a few islands around it, and the great unity of the people of all nationalities throughout the country. We have defeated the aggression, sabotage and armed provocation of imperialists and hegemonists and safeguarded the security and independence of the state. We have consolidated and developed the ascendancy of socialist public ownership, established a relatively integrated system of industries and national economy and to a great extent developed our economic, educational, scientific, cultural, medical and other undertakings. We have basically solved the problems of feeding and clothing our 1 billion people and markedly improved their material and cultural life. Our country's economy is still relatively backward, but the speed of our economic development in the past 30 and more years has not only by far exceeded that of the old China, but has also been considered very quick compared with countries in the capitalist world. Practice has fully proved that socialist system is superior to capitalist, as well as semifeudal and semicolonial, social systems. Since the 3d Plenary Session of the 11th CPC Central Committee, due to new principles and policies suited to our national conditions, the superiority of the socialist system has been more vigorously given play to and displayed. Compared with the capitalist world that is entangled in a global economic crisis, our country enjoys a uniquely fine situation. Does this not provide most convincing evidence of the superiority of the socialist system?

The development of socialism has undergone and will continue to undergo twists and turns, but this can never be the basis for drawing the conclusion that Marxism is in a "crisis." Why? Because they are two completely different questions and we can never confuse them. We cannot deny that there have been crises in our socialist cause. During the 10 years of internal disorder, Lin Biao and Jiang Qing counterrevolutionary cliques put our country in an abyss of disaster. Was this not a crisis? Undoubtedly, it was a very serious crisis. However, what did this have to do with Marxism? The crisis was precisely the outcome of their opposition and violation of Marxism. Of course, besides the sabotage of Lin Biao and Jiang Qing counterrevolutionary cliques, mistakes in the guiding ideology of our party were also one of the causes that gave rise to the decade of internal disorder. However, after all, these mistakes ran counter to Marxism. Moreover, how did we overcome and end this serious crisis? Everybody knows that this was the result of the struggle against and victory over Lin Biao and the "gang of four" by the Chinese communists and broad masses of people armed with Marxism. This fact is certain and without any doubt: the undermining and violation of Marxism caused that crisis, while the restoration of the adherence to Marxism put an end to it. Marxism not only has nothing to do with any crisis, but is also a weapon for overcoming crises. How can Marxism be confused with the "Marxism" distorted by the Lin Biao and Jiang Qing counterrevolutionary cliques? How can Marxism be blamed for

the twists and turns in the course of the development of socialism? How can these twists and turns be depicted as "crises" of Marxism? Marxism is a science and a truth. The issue is how this science and truth is to continue to develop. How can this lead to any "crisis?" If some people have wavered in their belief in Marxism and have undergone a crisis of belief, that is their personal problem. What does it have to do with Marxism? Comrade Mao Zedong said, "Taught by mistakes and setbacks, we have become wiser and handle our affairs better." ("Selected Works of Mao Zedong," vol 4, p 1417) This means that when we suffer setbacks, as long as we can conscientiously analyze the causes of the setbacks, sum up our experiences and draw lessons from them, we will be able to more satisfactorily master Marxism and continuously promote the progress of the revolutionary cause. This is the only correct attitude of a revolutionary toward setbacks.

Only Marxism can save China and only socialism can save China. This is an indisputable historical conclusion that the Chinese people have drawn from their own experiences in the past more than 60 years. Along with the realization of the great historical change in bringing order out of chaos and along with the victorious progress of socialism on all fronts, those who wavered in their belief in Marxism have already changed or will change their erroneous ideas and thoughts and become enlightened. An enthusiastic rush for learning Marxism is in great vogue among youths and the broad ranks of cadres and masses. Marxism shines with boundless radiance and communism has boundless prospects. "The world in the future will certainly be a world of red banners!" This is a law of social development that cannot be changed by human will.

IV

Marxism is an invincible banner. The temporary prosperity in capitalist countries cannot prove that Marxism is "outdated," nor can the temporary setbacks in socialist countries be regarded as "crises" of Marxism. Any doubt about or denial of the correctness of Marxism is wrong. Commemorating Marx and always forging ahead along the Marxist path is our steadfast will and belief.

Forging ahead along the Marxist path does not mean that we should copy every word and conclusion of Marx. It has been 100 years since Marx died. We can never hope that Marx could give any readymade answers to all the questions facing us at present. As Engels told us long ago: It is a "misunderstanding" to think that "people can find in Marx' writings unchangeable, readymade and permanently applicable definitions." ("Collected Works of Marx and Engels," vol 25, p 17) During the 100 years, tremendous changes have taken place in science, technology and politics and many aspects of these changes were impossible for Marx to have foreseen. Therefore, it is only natural that some of Marx' words and conclusions appear outworn and outdated. Disregarding the change in the historical conditions and mechanically applying Marxism in the manner of treating it as dogma does not mean checking and developing theory by practice, but means using theory to

restrict and deny the practice of millions of people. This goes against the basic principle of Marxist epistemology. However, the Marxist stand, viewpoints and methods and the basic theory of Marxism are not in the least outworn or outdated. On the contrary, through repeated severe historical tests, they have shown an even more powerful vitality. By forging ahead along the Marxist path we mean adhering to the Marxist stand, viewpoints and methods, using them to study new conditions and solve new problems and coming to new theoretical conclusions. In other words, it means that we should develop as well as adhere to Marxism. This is a basic requirement of Marxism and it is also a basic guarantee for the victory of the revolution in any country.

Materialist dialectics is of the opinion that there is a relationship of dialectical unity between adherence and development and that the two interact and are interdependent. Without adherence to Marxism, our development of Marxism will be based on nothing and go astray. Similarly, adhering to Marxism does not mean regarding Marxism as being all-inclusive and treating it as God that can only be worshipped. "Life lies in movement." This truth applies to ideology and theory as well as to living things. If Marxist theory does not develop along with the development of practice, it will become divorced from the ever-changing practice and will wither and die. The reason why Marxism has maintained its vigorous vitality and remained invincible for more than 100 years is because its basic principle is the unity between theory and practice, because it is always heedful of new and advanced things and because it conscientiously listens to the voice of practice, always follows the development of practice, continuously assimilates the new experiences drawn from practice and scientifically answers the new problems raised by practice. The fact that the communists in many countries have closely integrated the universal truth of Marxism with the revolutionary practice in their countries and have thus both guaranteed the victories in the revolutions there and promoted the progress of Marxism has provided vivid evidence for us.

In our country, the Chinese communists represented by Comrade Mao Zedong have integrated the universal truth of Marxism with their practice in China and thus given rise to Mao Zedong Thought. They have creatively solved the problems related to the actual paths of China's democratic and socialist revolutions and thus led China's democratic and socialist revolutions to victory step by step and enriched and developed Marxism in many aspects. The mistakes committed by Comrade Mao Zedong in his later years inflicted losses on our socialist cause, but this was also because of the fact that he became divorced from the correct orbit of integrating the universal truth of Marxism with China's practice. This has provided us with a very profound lesson. From the 3d Plenary Session of the 12th Party Congress, our party has worked hard to bring order out of chaos in all areas, carry on and develop its fine tradition, reestablish the Marxist ideological line of seeking truth from facts, eliminate the interference of "leftism" and rightism and scientifically sum up both the positive and negative experiences since the founding of the PRC. Under the new

historical situation, our party has, in the light of the new conditions and problems, taken a new step forward in adhering to and developing Marxism. We have gradually established a correct path of socialist construction that is suited to our national conditions. This has not only put our country's socialism onto a road of healthy development, but has also added new wealth to the treasury of Marxist theory.

In his speech at the opening meeting of the 12th Party Congress, Comrade Deng Xiaoping pointed out: "In carrying out our modernization program, we must proceed from the realities in China. Both in our revolution and construction, we should also learn from foreign countries and draw on their experience. But mechanical copying and application of foreign experience and models will get us nowhere. We have had many lessons in this respect. To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up long, historical experience." Through years of groping and summing up of our experiences, we have already gradually clarified the major features and basic outline of the path of socialist construction with Chinese characteristics and have formulated a series of concrete policies and measures. In the economic sphere, we have discovered many systems and measures for the enlivening of our economy. Under the prerequisite of maintaining the dominance of the state-owned economy, we allow all kinds of ownership including public, collective and individual ownership to coexist and allow them to play their positive role within their prescribed limits. Under the prerequisite of adhering to the principle of regarding planned economy as the core, we have given play to the supplementary role of the regulation of market mechanism. Under the prerequisite of adhering to the principle of centralism and unity, we have increased the decisionmaking power of our enterprises and production teams, implemented diverse forms of production and management responsibility system and are thus able to give play to the initiative and creativeness of the units and individuals at the basic level. Under the prerequisite of adhering to the principle of maintaining independence and keeping the initiative in our hands, and of self-reliance, we have opened up to the outside world. In the political sphere, we have become aware that we must correctly assess and handle the class struggle which exists within a certain scope after the exploiting class was wiped out as a class, and that we must develop socialist democracy, perfect the socialist legal system and turn our democracy into a part of our system and write it into our law. In the ideological and cultural sphere, we have stipulated that building socialist spiritual civilization with communist ideology as the core is an important characteristic of socialism and fully confirmed the strategic position of science and education in our socialist construction and the important role of intellectuals. In the sphere of the building of the party in power, we have raised the idea that we must persist in exercising and improving the party's leadership, forbid any form of personality cult, strengthen our party's democratic centralism and the ties between the party and the masses of people, rectify party work style and regard the problems related to party work style as "matters of vital importance for a party in power," and so on and so forth. Raising and

striving to solve these problems and building socialism with Chinese characteristics is the greatest achievement that we have scored in our practice and in the theoretical field during the past few years.

Today, our country has already entered a new historical period. Comrade Hu Yaobang pointed out: In the new period, we must fix in the minds of all the comrades in our party the tremendously significant guiding idea that it is still necessary to carry out reform in a socialist society. At the present stage, our most fundamental task is to build, through all-round resolute and systematic reform, socialism with Chinese characteristics in order to make our country prosperous and our people rich and happy. Undoubtedly, as long as we continue to forge ahead along the path of adhering to and developing Marxism, we will surely be able to fulfill this task. Revolutionary people the world over have placed great hope on us and we have the responsibility and duty not to disappoint them. Let us hold up the banner of Marxism, conscientiously implement the line, principles and policies formulated by the 12th Party Congress and build our country into a high civilized and highly democratic modern socialist country as soon as possible. This will be the best way for us to commemorate Marx.

'HONGQI' ON DEVELOPMENT OF COOPERATIVE SYSTEM

HK300811 Beijing HONGQI in Chinese No 5, 1 Mar 83 pp 9-17

[Article by Lin Zili [2651 1311 0500]: "New Developments of the Marxist Theory on the Cooperative System as Shown in the Practice in China"]

[Text] This year marks the centenary of the passing of Karl Marx, the founder of the theory of scientific socialism.

Today, 100 years after the passing of this proletarian revolutionary teacher, his socialist teachings are practiced on a grand scale in China, which has a population of 1 billion people. Proceeding from actual conditions in China and through carrying out reforms in various fields, particularly the restructuring of the economic system, we have combined the principles of scientific socialism with the concrete practice in China, followed our own road and built socialism with distinctively Chinese features. These are developments of the theory of socialism in practice. In our commemoration of Marx, nothing can be more meaningful than to make an in-depth study of the new practices of the theory of socialism in China. This will contribute to enriching the Marxist theory of scientific socialism.

At present, the restructuring of the economic system in agriculture has priority over all trades and professions. We are now replacing the old form of the collective economy with a new type of cooperative economy which has as its characteristics the combination of unified and separate management and the linking of output with remuneration. With this as our starting point, we are blazing a distinctively Chinese road of developing socialist agriculture.

I. The Basic Idea of the Marxist Theory of the Cooperative System

The cooperative system was first advocated by utopian socialists. Marx and Engels developed it and made it a component part of scientific socialism. Lenin also discussed the question of the cooperative system after the October Revolution. They all put forth some ideas. The basic idea of the Marxist theory of the cooperative system is: the proletariat must not think of expropriating the small peasants. In places where small peasants have not yet ceased to exist and have not yet been turned into wage-laborers as in the case of Britain, the socialization of agriculture can only be

achieved through cooperation according to the principles of self-determination and voluntary participation and of equality and mutual benefit. This kind of cooperation must be able to gradually improve the backward outlook of production and the state of poverty.

According to Marx, socialism is the combination of laborers. These united laborers are at the same time the joint possessors of material production conditions. They contribute their labor as part of the total force of the combination in the process of production and receive remuneration in proportion to the amount of labor he has in the process of distribution. "A given amount of labor of one form can be exchanged with the same amount of labor of another form." This kind of exchange of labor in equal amounts is the basic relationship between man and man in socialist production and distribution.

In most cases, what Marx meant by labor combination was combination which covered the whole of society. The whole society constitutes one economic body. Labor, material production conditions and even products are directly distributed through this body. Commodity production and the exchange of commodities do not exist. Socialist practices at the present age show that we cannot have a combination which covers the whole society and one economic body and consequently do away with commodities and money, at least not under the present state of the development of the division of labor in society. In the socialist economic [phrase indistinct], the state, which represents the society, has overall control over the distribution of social labor and material production conditions and checks and adjusts social economic life in a conscious and planned way. However, there must be a second level, namely, labor combinations between different production units within the local framework. In this kind of labor combination, different production units have relatively independent economic status. They differ from each other not only in the form of [word indistinct] and management but also in material production conditions. They must carry out commodity exchange and, for this reason, their production must necessarily be commodity production. They are the development of the Marxist theory of socialism in present-day socialist practice.

However, Marx also talked about labor combinations which did not cover the whole society and which were on a local and smaller scale. When he was referring to the cooperative system, what he had in mind was this kind of combination. Moreover, he touched on both levels of labor combination. In his article "The Civil War in France," he pointed out that "united cooperative societies," or combinations of cooperatives, "mean communism." ("Collected Works of Marx and Engels," vol 17, p 362) What Marx referred to as communism here is the same as socialism. At that time, Marx did not make a distinction between the two terms. Our everyday socialist economic life also shows that labor combinations on a local and smaller scale have greater independence than state enterprises. However, this independence is only relative because labor and management in these labor combinations are organic components of social economic activities as a whole and are subject to the conscious control and adjustment of the state which functions

as the heart of society. In this sense, the cooperative economy which functions as the main body of the economy cannot but possess the qualities of the second level.

Above are some of the basic arguments put forth by Marx. They clearly demonstrate the basic characteristics of the socialist cooperative economy. However, Marx did not define a concrete mode of the cooperative economy for later generations. Neither did Engels or Lenin. In his article "The Peasant Question in France and Germany," Engels said that the cooperative system meant the "transition of private enterprises and private possession to cooperative ones." However, he also said by way of example that in the cooperatives the peasants could "distribute the yield in proportion to the land, money and labor contributed." (Ibid, vol 22, pp 580, 581) When Lenin spoke of the cooperative economy in his article "On the Cooperative System" and in other related works, he did not confine himself to cooperation in production but gave a lot of weight to cooperation in the spheres of circulation, such as cooperation in supply and marketing.

In short, according to the Marxist theory of the cooperative system, the cooperative economy means the combination of laborers. However, it does not necessarily have to be a purely labor combination and does not preclude the factors of money and land combinations. Therefore, while remuneration according to labor remains the basic method of distribution, the yield can also be distributed in proportion to the money and even the land contributed. The cooperative economy covers production, supply, marketing and other aspects and is varied in form.

2. The Tortuous Course of the Application of the Cooperative System

The application of the cooperative system in socialist agriculture was full of twists and turns. After the October Revolution, Lenin directed the preliminary application of the cooperative system. As was discussed in the foregoing paragraphs, Lenin envisaged many and varied forms of the cooperative system. However, mainly collective farms were set up afterwards. Stalin held that the collective farm was a "higher form" of the cooperative economy. ("Collected Works of Stalin," vol 12, p 117) In actual life, it was promoted as the one and only form.

After the founding of the PRC and the completion of the land reform on a national scale, the party promptly led the peasants to embark on the road of socialist cooperativization. During the initial period of the cooperative transformation, the principles of voluntary participation and mutual benefit, employing typical examples to show the way, giving separate guidance and effecting a gradual transition were adhered to and the application of the cooperative system proceeded with great vigor. However, toward the later period when advanced agricultural producers' cooperatives were universally set up, the road became narrower and narrower. Basically what we had was a unitary system of cooperation in production and cooperation was basically carried out in a single mode. Through years of practice, this mode was found to be unsuitable for the actual situation in China's countryside.

The basic characteristics of this mode as practiced in China are: First, centralized labor and centralized management; second, the evaluation of work and registration of workpoints and distribution according to workpoints earned.

To begin with, centralized labor and centralized management do not suit the general characteristics of agriculture very well. Soil texture, topography and so on vary on a vast piece of land. The growth and reproduction of plants and animals also vary under different conditions. Moreover, production may be seriously affected by such constantly changing factors as wind, rain, aridity, humidity, coldness, heat, insect pests and epidemics. For these reasons, agricultural development must depend more on laborers who are familiar with the conditions of production and can promptly understand and grasp changes in these conditions, who always show great concern for the growing process of plants and animals and attend to them with great care and patience, and who can make decisions and adopt necessary measures on their own according to changing conditions and needs. The quality of work of the agricultural laborers is mainly expressed in these areas.

Centralized labor and centralized management cannot meet the special needs of China's agriculture in particular. In terms of natural conditions, China is a country with a vast population but limited arable land. This makes it necessary for us to carry out intensive farming and management. Moreover, because our country has complicated topographical conditions and few large plains and basins, local climatic and soil variations are marked. This makes it particularly necessary for the laborers to work with initiative and great care and to make decisions and adopt necessary measures according to specific conditions. In terms of the development of the productive forces, a large part of the country still basically rely on draft animals and small farm implements such as plows, rakes and walking tractors. Drainage and irrigation facilities are still wanting and such parts of the rural infrastructure as energy, transport and communication are weaker still, division of work has not been well-developed. The cultural, technological and managerial levels of the producers are low and trained scientists, technicians and management personnel are lacking in the countryside. In short, our rural productive forces are still at a relatively low level of development. For example, draft animals, hand tools like plows and rakes and some small machines and tools are suitable for possession and use by individual households. The decentralized use of material production conditions also means that labor will be carried out independently. This is particularly true when division of labor is not well-developed. Under such circumstances, all we can achieve by having many people work together is simple coordination. Except on a few necessary occasions, if simple coordination is carried out in everyday production, the individuals will lose the great concern they showed for the production process in decentralized labor. Worse still, this will lead to a waste of time, a slackening of efforts, an unwillingness to work meticulously and a decline in the quality of labor. When the managerial level of the cadres is low, in particular, it will be difficult to avoid arbitrary directions. The masses of peasants describe this kind of simple coordination as "doing things in a massive and unplanned way."

What we have discussed so far are the distinguishing features of one aspect of agriculture, China's agriculture in particular. We should see that there is yet another aspect. In terms of natural conditions, China's agriculture belongs to the irrigated type in many places due to the country's distinctive geographical and climatic features and long history of development. Farmland water conservancy construction aimed at improving the conditions for production, the battles against drought and waterlogging, day-to-day irrigation and the prevention and cure of plant diseases and insect pests are strenuous jobs that cannot be done separately on a household basis. They require unified implementation and coordination on a fairly extensive scale. In terms of the development of the productive forces, when we make the above basic assumptions about rural productive forces, we must not overlook these facts: while our means of production are generally backward, some advanced production tools and facilities do exist; while division of labor is not well-developed on the whole, we do have a diversified economy and certain links of production are developing in the direction of specialization; while the cultural and scientific level of the producers is generally not high, a number of competent technicians and management personnel have come to the fore. This makes it imperative for us to carry out unified organization and make unified arrangement in connection with the utilization of certain advanced means of production and the specialization of certain links of production. In addition, we must also see the interdependence between agriculture and socialized industries in the cities. This relationship demands that the state not only must regulate industry in a conscious and planned way but must do the same for agricultural production. To do this, it is necessary to make use of the cooperative economy. That is why even in places which do not have big and advanced production facilities and do not have coordination based on division of labor, it is necessary for the cooperative economic collective to exercise restraint and control over some basic aspects of the production process as decentralized and independent labor is being carried out.

In short, China's agriculture is special in that it calls for decentralized and independent management on the one hand and unified management on the other. The original form of the collective economy is ill-suited to China's agriculture because it excludes one very important aspect, that is, decentralized and independent management.

The valuation of work and registration of workpoints and distribution according to workpoints earned is a method of distribution that corresponds with centralized labor and management. This method of distribution is also basically not suitable for the special features of China's agriculture. In most cases, the fruit of agricultural labor can only find expression in the ultimate yield, or the final product. Agricultural labor does not normally produce intermediate products. The production cycle is long, but labor is not performed everyday. Sometimes it is busy; sometimes it is leisurely; and sometimes it only needs a little looking after. Moreover, the conditions of agricultural labor are very complicated and are constantly changing. Therefore, it is very difficult to measure the

quantity and quality of labor precisely at ordinary times. They are revealed in the quantity and quality of the products finally reaped.

"Worddays" and workpoints are concepts of work time. They cannot show the amount of labor contributed or the quality of labor. In the course of enforcing the workpoint system, we had adopted all kinds of methods to remedy this basic defect to no avail. It was obvious that the system of giving fixed workpoints cannot reflect actual work performance. The system of workpoints combined with work assessment failed to boost enthusiasm because too much depended on "assessment." With the system of assigning quotas and registering workpoints, it was also impossible to make the workpoints tally with actual work performance because the conditions of labor were complicated and varied and it was difficult to measure the quantity and quality of farm work. In short, as a result of the application of the workpoint system, those who did more work did not get more and those who did less work did not get less. This system enabled the lazy and incompetent ones to profit at the expense of the industrious and competent ones. The masses of peasants describe this situation as "everybody eating from the same big pot."

"Doing things in a massive and unplanned way" and "everybody eating from the same big pot" hindered the development of China's rural economy and held back the historical process of the transition from self-sufficient or semi-self-sufficient traditional agriculture to marketable and socialized modern agriculture.

Of course it was basically due to the influence of "left" mistakes that we were made to go through such a tortuous historical course in the application of the cooperative system. However, it also had a lot to do with our misunderstanding of the Marxist theory of the cooperative system.

As we have said, Marx held that the combination of labor was the basic characteristics of socialist production and was at the same time the basic characteristics of cooperative economies, which were the concrete embodiments of the socialist relations of production. In the so-called labor combinations, the labor of an individual was a part of the total labor force of the integrated body. Viewed from the angle of the integrated body, this meant that it was to make use of the labor of every individual according to common needs. Therefore, in judging whether individual labor constitutes a part of the total labor force of the integrated body, we have to see whether such labor is governed by common needs and subject to the allocation of the integrated body. It makes no difference whether people work together. According to the Marxist theory, independent labor and coordinated labor, coordination based on division of work and simple coordination are forms of labor rather than relations of production. However, many comrades among our ranks of cadres had long regarded centralized labor and simple coordination--forms of labor which existed a long time ago--as the distinctive features of the relations of production under the socialist cooperative system.

As we have said, Marx held that labor combinations meant that the laborers contributed their personal labor as a part of the total labor force of the integrated body in the process of production and received remuneration in proportion to the amount of labor contributed in the process of distribution. Distribution according to work is the continuation in the sphere of distribution of this kind of exchange of labor at equal amounts which started in the sphere of production. Therefore, in judging whether a method of distribution is distribution according to work, we have to see whether it conforms with the economic relations embodied in exchange of labor at equal amounts. It makes no difference what concrete form or method was adopted and whether the workpoint system was used. However, many comrades among our ranks of cadres had long regarded concrete forms of measurement such as workdays and workpoints as the hallmarks of the socialist cooperative economy.

The elimination of these misunderstandings will contribute greatly to broadening the road of our application of the socialist cooperative system.

3. A Great Creation by the Chinese Peasants

The defects of "doing things in a massive and unplanned way" and "everybody eating from the same big pot" began to show toward the later period of the cooperative transformation and became more and more obvious. In order to overcome these defects, the masses of peasants and cadres started the creative practice of reforming the mode of the collective economy at a very early stage. Preliminary forms of the output-related contracting system, such as fixing output quotas for each household, appeared but were not universally popularized. The 3d Plenary Session of the 11th CPC Central Committee reestablished the Marxist ideological line of seeking truth from facts, broke down the shackles of "left" mistakes and opened up a road for the hundreds and millions of people to restructure the rural economy and create new forms of the socialist cooperative economy.

In the past few years since the 3d plenary session, various forms of the production responsibility system have emerged with an irresistible force. After going through the stages of sifting, tempering, evolution and perfection, they have now taken deep roots in different trades and professions in their typical forms throughout the rural areas.

The responsibility system created by the masses assumes a variety of forms. However, as concrete forms of the relations of production, there are only a few basic classifications, namely, contracts for specific jobs, contracts for fixed output quotas, contracts for task completion, contracts for each work group, contracts for each laborer and contracts for each household.

Contracts for specific jobs are not output related whereas contracts for fixed output quotas and for task completion are output related. Output related or not is a fairly essential distinction. The evolution from non-output-related to output-related contracting means that the contracted producer will now be responsible for the whole process of production and

that the practices of "doing things in a massive and unplanned way" and "everybody eating from the same big pot" are basically done away with. This is a major change in the form of the cooperative economy.

In output-related contracting, the method of fixing output quotas still retains the registration of workpoints. It is linked with output "in a roundabout way" through the use of workpoints and can therefore be described as indirectly output-related. With contracts for task completion, workpoints are abolished. They are directly output-related. The evolution from indirect to direct links with output means the complete elimination of the practice of "everybody eating from the same big pot" and signifies a further change in the form of the cooperative economy.

The course of development of the contracting system is the evolution from non-output-related to output-related contracting, from indirect to direct links with output. Contracting for task completion, which is directly linked with output, is a typical example of the output-related contracting system and is a form universally adopted in the rural areas.

When the output-related contracting system was first put into application, whether output quotas should be fixed for the work group or for the laborer or household was a marked question. At that time, the masses thought that fixing output quotas for each work group was a miniature version of "doing things in a massive and unplanned way" and "everybody eating from the same big pot." However, with the development of the economy based on the contracting system, particularly with the gradual switch to specialization, work groups in some trades and professions developed coordination of the basis of division of labor and gradually found the appropriate form and method of calculating work done within the group. This being the case, whether contracting should take the household (the individual laborer) or the work group as the unit, or even take the factory or production team as the unit, depends more on the special features, technological requirements for production and degree of specialization and socialization of different trades and professions and on the reasonable scale of management which is conditioned by these factors and which is capable of producing optimum results.

Besides classification according to concrete forms of the relations of production, the various forms of the contracting system can also be classified according to the mode of labor or production, that is, non-specialized contracting for cultivation of land and specialized contracting. The universal application of specialized contracting signifies the replacement of old modes of production and is an inexorable trend for the further development of the output-related contracting system.

The output-related contracting system created by the Chinese peasants after long years of practice is a new form of the cooperative economy. Its basic distinguishing features can be summed up in the following aspects:

First, it combines unified management with separate management.

Separate management after output-related contracting is easy to see: land is contracted out to individual households, draft animals and farm implements in general are possessed and used by individual contractors and funds are put into circulation by the contractors themselves. All this means that labor is performed separately and independently. The contractor acts independently in deciding on concrete policies and measures relating to production. This is separate management.

Unified management is not so easy to see. However, it is really there and it carries a lot of weight: the collective body of the cooperative economy must map out unified plans for the principal varieties and acreage of crops to be cultivated and the output and output value of other production items covered by the whole cooperative economy. It must decide in a unified way the standard output for each contracted plot, or fix the standard output value, production cost or amount of labor for each specialized production item. It must fix the amount of common funds to be retained and the proportions for public welfare, public accumulation, administrative expenditure and so on. It must work out plans for the use of public accumulation. It must also fix the amounts of farm products to be handed over to the state. All this shows that the basic policy decisions of the contracting economies in relation to production, distribution, exchange and other economic activities are made by the collective body of the cooperative economy. Through formulating and organizing the implementation of these policy decisions, the cooperative economy can control the basic aspects of the production and distribution processes of the contracting economies and decide their management orientation. If one must ask what is meant by the unified management of the contracting economies, then we can say that this is the most essential unified management of the contracting system. Moreover, after output-related contracting, there may still be some giant production facilities and specialized technical services which must be made use of and organized by the collective body of the cooperative economy in a unified way.

The resultant form of the combination of separate management and unified management is the contracting system, or "contracted responsibilities." A lot has been said about this and everyone is clear about it.

Second, remuneration is linked to output, that is, distributed according to a standard output quota.

This is a brand-new form of distribution of the cooperative economy. It may be classified into the simple and the more complete type according to differences in the degree of development.

The first is a simple form of linking remuneration to output as practiced in contracted responsibilities for the cultivation of land.

The output-related contracting system started with contracts for land. When there was basically no specialization, division of labor or diversified undertakings, contracts for land, whether handed out on a per capita basis, or in proportion to the number of able-bodied persons in a family or for individual laborers, had to be more or less even. The reason for this was

that land was at that time the basic means of subsistence for nearly all peasants. Since China had a large population but limited cultivated land, unevenness in handing out land contracts was unacceptable to the peasants. In line with this evenness in land contracting, the amount of money put into the land by the contractors also tended to be roughly even. This was because the efficiency of the fixed assets used by the contractors was more or less the same and the amount of circulating funds that can be invested on the land was subject to control within reasonable limits. Besides, there were credits and relief for the poor granted by the collective body of the cooperative economy. These were factors for the evenness.

On this general premise, that is, the material production conditions at the disposal of the contractors are roughly even, the standard output quota more or less shows the average amount of labor necessary for attaining this output quota. Therefore, using this standard output quota as the yardstick, it is possible to measure the labor contributed by each contractor so that what he gets can roughly correspond to the labor he contributed. Particularly important is that this method of linking remuneration to output is easy to carry out. It is well-received by the masses of peasants because they find it easy to grasp.

The second is a more complete form of linking remuneration to output as practiced in specialized contracting.

With the development of specialization in the contracting economies, deviations from evenness or the development of unevenness in land contracting will become something of a regular phenomenon. When more and more producers doing jobs other than cultivation can earn a steady, reliable and higher income from specialized production and when the supply of grain ration is reasonably guaranteed, land will cease to be the indispensable means of subsistence for all peasants and the state of affairs in which "every household contracts land for cultivation" will gradually change. The size of land contracted out to those engaged in cultivation will no longer be so strictly restricted by the principle of even distribution and will be determined by a reasonable scale of management governed by such factors as technological requirements and the degree of socialization in production. Meanwhile, due to the need to properly concentrate land and join together scattered pieces of land, differences in the quality of the land contracted out, that is, its fertility, condition of irrigation, proximity and so on, will become more pronounced. At the same time, there will also be more obvious differences in the amount of money used and the returns produced by contractors engaged in production and undertakings other than cultivation.

On the general premise of such a change, the simple form of linking remuneration with output gradually will not suffice.

With specialized contracting, it is still necessary to have the basic category of a standard output quota because it is the output that can be attained by most people after the full and rational input of labor (including management, because management is also a kind of labor). Thus, it is also

the standard or yardstick for measuring the labor and management of the contractors. Without such a yardstick, we will not have any blueprints to go by in the responsibility and benefit, obligations and rights of the contracting economies. However, because it is impossible to work out a common divisor for the great varieties of products produced by different trades (some of which are labor services which do not take the form of products), we must draw an abstract "standard output value" from the standard output quota in order to use it as a common and unified yardstick for measuring the business results and labor consumed in contracting in all fields.

The cost of production is not taken into consideration in the simple form of linking remuneration to output. This has a lot to do with the habits of China's traditional agriculture, which was self-sufficient in nature. In this kind of agriculture, the cost of production is not in an important position, and variation between different peasant households is not great. Therefore, after making deductions for agricultural taxes and common funds according to the standard output quota, what remains is the income for the contractor. Actually, this "income" includes the cost of production for maintaining simple reproduction. After carrying out specialized contracting, the cost of production for different trades and professions and for different production and business undertakings may vary greatly. If it is still grouped together with income, it will be impossible to work out the real income of different contractors. Moreover, the relationship of balanced interests between different contractors will be adversely affected. Therefore, while fixing a standard output value, we must also fix a "standard cost of production." Like the standard output quota and output value, this is also fixed in advance in accordance with previous data and changes or reforms that are about to take place in production and management in the current year.

In the simple form of linking remuneration to output, the standard output quota coincides with the standard amount of labor consumed because it is based on the premise of more or less evenly distributed material production conditions. After the introduction of specialized contracting, this premise has been changed. Different amounts of labor may be consumed to produce the same standard output quota. Therefore, it is necessary to fix a "standard amount of labor consumed" in addition to the standard cost of production. It is also fixed according to previous data combined with new conditions in the current year.

Then, by subtracting the standard cost of production from the standard output value, we can get the standard income, or the standard output value. Dividing the standard income by the standard amount of labor consumed, we get the standard income for each workday.

If the material production conditions vary greatly between the contractors, their standard workday income will also differ. Under such circumstances, it is necessary for the cooperative economy to use a unified standard workday income as the yardstick for measurement. In this way, the differential earnings produced by differences in the extent of using collective land and funds (including fixed assets such as equipment) can be recovered by the cooperative economy.

Then comes the question of supplementary investment in production and management by the contractor himself or in partnership with others. In fixing the standard output value and the standard income, we must not and should not take the differential earnings from this portion of investment into consideration. This being the case, such earnings will appear as surplus output. Therefore, they will not be recouped by the collective body of the cooperative economy and will go into the personal earnings of the contractor. Absorbing the scattered funds of the peasants and using them in production and construction will contribute significantly to the development of the rural areas at present. If the investors are not allowed to make a little profit, their enthusiasm in making investment will be affected. We notice that in the more complete form of linking remuneration to output, the factors of non-labor income have been basically eliminated. That which cannot be eliminated are chiefly differential earnings gained by contractors in making supplementary investment on his own or in partnership with others. Their existence are needed by the current practice and are in conformity with the Marxist theory of the cooperative system. Moreover, if this kind of differential earnings have increased, the state can make adjustments through such means as taxation.

Viewed superficially, there is nothing extraordinary about the combination of unified and separate management and linking remuneration to output, they are the embodiment of repeated practice and immeasurable capability and wisdom. As a great creation by the Chinese peasants, this brand-new form of the cooperative economy not only verifies the Marxist theory of the cooperative system but gives it new content and greater vitality.

4. A Distinctively Chinese Road of Development of the Socialist Cooperative Economy

As a new form of the cooperative economy, the system which links remuneration to output gives the producers relative independence and initiative in labor and management and closely combines the fruit of labor and management with the interests of the producers. For this reason, it can fully arouse the enthusiasm of the producers and stimulate the growth of labor productivity at an unprecedentedly high speed. In the 26 years between 1952 and 1978, China's labor productivity only grew by 2.7 per cent. However, it grew at an average rate of 2.7 per cent between 1979 and 1981 after the introduction of the system which links remuneration to output. As far as the rate of increase of labor productivity is concerned, a single year after the implementation of the system which links remuneration to output equalled 26 years in the past. This figure covered many places which had not yet implemented this system at that time. Some typical examples showed that in places which had done a good job in implementing this system, the growth in labor productivity greatly exceeded this figure. In most cases, labor productivity increased by a big margin. In some cases it even doubled.

The growth in labor productivity produced a huge surplus of labor in the rural areas. In many places, surplus labor accounted for one-third or even half of the total labor force. On the other hand, it brought about a big increase in the output of agricultural products and in peasants' income. Between 1979 and 1981, the per capita income of the agricultural population from collective distribution increased by 31.3 per cent. If income from household sideline undertakings was also taken into consideration, the increase was even bigger. Due to the increase in income, the peasants now have surplus cash in their hands.

When the producers have enthusiasm and are free from restrictions, they will be willing to put their surplus labor and surplus cash into production and develop diversified undertakings. This will give a great impetus to the development of specialization, division of labor and commodity production. In 1981, the average amount of commodities furnished by each member of the agricultural population was 67.8 per cent greater than in 1978. The increase attained in these 3 years nearly equalled that attained in the 20 years before 1978. The rate of growth in the percentage of marketable products was even faster. Chuxian Prefecture in Anhui Province attained a percentage of marketable grain of 20.4 in 1980 and 30 in 1981.

The momentum of such a swift development of commodity production in the rural areas signifies the disintegration of the traditional self-sufficient or semi-self-sufficient mode of production and the rise of a modern mode of socialized commodity production. This historic change not only will alter the appearance of the countryside but will produce a great impact on the national economy and on social life as a whole.

The flourishing commodity production in China's countryside is socialist commodity production based on the cooperative system.

Commodity production is a mode of production. When we call it a mode of production, we are referring to its general properties, that is, the common characteristics behind its various forms. In other words, in division of labor in society, thousands upon thousands of producers who enjoy a fairly high degree of independence live in interdependence through the exchange of products from labor and form the production organism of society. The economic activities of different producers are judged by essential labor in society with a view to helping them reduce consumption and meet social needs. Commodity production is at the same time a relation of production. When we call it a relation of production, we are referring to its special forms, such as commodity production by individual laborers, commodity production by wage labor and commodity production by combined labor. Commodity production in everyday life possesses the general properties and certain special forms of commodity production at the same time. When we set commodity production and self-sufficient production, that is, the natural economy, against each other, we are talking about the mode or general properties of commodity production. When we compare one form of commodity production with another, say compare commodity production by combined labor with commodity production by wage labor, we are talking about different relations of commodity production, that is, socialism and capitalism.

Commodity production based on the cooperative system is a special form of commodity production. This special form of commodity production can give full scope to the work force, to cultural and technological knowledge and to managerial ability, facilitate the pooling of funds and avoid polarization in the course of the transition from self-sufficient or semi-self-sufficient production to socialized commodity production. It will continue to develop in full in China's countryside for some time to come.

The change from self-sufficient or semi-self-sufficient production to commodity and socialized production is a general trend of history. No nation in this world can escape the change from the natural economy to commodity production. China's countryside is of course no exception. The flourishing commodity production in China's countryside is socialist commodity production based on the cooperative system, or commodity production by combining labor. This is common to all socialist countries. However, the road of development of commodity production based on the cooperative system in China's countryside has special characteristics determined by China's national conditions. In other words, it has distinctively Chinese features.

The cooperative economy which combines unified with separate management and links remuneration to output is a unique form without any precedent which has developed in China's countryside to meet the needs of our national conditions. It has pronounced Chinese color. It can be seen that in the course of further development, the content of unified and separate management will become more diversified and their forms will become more perfect. However, the combination of unified and separate management, as a universal and basic principle, is extremely well-suited to the national condition and the situation in the countryside. For this reason, it will be able to preserve its great vitality for a long time to come.

The universal application of the output-related contracting system brought about the development of diversified undertakings, specialization and division of labor. The latter in turn made it possible for the contracting economies to gradually make the transition to specialized contracting. In the wake of this, household sideline undertakings not covered by contracts also become specialized. Consequently, a large number of specialized households emerged. Among these specialized households, combinations of this or that sort developed. The great number of specialized households and their many and varied forms of combination will be a distinguishing feature of the socialization and modernization process of our rural economy.

In the output-related contracting system, crop-growing work usually takes the household or laborer as the contracting unit. Other specialized trades may take the household, laborer or even work group as the contracting unit. Private specialized producers normally work on a household basis. With the exception of such forms of the management contracting system as commune- and brigade-run enterprises, various new forms of combination are usually quite small in scale. Generally speaking, with the exception of some individual specialized households, other forms of economic cooperation in

the rural economy will mainly be based on labor and production by households or work groups in the future. Of course the scale will be bigger in some places, such as in Heilongjiang.

Is such a small scale compatible with the socialization and modernization of agriculture? Actually there is no natural link between the socialization of production and the scale of production. Large-scale production does not necessarily have to be socialized production and socialized production can be carried out on a small scale. In the past when we had people's communes which were "large in size and collective in nature," the scale of production was fairly big and was by no means socialized. After many years, they still remained in a state of self-sufficient or semi-self-sufficient production. With the practice of the output-related contracting system, farm output quotas are fixed for each household, laborer or work group. Although the scale of production is very small, it does not mean that the contracting units are self-sufficient. However, it does mean a step forward in the direction of socialization. The rate of growth in the percentage of marketable farm and sideline products in recent years can testify to this.

Modernization also does not have any natural link with the scale of production, but is nevertheless closely related with the socialization of agriculture. The question hinges not on the scale of production but on the degree of socialization. The modernization of agriculture is always accompanied by the development of socialization. Under socialized conditions, highly-developed division of labor will make it possible to fully rely on specialized technical services to modernize household undertakings. This has been proved by the experiences of various nations.

On the whole, the various forms of the cooperative economy with the household or work group as the basis now developing in China's countryside are relatively small in scale. These relatively small-scale undertakings conform with the national condition, fit the rural productive forces at the present stage and suit the cultural, technical and managerial levels of the broad masses of agricultural producers in our country. They make it easy for us to fully tap the latent potential of the work force, of traditional skills and of managerial capability, to make use of scattered funds and to give full scope to the great number of small and simple production tools and facilities. They also make it possible for us to absorb a bigger work force with a relatively small fund and to reduce energy consumption and achieve faster and higher returns on investment.

By small-scale production, we do not mean undertakings by the small peasants in traditional agriculture of the past. Here, "small" does not imply self-sufficiency, just as "massive" in "doing things in a massive and unplanned way" does not mean socialization. We are talking about production which is small in scale but heading in the direction of socialization. It is indeed "small" in terms of the scale of production, but "big" in the sense that it is commodity production geared to the needs of the society.

Our idea of "big" has another meaning. In the process of the socialization of production, specialized trades will develop not only from different branches of production but will develop from certain phases or links in the process of the production of a product. Agriculture is not as centralized as industry. The different phases or links spaced out in the process of production can be relatively independent. With specialization, different phases or links of work can be performed separately and independently by different specialized laborers at different times. In production with the household or work group as the unit, the producers can treat the whole production process with a high sense of responsibility as masters on the one hand and can ask other specialized laborers to take care of certain links of production that require different skills through various forms of combination or coordination on the other. Moreover, we may adopt the method of "contracted responsibilities," that is, linking technical services to output, in this regard so that the labor remuneration of the specialized workers can also be linked to output.

In this way, the scale of contracted production, particularly the size of the contracted land, will not be restricted by the work force of a household but will be reasonable and capable of producing optimum results. For this reason, the amount of marketable products they produce will not be small and will be fairly large. The same is true for stock-breeding. With specialization in certain links of production, the number of poultry or animals raised by a specialized household, that is, the amount of marketable products it can produce, will also be fairly large. As can be seen from specialized households that have now emerged, intensified management has been developed in some. There are cases in which a household is raising over 100 pigs and several thousand fowl. From these we can see the embryonic form of socialized agriculture.

Therefore, we can say that the combinations "separate" and "unified" management and of "small" and "big" scale are the distinctive features of the cooperative economy of China's socialist agriculture which is advancing toward socialization and modernization.

The reform of the cooperative economy in China's countryside is based on the scientific teachings of Marxism and conforms with China's national condition. It will contribute toward the building of socialism with distinctive Chinese features, the prosperity of the country and the well-being and happiness of the people. It will also give a great stimulation and impetus to the reform of industry and other spheres. This creative reform which is carried out in such a grand scale, which has such profound substance and which embodies the wisdom of the masses is the new development of the Marxist theory of the cooperative system in the practice in China.

ZHOU ENLAI'S LETTERS TO GUO MORUO BETWEEN 1942 and 1946

HK030550 Beijing RENMIN RIBAO in Chinese 2 Mar 83 p 2

[Text] Comrade Zhou Enlai's four letters to Comrade Guo Moruo between March 1942 and December 1946:

A Letter to Comrade Guo Moruo Dated 7 March 1942:

Dear Moruo:

Have finished reading "Qu Yuan's Ideas" (footnote 1). It is very interesting that you regard "rule by virtue" and "rule by law" as two major trends of thought on social reform at that time. But a controversy may arise from that statement. That is, the former represents the reformists, while the latter represents the revolutionists. Of course this argument is also based on insufficient grounds because, in my opinion, China's feudal system was finally completed in the Western Han Dynasty, and the reform was not finished until the revolution of Chen Sheng and Wu Guang or even Xiang Yu and Liu Bang. Therefore, either "rule by virtue" or "rule by law" was but a concept or practice during this period of transition from the slavery system to the feudal system and was a product of the times. I agree with you in regarding Qu Yuan as a great thinker and an artist, but it is still open to question to regard him as a revolutionary thinker. What do you think?

In the original text there was a literary quotation "Guan Shan Zhu Hai [7070 1472 3554 3189]." Was it a corrected version of "Guan Shan Fu Hai [1351 1472 1650 3189]" (footnote 2) by textual research? I thought [it] must be a slip of the pen and have thus corrected it. Now I am writing to ask your opinion.

Your interpretations of the basic spirit of humanity and righteousness are good. But I have taken the liberty to replace the Chinese character "kuai [1816]" in "what should be done must be done fast [gai zuo di jiu kuai zuo 6115 0254 4104 1432 1816 0254]" with another Chinese character "yao [6008]." I think this is more dialectical. I am not sure whether you would agree with me?

The above was written in haste. I salute you!

Yours,

Zhou Enlai; 7 March

A Letter to Comrade Guo Moruo Dated 17 September 1944:

Dear Moruo:

I have thought of you often since we last met. Although the comrades here have never seen you, they have frequently read your fine works and are looking forward to meeting you.

Recently, the Yan U (footnote 3) has been rehearsing Beijing operas adapted from your "Imperial Tally" [a tiger-shaped tally issued to generals as imperial authorization for troop movement in ancient China] and "Gao Jianli." (footnote 4) They have not yet attempted to adapt the two to modern drama form. "Qu Yuan" (footnote 4) was staged 2 years ago, but regrettably I did not see it.

Some rapid development has been made here over the past year. We frequently have visitors coming by air and by land. Following the five people's political councillors (footnote 5), is there someone in the cultural circle who wants to visit Yanan? If you have the intention, why not give it a try? Your attempt surely may not be successful but it could create some public opinion. However, the visit must be proposed by such persons as Shu, Hong and Yao. (footnote 6) I don't know whether you can influence them. Please discuss it with Bing and Chao. (footnote 7) Our comrades here are longing for you to visit.

I have learned that you have been recently engrossed in historical research. I hope that you can mail me a mimeographed copy of your work if you have one. If you have other fine works, please also send me some. Reading your writings is like talking with you.

With high regards to you and your wife,

Zhou Enlai; 17 September

A Letter to Comrade Guo Moruo Dated 17 November 1946:

Dear Moruo and Qun (footnote 8):

I am sorry that we did not have enough time to talk with each other because of our hasty parting at our last meeting. Moruo's return to Shanghai and efforts there have yielded great results. It is as we have expected that your penetration into the youth party has made old Li (footnote 9) waver.

However, this matter is of a slightly different nature. Therefore you may treat him with reservation for the time being. Since this storm, the Democratic League has had a more stable lineup but it still has many problems. I hope that you will give them some encouragement. The struggle for democracy is arduous and tortuous. We should make every effort to win over those middle-of-the-roaders.

Now that the "National Assembly" has been opened, they will play many tricks. The Constitution, the national government and the Executive Yuan are enticing and deceiving people. To expose their deception depends upon people from all circles. The political consultative conference has been disbanded. From now on we will see what is going to happen on the battlefield. We surely will know the result in 6 months or 1 year. If peace is necessary by then, a conference among parties and the coalition government will remain our consistent policy. I and others will leave for home on the 19th. Looking east towards the Shanghai Bund, I cannot bear to leave. Please give my regards to all friends and take good care of yourselves.

Say hello to your children.

Hao [Zhou Enlai's alias was Wu Hao]; 17 November, evening

A Letter to Comrade Guo Moruo Dated 31 December 1946:

Dera Moruo:

It has been 2 months since we last met. The situation at home and abroad is developing towards isolating that reactionary dictator. Next year will be one in which this struggle will become arduous and changes will be anticipated. If we dare to face difficulties and adhere to the people's line, we surely can overcome the difficulties and advance towards victory. In order to isolate that reactionary dictator, a struggle is needed from inside in coordination with forces attacking from outside. You are standing inside. It needs the establishment and expansion of a democratic patriotic front and you are standing at the van of the front. As you work at this arduous workpost, thousands upon thousands of people are pinning their hopes on you. In 6 months or 1 year you will see a qualitative leap forward on our side. By then we will either advance hand in hand together or play that splendid historical drama of struggle from inside in coordination with forces attacking from outside. Have you published any new poems or articles besides those published in newspapers? If it is convenient for you, I earnestly hope that you can send me some.

This letter is hastily written.

Wishing you and your wife a happy New Year.

Wishing your whole family good health.

Zhou Enlai; 31 December, Yanan

Chao (footnote 10) says hello to you.

FOOTNOTES

1. "Qu Yuan's Ideas" is part 3 of the article "A Study of Qu Yuan" written by Guo Moruo in February 1942; see "Collected Works of Moruo," Vol XII, p 401, first edition by the People's Literature Publishing House in June 1959.
2. It is "Guan Shan Fu Hai" in "Collected Works of Moruo," Vol XII, p 409. According to the 1931 edition of "Ci Yuan," [a dictionary] published by the Commercial Press, "Guan Shan Fu Hai" is also written as "Guan Shan Hai" meaning government management of mountain and sea resources. "Hai Wang Chapter of Guan Zi" says: "Huan Gong [a king of the kingdom of Qi] asked: 'Then how can I finance the national spending?' Guan Zi answered: 'You can do it by bringing mountain and sea resources under government management.'"
3. The Yanan University.
4. "Imperial Tally," "Gao Jianli" and "Qu Yuan" are historical dramas written by Guo Moruo in Chongqing in 1942; see "Collected Works of Moruo," Vols III and IV.
5. On 15 September 1944, the 14th Meeting of the 3d Session of the People's Political Council decided to send an inspection group, composed of Leng Yu, Hu Lin, Wang Yunwu, Fu Sinian, Tao Meng and five nonparty political councillors, to visit Yanan. The trip was aborted. Later on, an inspection group composed of political councillors Chu Fucheng, Huang Yanpei, Leng Yu, Fu Sinian, Zuo Shunsheng and Zhang Bojun flew to Yanan from Chongqing on 1 July 1945.
6. Shu was Lao She whose original name was Shu Qingchun and who styled himself as She Zi. Hong was Hong Shen. Yao was unidentified.
7. Bing was Xu Bing and Chao was Feng Naichao.
8. Qun was Guo Moruo's wife Yu Liqun.
9. Li was Zhang Junli (1887-1969) who was born in Baoshan County, Jiangsu. He repeatedly formed party organizations which appeared as a third party. In the capacity of leader of the "Chinese Democratic Socialist Party," he took part in the puppet "National Assembly" held by Chiang Kai-shek in November 1946.
10. Chao was Deng Yingchao.

POEM COMMEMORATES ZHOU ENLAI'S BIRTHDAY

HK291346 Beijing HONGQI in Chinese No 5, 1 Mar 83 p 20

[Poem by Zhao Puchu [6392 2613 0443]: "The 85th Anniversary of the Birth of Premier Zhou--to the Tune of 'Man Jiang Hong'"]

[Text] On this occasion of the premier's anniversary,
His portrait looks as dignified as before.
His teachings still ring in our ears,
Teachings we shall follow through the years.
Strive we must for the better and struggle until old age;
only in death shall we rest.
He was never haughty, or demanding, or selfish,
Bright in conduct like the sun and moon.
A new situation is created: a great and proud nation;
Blueprints galore; burning hot projects.
A fresh start made
After 10 years' disturbances.
One billion people's absolute sincerity can move
heaven and earth;
Five-year plans can ride through rising wind and
scudding clouds.
Glad tidings indeed our ancestors' wishes are fulfilled
and the [phrase indistinct]

ZHANG AIPING WRITES ON DEFENSE MODERNIZATION

HK161144 Beijing HONGQI in Chinese No 5, 1 Mar 83 pp 21-24

[Article by Zhang Aiping [1728 1947 5493]: "Several Questions Concerning Modernization of National Defense"]

[Text] Since the founding of the PRC, the CPC Central Committee time and again has called for building up a modern and regular revolutionary army. Recently Comrade Deng Xiaoping pointed out: "We must improve our military equipment and speed up modernization of our defense on the basis of continuous development of our national economy." This has further clearly pointed out the orientation for building up our army. We should strive hard to realize this magnificent goal.

I

Marxism holds the view that the aim in a war is to preserve ourselves and wipe out the enemy. The principle of war is to achieve the greatest victory at the smallest expense. To achieve this, we should depend not only on political factors but also on the correct strategy and tactics of the war's commanders, the sophisticated nature of our military equipment, the quality of our personnel who use the equipment, etc. We do not believe that weapons alone decide the outcome of war, but weapons are an important factor and play an important role in a war. Therefore, all parties in a war strive to use the most sophisticated weapons to arm their own armies. As Lenin said, "If an army does not want to master all weapons and all means and methods of fighting that its enemy has already acquired or will acquire, everybody will think this army is acting in a foolish manner." ("Selected Works of Lenin," Vol 4, p 249)

Our party has always attached great importance to the role of weapons in wars. When we were weak and had only big knives, spears and hand grenades as weapons, our slogan was "Fight the kind of war that is suited to our weapons." Under those days' conditions we could only carry out guerrilla wars. However, we did not wait passively. On the contrary, while we gave full play to our existing military equipment, we tried every possible way to seize advanced military equipment from the enemy and improve and develop our own military equipment under very difficult conditions. After

we had a certain number of heavy weapons such as artillery and tanks, we began to engage in positional warfare and to seize small cities. Then we seized medium-sized and finally big cities until we liberated the whole country. Comrade Mao Zedong said well, "Once an army gets military equipment of a new type, it will become even stronger." It is precisely in the continuous process of acquiring increasingly advanced military equipment that our army has developed and strengthened. In wars we must strive to acquire the most sophisticated military equipment as well as display our courage and heroism of not fearing death. Only by so doing can we achieve the aim of preserving ourselves and wiping out the enemy. Otherwise, we will certainly be in great trouble.

Modern science and technology change with each passing day, and the substitution cycle of modern military equipment has increasingly shortened. At present the armaments race between the superpowers is, in essence, a competition of science and technology. It is foretold that war in the future will be a confrontation between countries in terms not only of their resources in manpower, materials and funds but also of their science and technology. Under such grim conditions it appears to be even more important and imperative for us to fulfill the task of defense modernization through self-reliance, and we should never neglect or relax our effort in the least to fulfill this task.

In his report to the 12th party congress Comrade Hu Yaobang points out: "Our socialist construction is being carried out in a situation whereby there is turbulence in the world and a serious threat to our country's security.

Therefore, we should never be less vigilant, and we must strengthen our national defense on the basis of vigorous development of our economic construction." In the present world there are still imperialists and hegemons. For many years, in a scramble for world hegemony, the superpowers have established the war industry on a huge scale and have contended fiercely with one another throughout the world. Small wars have occurred one after another without end, and the danger of world war still exists. To counter the superpowers' hegemonism, defend our country's peaceful construction and safeguard world peace, in addition to carrying out necessary political and diplomatic struggle we must build up a powerful national defense behind us. The stronger our national defense, the bigger the guarantee for our peaceful construction and the possibility of suspending and preventing war. We should be prepared for danger in times of peace, make good use of the present relatively peaceful international surroundings and make every minute and second count in developing new-type military equipment and strengthening our national defense. This is the demand of our socialist construction and the demand resulting from our desire to safeguard world peace. It not only conforms with the basic interests of people in our country but also wins the vigorous support of the peace-loving countries and people throughout the world.

II

In order to achieve modernization of our national defense, our first task is to develop and produce sophisticated military equipment. This work demands the comprehensive application of all modern science and technology and involves very complicated systems engineering. Moreover, in the process of developing and producing the equipment, we should also have a series of means to experiment, production equipment and many kinds of new materials and technology. Solution to these problems involves the vast involvement of science and technology--including almost all its fields such as basic theory, technological science and, to a very great extent, applied technology and engineering technology. We can say that any progress made in this work closely depends on modern science and technology and that without these we can never make any progress or achieve anything in this work. It is precisely because of this that in 1956, when the CPC Central Committee formulated the 12-year plan for scientific and technical development, Comrades Zhaou Enlai and Nie Rongzhen time and again pointed out that in modernizing our national defense we should adhere to the principle of giving priority to science and technology. For more than 20 years since then we have always adhered to this correct principle and achieved abundant results.

Our country is a big country and it is not realistic or possible for us to buy national defense modernization from abroad. We must soberly see that what can be bought from foreign countries will at most be things which are advanced to the second grade. This cannot help us attain the goal of national defense modernization, nor will it help us shake off the passive state of being controlled by others. Depending on modeling one's weaponry on others is not a way of realizing national defense modernization either. At the outset it is necessary to obtain some technology that can be imported and model some weaponry on that of others. However, if we are content with copying, we will only be crawling behind others and still be unable to attain our anticipated goal. The fundamental way is to rely on ourselves. We Chinese people have the aspiration, abilities and enthusiasm to modernize our national defense through developing modern military equipment by relying on our own scientific and technological strength. At the same time, since our country has a vast territory, a long border and complicated geographic and weather conditions, only by developing--through self-reliance and in a realistic light--sophisticated military equipment that can be adapted to various conditions can we satisfy our army's needs in its wars against aggression.

From the process of our country's development of strategic nuclear weapons, we can see that only by adhering to the principle of practicing self-reliance and giving priority to science and technology can we establish our own modern national defense. It was in 1958 that we began to develop our country's strategic nuclear weapons. From the very beginning, Comrade Nie Rongzhen insisted that the broad ranks of scientific and technical personnel should know not only "how" but also "why." Therefore, we

organized the scientific and technological forces of our national defense scientific and technological units, the Academy of Sciences, industrial departments and higher education institutions and forces of all our provinces, municipalities and autonomous regions to divide up their tasks and cooperate with one another according to their existing conditions and advantages, giving play to their strong points. In this way we have thoroughly researched and experimented on general design and structure as well as on all components, parts and raw materials of the weapons. We worked hard and learned from the experiences of other people. Finally, through years of hard struggle, we succeeded in 1964 in testing the first atomic bomb and the first medium and short-range guided missile, which were designed and made by our country on our own. Then we made progress step by step, systematically, and after solving a series of key technical problems we launched our first medium-range land-to-land missile in 1966; exploded an H-bomb in 1967; launched a medium and long-range land-to-land missile in 1969, our first satellite in 1970, long-range land-to-land carrier rockets in the South Pacific area in 1980 and three satellites with one carrier rocket in 1981; and test-launched a carrier rocket from underwater using a submarine in 1982. All these tests--from the use of liquid fuel to the use of solid fuel, from launching from land bases to mobile launching underwater, the mastery of the technology of recovery satellites and so on--have been realized through our independent research, and all of them are new breakthroughs in China's national defense science and technology. We should also point out that during that period, 10 years of civil disorder occurred. If this had not happened we would have scored greater and more achievements in developing regular weapons as well as strategic ones.

III

Our country's national defense construction has been carried out in a planned and systematic manner under the unified leadership of the state and on the basis of our country's economic construction. This is a basic experience that we have gained in modernizing our national defense. It is also an objective law that we must observe.

The building of national defense must be thrust into the orbit of the country's planned economy, it must be carried out according to our ability and progress steadily, maintaining a rational proportion. If the proportion of spending on national defense is too small and we miss our opportunity, we will be put in a passive role if an unexpected event occurs and our losses will be inestimable. If we go beyond the limits permitted by our country's economy and are overanxious for quick success, the result will be "more haste, less speed." In his "On the Ten Relationships," Comrade Mao Zedong said: "Only when we quicken the development of our economic construction can we achieve greater progress in the construction of our national defense." This is a law we should never violate.

Every year the state allocates a certain percentage of its revenue to the construction of our national defense, but the amount of these allocated funds is not fixed. It varies according to needs stemming from the

international situation and to limits allowed by our state's strength and is fixed and readjusted so as to glean the truth from facts. In the 1950's, when our country was under blockade, encirclement and imperialist threat, the state emphasized the modernization of our national defense and allocated a larger amount of funds to it.

Nevertheless the funds were still limited and fell far short of demands posed by various aspects of our national defense modernization. If we had used those funds equally in all areas and tried to develop everything, we would have achieved nothing or would have succeeded in minor projects and failed in major projects. Therefore, we had to concentrate the limited amounts of funds on projects that were most important, most urgently needed and could have an impact on the whole situation, and we had to develop our national defense modernization in a planned and systematic manner. In 1956 the CPC Central Committee decided that developing guided missiles and atomic energy were the two key projects in our national defense modernization and, moreover, that developing strategic missiles was the key to the development of guided missiles and the construction of the nuclear fuel production base and the development of atomic bombs as the key to the development of atomic energy. Facts have proved that this was a completely correct decision, for it was based on conditions in our country and intended to achieve a relative advantage despite our country's weak economy and scientific and technological strength. Our work in developing guided missiles and atomic bombs started relatively late but the speed of development was relatively quick. One important reason for this was that we centralized our organization, vigorously carried out coordination and cooperation, gave priority to key tasks and concentrated our resources of labor, materials and funds.

Undoubtedly, modernization of our national defense must be based on our national economic construction. At the same time we should not fail to see that development of our national defense modernization will certainly vigorously promote the development of all other sectors of the national economy. Successes in developing strategic weapons and satellites were accompanied by development and breakthroughs related to new materials, technology, techniques and equipment. New achievements in the scientific and technological field of national defense are naturally used, first of all, in war industry, but once they are transplanted in civil industry, many new products will emerge one after another. This will spur the emergence of new sections of industry and of learning. We have quite a few examples for this in both Chinese and foreign history. In the future we should implement the principle of "combing both the army and the people and both war and civil industries, giving priority to military supplies and raising funds for war industry through the development of civil products. We should reform the structure of our products, play up the war industry's strong points in equipment and technology, contribute to technical renovation in civil industry and tap our war industry's production potential so as to produce more civil industrial products to serve urban and rural people. Thus we will make war industry an important force in promoting the development of economic construction and science and technology.

After the 10 years of civil disorder, a large number of suspended undertakings demanded resumption and a large number of new undertakings demanded to be started. The state has decided to use most of its financial and material resources in economic construction, giving priority to the basic facilities of energy and communications and in developing science and education. This is an entirely correct policy decision. We should proceed from interests of the whole situation, carry out careful calculation and strict budgeting within the scope allowed by the limited amount of funds allocated by the state, practice thrift and organize development of the most important and most urgently needed military equipment.

At the same time we should pay attention to technical renovation and renewal of equipment in our national defense industry, tap production potential, strictly control the number of construction projects of new enterprises and expansion of old ones and shift the emphasis of expansion of the new onto improvement of the old so as to obtain quicker and better results with less investment. From now on, with development of the country's economic construction and flourishing of science and education, more favorable conditions will be created in turn for national defense modernization. This means not only that funds for building national defense will be increased, but that more fine scientific and technological personnel and newer scientific and technological results will also be shifted to military industry to promote the development of national defense modernization.

IV

In modernizing our national defense and developing sophisticated military equipment, we must rely on scientific and cultural knowledge and on intellectuals who have mastered the most advanced science and technology of our times and who devote themselves to the cause of their motherland. This is also an objective law that we must observe and a key to the success or failure of our cause.

Since the PRC's founding, people have coincided in their views on the problem of relying on workers and peasants. However, they have differed in their views on how we should treat intellectuals. Because of the interference of "leftist" erroneous ideology and the fetters and influence of parochial concepts of small producers, there was, for a long time, a prejudice inside our party which looked down on and discriminated against intellectuals. According to this prejudice, intellectuals are "targets of transformation" and are "consumers" who lack the strength to "carry things on their shoulders or in their hands," are "lazy with their limbs" and "have the least amount of knowledge." Because of this prejudice we often suppressed, discriminated against and even persecuted intellectuals and failed to give full play to their role in socialist modernization. This erroneous view of and attitude toward intellectuals has caused serious loss to the state.

Since 1956 Comrades Zhou Enlai, Chen Yi and Nie Rongzhen have time and again pointed out that both workers and peasants and intellectuals are the force we rely on in our country's socialist construction. Neither science and technology nor intellectuals who devote themselves to the cause of the

motherland can be dispensed with in achieving the four modernizations. In our work to modernize our national defense, we profoundly concur that the above-mentioned views are correct. Every achievement in developing or producing our military equipment has crystallized the division of labor, cooperation and common labor of workers and scientific and technical staff under the centralized organization of leading groups at various levels.

In order to give full play to the role of intellectuals, in addition to teaching our cadres correctly to regard the position and role of intellectuals in the cause of socialist modernization, promptly evaluating and promoting the academic and technical qualifications of scientific and technological workers who aspire to devote themselves to the cause of the motherland and are really competent, showing concern for their livelihood and health and creating better working and living conditions for them, we should select and promote fine scientific and technical workers to technical leading posts and to leading posts at all levels and ensure that they have the power of and responsibility for their offices and that they are given the opportunity to display their technical and professional knowledge and skill and their talents to the full.

Responsible technical persons at all levels should be able to make prompt decisions, select the best schemes and organize their implementation in the manner of military commanders. Responsible technical persons at a lower level have the right to different opinions but must obey decisions of technical commanders at a higher level. In this way, technical responsibility systems will gradually take shape for general designers, subsystem chief designers and designers in charge of certain single projects. Responsible technical persons at all levels must be formally appointed, and on this basis we will set up a technical command system with no gaps between upper and lower levels. To enable technical commanders to concentrate their energy on their scientific and technological work, we also establish an administration and management responsibility system and an administrative and organizational command system to be in charge of planning and directing so as to guarantee--in terms of labor, materials and funds--the fulfillment tasks of the technical command system.

Concerning scientific and technical work, scientific and technical committees have been set up at all levels to organize experts in all fields to discuss studying the orientation, principles and policies of scientific and technical development and to carry out feasibility studies of design schemes. In this way, both the technical and administrative command systems coordinate closely under the unified leadership of the party committee. This will facilitate giving relatively full play to our scientific and technical workers' initiative and enable them to make greater contributions. These experiences are very valuable.

Through 30 years of arduous pioneering work we have already laid a certain foundation for our national defense construction and have trained a scientific and technical force of a relatively high degree of competence. As long as we continue to adhere to the principle of relying on ourselves and giving priority to science and technology, focus on key projects, vigorously cooperate with one another, attach importance to intellectuals, give full play to their roles and strive hard, we will certainly succeed in establishing a strong modern national defense with the distinguishing features of China.

'HONGQI' CONDEMNS PREJUDICE AGAINST WOMEN

HK290649 Beijing HONGQI in Chinese No 5, 1 Mar 83 pp 25-27

[Commentator's article: "Overcome the Outworn Prejudice That Men Are Superior to Women"]

[Text] Now, our party members, CYL members and party cadres must pay serious attention to a social problem, that is, in carrying out activities of building up socialist spiritual civilization, we should vigorously advocate equality between women and men and oppose thoughts and actions that regard men as being superior to women. Why should we raise this problem?

We all know that in our country's economic and social development, the population issue has always been an extremely important one. Pursuing planned parenthood is one of our country's basic national policies. We must vigorously encourage the practice of one couple giving birth to only one child and strive to keep our population below 1.2 billion by the end of this century. Otherwise, the excessive growth of population will become a heavy burden that blocks our way to the realization of the goal of modernization. However, right in the situation in which we are carrying out this basic national policy, the following serious social problem has cropped up: the old ideas that "only boys can carry on the family line," and that "girls are useless because they cannot support their parents when they get old" are still in vogue in our society. In various areas, especially rural ones, there has occurred the practice of desiring only to give birth to boys and not to girls, of abandoning and killing baby girls and of husbands and parents-in-law discriminating against, maltreating and even hounding to death women who have given birth to female babies. We must never turn a blind eye to, and must resolutely fight against, these outworn prejudices and cruel acts. Otherwise, we will not be able to really guarantee the legitimate rights of women and children and it will be impossible for a fine general social mood to take shape. Moreover, the implementation of the basic national policy of planned parenthood will be undermined and the whole cause of modernization will even be seriously hindered.

The idea of regarding women as being inferior to men took shape along with the emergence of private property and the slave system in human history. This social idea, as a foundation of the exploitation system, was used, for a long time, by the slaveowner class and landlord class to safeguard the hereditary system and to cruelly oppress and exploit women and the broad masses of laboring people. In its revolutionary period, the bourgeois class fiercely attacked this idea, but because it only wanted to substitute another form of exploitation system, it could not carry out this struggle to the very end. Things are completely different with a proletarian revolution. The proletariat always links the liberation of women closely with the liberation cause of its own and with that of all the human race. As Marx pointed out: "Social progress can be accurately measured by the social position of the female sex (including those of the sex who are plain)." ("Collected Works of Marx and Engels," Vol 32, p 571) The proletariat should not only conscientiously rouse women to carry out and support their liberation struggle during the process of seizing the political power by the proletariat. Moreover, when the proletariat has obtained the political power and set up a socialist system, it must make even fuller use of the material and spiritual conditions it has already acquired and continue to make steadfast efforts to further liberate women. Therefore, we should never allow any idea or act that discriminates against women and hinders the liberation of women to spread and develop in our socialist system.

We should know that in our times it is completely wrong to think that only a man is able to carry on the family line and that a family will be heirless if it has only girls and no boys. Like boys, girls are also given birth to by married couples and are undoubtedly the descendants of those couples. A child, whether male or female, no matter whether he or she has the father's or the mother's name, or whether he or she adopts the name of another family, is in fact and in law a descendant of both the parents. When a person is grown up and married, the couple can live in the family of one person's parents, in the family of the parents of the other of the couple or set up a new family, no matter whether the person is male or female. This will by no means affect the person's position as a descendant of the person's parents and the children of the couple will all the same be the descendants of the parents of both of the couple. The outworn prejudice that regards only men as "descendants" is nothing but a remnant of the feudal patriarchal clan system and ethics left over by the old society.

We must furthermore know that giving birth to girls, like giving birth to boys, is necessary for the propagation of human race. Since the very beginning of the world, there have been both the male and female sexes. If there is only the male sex and no female sex or vice versa, the human race will become extinct. Whenever there is human race, a rough balance of the sexes must be maintained in a natural manner. Only in this way can the human race propagate and human society develop. If all people regard men as being superior to women and desire to give birth to boys and abandon girls, they will certainly undermine the natural balance of sex. According to the investigation of relevant departments, in some rural brigades the malpractice of killing and abandoning female babies has been so serious

that the ratio of female babies to male babies has already dropped to 1:4 or 1:5. If we do not resolutely put an end to this malpractice but allow it to spread, not only a large number of serious social problems will emerge, but the danger of losing the family line may become a reality for many families.

Concerning the problem related to descendants, a true revolutionary is not only free from the fetters of the outworn idea of regarding men as being superior to women, but has a deeper and more far-reaching insight. A revolutionary regards his children not only as his own descendants but also regards and educates them as the successors to the revolutionary cause. During the years of the revolutionary wars, for the interests of the revolution and for the happiness of the people, many people shed the blood and gave away not only their own lives but those of their children. In the period of socialist construction today, there are still quite a few parents who have either sent their children to the front in the borders to defend the motherland or teach their children to devote themselves to the motherland's cause of construction. A revolutionary treats himself and the revolutionary cause as the same entity, therefore, he is concerned first of all about the question of whether the revolutionary cause has any successors to carry it on. The whole next generation of the revolutionary cause constitute the descendants of the revolutionaries. This is the viewpoint of a revolutionary on descendants. Should those CPC and CYL members and CPC cadres who have up till today been dominated by the outworn idea about "heirs" and who have resisted the state's policies of planned parenthood and neglected the rights and interests of the women not correct their thoughts in accordance to the requirements for a revolutionary?

Since daughters as well as sons are descendants of their parents, they also have the responsibility and duty to support their parents. The old idea and habit that "married daughters are like thrown-away water" thinks that women have no right or duty to support their parents and even regards it as shameful for parents to depend on their daughters for support. This idea does not have a legitimate position now as it had in the old society, though it continues to stubbornly exist in the minds of many people. "Grown-up children have the duty to support their parents" has already been written into the new constitution. Along with the strengthening of the education in the legal system and the development of the activities of building up spiritual civilization, the practice of husbands and wives jointly supporting the parents and old people of both families will become increasingly common. We are determined to popularize this new idea and new custom throughout society and form a new social relationship among all the people in our society.

In our society, women as well as men have the ability to support their parents and old people. True, because of some historical reasons and disparity in physical strength, women are weaker than men in some aspects, but they are superior in some other ways. Whether in manual labor or mental labor, men are generally inferior to women in some aspects. Take rural areas for example, the women there cannot only play the role of the half of the labor force in the farm work in the field, but they can also

display their ability in family industrial and sideline undertakings, diversified undertakings, rural commercial business, service trades and medical, cultural and educational undertakings. A large number of facts have already proved that in rural areas at present, women's income from their labor constitutes an increasingly greater part in family income and the income of some women already exceeds that of the men in their families. As for urban areas, female staff and workers do not get less pay than male ones for the same posts. We should be particularly aware that along with the continuous development of science and technology, more and more heavy manual labor will be replaced by mechanized and automatic labor and the degree of the combination between manual and mental labor will rise increasingly. As a result, educated women will enter into more and more fields of labor. Therefore, we have every reason to eliminate the apprehension that one will have no one to support when one is old if one only gives birth to a girl.

We should particularly point out that the key to the solution of the problem of "acquiring a guarantee of support when one is old" lies in satisfactorily building up the country and the socialist material and spiritual civilizations. When the country has become prosperous and there is abundant material wealth in our society and a fine general mood, old people will be respected everywhere and will be able to enjoy greater social welfare. As for the question of whether children will respect and support parents, the answer has nothing to do with the sex of the children. True, in the society at present, particularly in rural areas, there are some women who do not support their old parents because of the old tradition and custom, but there are also men who, with various excuses, refuse to support or even maltreat their own parents. Therefore, the problem does not lie in whether it is a male or a female who refuses support but in the lack of morality and sense of law of the young people. Therefore, we should conscientiously carry out the policy of planned parenthood and bring up and educate our children in a satisfactory manner no matter if they are male or female. We should educate youngsters in the family in good coordination with schools and society and strive to train them to become laborers who have ideals and morality and are well-educated and disciplined. Thus our children will be able to loyally perform their duties in supporting their parents and elders while making contributions to the society.

In order to overcome the ideas and actions that regard men as being superior to women, we should make efforts in various fields. At present, we should place emphasis on strengthening the education in the socialist legal system and use the law as a weapon to protect the legitimate rights and interests of women and children. Turning a blind eye to the illegal activities of killing and abandoning female babies and of maltreating and harming women who have given birth to girls on the excuse that these activities are "family quarrels" and that "even an upright official finds it difficult to settle a family quarrel" is very wrong. If the things are related to the legitimate rights and interests of women, we must have the courage to pay attention to and handle them. We must promptly criticize those who must

be criticized, enforce discipline where necessary and punish legally when we are required to use law. Never should we be overlenient or indulgent to these activities. Party and government leading groups, people in all circles of society and mass organizations such as trade unions and the CYL should all show concern for women's rights and interests. As the women's own mass organization, the women's federation should still more be the real home of women. It should listen to the voice of and reflect the demands of women. When women's rights and interests are encroached upon, it must come out boldly to vigorously work and loudly shout for remedy their restoration. We should mobilize forces from all circles and vigorously prepare public opinion for opposing the prejudice that men are superior to women and advocating equality of the sexes. We should cite in a big way the advanced individuals and families that have fought against the old ideology, customs and conventions of discriminating against women and particularly praise, support and award the couples and families who have only one-single female child and bring up the child satisfactorily. In all areas and departments, we should conscientiously carry out the policy of sex equality and earnestly put an end to the existing practice of sex inequality in employment, education, allocation of housing, labor remuneration and provision of subsidies for people in difficulties. All our CPC and CYL members and cadres must take the lead in respecting women and protecting women and children and strive to bring about a good custom of showing concern for and respecting women throughout our society.

Women should rise up themselves, overcome their sense of inferiority and manage to gain self-respect and recognize their equal rights with men. This is a basic way for eliminating the traditional prejudice that men are superior to women. Marx said, "Any man who knows a little history will understand that without women as catalysts, it is impossible to achieve any great social reform." ("Collected Works of Marx and Engels," Vol 32, p 571) Now, women in our country have already become masters of our country and society and enjoy the same rights as men. Women should be more fully conscious of their social position and their important role in our country's economy and social development, especially their particularly important role in building up socialist spiritual civilization. Never should they look down upon themselves. The dauntless fighting spirit of the national women's volleyball team, Zhao Chun's communist labor attitude and the exemplary deeds of hundreds of "March 8 Pace-Setters" and "March 8 Advanced Collectives" are the glory and pride of the women of our times. All women should act like these people, foster magnificent ideal, widen their field of vision, study hard and strive to heighten their ideological consciousness and raise their scientific and technical level. Thus they will become people of ability for the modernizations and will be able to devote their strength to the future of the motherland and the interests of the people. Our large number of women, especially young ones, should bravely stand on the front line in putting an end to the old customs and developing

new ones. In handling problems related to love, marriage, childbirth and other family matters, they should justly, forcefully and thoroughly break away from all the traditional prejudices and customs of discrimination against women and resolutely fight against any activity that encroaches on the legitimate rights and interests of women and children, against the corrosive attack of feudal and bourgeois ideology and against all kinds of dark phenomena and hideous activities. We should uphold the banner of women's liberation, liberate the broad ranks of women in our country from the fetters of any outworn old ideology, custom and tradition and thus really turn this banner into a mark of the progress and maturity of our society.

'HONGQI' ON WORKING IN INTERESTS OF PEOPLE

HK300820 Beijing HONGQI' in Chinese No 5, 1 Mar 83 pp 28-31

[Article by Wang Zhaohua [3769 3564 5478]: "Communists Should Work in the Interests of the People"]

[Text] The new party constitution adopted by the 12th party congress has set a stricter demand on the party with respect to maintaining close ties between the party and the masses, safeguarding the interests of the masses and wholeheartedly serving the people. In his report to the 12th party congress, Comrade Hu Yaobang regarded "strengthening the party's work among the workers, peasants and intellectuals and establishing close ties between the party and the masses" as one of the important tasks facing party building at present, and called on us to more consciously preserve and carry forward the party's fine traditions and to guard against and overcome the danger of being separated from the masses. This call, which proceeds from the leading position of our party as well as the actual condition in the party at present and corresponds with the needs of the new period, is extremely necessary for correcting the party's work style, further improving relations between the party and the masses and enhancing the prestige and combat effectiveness of the party.

I

Since the day of its founding, the CPC has always looked upon serving the people wholeheartedly as its sole purpose. This is the important hallmark distinguishing our party from other political parties, and this is also the source of the powerful vitality and combat effectiveness of our party. The fact that for more than 60 years, our party has been able to lead the people in surmounting all kinds of difficulties and dangers and winning great victories in the democratic and socialist revolutions and socialist construction is because it wholeheartedly serves the people, always pays attention to working in the interests of the people and forms flesh-and-blood and life-and-death relations with the masses.

During the revolutionary war years, fighting was extremely brutal. At that time, such things as food, clothing and shelter, troop transportation, making war as well as treating and taking care of the wounded all could not be separated from the masses. Even the radio station, the general office of

the newspaper and the presses were often also moved to the homes of the masses. Under such circumstances, if we were separated from the masses and lost mass support, our position would be untenable and we would constantly be in danger of being exterminated and killed. Why were the masses not afraid of taking risks but instead resolutely supported the Communist Party and treated the party members and cadres as family members? The most fundamental reason was because our party's program and line reflected the aspirations of the people the broad masses of party members and cadres led the masses in carrying out a heroic struggle to fight against the local tyrants, distribute land and overthrow the three big mountains weighing on the backs of the Chinese people, and also helped the masses to solve such actual difficulties as fuel, rice, oil and salt. This deeply impressed the masses that our party and party members and cadres were genuinely doing things for them and working [phrase indistinct] our party from the bottom of their hearts and protect our party members and cadres at any cost? Despite the fact that some of our present senior comrades were still very young and inexperienced at that time, they always paid attention to one principle, and that was, living and fighting together with the masses, bravely fighting in the van for the emancipation of the masses, proceeding from the interests of the masses in determining their own actions, and willingly making self-sacrifices for the interests of the masses.

After the nationwide liberation, many party members and cadres preserved and carried forward the glorious traditions of the war years from the early part to the middle part of the 1950's. The masses were deeply touched and inspired by the fine work style of the "old Eighth Route Army" embodied by them, and their revolutionary zeal and production enthusiasm were greatly aroused. Unfortunately, as a result of the subsequent development of "leftist" mistakes and especially the sabotage of the Lin Biao and Jiang Qing counterrevolutionary cliques, many things were practiced which run counter to the interests of the people, and the relations between the party and the masses as well as the prestige enjoyed by party members and cadres among the masses were seriously damaged. This has been a very profound lesson.

At present, the mass concept of some of our party members, including veteran party members who have been tested in the war, has weakened, and their relations with the masses are not as close as during the war years. These comrades erroneously think that since our party has become the party in power, the danger produced by separating from the masses is no longer as serious as during the war years and the consequences are also not as direct. They think that it will do at present to issue orders by relying on their authority, and whether or not they are separated from the masses has no bearing on the overall situation. This sort of idea is extremely harmful.

We must know that, regardless of whether in the past, the present or the future, the question of maintaining close ties with the masses is a matter of vital importance to the party. The people cannot be separated from the party, and the party also cannot be separated from the people. The party

in power has created favorable conditions without parallel for us to more effectively develop mass work and to further strengthen ties with the masses throughout the country. At the same time, it has also presented our party with new tests. If we cannot correctly understand and handle the fundamental change from having no power to having power; cast away the fine tradition of maintaining close ties with the masses of the war years and become separated from the masses or damage the interests of the masses, then there is the possibility of taking a position opposite the masses. The danger of our party becoming divorced from the masses at present is not less than, but greatly more than before, and the danger of becoming divorced from the masses is also not less than, but greatly more than before. Of course, the thinking that after taking power the communist party will invariably become divorced from the masses is completely wrong and also is not in keeping with historical facts. However, failure to see the danger and serious consequences of becoming divorced from the masses is likewise incorrect. We should always keep a sober head and constantly set strict demands on ourselves. We must firmly bear in mind that we cannot become divorced from the masses and must never go against the popular aspirations of the people. Becoming divorced from people and going against the popular will of the people must definitely be punished. Even the feudal Emperor Li Shimin a thousand years ago understood the principle "water can carry a boat and water can sink a boat." Is it possible communists should not be more sober-headed and wise than he?

Since the 3d Plenary Session of the 11th CPC Central Committee, our party, in the process of bringing order out of chaos and eliminating "leftist" influence, has restored and carried forward the fine tradition of maintaining close ties with the masses, always thought about the interests of the masses, worked for the well-being of the people and struggled to make the country prosperous and strong, and therefore it has won the wholehearted support of the broad masses of people. Relations between the party and the masses are entering a new stage of development.

II

Communists must maintain close ties with the masses, and the most important thing is, they must always think of the masses, wholeheartedly work for the interests of the people, conform to popular feelings, accord with the popular will, help people solve problems and bring benefit to the people.

The program and line of the party in different historical periods are the embodiment of the basic interests of the working class and the broadest masses of people. The firm and steadfast struggle of communists to realize the program and line of the party is the basic mark of working for the interests of the people. All communists, especially the leading cadres at various levels, should confidently implement the line, policies and

principles of the party since the 3d Plenary Session of the 11th CPC Central Committee and realize the general tasks of the new historical period put forward by the 12th party congress to our party. They not only must set an example and make proper achievements at their respective posts, but they must also actively propagate to the masses, mobilize and organize the masses, arouse to the greatest extent the enthusiasm of the masses, lead the masses in advance and strive to build China into a strong and modern socialist country at an early date. Only if this lofty goal is achieved can the actual strength of our economy and national defense be greatly strengthened, can our scientific and cultural level be greatly raised and can the material and cultural life of our urban and rural people be greatly improved. Only thus can we be considered as having basically succeeded in wholeheartedly working for the interests of the people.

In working for the basic interests of the people, we must at the same time pay attention to obtaining the views of the people, find out about their immediate interests and correctly integrate the long-term basic interests with the current actual interests of the masses. The various policies and principles of the party are the embodiment of the line of the party as well as the unity of the long-term basic interests and the current actual interests of the masses. To work for the interests of the masses, communists must proceed from reality, respect the creative spirit of the masses and conscientiously implement the various policies and principles of the party. Why have we been able in recent years to create an unprecedented new situation on our agricultural front and enabled such a vigorous and flourishing scene to appear in the rural areas of the whole country? It is mainly because our party has firmly and courageously corrected "leftist" mistakes, implemented the correct policies and principles and boldly carried out reforms in the agricultural system as well as in management and administration. The institution of the system of contracted responsibility with payment linked to output created by the peasants in particular has greatly aroused the labor enthusiasm of the peasants. If we continue to "eat from the same big pot" and practice egalitarianism, we will never be able to implement the principle of each according to his work. If people cannot see material benefit, their enthusiasm will not be high and production will not go forward. If everybody is poor and impoverished, how can we call this socialism? How can people still be enthusiastic to struggle for communism? How can the communist party obtain the support of the masses? Policies which do not benefit the people are not the policies of our party. Anything which conforms to the wishes of the majority of people and is in their interests, we must boldly and conscientiously carry out. We must carry it out to the end and do all we can to achieve results.

To work for the interests of the people, an extremely important matter is to attach importance to bringing the role of intellectuals into play. At present, at the mention of implementing the policy for intellectuals and bringing the role of the intellectuals into play, some of the comrades think that being good to intellectuals will estrange the masses of workers and peasants, and the sentiment of making allowances for a handful of people will harm the interests of the majority. This kind of viewpoint is

completely wrong. Building China into a modern socialist country with a high degree of culture and democracy is a common desire of people throughout the country, and this is also in the fundamental interests of people throughout the country. To fulfill this great historical task, simply relying on good desire will not do, and ignorant recklessness also will not do. We must rely on advanced science and technology. From this we know that intellectuals' value is in their knowledge and their grasp of science and technology. Bringing their role fully into play is of decisive significance toward realizing the four modernizations. Lenin said: "A communist society cannot be built in an illiterate country" ("Selected Works of Lenin," vol 4, p 357) and if we "cannot guard as the apple of our eye every specialist who does his work conscientiously and knows and loves it, it will be useless to expect any serious progress in socialist construction." ("Selected Works of Lenin," vol 4, p 591) The reason we are attaching importance to knowledge and to intellectuals is because of the needs of building up China, and also because of the needs of the fundamental interests of the people. The concept of despising knowledge and intellectuals is harmful to both the state and the people. All communists who sincerely work in the interests of the people must respect, befriend and care for the intellectuals, enthusiastically help them solve various difficulties in their work and livelihood, and guarantee the implementation of the party's policy toward intellectuals.

At present, the various fronts are carrying out reform in a guided and measured manner in accordance with the general policy of "proceed from reality and comprehensively and systematically carry out reform in a resolute and orderly manner." The reform is a revolution which will contribute to building socialism with Chinese characteristics, making the country vigorous and flourishing, and bringing prosperity and happiness to the people, and it fully accords with the interests of the broad masses of people. Active participation by communists in the reform is the most practical action of working for the interests of the people as well as implementing the line, policies and principles of the party. All communists must keep on studying new conditions, solving new problems, accepting new things and exploring new paths. Some of the party members have put it aptly: We must implement the desire of wholeheartedly serving the people and working for the interests of the masses through the action of boldly carrying out reform. That is what all party members and party cadres should do.

III

Whether or not communists can maintain close with the masses and wholeheartedly work in the interests of the masses is, in the final analysis, a question of world outlook. All communists must pay attention to constantly remolding themselves and firmly establish a communist world outlook and outlook on life.

An important content of remolding world outlook is to properly place one's position in relation to the masses, correctly understand and use the power entrusted by the people and not take advantage of one's position and power to seek personal gain. Since the party has taken over the helm of the

state, many party members have taken up leading posts and held certain power in different stations. Under this condition, most of the party members are able to set a strict demand on themselves, honestly perform their duties and wholeheartedly serve the people. However, some of the comrades have also wrongly placed their own position in relation to the masses because of a change of status. Although they are in leading posts, they are unwilling to go among the masses. They do not listen to the voice of the masses and neither show concern for their sufferings nor help them eliminate worries or solve problems. They do not understand what the masses are thinking about and do not know the demands of the masses. They even regard their rightful duties as public servants to the masses as the masses demand favors from them and create "trouble" for them. Therefore, they are perfunctory in performing their duties, shift responsibilities and are sluggish in carrying out work. Even more serious is the fact that some of the party members have combined inflated individualism with power and made use of their position and power to seek personal gain. They regard personal and small family interests above everything else, and for this reason, do not hesitate to damage the interests of the masses. This is an outstanding problem of becoming separated from the masses and damaging the prestige of the party which has appeared among some of our party members at present.

We should soberly understand that in a socialist country where the people are the masters, the higher our position and the greater our authority, the more should be our responsibility toward the people. Whether or not the people really support you is not determined by the extent of your authority, but by whether or not you represent the interests of the people, share the thought of the masses, show concern for the anxieties of the masses and bring benefit to the people. Outstanding party member Zhao Chune is only a common worker, but because she wholeheartedly works for the interests of the masses, she has been able to make extraordinary contributions at an ordinary post and to gain the esteem of the masses. If all the party members, especially the leading cadres in authority, can conscientiously fulfill their duties at their respective stations, constantly think of the masses and also do things on their behalf in the manner of Comrade Zhao Chune, they will be able to bring more benefit to the people and the fine influence of the party among the masses will also be more extensive and profound. But if they cannot properly place, or even revert their own position in relation to the masses and refuse to change the mentality and behavior of bureaucratism, use their position and power to seek personal gain and seriously damage the interests of the masses, they not only will damage the prestige of the party but will also lose the trust of the people. When the people discover a certain party cadre can no longer represent their interests, they will take back the power conferred.

The masses are the makers of the material and spiritual wealth in society, and a decisive force in social reform. Only if we ideologically attach importance to the historical role of the masses and firmly believe that the masses are the source of wisdom and strength of the party and the motive force for making a success of all our work and pushing forward our cause

can we give rise to a sense of urgency and the conscious action of modestly learning from the masses, maintaining close ties with the masses and always relying on the masses. Many of our leading party cadres have done very well in this respect. They have gone deep into the factories, mines and rural areas or the targets of service in their own system in the capacity of common workers to participate in labor and conduct investigations and study so that some of the longstanding problems have been very quickly solved. By staying at a respectful distance, the masses have also learned to admire them and to know them well. If we do not look up to the masses or even despise them, do not consider them to be the masters of society and adopt the attitude of I am the leader and you must obey and when I give orders you must implement them, we not only will be unable to obtain the support of the masses but we will also have great difficulty in achieving success. Any party cadre, no matter how great his achievement or accomplishment, should give the credit to the party and the people and not claim the credit for himself and become arrogant. If he regards his rightful duties to the people as capital for getting things from the party and the people, or starts to complain and even becomes antagonistic at the slightest grievance, this is precisely a sign of impurity in party spirit. For such comrades, completely remolding their world outlook is in fact the key to always keeping the masses in mind.

To solve the question of world outlook, we must establish lofty communist ideals. Only with communist ideals can we have a lofty ideological plane as well as noble morality and sentiment, and can we handle the relations between individual interests and mass interests with a communist spirit and succeed in attaching primary importance to others, to the masses, to the interests of the people and to the needs of the revolution. The good fighters of the Lei Feng type, good workers of the Wang Jinxi type, good cadres of the Jiao Yulu type, and good intellectuals of the Luan Fu, Luo Jianfu and Jiang Chuying types... they seek not personal fame or gain and are afraid of neither hardship nor death. They never seek to benefit themselves but only to benefit others and devote all their energies to bringing benefit to the people and bringing credit to the country and nation because they possess such lofty ideals. On the other hand, the main reason for those who care only for themselves, regardless of others, and only seek to benefit themselves, without paying attention to the sufferings of the masses, is that they lack lofty ideals and have forgotten the great communist goal. They are unable to break away from their narrow individualist outlook and low vulgar taste. All communists, regardless of whether old or new party members, should keep on remolding their world outlook, preserve their communist party and always remain an ordinary member of the working people.

'HONGQI' ON STABILING GRAIN ACREAGE

HK290917 Beijing HONGQI in Chinese No 5, 1 Mar 83 pp 32-33

[Article by Jing Ping [2529 1627]: "It Is Necessary To Stabilize the Acreage Sown With Grain"]

[Text] The problem of food has always been a matter of prime importance for China, which has a large population and insufficient arable land. In order to ensure a continuous rise in grain output, the area sown with grain must be kept at a certain level.

Since the 3d Plenary Session of the 11th CPC Central Committee, a series of reforms, in particular the system of contracting responsibilities with payment linked to output have been carried out in the rural areas of our country. This has promoted the full-scale development of agriculture and greatly raised grain production. Nevertheless, we must be clear about the fact that grain production in China is now unable to meet the people's needs and the requirements of economic construction. There are still certain contradictions between production and demand.

Grain output in China is unstable, owing to poor conditions and low productivity. The amount of grain produced for the market is only 15 percent of total production and the annual per capita grain consumption is a little more than 600 jin, much lower than that of agriculturally developed countries. With the growth of population and the development of the four modernizations, the amount of grain needed will be increasing continuously. China now has a population of 1 billion, which will rise to 1.2 billion, assuming successful population control efforts are made. Meanwhile, the amount of grain needed will also be increasing, owing to the growth of industrial production, the flourishing of agriculture itself, the development of diversified undertakings, especially animal husbandry, as well as the improvement of people's livelihood. Based on an estimate of 800 jin as the annual per capita grain consumption for a population of 1.2 billion, the total annual output of grain should rise to 960 billion jin by the end of the century. This requires an increase of 310 billion jin of grain over 1981, or an average annual increase of more than 1.6 billion jin. It is indeed a very difficult task.

To iron out contradictions between grain production and demand, what is most important is that we must rely on correct policies and science, carry out reforms of agricultural systems and technical transformation and increase the yield per unit area. Apart from this, a guaranteed sown area

plays an important part in a steady increase in total grain output. From a long-term point of view, agricultural production is bound to follow the road of collectivization. However, it is unlikely that a speedy rise in the yield per unit area can be anticipated unless there is a significant scientific breakthrough. In order to guarantee a continuous rise in total grain output, it is absolutely necessary to keep the present area sown with grain stable. We must be aware that the limited area of arable land in China is disadvantageous to grain production. At present, there is only a little more than 1 mu of arable land per capita in China, the lowest level in the world. After the liberation, an extensive area previously sown with grain was fenced off for the development of industry, communications, economic construction and housing. In the recent readjustment in the structure of agriculture, some farmland unfavorable for grain production was turned over to diversified development. Generally speaking, such readjustment is right and necessary for the overall development of agriculture in our country. But a number of local authorities, considering only their own profit while neglecting the overall interests of the nation, grew too many profitable industrial crops on land suitable for grain. As a result, acreage sown for industrial crops such as cured tobacco, rapeseed and hemp increased rapidly every year, and consequently large pieces of farmland suitable for grain were fenced off. This situation has been improved to a certain extent since last winter, but we should still pay close attention to it. The principle of "actively promoting diversification without any relaxation of grain production" should be taken as our consistent policy. In implementing the principle, we should neither take a one-sided approach nor set the two aspects against each other--once stress is placed on grain production, diversification will be neglected and once diversification is promoted, grain production will be relaxed. Not only should we increase the output of grain on the limited arable land to solve the problem of food, but we also should grow more industrial crops and promote diversification to meet people's needs. In planning agricultural production, we should proceed from the actual situation, make overall plans and take all factors into consideration. One should not be overemphasized at the expense of the other. From now on, all areas, except those which specialize in livestock husbandry, forestry, fishery and industrial crops, should make full use of all farmland suitable for grain. Priority must be given to grain production on land suitable for both grain and industrial crops. Meanwhile, preference must be given to using sandy, alkaline and sloping land for industrial crops, livestock breeding or afforestation, even where it is now being used for grain. This should be regarded as an important guideline for all of us.

Stabilizing the area sown with grain is actually conducive to the development of diversification. First of all, only when there is a steady increase in grain production, will it be possible to ensure the grain ration of personnel who engage in diversification, to supply adequate raw materials to the foodstuff industry as well as to the fodder industry. Second, only when land suitable for grain is fully used and an increase in the total grain output is ensured, will it be possible to turn over more land not suitable for grain to the overall development of diversification--forestry, animal husbandry, sideline production and fishery. Third, when the area

sown with grain is stabilized, people will be able to open up more ways to promote other trades by making full use of abundant natural resources such as mountainous areas, hills, grasslands, water surfaces, coastal areas and beaches. We will be able therefore to make the best use of topographical advantages and let all things serve their proper purpose. This will not only guarantee the increase of grain production but also develop diversification. Thus, the peasant will be able to get well-off at a quicker pace.

At present, the price ratio between some industrial crops and grain is unreasonable. Gains from growing grain are lower than from industrial crops. This is the very reason peasants prefer to grow industrial crops. We should seriously study this problem and try to solve it step by step. At a time when the state is still unable to raise the purchase price of grain, other adjustments in policies should be made, such as giving grain growers special treatment in investment, loans, taxes and supply of materials for construction and expansion of production. This will help the income of grain growers get closer to that of industrial crop growers. When the system of contracting responsibilities with payment linked to output is adapted to the collective economy, and when basic requirements are made for implementing contracts, attention must be paid to making the pay between different trades more or less the same. There should not be a wide gap in the pay between households growing only grain and those growing industrial crops. Meanwhile, we should conduct more political and ideological education among rural cadres and commune members by explaining to them the general situation of the nation's grain production and teaching them to take the situation as a whole into account and work consciously for fulfilling the state plans in grain production. The masses must be taught that their interests are closely linked with the state's, and that they should not arrange their production without regard for the overall interests of the state. Judging from the current trend of grain production, we believe so long as we observe policies well and work successfully, the area sown with grain can certainly be kept stable.

The following are some figures concerning grain production in China from 1978 to 1981:

Year	Area sown with grain--1 unit equals 10,000 mu	Percentage of total area sown	Total grain production --1 unit equals 100 million jin	Unit production --jin/mu	Production per capita --jin	Percentage of state purchase of total production
1978	180,000 units	80.3	6,095.3	337	640	14.0
1979	178,894	80.3	6,642.3	371	689	15.6
1980	175,851	80.1	6,411.1	365	656	15.0
1981	172,437	79.2	6,500.4	377	657	14.9

USING INTELLECTUALS CORRECTLY IN MODERNIZATION

HK040715 Beijing HONGQI in Chinese No 5, 1 Mar 83 pp 34-35

[Article by Shi Youxin [2457 0645 2946]: "The Key To Solving the Problem of Intellectuals"]

[Text] There are many problems to be resolved in carrying out the work of intellectuals, the most important being how to let intellectuals fully display their roles in the implementation of the modernization program. This is a key question.

What are intellectuals most concerned with? Jiang Zhuying and Luo Jianfu answered this question through their own deeds. These two intellectuals never thought of personal gain and fame. They thought of nothing but their work until the last days of their lives and their manifest selflessness emphasized the highly socialist consciousness and fine morality of the intellectuals in our country. Investigations carried out regarding 500 intellectuals in Tianjin recently showed that 70 percent are most concerned with the question of whether the modernization program can be realized and whether the task of quadrupling production can be completed." We all know that a number of intellectuals were misunderstood and that they suffered in the past and were treated unjustly. But they have persisted in following the party and they have always borne in mind how their country could be made to prosper. In the past, under the influence of "leftist" ideology and policy, the chief concern and the most serious problem for intellectuals was that they were not in a position to display their roles well and to contribute their knowledge and talent to the people. And today, their strongest desire is to use their knowledge and professionalism to make still greater contributions in their work. It is only when this strong and urgent desire is met that the initiative of the broad masses of intellectuals can basically be mobilized.

The social prejudice of despising knowledge and intellectuals is still far from being eliminated. To overcome this bad habit it is necessary to continue creating public opinion, reasoning and eliminating the influence of "leftist" ideology and, what is more important, it is imperative to arrange well the work of intellectuals so that they will have a chance to display their skills and so that the broad masses of people will be able to experience the important roles of intellectuals. Recently, a number of agro-technicians have made contributions in rural areas and they are welcomed

by peasants as their own kinsmen. In factories, many workers who have carried out technical reforms alongside intellectuals have come to realize their value. It is none other than these workers and peasants who have come to the fore to refute unfair opinions about intellectuals.

Of course, to stress the importance of making a good arrangement for the work of intellectuals in no way means that it is not important to help intellectuals solve the problems in their lives. On the contrary, solving the problems in the lives is a necessary condition for enabling them to display their roles still more effectively. A good horse that can walk 1,000 miles a day "will not have enough strength if it is not fed enough" and "it can in no way show its strength and gracefulness." This is a truth. In fact, the comrades who are more professional-minded in general do not care too much about their lives. Chen Jingrun lives for many years in a room that was built on a discarded latrine where he lived on cool steamed buns and carried out scientific research. Jiang Zhuying still had hot pickled mustard tubers made in Sichuan for his meals during his stay abroad. Leading comrades at various levels must be more concerned with the lives of these comrades so that these comrades will not need to worry about the lives of their families and consequently will be able to concentrate their efforts on improving the prosperity of their country.

Intellectuals in general have their specialities. Therefore, in order to employ them correctly, it is necessary to enable them to display their specialities. Why was it that a university student from a silicate speciality finally became a tricycle driver? I think the basic reason is that the leadership did not really pay attention to intellectuals. This question must first of all be resolved. In addition, some leading comrades did not understand the specialization of intellectuals and it seemed to them that intellectuals are versatile and consequently these comrades were not in a position for a long time to use the specialities of intellectuals. In fact, this situation represents a misunderstanding on the part of laymen. The division of work in modern science, be it natural science or social science, is becoming more and more detailed. It is true that much basic knowledge is interlinked, but many specialities are relatively independent and therefore we cannot demand that intellectuals understand and be able to do everything. The intellectuals themselves must be able to handle well the relationship between specialization and extensive knowledge and try their best to broaden their knowledge. Extensive knowledge and specialization is the unity of opposites and in order to master a speciality it is necessary to have broader knowledge. But the leadership must appoint intellectuals according to their specialities. Not to appoint them according to what they have learned and according to speciality is in fact a waste of talent.

In promoting intellectuals to leading positions, also, it is necessary to consider specialities. It is imperative to gradually change the ranks of our cadres so that they are composed of revolutionary young cadres who have grasped knowledge and professionalism and it is imperative to promote to leading positions cadres with specialized knowledge. But this does not

mean that all who have specialized knowledge are suitable for leadership. It is necessary for a research institute, a university or a literary and art organization to have a certain comprehensive nature and handling leading and managing affairs or a comprehensive nature is also a speciality. Some specialized staff have professional ability and at the same time they also have a potential capability for organizing, while others also have professional ability but they lack the capability of organizing and leading. If we do not really understand this situation, and once cadres have said that we are to implement the modernization program, we will hurriedly promote those who are not suitable for leadership work into leading positions. In this way, we are creating disadvantages and will consequently waste talent.

Because there were some shortcomings in assigning cadres in the past, some departments now have excessive teaching and research staffs. In these departments, those with specialities are not able to fully display their talent. On the other hand, some regions, departments and units urgently need such cadres. Therefore, it is necessary to break away from "departmental ownership" and [word indistinct] transfer cadres. As the various departments of the national economy and superstructure are now undergoing changes, certain changes are also required in the need for cadres. Any move to fix staff in a certain place is a manifestation of the concepts of small producers. Some people have always retained more "reserve strength" in their units so as to meet their own needs; but such a practice is not correct. Cadres belong to the state and not to departments. In this respect it is necessary to form a viewpoint of giving consideration to the whole and to overcome departmentalism. Intellectuals must be allowed to work in the positions and regions where they can display their abilities and particularly in remote regions and rural areas where they can display their talent.

It is not only the business of leadership at various levels to fully display the roles of intellectuals; the intellectuals themselves must also pay attention to this question. Intellectuals must be aware of their historical status and the historical tasks they are responsible for. They must overcome nonproletarian ideology that is contradictory to their historical status, persist in the orientation of political consciousness and expertise and combine these two aspects, devote themselves to and make achievements in their work, make contributions in realizing the modernization program so as to win acknowledgement and respect from society.

We are now in an era of "knowledge explosion" and both natural science and social science are developing rapidly. In order to make greater achievements it is necessary for intellectuals to study hard and constantly improve their specialized knowledge so as to constantly renew their knowledge. Foreign statistics show that in advanced countries, 50 percent of the knowledge grasped by university graduates in 1976 became outdated by 1980. Taken as a whole, the level of science and technology in our country is relatively low and what many people studied at school may not have been the

most advanced at that time. Therefore, if people do not study hard following their graduation, they will lag behind objective needs after a certain period. The broad masses of intellectuals must be aware of the seriousness of this question. They must turn their eyes to the world, clearly aim for the world advanced level, work hard to narrow down their difference from and catch up and surpass this level; they must not be handicapped by lack of knowledge and experience, nor can they become conceited because of the achievements they have made. It is paltry and lamentable to stop making progress after making some achievement.

It is required by the modernization program to display the roles of intellectuals. Our party has created various favorable conditions for intellectuals to display their roles. "Fish are swimming at will in the sea and birds are flying in the sky." We are confident that in the process of creating a new situation in carrying out the modernization program, the broad masses of intellectuals will, like strong eagles, hover in the air for the prosperity of their country!

'HONGQI' ON EVALUATING RECENT LITERARY WORK

HK071334 Beijing HONGQI in Chinese No 5, 1 Mar 83 pp 36-39

["Literary" commentary by Zhang Jiong [1728 3518]: "Correctly Appraise the Literary Works Written in Recent Years"]

[Text] There have been different opinions on how to appraise our country's literary work since the smashing of the "gang of four." Today there are fewer and fewer people who refute and depreciate in a sweeping way the achievement of literature in the past 6 years. However, there exists such a view that the achievement of the last 2 years cannot be compared with the previous 2 years. The reason is said to be that because the party Central Committee has stressed upholding the four basic principles and has been against bourgeois liberalization and, what is more, the critics have made criticism on some of the literary works. Does this view conform to the facts? We must find out, because it is an indispensable precondition to have a correct understanding of the development of literature in recent years for our literary cause to be carried forward and to advance in big strides in the new historical period.

The course of development of literature in the last 6 years basically conforms with the whole course of the great change in our country's social life. The first 2 years after the smashing of the "gang of four," literature was devastated and would be difficult to recover. However, the development of literature has met with grave setbacks because the error of "left" deviation that has been destructing the literary world has not been corrected once and for all. Since the 3d Plenary Session of the 11th Party's Congress, the campaign of liberating one's thinking has been in full swing. A great number of elderly and middle-aged writers, who were forced to give up writing have made their way back into the literary world. New writers have sprung up like mushrooms. From content to form, literary works have broken through one forbidden zone after another. Meanwhile, a trend of bourgeois liberalization that was characterized by seeking to break away from the leadership of the party and from the course of socialism appeared in society. And this trend was reflected in literary works. Such a situation would surely arouse the attention of the party and the people. In the past 2 years, the party Central Committee has carried out necessary struggle against the tendency of bourgeois liberalization while continuously fighting against the "left"

deviation. Facts have proved that in spite of the new problems and inadequacy in the last 2 years' literary works, the contingent of creation has kept growing, and the content and form of works have diversified. Ideological content and artistic form along which are developing in a healthy fashion have made unprecedented advances.

Literature, as a social ideology, belongs to the superstructure of a certain society. In the socialist period, what is the symbol that marks whether the literature of a certain period has progressed, stagnated or digressed? In his toast at the fourth representative conference of the Chinese artists in October 1979, Comrade Deng said, "Our socialist arts should, through artistic images that are flesh and blood, vivid and moving, realistically reflect the rich social life, reveal human nature in different social relations, manifest the demands of the advancing times and the tendency of the development of history, and what is more, we should strive to teach the people with socialist ideology and furnish them with aggressive and hard-working spirits." That is to say, the most important symbol is whether our literary works with rich and colorful artistic forms and styles, depict pictures of realistic life that are broad and deep, whether it depicts a multitude of typical figures that have aesthetic value, especially images that manifest the pioneers and the socialist newpeople in the construction of the four modernizations in the contemporary period, so as to brighten the hearts of readers with the brilliance of their communist thinking, and to encourage them to fight firmly for the promising future of socialism. In one word, we must consider if the art in question serves the reflection and consolidation of the socialist economic basis and if it contributes to the promotion of the construction of socialist spiritual civilization. With such a yardstick, we can see clearly the new development of literary creation in the last 2 years.

First, in the continual diversified development of literary subject matter, themes and characters, the ideological tendency of most works is good and healthy. In the last 2 years, there have been obviously fewer low-key works which merely depict psychic traumas. A great many works reflect our country's socialist history and, with the guidance of the "resolution" passed during the 6th Plenary Session of the 11th CPC National Congress, these works have gone into some depth and are fairly correct. The number of works depicting historical themes, including revolutionary history, is fairly high. Moreover, they pay special attention to depicting images of heroes in different historical periods, people with lofty ideals, revolutionary martyrs and the proletariat revolutionaries. They stress eulogizing patriotism, revolutionary heroism and the unyielding spirit of fighting valiantly for the progress of history. What is more heartening is that quite a number of writers geared themselves to the reality that the people of our country strive for the four modernizations. They make use of the different forms of literature to manifest the ethics and morals of socialism with ardor and sincerity and sing the praises of contemporary heroes and the images of socialist new people. In novels, for example, the woman production team leader Li Qiuxia in the short story "The Capable Daughter-in-law," the new-type salesgirl Jin Luer in "The Golden Deer," the leader of the electric

power bureau, Fu Lian-shan in the novelette "Trouble Arises Within the Family," young people like Xiajing, Liu Sijia in "Red, Orange, Yellow, Green, Indigo, Blue and Purple," intellectuals Xin Qiming, Lizhen in "The Soil," etc. They have left a deep impression on the readers' mind with their striking characters who bear the characteristics of the time. "The Night at the Swallow Nest" (written by Wei Jiwing) and "Wreath Under a High Mountain" (written by Li Chunbao) should be specially mentioned here. The former writes the moving story of a few dozen female workers who are united and militant. They defend an oil depot, and fight to keep an oil deluge from endangering the city. The story puts the emphasis on depicting the real images of Lin Qiuyue and five other red women. These young female workers have met with different experiences, each bearing in her heart different traumas, aspirations, sorrows and weaknesses and each totally different in character, yet at an urgent moment when the people's interests are in danger they put aside their own sorrows and plunge selflessly into battle. Their thinking shines with the brilliance of precious gems. The latter depicts a group of heroic images such as Liang Sanxi who emerges in the self-defense and counterattack battle on the Sino-Vietnamese frontier. The novel merges the life on the front with the life on the rear. It also interweaves life in the army units with life in society. It sings the soul-stirring praises of the heroic fighters and the heroic people who lay down their lives for the country. We can say that the mainstream of literary works in the last 2 years is appraising and seeking the meaning of life from the height of a progressive world outlook of the time, correctly handling the relationship between eulogizing the bright side and exposing the dark side. In depicting artistic images, it has done a fairly good job in uniting the striking revolutionary tendency with vivid artistic reality. In depicting heroes of different historical periods and images of socialist new peoples, special attention has been paid to exploring the beauty of their hearts and their lofty moral character and ideological values in an outstanding way, so as to arouse people's enthusiasm in joining in the socialist construction of material and spiritual civilization...and these are the special features that should be fully affirmed.

Second, new ideas have been constantly brought forth in the forms and styles of literature. More and more writers have attached importance to maintaining and developing national characteristics. Since the 3d Plenary Session of the 11th CPC National Congress, the idea of bringing forth a new trend in forms and styles has engulfed the various spheres of the forms of literature. Though there have been works ignoring the national tradition and blindly imitating modern Western works, writers who investigate into the reality of life have been trying their best to subject whatever forms and styles they in the contents of their works, that is, to manifest the change in life, habit, characters, state of mind and ideological accomplishment of our nation in her journey to the four modernizations. Writers have become more and more aware of the fact that if we want our literature to find its way into the world, we must implement the principle of "making foreign things serve China and making the past serve the present," and "letting a hundred flowers blossom, weeding through the old to bring forth the new," and create new features of our own

nation, so that our artistic forms and styles can powerfully express the life and the thinking and the experiences of our nation, which is now undergoing a great historical transformation. Poems of Ai Qing, Gongliu and Shao Yenxiang are like this. So are the two novels which have won the "Maodun Literature Prize," "The Spring in the Winter" and "The Furong Town." The former drew on the technique of expression of Western novels interweaving reminiscences with reality, and reflecting the contemporary life of our country in a deep and extensive way. The latter depicts the historical changes of the socialist countryside in Xiangnan. It has [word indistinct] the narrative technique of our country's traditional novels, which is richer in provincial flavor and color. As for Zhang Yigong and Kao Xiaosheng, who write mostly about the countryside, and Jiang Zilong and Deng Youmei, who write mostly about the cities, their unique styles are all distinctly stamped with national flavor. All forms of Western modernism as a literary phenomenon is the outcome under bourgeois historical conditions. It is wrong to negate national tradition and blindly imitate Western modernism. However, it will surely win apparent approval if we reject its idealistic philosophy and artistic viewpoints, and make appropriate use of certain techniques of theirs so as to enrich our literature and arts.

Third, owing to the breadth and depth of the reality of literature that is being reflected, it keeps on playing an influential socialist and militant role. In the past 2 years, quite a great number of writers have firmly adhered to the pulse of history, have been loyal to the voice of the people and have keenly reflected the grave contradictions of society commonly of concern by the people. They lash the conservative and backward influence of life with their outstanding militant stand. They also support reformers who give impetus to the progress of history, for example, in his series of works, Jiang Zilong has created numerous images of new people with striking characters for his family of "pioneers." They stand against the adverse storms and fight against the torrential waves. At the same time, he makes vivid portraits of negative figures of all kinds, who prevent the progress of the four modernizations. In his recent work "The Symphony of Pans, Bowls and Ladles," he has written about a young restaurant manager, Nihong, who bravely carries out creative reforms. The restaurant quickly makes up its deficit and then makes a profit, taking on a new look, yet in the end he is dismissed by the good-for-nothing company manager Youkang. The novel develops round the struggle between dismissing Nihong and restoring him to his post. It has not only voiced the call that service trades should be reformed, but has penetratingly manifested the truth that there is struggle in every step forward in life. Zhang Yigong, who wrote "The Story of Criminal Li Tongzhong," and "The Will of Zhao Jue Tou," is a writer who never runs away from the great contradictions and conflicts in reality. Last year he published "The Crying Red Candle," putting forward in a timely manner an issue of general significance, that is, after the upgrade of material life in the countryside, there is an urgent need to promote socialist spiritual civilization. The long novels "The Heavy-Laden Wings" and "The Reformers," the play "Who Is the Strongman?" and films like "Neighbors" and "The Contemporaries" have all reflected from different angles some essential aspects of a certain time. They are not only like the other works which are colorful, reflecting the

boundless universe from different angles and playing the role of recognition, education and aesthetic appreciation, but because they have boldly touched upon the important contradictions and struggles in reality which are of the common concern of the people and are beamed with intense militant spirits of the time, they are specially awakening and enlightening. They have promoted the militant spirits of the reality of literature in a fair way.

Of course, the development of the different forms of literature in our country in the past 2 years has been off balance. Work continues to surface with mistakes and an unhealthy ideological tendency in its creation, and especially when compared with the great number of advanced figures in real life who emerge on different fronts such as the great "Pioneers," "Men of Action," "Men of Understanding" and "Capable Hands," etc., our literary work still has a long way to go. Some writers tend to isolate themselves from life, and avoid the conflicts of reality. They either turn their backs on reality, indulge in expressing trivial matters and petty emotions or cover up the shallowness of their thinking with novel forms, or even make up stories that are odd and rare. There are still quite a number of such low-key works. The broad mass of readers and audience are not content with this. Though this is only a branch stream in the roaring spring tide of literature, it should attract the attention of literature and art circles and be overcome through criticism.

Literary works in the last 2 years have been able to march on the road of development that is becoming healthier and healthier. Of course, this has a great deal to do with the broad mass of literary workers, and it owes a lot more to the loving care of the CPC and the party's policies on art and literature that have brought order out of chaos. First, under the leadership of the party, the literary front has finally done away with all kinds of incorrect and preposterous theoretical shackles imposed on it by the wrong "leftist" tendency. It has initially realized what Lenin has said, "To ensure a vast area for individual creation and personal liking, a vast area that has ideas and imaginations as well as forms and contents." ("Publications of the party and the party organizations") Even though interference from the "left" has not been completely eliminated, the mainstream of development in literature after all has time and again prevailed over and got rid of this interference. Second, with the education of the party, the literary circles have come to see in the meantime the danger of bourgeois liberalization under the new historical conditions. They are on guard against it and have made necessary and fully convincing criticism against certain works and certain creative tendencies. Since the fourth national representative conference on literature, whether at forums about the creation of plays or at forums about problems on the ideological front, the many speeches made by CPC leaders have all shown the party's concern and living care for the broad mass of artists. They are not only good at giving systematic guidance, reminding the artists of paying attention to overcoming the interference coming from the "left" or the right, but have also taken full heed to mobilizing their initiative and enthusiasm. We owe the development of literature to the correct leadership of the party. Though there have been branch streams the main stream has been full of vitality from beginning to end.

As for the harm done by "leftist" mistakes, most comrades in literature and art circles have a fairly clear picture because they have drawn lessons from the bitter experience of the 10 years of chaos. (Of course, they need to get a deeper understanding.) Nevertheless, not all our comrades are fully aware of the importance of criticizing the wrong tendency of bourgeois liberalization. If we turn a blind eye to the wrong tendency of bourgeois liberalization on the literary front, and let the works publicizing bourgeois ideology and its decadent lifestyle overflow, corrupting the mind and soul of the broad mass of readers like bacteria, how can our literature serve the people and socialism? And how can it contribute to the construction of socialist spiritual civilization? Therefore, those views ignoring the danger of bourgeois liberalization and the importance of upholding the four basic principles and vigorously depreciating the remarkable achievements of literary works in the past 2 years not only do not conform to the reality of the development of literature, they are also wrong in understanding.

Since the fall of the "gang of four," the prosperity of literary works in the past 2 years has vividly told people that in order to allow socialist literature to develop healthily, we must not deviate from the instructions the party sets to serve the people and socialism. It is necessary to implement the party's policy of "letting a hundred flowers blossom and a hundred schools of thought contend." And it is imperative to persist in the struggle of the two lines. It is imperative to keep weeding out the pernicious influence of the "left" on the one hand and be opposed to the "right" tendency of bourgeois liberalization on the other. What is more, our writers should follow Comrade Mao Zedong's teachings, study Marxism, study the society and go deep into life. There is no doubt that writers require consummate artistic accomplishment and techniques. However, the artistic quality of a piece of work always hinges on its ideological contents. The nature of socialist literature is just the unification of its correct ideological contents and its perfect artistic form. In recent years, there have been writers who had once written some nice works. But because they do not go deeper into life, they cut themselves off from the people's fiery struggle. And they give up studying hard and using the Marxist world outlook to observe and appraise life. They just want to be conspicuous by seeking new art forms. In the end, they fail to provide weighty works which are welcomed by the people. Isn't this thought-provoking?

At present, people of all nationalities are marching forward along the direction indicated by the 12th CPC National Congress for the creation of a new situation on all fronts. Our literature and art works should "persist in the method of dividing one into two and take one more flight forward," so as to speed up the construction of socialist material civilization and spiritual civilization and write more and even better works.

'HONGQI' REVIEWS ECONOMIC MODERNIZATION DOCUMENTS

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[Article by the editorial office of theoretical education: "Outlines for Studying Important Documents Issued Since the Third Plenary Session: 4. Shift the Focus, Build up the Socialist Modern Economy"--passages within slantlines published in boldface]

[Text] 4. Shift the Focus, Build up the Socialist Economy

The most prominent changes in economic construction since the 3d Plenary Session of the CPC Central Committee are a change in the focus of our work, the correction of the "leftist" guiding ideology, and the implementation of the guiding principle of "readjustment, reform, rectification, improvement." As a result of these changes, the entire socialist economy has embarked on a path of steady development which is characterized by taking measures suited to our national conditions, advancing step by step and paying attention to actual results. The documents include an enormous amount of discussion on this question. When we study them, we can pay special attention to Comrade Deng Xiaoping's articles: "Free Ourselves From Old Ideas, Seek Truth From Facts, Get United and Look Forward," and "The Current Situation and Our Current Tasks"; Comrade Chen Yun's articles: "Questions of Planning and the Market," "Readjust Our National Economy, Adhere to Proportionate Development," "The Economic Situation and Lessons Learned From Experience," "Several Ideas About Economic Work" and "Strengthen the Planned Economy"; Comrade Li Xiannian's article: "Speech at the CPC Central Committee Work Conference"; Comrade Hu Yaobang's article: "On Questions of External Economic Relationships"; Comrade Zhao Ziyang's articles: "The Current Economic Situation and Guiding Principles Concerning Future Economic Construction," and "Several Questions Concerning Current Economic Work"; the relevant parts of the CPC Central Committee's "Resolutions on Certain Historical Questions on Our Party Since the Founding of the PRC"; as well as the "Summary of the National Conference on Rural Work" which was commented on and passed by the CPC Central Committee. When we study this special topic, we should master the following six main points:

First, we must shift the focus of the work of our party and state to socialist modernization construction;

Second, we must readjust the principal proportional relationships of our national economy and rectify the guiding ideology governing our economic work;

Third, we must readjust the rural economy and implement the responsibility system in agricultural production whereby contracts are based on output;

Fourth, we must reform our economic management system and enliven our economy;

Fifth, we must open our country to foreign trade on the basis of self-reliance; and

Sixth, we must build a socialist modern economy with Chinese characteristics.

/When we study the first main point, we can deepen our understanding of the following two things: first, the reasons for the necessity of shifting the focus of work; and second, the necessity of firmly remembering the lessons of our experience related to this question./

To resolutely shift the focus of the work of our party and state to modernization and construction is a strategic resolution of the third plenary session. The formulation of this resolution has been based on the following reasons. First, with the elimination of exploiting classes as actual social classes, although class struggle will continue to exist within certain limits for a long time, it has ceased to be the principal contradiction in society. The principal contradiction which we must resolve is the contradiction between the people's ever-growing material and cultural needs on one side and backward social production on the other. Second, the socialist society must have highly developed productive forces as its material basis. The superiority of the socialist system over the capitalist system is reflected in many things, but the most important criterion should be the speed and result of economic development. If socialism is always associated with poverty, it will not have a firm foundation. Departing from the central task of modernizing economic construction, socialism will face the danger of losing its material foundation. Third, to oppose hegemonism in international affairs and help safeguard world peace, to enable Taiwan to be reunited with our motherland and to restore China's unity, and to speed up our four modernizations are the three major tasks we must undertake in the 1980's. Among these three tasks, the core is our modernization construction. Accomplishment of this task is the most important condition for our solution of international and domestic problems. The relative importance of our role in international affairs depends on the magnitude of our success in economic construction. Therefore, to shift the focus of our work with devotion of our attention and efforts to the four modernizations is an objective requirement of the

building of socialism and is compatible with the people's basic interests. Thus, in his article: "Uphold the Four Basic Principles," Comrade Deng Xiaoping says: "Whether we can achieve the four modernizations will determine the destiny of our country and nation. Under the actual current conditions of China, to do a good job of our socialist four modernizations is tantamount to upholding Marxism and holding high the great banner of Mao Zedong Thought."

On the question of shifting our focus, we have learned profound lessons from our experience. During the initial period after the founding of the PRC, in particular, after the socialist transformation had been basically accomplished, Comrade Mao Zedong repeatedly said that we had to shift the focus of our work to economic work and technological revolution. He also correspondingly put forth some correct policies and measures, for example, appealing to all cadres in our party to study economic construction, formulating plans for developing science and technology, grasping the building of the contingent of intellectuals, and so on. The Eighth CPC Congress clearly laid down the guiding principle of shifting the focus of our work. Later, however, because of the gradual development of "leftist" guiding ideology, this correct guiding principle was not persistently implemented. By the time of the "Great Cultural Revolution," it was even completely violated by Lin Biao and the "gang of four." In the final analysis, the mistakes committed by our party in the past were due to our failure to firmly strive for a strategic shift in the focus of our work. For many years, class struggle was considered to be the principal contradiction. This not only subjected economic construction to the incessant interference and disruption by political movements, but led to the adoption of a series of erroneous measures, such as overlooking the importance of scientific and technological development, paying little attention to raising the scientific and cultural standard of the whole people, discriminating against intellectuals or even taking measures against them, and so on. Consequently, the development of social productive forces was slow, unsteady and not well coordinated, and the people's livelihood was not significantly improved. In view of our past experience, our CPC Central Committee has repeatedly stressed the necessity to shift our focus with the greatest determination. In his article: "The Current Situation and Our Current Tasks," Comrade Deng Xiaoping says: "We must now firmly resolve that, except when a large-scale war breaks out, we must consistently and persistently perform this task. All other things must revolve round this task and it must not be interfered with in any manner. Even if a large-scale war breaks out, we must continue to undertake this task or start doing it all over again after the war. Our whole party and the whole people must set up this lofty aspiration and must not slacken. We must be more 'obstinate' and must not swerve."

/When we study the second main point, we must pay special attention to grasping the following two questions: First, the necessity of readjusting our national economy and the effectiveness of readjustment; and second, the shifting of economic work into the path of taking the enhancement of economic benefits as the core./

In April 1979, after the third plenary session, the CPC Central Committee put forth the guiding principle of "readjusting, reforming, rectifying and improving" our national economy. In December 1980, the CPC Central Committee work conference again put forth the task of further readjustment. Because our country's economy had been extremely backward and anomalous before liberation, and because for many years after the First Five-Year Plan we had been too impatient for success, our country's economy had been suffering from disproportion. Moreover, because of the interference and sabotage of the decade of chaos, the disproportion was further aggravated. During the first 2 years after the smashing of the "gang of four," we did not become fully aware of the serious consequences of the decade of sabotage, and did not root out "leftist" mistakes in economic guidance. We were still impatient for success and put forth some grandiose and unrealistic slogans and targets. Although the scale of capital construction and the scale of import of complete sets of equipment had already surpassed what was warranted by our available national resources, we still continued to expand them. This mistake of rash advance aggravated the already existing disproportion between industry and agriculture, between heavy industry and light industry, between basic industries and processing industries, between economic construction and social development, and between accumulation and consumption. Our financial difficulty was also aggravated. By the time of the third plenary session, the situation had deteriorated into one of disequilibrium in fiscal revenue and expenditure, credits, goods and materials, and foreign exchange receipts and payments. Our experience of the past two decades or more has proved on many occasions that without proportionate development, it will be impossible to achieve a steady and reliably high growth rate. Under the condition of grave disproportion in our national economy, the CPC Central Committee resolved to carry out the necessary readjustment. This was the prerequisite for guiding our country's economy toward normal and steady development as well as a necessary condition for carrying out our modernization construction. The "eight-character" guiding principle is of positive significance.

Success was quickly achieved in the readjustment of our national economy. The CPC Central Committee first grasped agriculture and the light and textile industries, vigorously developed the production of consumer goods, resolutely reduced the scale of capital construction, and readjusted the orientation of service of heavy industry, so that the proportional relationships between agriculture, light industry and heavy industry became more rational. In 1978, the relative shares of agriculture, light industry and heavy industry in the total value of industrial and agricultural output were 27.8 percent, 31.1 percent and 41.1 percent, respectively; in 1981, through readjustment, they became 31.5 percent, 35.2 percent and 33.3 percent, respectively. Over the past several years, agricultural production has continued to grow on an overall scale, the production of manufactured consumer goods has rapidly developed, and the supply of the majority of commodities such as food, clothing and daily articles has been rather adequate. After readjustment, the proportion between accumulation and consumption has also become more rational. The proportion of accumulation in the amount of national income spent had dropped from 36.5 percent in 1978 to 28.3 percent in 1981. From 1979 to 1981, the state disbursed 140 billion yuan to improve the people's

livelihood. Peasants' income and workers' wages also greatly increased. All these facts reflect the great success of implementing the "eight-character" guiding principle. Of course, readjustment also includes readjustment of the composition of products and technology, the structure of enterprises and other organizations, and so on. This kind of readjustment is a task which needs a longer time and greater efforts to accomplish.

To shift economic work onto the path of taking the enhancement of economic benefits as the core is a very important principle for guiding economic work laid down by the CPC Central Committee after the third plenary session. In 1981, at the 4th meeting of the 5th NPC, Comrade Zhao Ziyang put forth 10 guiding principles governing economic construction, and the core of these principles is the enhancement of economic benefits. He said: "From now on, in considering any economic problem, we must basically proceed from the enhancement of economic benefits, so that our country's economy can continue to develop more satisfactorily." Over many years, the path we took was one of stressing capital construction at the expense of production, with a high accumulation rate and low efficiency. We were enthusiastic about carrying out capital construction on a large scale and amassing large sums of funds to build new factories, particularly heavy industrial plants which take a great deal of money and time to build. Old enterprises always remained backward, prodigiously consuming materials and raw materials and producing goods of low quality, because little attention was paid to the improvement of management and operation, or paid to the renewal of equipment and technological transformation. Superficially, the rate of growth of production was not slow. Actually, economic benefits were poor and the people did not enjoy many material benefits. In light of this situation, Comrade Chen Yun said: "In carrying out our four modernizations, aside from starting a certain number of large-scale projects, we should place our emphasis on tapping the potentials of our country's existing enterprises, bringing about innovations in them and transforming them." "We must assign priority to production over capital construction, and to tapping potentials, innovation and transformation over building new plants." This means we must expand social production by developing the existing enterprises' role, rationally carrying out technological transformation, reducing consumption, improving quality and raising efficiency. This is a new method characterized by a relatively realistic growth rate, greater economic benefits, and more material benefits for the people.

/When we study the third main point, we must pay special attention to understanding the following: first, why the grasping of agriculture is of primary importance, and what are the principal measures taken; and second, the great significance of implementing responsibility systems whereby contracts are based on output./

Since the third plenary session, the CPC Central Committee has assigned top priority to grasping agriculture, considering it as the central link which gives impetus to the entire economic construction. The reasons are as follows: 1) out of our country's population of 1 billion, some 800 million

are peasants. The population is large but cultivated land is inadequate. This is the main socioeconomic characteristic of our country. The peasants are in the majority. If their production activities and livelihood are well planned, the whole country will be stable. Comrade Chen Yun said: "The order of importance: first, agriculture; second, light industry; third, heavy industry, represents an integration of Marxism with the practice of China's revolution." "When we talk about proportions in the context of proportionate development, we must take agriculture into consideration. This is a basic issue." To assign priority to agriculture and pool our strength to grasp it is based on the basic characteristics of our national conditions. 2) Agriculture is the foundation of the national economy. Overall, agriculture is a very weak link in our country. If agriculture is not well developed and cannot provide ever-increasing quantities of industrial raw material, grain and non-staple food, the development of light industry or even the entire industry will be impossible. If the peasants are not well off, there will not be a large domestic market. Therefore, to quicken agricultural development is a basic condition for ensuring the achievement of the four modernizations. 3) The orientation of collectivization of agriculture in our country is correct. However, because of the "leftist" mistakes in guiding ideology, the extent of collectivization was excessive, the measures of collectivization were too rigid, and egalitarianism prevailed. The peasants' enthusiasm was suppressed. Over many years, agricultural development had been slow. By 1978, 150 million peasants in our country were still inadequately fed and clothed. These facts demonstrated that rural policies had to be readjusted, the system, structure and operation and management of the people's communes had to be reformed, and in particular, major improvements and breakthroughs in building and perfecting responsibility systems in production were urgently needed.

After the third plenary session, the CPC Central Committee drew up the "resolutions on certain questions concerning quickening agricultural development," which states: "To draw up policies concerning agriculture and the rural economy, we must primarily proceed from fully developing the superiority of the socialist system and the enthusiasm of the 800 million peasants in our country." Therefore, economically, we must have great concern for the peasants' material benefits, and politically, we must earnestly safeguard their democratic rights. Proceeding from this guiding ideology, the CPC Central Committee put forth a series of policies and economic measures to promote agricultural development. The most important ones are: restoring and widening the communes' and production teams' decisionmaking power; restoring private plots of land, sideline occupations of the family and the collective and country fair trade; establishing and perfecting various forms of responsibility systems in production; greatly raising the state purchase prices of principal agricultural and sideline products and lowering the prices of industrial products for agricultural use such as agricultural machinery, insecticides, chemical fertilizers and so on; making a resolution to import 15 million tons of grain annually to help readjust the composition of agricultural production and to let the peasants enjoy more leisure time

and build up strength; putting forth the guiding principle of "never slacken production of grain, vigorously develop diversified occupations"; and so on. These measures have greatly mobilized the enthusiasm of the several hundred peasants, has once again helped liberate the productive forces, and has thus enabled the entire rural economy to prosper and flourish. From 1979 to 1981, the total value of our country's agricultural output continuously grew at the annual rate of 5.6 percent. Although the sown area for growing grain crops decreased by nearly 100 million mu, the total grain output grew significantly. The output of cotton and other industrial crops also greatly increased. In 1982, bumper harvests on an overall scale were again achieved in agriculture. The peasants' income has continued to rise and their livelihood has markedly improved. Today, the peasants feel more at ease and confident than at any time in the past since the collectivization of agriculture.

The very fine situation of the countryside and the very great enthusiasm of the peasants are mainly due to the fact that since the third plenary session, we have implemented a series of correct policies concerning the rural economy, the key one being the policy of practicing responsibility systems whereby contracts are based on output. This is a major breakthrough whose significance is not less than the socialist transformation of the whole agriculture. What should we know about the responsibility systems whereby contracts are based on output?

1. A responsibility system whereby contracts are based on output means that under the precondition of adhering to public ownership of the basic means of production, such as land and so on, families or small groups of people undertake the fulfillment of contracts, with remuneration for work closely linked to the fruits of production. This is a new form of management and distribution in socialist agriculture under the specific conditions of our country. It helps widen the peasants' decisionmaking power and effectively helps put an end to the overconcentration of power in management, the issuing of arbitrary and impracticable directions in production, and egalitarianism in distribution. The responsibility systems whereby contracts are based on output lead to an integration of operation on a collective basis with operation on an individual basis. Both categories of operation can be undertaken to suit the circumstances. Moreover, the superiority of the collective and the enthusiasm of the individual can be simultaneously brought into play. Therefore, these responsibility systems possess wide-ranging adaptability and enormous vitality.

2. The responsibility systems whereby contracts are based on output have smashed the old restrictions, formed over a period of many years, which fettered people's mind and impeded the development of the productive forces. These responsibility systems not only do not negate collectivization, but can make the specific path of agricultural collectivization more suited to our country's real circumstances. They represent a new development arising in our country's practice of Marxist theory concerning collectivization in agriculture. Responsibility systems whereby contracts are based on output, such as assigning the households full responsibility for task completion, are viewed by some comrades as dividing up the land and practicing individual

farming, thus negating collectivization. They say: "We have worked hard for 30 years, but now the situation has reverted overnight to preliberation times." This is a misunderstanding. Assigning contracts to individual households is not tantamount to dividing up the land and practicing individual farming. It is only one aspect of the running of the collective economy. It is a new type of family economy which differs from the individual economy of small owners in the past. We should not confuse these two categories.

3. Responsibility systems whereby contracts are based on output are a result of the great creativity of the peasants of our country, brought into play under party leadership. They have undergone a process of gradual improvement and continuous development. In implementing responsibility systems in agricultural production, the CPC Central Committee has consistently stressed the need to conduct investigation and study, to proceed from actual conditions in all cases, to suit measures to local conditions, to provide appropriate guidance according to different cases, to let the masses democratically and voluntarily choose from various forms of responsibility systems, to gain experience through experimentation and to avoid a sweeping categorization of things. As a result, this major readjustment of rural production relations, which involves several hundred million people, has been developing healthily. The responsibility systems have developed from not being linked to output to being linked to output; from assigning responsibility for performing work within a time limit and according to specifications to fixing farm output quotas, and then to assigning responsibility for task completion; from "not implementing the fixing of farm output quotas for each household" at the beginning to "allowing the fixing of farm output quotas for each household and allowing the assigning of full responsibility to households for task completion" in outlying districts and poor regions at a later stage, and then to the adoption of assigning households full responsibility for task completion as the principal form of responsibility system for our country's agricultural production at the present stage. This development is a process in which the masses in their practice voluntarily choose from various alternatives through comparison and screening, and in which the CPC Central Committee respects the pioneering spirit of the masses and sums up their ideas, so that with the development of practice, its policies are continually augmented and perfected. In the course of this development, some comrades who were under the prolonged influence of "leftist" mistakes have remained unconvinced on the question of responsibility systems whereby contracts are based on output. They hesitate over or even boycott the implementation of these responsibility systems. In view of this problem, the CPC Central Committee has repeatedly explained the socialist nature of these responsibility systems and has persisted in taking positive education as the principal measure. It lets these comrades acquire deeper understanding through learning by practice and does not compel, criticize or put labels on anyone. This experience should be taken as a reference in carrying out reforms in other areas.

/When we study the fourth main point, we must pay attention to understanding: first, the defects of our country's economic management system and the necessity of reform; and second, the basic orientation and principal content of reform./

Many problems about our national economy are closely connected with the irrationality of our economic management system. In the past, the main defects of our economic system were: overconcentration of power in management; neglect of development of diversified forms of economic ownership; separation of various departments or localities by unsurpassable barriers in matters of relationships of subordination; and "eating out of the big pot" in matters of distribution. The specific situation was as follows: 1) The relationship between the state and the enterprises was marked by excessive centralization and overly tight control. The enterprises lacked the appropriate amount of decisionmaking power over planning, production, use of materials and goods, employment of labor, financial affairs and so on. Whether an enterprise was well run or not did not affect the workers' material benefits, so that the enterprises and the workers tended to be content with the status quo. Another problem with the enterprises was that supply, production and marketing were out of line with one another. Divorced from consumers' needs, production could not be adjusted according to changes in the national economy, the people's livelihood and the needs of the market. 2) Another aspect of the relationship between the central authorities and the localities is that in certain cases, decisionmaking power was not appropriately decentralized, or appropriately centralized, or appropriately relaxed, or appropriately restricted. The relationship between departments under the CPC Central Committee and local authorities, as well as the relationship between various departments, were marked by unclear definition of responsibilities and jurisdiction, overstaffed administrative bodies, existence of many levels of authority, and low work efficiency. 3) Overall, the entire economic management system was marked by overconcentration of power, overly rigid planning, centralization of fiscal payment and collection of fiscal revenue, monopolization of purchase and marketing of goods and materials by the state, centralization of importing and exporting in foreign trade, "eating out of the big pot," and paying no attention to economic results. All these problems seriously restricted and fettered the enthusiasm, initiative and creativity of the four parties: the departments under the CPC Central Committee, the localities, the enterprises and the workers. Consequently, the economy became inactive and devoid of vitality and flexibility. Therefore, reform was absolutely necessary.

Since the third plenary session, concurrently with the carrying out of readjustment, our economic management system (its aspects including the form of ownership, the form of planning management, the form of operational management, the form of distribution and so on) has been subjected to some reforms, which consist mainly of the following measures: 1) concerning the form of ownership, in light of the low level of development and the unbalanced development of our country's productive forces, we have vigorously developed the cooperative economy in the countryside and towns, which is characterized by collective ownership, while upholding the leading role of the state sector of our economy; and moreover, we have encouraged the appropriate development of the workers' individual economy within the limits prescribed by the state, as a necessary supplement of the publicly-owned economy. 2) we have implemented the principle of relying mainly on the planned economy, with regulation by market mechanism as a subsidiary measure. Social needs are varied and ever-changing. There are numerous categories of different social products. It is impossible to have an all-embracing plan

which takes all of them into account and which provides for a satisfactory regulation. To enliven the economy, we must correctly understand and handle the relationship between the planned economy and regulation by market mechanism. In March 1979, when Comrade Chen Yun once again took charge of the financial and economic commission, he put forth this question for the first time. In his article entitled "Questions of Planning and the Market," he says: "In the entire ["entire" is underscored] period of socialism, the economy must consist of two parts: 1) the planned economy (that part of the economy subject to planned proportionate development); and 2) that part of the economy subject to regulation by market mechanism (that part which is not subject to planning, which carries out production according to changing market demand and supply, and which incorporates "blind" regulation). The first part is the basic and principal part of the economy. The second part is subordinate to the first, is of subsidiary importance, but is necessary. 3) the administrative organs and the enterprises have carried out division of labor. The enterprises' decisionmaking power has been expanded. Moreover, the results of operation of the enterprises are linked to the workers' material benefits. Systems of assessment, penalty and award, promotion and demotion, and so on, have been conscientiously practiced. Over the past several years, experimentation in expanding decisionmaking power has been conducted in over 6,000 enterprises; various systems of responsibility for operation, such as retaining part of profits, enterprises managing their own funds, substitution of profits by taxation, assuming full responsibility for task completion to earn profits, and so on, as well as the system of personal responsibility of workers, have been implemented on an overall scale in industrial and commercial enterprises; and by administrative and economic means, egalitarianism in distribution among the enterprises and among workers of each enterprise has been gradually eliminated. 4) according to the principle of unified leadership and undertaking of management by various levels, the jurisdiction of the central authorities and local authorities is clearly defined. The administrative structure is simplified, so that the economy can be more satisfactorily managed by using economic means, and the partitioning of the economy by various localities and departments can be eliminated. According to the requirements of cooperation among specialized units and in light of the needs of production, various forms of economic integration have been developed and enterprises have been rationally organized. The cities whose economy is relatively highly developed are taken as centers which give impetus to the development of the countryside, and on this basis production and circulation are organized in a centralized way. There are also other areas of reform. Practice has proved that the orientation of our reform is correct, its results are good, and it has played a powerful role in enlivening the economy and enhancing economic benefits. The current economic situation is very good. An important reason is that the enthusiasm of the departments, the localities, the enterprises and the workers has been mobilized through our reform.

/When we study the fifth main point, we can pay special attention to understanding: first, why we must open our country to foreign trade; and second, what questions require special attention if our country is opened to foreign trade./

To open our country to foreign trade is an important policy drawn up by our party in light of the needs of socialist modernization construction and in light of the current international situation. Over the past several years, in our economic intercourse with other countries, we have opened up a new prospect and achieved great success. According to statistics, the total value of imports and exports of our country in 1981 was double the 1978 figure or 11 times the 1952 figure. There has also been relatively great development in other areas of external economic relationships, such as processing of incoming materials, joint ventures and so on. Practice has proved that it is absolutely necessary to open our country to foreign trade.

1. To open our country to foreign trade is compatible with the natural tendency of social and economic development. A basic characteristic of socialized large-scale production is the expansion of exchange. As early as over a century ago, Marx and Engels had pointed out that with the formation of the capitalist world market, economic intercourse and interdependence between various nations would gradually take the place of the original situation in which countries were self-reliant and closed to international intercourse. After World War II, this development gained tremendous momentum. This is a basic historical fact and also an inevitable trend of social development. In our achievement of the four modernizations, our economic relationship and intercourse with other countries will be continually enhanced and will become increasingly more intimate.
2. The present international situation is favorable for the opening of our country to foreign trade. Since the founding of the PRC, in our external economic relationships, we have gone through a tortuous path and did not achieve great development. The reasons are as follows: first, the major capitalist countries, headed by the United States, were hostile to us and blockaded us for many years, enforcing an embargo against us. Second, in the 1960's the USSR tore up its economic agreements with our country. Since then, the economic links between our country and the USSR and East European countries drastically dwindled. Third, for a number of years, particularly during the "Great Cultural Revolution," the implications of the guiding principle of self-reliance were gravely distorted. The success of our country's present diplomatic policies furnishes good conditions for our economic and technological exchange with other countries. At present, the international market is a buyers' market. The economy of the major capitalist countries in the West is in a state of stagnation and inflation. Surplus funds in the international market are also looking for outlets. These conditions are favorable to the development of our external economic relationships.
3. Economic intercourse between various nations in the world and exchange of technology between them through importation constitute an important way of promoting economic, scientific and technological development. In particular, our country is rather backward in its economic, scientific and technological development, and for a considerable number of years it will

be impossible to solve the problem of lack of funds in our country. Therefore, on the basis of self-reliance, we must establish links with the international market, expand external trade, import advanced technology, make use of foreign funds, and develop various forms of international economic and technological cooperation. By doing so we can use the strength of other countries in the world to make up for our own shortcomings. We can thus increase, and not weaken, our ability of self-reliance.

Over the past several years, the CPC Central Committee has continually summed up the experience of opening our country to foreign trade and has drawn up some clear guiding ideology, guiding principles and policies. These can be summed up as follows:

1. We must correctly handle the relationship between self-reliance and opening our country to foreign trade. Comrade Hu Yaobang said that the modernization of a large country such as ours with a population of 1 billion people should be, and indeed can only be, based on our own strength. However, on the other hand, we must never confine ourselves to an old narrow sphere, misinterpreting self-reliance as closure to international intercourses and struggling in isolation. He said that in our socialist modernization construction, we must make use of two categories of resources: domestic resources and foreign resources; we must open up two markets; the domestic market and the international market; and we must learn two sets of skills: organizing domestic construction and developing external economic relationships. He has thus further clarified the strategic role of external economic relationships. Comrade Zhao Ziyang also said that in economic work, all thoughts and actions characterized by the closed door mentality and rigid adherence to old conventions are wrong, as are all thoughts and actions characterized by relying solely on foreign resources and blindly believing in foreign countries.

2. We must use dual tactics. On the one hand, we persist in opening our country to foreign trade; and on the other hand, we must persist in resisting the corrosive influence of capitalism and curbing criminal economic activities. Comrade Deng Xiaoping said: "We must selectively and in a planned way import from capitalist countries advanced technology and other things useful to us. However, we must definitely not learn or import the capitalist system or various kinds of ugly and decadent things." If we open our country to foreign trade, some bad things pertaining to capitalism and some bad influences of capitalism will inevitably find their way into our country. Criminal activities such as smuggling, selling of smuggled goods, speculation, fraud, corruption, bribery and so on will run rampant in some localities and units. We must not, on account of the implementation of the policy of opening our country to foreign trade, neglect or relax the struggle against corrosive influence and economic crimes, or be afraid to wage this struggle. On the other hand, we must not waver in our adherence to the guiding principle and policies concerning opening our country to foreign trade on account of the necessity to wage this struggle.

3. We must continually sum up our experience to bring about continual improvements in our external economic work. When we import technology or equipment, we must realistically consider our ability of assimilation and ability to form complete sets. We must oppose binding our own hands and feet, hesitation and delay. On the other hand, we must also oppose rashness, credulousness and easily making promises. In the future, we should mainly import technology as well as materials, single pieces of machinery and key equipment which we cannot manufacture ourselves. In making use of foreign funds, we must fully consider our ability to repay the funds with interest. We must in the first place obtain those low-interest loans that can be borrowed on relatively favorable terms. In making use of foreign funds, we must meticulously and carefully conduct feasibility studies and pay attention to economic benefits. We must not act rashly. In expanding foreign trade, the key target is to increase our exports. We should fully develop our country's superiority of possessing plentiful resources and free our minds from restrictions in entering into the international market. We must adhere to the principles of centralized planning, drawing up unified policies and uniting ourselves in dealing with foreign businessmen. We must resolutely prevent decentralization in dealing with foreign businessmen and competitive price cuts, so that we can prevent any resultant losses. We must oppose the blind importing of consumer goods, which will be harmful to our national industries.

/When we study the sixth main point, we should mainly think about why we must stress the building of a socialist economy with Chinese characteristics, what experience has been gained in this respect and the necessity to continue our exploration./

In his opening address at the 12th CPC Congress, Comrade Deng Xiaoping said: "Our modernization construction must proceed from China's actual conditions. In both revolution and construction, we must pay attention to learning from foreign countries' experience and taking it as reference. However, to mechanically copy other countries' experience and models will never bring about success. We have learned many lessons from experience in this respect. The basic conclusion we have drawn by summing up our historical experience over many years is that we must integrate universal Marxist truths with our country's specific actual conditions and take our own path to build socialism with Chinese characteristics." In the past, we repeatedly suffered from setbacks in carrying out socialist construction. The most basic reason is that we did not soberly understand our basic national condition. We did not understand that in a large country such as ours, with a large population, a weak foundation and a low level of development of productive forces, it is necessary to make prolonged and arduous efforts in carrying out modernization construction. As a result, we were always impatient for success, as reflected in our guiding principles, thus committing "leftist" mistakes. Since the third plenary session, the CPC Central Committee has grasped this basic question, has accordingly set to rights things which had been thrown into disorder, and has been continually exploring the path of Chinese-style modernization.

Since the third plenary session, our party has achieved the shift of the focus of our work, has implemented the guiding principle of "readjustment, reform, rectification, improvement," has corrected the guiding ideology governing economic work, has implemented agricultural responsibility systems whereby contracts are based on output and systems of responsibility for operation for industrial and commercial enterprises and has reformed our economic management system. Our party has persisted in the economic policies of relying on the leading role of the state sector of the economy while developing diversified forms of economy, relying principally on the planned economy with regulation by market mechanism as a subsidiary measure, and enlivening our domestic economy while opening our country to foreign trade. Our party has been resolutely controlling population growth, and so on. All these things have been done for one purpose, namely, to build a socialist modern economy with Chinese characteristics. After several years of practice, we have acquired a much more profound understanding of China's basic national conditions and characteristics and of the laws governing socialist economic construction in our country. We have greatly enriched our experience. Our party has gradually established a correct path of socialist modernization construction which is suited to our country's conditions. This path will continue to develop and to be perfected in practice. However, its main points have been basically summed up in the important documents issued since the third plenary session of the CPC Central Committee.

Of course, we must note that concerning the question of building a socialist modern economy with Chinese characteristics, there are still many realms of necessity which we need to understand; what we have preliminarily understood must be continually tested by practice and must be understood to a greater depth with the development of practice. However, the path has been opened up, and the most important thing is that we are under the firm leadership of the CPC Central Committee and we have an ideological line marked by proceeding from actual conditions and seeking truth from facts. Therefore, if we continue to sum up experience and carry out exploration, we will certainly be able to achieve our Chinese-style socialist modernization and to attain the goal of our endeavor to quadruple our annual total value of industrial and agricultural output by the end of this century.

'HONGQI' ON BUILDING TWO CIVILIZATIONS

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[Article by Gao Lu [7559 6424]: "Why We Say That in the Building of the Two Civilizations, 'Each Is the Condition and Objective of the Other'"]

[Text] It was pointed out in the report to the 12th party congress that the building of material civilization and the building of spiritual civilization are "each the conditions and objective of the other." How should we understand the so-called mutual condition and mutual objective?

That the building of spiritual civilization is conditioned by the building of material civilization is quite understandable. First, people first of all need to eat, clothe themselves and live and then they will be able to engage in spiritual production in their effort to develop spiritual life. Historically, only when material civilization had developed into stage with a certain surplus of the material means of subsistence could a portion of mankind be freed from material production to engage solely in spiritual production. In the process of the history of mankind, it is none other than the division of mental labor and physical labor that has tremendously developed social spiritual production and consequently promoted the development of the whole society (including material production). Second, the building of spiritual civilization must depend on material means. For example, to engage in the research of natural science requires various pieces of apparatus for experiments from small tube clamps to high-efficiency accelerators, education requires educational apparatus such as classrooms and teaching apparatus while modern intelligence apparatus such as printing machinery, audio and video recorders, TV sets and telecommunication satellites are needed for recording and disseminating the achievements of spiritual civilization. The more the quantity and the better the quality of such material means become the more favorable they become to the building of spiritual civilization. The quality of the ideological content of the building of spiritual civilization is not simply shown through material goals; but the quantity, scale and technical quality of the building of spiritual civilization such as quantity of libraries and museums and schools, the circulation of publication and the number of opera houses and stadiums must also have their material goal.

It is also understandable that the building of spiritual civilization is also the premise for the building of material civilization. First, material production is always conducted in a social environment and is one of the social activities of mankind. In a socialist society the building of spiritual civilization will help regulate the relationships among people and between individuals and society, so that people will be able to consciously protect public order and production order and provide good social conditions for building material civilization and guarantee the socialist orientation of the building. Second, the educational level and knowledge structure of material producers, as factors in social productive force, participate directly in the process of material production, play a dynamic role in promoting the building of material civilization. Third, communist ideas, morals and beliefs will be able to inspire the labor enthusiasm of laborers and instill understanding among workers that they are the masters of mankind so that they will display their initiative to the utmost. This is also an important condition for building material civilization.

To say that "each is the objective of the other" means that the building of spiritual civilization takes as its objective the promotion of material civilization. At the same time, the purpose of building material civilization is to promote the building of spiritual civilization. In the process of socialist construction, these two aspects promote and supplement each other in their common progress.

Why do we say that the purpose of the building of spiritual civilization is to promote the building of material civilization? We all know that Marxist historical dialectics stresses the importance of material life and economic life as the basis for social consciousness, social spiritual life and the development of the whole society. Whether a political, ideological or spiritual reform conforms with the requirement of historical development is determined in the long run by whether it promotes social productivity. To regard the progress made in promoting material civilization as a purpose of our socialist construction means to uphold the basic principle of historical materialism. If we talk about the purpose of building material civilization by departing from the basis of developing material production and regard the development of spiritual civilization as the only final purpose, we will consequently find ourselves falling into historical idealism.

But we cannot, therefore, consider that the only purpose of the progress of mankind is to meet the needs of material life and develop material civilization. Marxist historical materialism acknowledges the existence of society and social consciousness, the mutual influence and mutual conditioning between material life and spiritual life. And when it stresses the importance of the decisive role of material production, it also pays attention to the dynamic role of mankind and the dynamic role of people's spiritual production. Social material production represents men's activities, productivity is also the productivity of men and history is in fact the history of mankind created by themselves. Men need both material life and spiritual life. We can in no way talk about the role of material production

in the development of history by departing from the dynamic role of men and the dynamic role of spiritual production, nor can we talk about the purpose of socialist construction by departing from first of all the social liberation and spiritual liberation of workers and the development of men's material and spiritual life. A high standard of material civilization, a high standard of spiritual civilization and the practice of democracy--the unity of these three aspects is necessary for socialist construction and none is indispensable. If we think that there is no other purpose than the development of material production, and the development of people's spiritual life and political life are nothing but means to serve the development of material production and cannot themselves be our goals, as if as soon as spiritual development is described as both a means and an end we are violating the principle of historical materialism then we might be led to a vulgarized understanding of historical materialism.

Marx said: "It is true that eating, drinking and sexual intercourse are real functions. But if these functions depart from men's other activities and we make them the final and only ultimate goals, then in this abstract they are the function of animals." ("Collected Works of Marx and Engels," vol 42, p 94) People have to eat but the purpose of their existence is not to eat. Men must not only become the masters of nature, but also the masters of society and the masters of their own spiritual life. Mankind has the ability to overcome nature and enrich its own material life; it has the ability to reform society and set up new type social system and social relations; it also has the ability to overcome ignorance, barbarism and staleness and develop a lofty, rich and constantly renewed spiritual life. The objective of socialism and communism is to emancipate the whole of mankind from the oppression and slavery of nature, society and its own spirit so that its ability itself will be comprehensively and fully developed.

Facing idealism which was then in a dominant position, Marx and Engels particularly stressed that material life is the first premise for the existence of mankind. But they never denied that men need spiritual life. In fact, right from the beginning of the existence of mankind, there is a need for spiritual life. As material needs are gradually met, the need for spiritual development becomes more outstanding. Engels pointed out angrily that it was only mediocre persons who regard materialism as filthy deeds such as gluttony, excessive drinking, carnal desire, greed for money and avarice. (Ibid, vol 4, p 228)

We can understand this question better when we have restudied Marx' exposition of the real purpose of mankind from the view point of the relationship between freedom and necessity. Marx pointed out: "The realm of freedom begins where the labor decided on by the rules of necessity and external purpose ends, therefore according to the nature of things, it exists on the other shore of the sector of true material production. Just like uncivilized men who have to struggle against nature to meet their own needs and protect and reproduce their own lives, civilized men have also to do the same and they have to do so in all social forms and all possible production modes."

The sector of material production "is always the realm of necessity. The realm of freedom begins on the shore of the realm of necessity as the purpose of the development of the capability of mankind itself." (Ibid., vol 25, pp 926-927) That is to say, material needs are only men's "external goal," and they cannot but seek such goals for their own existence; the purpose of the social activities of mankind is to develop their capability and the most important content is the development of the spiritual creative capability and spiritual life of mankind. It is only when mankind's capability has been developed fully and in an overall way that mankind will be able to enter into the realm of freedom.

To look at it from the point of view of philosophy, the division of the sphere between goal and condition or between goal and means is also relative. We must in no way absolutely set them in opposition or fix them. They are in dialectical and historical unity. They not only link with, rely on and condition each other but under certain conditions they may also change each other. It is the final goal of we communists to realize the communist social system; relative to this goal, the building of material civilization and spiritual civilization we are now carrying out are the means to create conditions for the realization of this final goal. But it is also our present historical task or goal to create these conditions. As regards the relationship between the building of these two civilizations and our final goal, each construction can become the goal of the other.

'HONGQI' VIEWS ECONOMIC DEVELOPMENT, BASE FIGURE

HK040423 Beijing HONGQI in Chinese No 5, 1 Mar 83 pp 47-48

[Article by Gong Ming [1562 2494]: "What Is the Relationship Between the Speed of Economic Development and the Base Figure?"]

[Text] In studying the report to the 12th party congress about the goal and measures of economic construction, some comrades pointed out that in the next 2 decades, our national economy will grow more rapidly; on the other hand, they held that in the past, with an increasing base figure, the speed of economic development slowed; how should we understand the relationship between the speed of economic development and the base figure? Last November, Comrade Sun Yefang, a famous economist in our country, issued an important article in which he said that: "big base figure and low speed" is not a law.

Of course, in practical life, we can see many examples of "big base figure and low speed." For example, when per-unit output is relatively low in agricultural production and we use more labor and apply more fertilizer, we will be able to increase per-unit output; but when the per-unit output has reached a relatively high level, the increase of per-unit output will not be apparent even if we invest more. There are similar conditions in some other aspects. But does a big base figure always result in low speed? Not necessarily.

Suppose the proportion of expenditure and accumulation remain unchanged in the GNP, that is, when the accumulation rate remains unchanged, then the greater the GNP, the greater will be the proportion of the absolute value of accumulation. Another example; if the efficiency of investment in the expansion of production made by accumulation remains unchanged, the absolute value of the economic growth will develop proportionately following the increase in the absolute value of accumulation. In this way, the relationship between the base figure and speed will no longer be characterized by "big base figure and low speed"; on the contrary, there will appear the relationship of "the base figure constantly grows but the speed remains unchanged."

The first supposition can be realized. When the growth of population is not so high and the growth of expenditure caused by population growth and increase of per-capita expenditure does not exceed the development of

production, the proportion of consumption in the GNP may not be increased while the accumulation rate may remain unchanged. But the situation is relatively complicated when trying to realize the second supposition. Within a certain sphere and limit, the expansion of extensive reproduction may maintain the efficiency of investment. But if we do not consider the factor of the development of science and technology and merely rely on the extensive expansion of reproduction, certain limiting factors (such as land and resources) will display their roles to a certain extent and the efficiency of investment will naturally drop.

But this is where the question lies. When we are analyzing the relationship between the base figure and speed, we must consider the important factor of the development of science and technology. As technical reforms, technical innovations and even technical revolution improve in a big way the labor productivity and the utility rate of resources, there will certainly emerge new productivity. In this way, the newly added fixed assets and fund (used by new enterprises in new technology and by old enterprises in carrying out technical reform) that are used in investment will result in much greater achievements. That is, the factors in science and technology advancements and management advancements will not only maintain the efficiency of investments but will also improve the efficiency in a big way so that there will appear an "increased base figure with higher speed" in the relationship between the base figure and speed.

This has been proved in history by the development of social production by man. The article by Comrade Sun Yefang said: People have made rough calculations on technical advancements of man and the production development rate. The rate of the technical advance in the stone age improved by an average of about 1-2 percent every 10,000 years; in the iron age, the growth of labor productivity that reflected technical advance improved on the average by less than [no figure] percent every 100 years; in the era of steam and electricity, the labor productivity of industrial laborers in the United States annually grew by an average of 1.5-3 percent from 1870 to 1949. As technical advances developed more quickly, industry also developed more quickly. Between 1700 and 1780, Britain's industrial output value grew on the average by 0.9 percent every year and increased to 2.2-2.5 percent between 1781 and 1917. If we investigate the relationship between the base figure and speed from a historical viewpoint, we can see that the general trend of development is that the relationship between the two are "with bigger base figure the speed will be higher."

In his "Program of Criticism of Political Economics" Engels analyzed the population theory by Malthus and pointed out that according to this theory the population was increasing proportionately while land productivity was increasing at a different rate and consequently he pointed out: We can presume that the acreage of cultivated land is limited. But the labor productivity used in this acreage will increase following the increase of population; if the presumed achievements do not always increase proportionately with the volume of the labor spent, we still have a third factor--science. Advances in science are similar to population growth, that is, there is no end; at least advances are as quick as population growth. In

the science of chemistry alone, even Sir Humphrey Davey and (Justus Libishi) [1429 2448 0956 2448 2621 3024 1585] have made tremendous achievements in agriculture during this century. But the speed in the development of science is at least the same as the speed of population growth; population growth is in proportion with the number of people of the previous generation and the development of science is in proportion with the volume of knowledge left by the previous generation, therefore under ordinary conditions, science is also developing proportionately. What then cannot be done by science? ("Collected Works by Marx and Engels," vol 1, p 621) These words of Engels were based on the development of science and therefore he at least used the viewpoint of "increased base figure with speed remains unchanged" to refute the view that with an increase of base figure, the speed will drop.

In short, the relationship between the speed of economic development and the base figure is not a simple relationship. Economic development is subject to the influence of various complicated social and natural factors while economic growth is not stable, sometimes it is quick and sometimes it is slow. Under certain conditions there really exists the situation of "big base figure and low speed," but it is not a law, nor will it influence the general trend of increasingly rapid economic growth.

'HONGQI' TO PUBLISH BOOK OF ARTICLES ON MARX

HK040829 Beijing HONGQI in Chinese No 5, 1 Mar 83 p 48

[Publication news by Hong Chu [3163 0443]: "'Developments of Marxism in China' To Be Published Soon--To Mark the Centenary Anniversary of the Death of Karl Marx"]

[Text] To mark the centenary anniversary of the death of Karl Marx, the great teacher of the proletariat, HONGQI editorial department has organized a number of theoretical articles. These articles were written by Comrades Hu Sheng, Fan Ruoyu, Lin Zili, You Lin, Jia Chunfeng and Teng Wensheng and comrades from the editorial department. These articles mainly expounded how the CPC has resorted to brilliant Marxist theory and made theoretical contributions to Marxism by combining it with the national condition of China in summing up the experiences in both revolution and construction. Some of these articles have already been carried in by HONGQI and some others will follow soon.

In order to help the broad masses of cadres conscientiously study the documents of the 12th CPC Congress and create a still better new situation in carrying out the modernization program and commemorate Marx through their own deeds, HONGQI will compile these articles into the book "Developments of Marxism in China." The books will come off the press soon and will be circulated across the country.

'HONGQI' DISCUSSES HOW TO WRITE GOOD ARTICLES

HK040440 Beijing HONGQI in Chinese No 5, 1 Mar 83 p 49

[Article by Huang Weiting [7806 5517 3957]: "Talking About Merits and Demerits"]

[Text] It has become a subject of common discussion among people that some articles in newspapers and magazines are too long and that it requires patience to read through such articles. They have also suggested that more short articles and brief comments be written, with emphasis on efficiency. Such views are very good. However, I think some articles are not welcomed mainly because they are too wet; in other words, they contain too much "water."

The purpose of an article is to "express one's ideas"; the article may be long or short, depending on its content. The key question is whether the article is convincing. Some articles contain several or even 10,000 words but they are able to reason things out profoundly and, therefore, they are interesting and absorbing and grasp the people's admiration. On the other hand, although some articles are short, they contain hollow words and nonsense and therefore they are disgusting. We cannot say that the "Manifesto to the Communist Party" is a short article, but with a style of a genius, this article has been able to thoroughly, vividly and scientifically expound the historical tasks and world outlook of the proletariat and, therefore, although it was written a hundred years ago, it remains a soul-stirring document with fluency and verve. Some of our theoretical articles are not very long, but they contain something superfluous and they are wordy and repetitive, and even after readers have read them, they still do not know what the writers are trying to say in their articles; such articles cannot but spoil one's appetite. Of course, we cannot say that such articles contain only nonsense, as they may have exceptional insight, but it is a pity that such insight has been inundated by a "flood." In his book "Episode of Literary Quotation," Yu Jideng of the Ming Dynasty wrote the following interesting paragraph:

"In the year of Hong Wu, Ru Taisu, minister of punishments, wrote more than 10,000 words to report his work, and Emperor Zhu Yuanzhang ordered his subordinates to read the report time and again, although there were only a little more than 500 words that made sense. The emperor sighed and said: "I ask you to air your views, and your views should be practical and in the interest of the country; flowery words will only confuse what one hears.

A report with more than 10,000 words containing more than 95 percent exaggeration and nonsense naturally made Emperor Zhu Yuanzhang sign and say that "flowery words only confuse what one hears," therefore, if the report was not read time and again, the more than 500 practical and useful words would have been inundated by flowery words. People could not but hear the report because the emperor ordered his subordinate to read it. Ordinary people would certainly have no patience to read the report. Therefore, in writing articles, we must bear the masses in mind.

Articles with too much water are not only caused by the level of the writers but are also related to their incorrect style of writing and the stereotyped writing method that is yet to be eradicated. People's spirit and time are limited; therefore, if, through a certain period of conscientious investigation and study, people are able to put forth their valuable opinions with regard to a question or a certain point of a question, we can say that they have made achievements. It is not necessary to take a receiving posture and attend to each and every aspect of a matter and consequently bury a new idea amid nonsense. Such an article can only be messy and sluggish.

Therefore, in order to change this situation, it is imperative to correct the style of writing. After listening to the report of Ru Taisu, Emperor Zhu Yuanzhang not only "ordered his official to implement the useful words," but also ordered that the dross be discarded and the pertinent be selected from the 500 words. This practice has been defined as a "pattern for those inside and outside the government to get rid of nonsense in reporting their work." In writing articles, we must also follow the example of the literati and officials in feudal China and resort to the principle of seeking truth from facts. We must abolish various written and nonwritten patterns and discard the things that "seem familiar." This practice will enable us to write simple and concise articles that will make people think that our articles are rich in content and without "water." Although some requirements are not practical, we must spare no effort to meet them.

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