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China Report

RED FLAG

No 13, 1 JULY 1986

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CHINA REPORT

RED FLAG

No 13, 1 JULY 1986

[Translation of the semimonthly theoretical journal RED FLAG of the Central Committee of the Communist Party of China published in Beijing.]

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THE KEY ISSUE CONCERNING THE STABLE AND COORDINATED DEVELOPMENT OF THE ECONOMY

Beijing RED FLAG in Chinese No 13, 1 Jul 86 p 2

["Forum"]

[Text] The current economic situation is good throughout the country. Since last year, the central authorities have adopted a series of measures to intensify and improve macroeconomic control and to further invigorate enterprises. Good results have been scored and the national economy is developing along a normal track as a result of the common efforts by all localities and departments. The industrial growth rate for the first half of this year does not seem very high when compared with the same period of last year. But, as the growth rate for the first half of last year was too high, the actual growth rate for this year is of course not low. There is a higher growth in the output of major industrial products, especially energy, raw materials, and marketable products. The situation is better than last year in the supply of most industrial consumer goods and nonstaple foods, the market is brisk, commodity prices remain basically stable, and both savings deposits and the amount of currency withdrawn from circulation have increased as compared with the same period of last year.

In order to maintain and expand such a good economic situation, a key task for the moment is to strictly control the scale of investment in fixed assets, in particular the scale of investment in capital construction. Since the beginning of this year, the scale of budgetary investment in fixed assets by units under ownership by the whole people has been kept basically under control, but the issue concerning the overexpanded scale of extrabudgetary investment in fixed assets remains unsolved. At present, many localities and departments are still very eager to apply for additional investment and introduction of new projects, and large-scale projects are under construction everywhere. If we do not take action to bring the situation under control the value of investment in fixed assets will far exceed the set quota this year, and will thus have an unfavorable influence on the current reform and the economic development.

Whether the scale of construction is reasonable and matches the strength of the country is an important criterion to judge whether the economy is stable. This is an objective rule which has been proved by the long practice of our country's socialist economic construction. And the drastic growth in

investment and overexpanded scale of capital construction is a persistent ailment in our country's economic work and the origin of a series of negative factors in its economic life.

All localities and departments wish to initiate more construction projects so as to speed up their development. Their feelings and desires are understandable. And, if considered separately, these projects may indeed be necessary. However, this gives rise to the contradiction between need and possibility and the issue concerning the relationship between the part and the whole. If all localities and departments consider only their own needs but ignore the possibility of supply of funds and materials, refuse to take the whole situation into account, but start all projects at once regardless of their priority, overall there will be an excessive number of capital construction projects in progress and a drastic increase in investment. When all localities and departments launch projects simultaneously, they will scramble for funds and materials, and the natural result will be a long construction period, poor economic results, and low output at the expense of high input. This will also result in a situation in which projects not included in the state plan supersede those included in the state plan, ordinary projects supersede the key ones, and nonproductive projects supersede the productive ones. So key construction projects and the readjustment of the industrial structure will be affected. Now in order to start more projects, some localities and departments have raised funds on their own by jacking up prices without getting approval from the state, or have arbitrarily exacted charges on, and raised funds among enterprises under various pretexts. These practices which have already seriously devitalized enterprises must be resolutely checked. An enterprise is a basic production and management unit and the invigoration of the enterprise is the key link to the reform. Once the enterprise is devitalized, we can hardly achieve anything. From a macroeconomic point of view, an overexpanded scale of investment will also result in an excessively high accumulation rate and the drastic growth in consumption demand, leading to distribution that goes beyond what the national income can afford; it will upset the financial and credit balance, bring about a rise in commodity prices, and create difficulties in the economic life. And these are unfavorable to the stable and coordinated development of the national economy as a whole and will hamper the evolution of a relaxed economic environment and a good social environment.

The key to the control of the scale of investment in fixed assets is to rationalize the investment orientation and to resolutely suspend a number of projects which can be discarded or postponed. In principle, investment in technological transformation projects must be kept within the scale fixed by the original plan, with emphasis on the upgrading of technology and equipment; and extension projects must be avoided by every means. At the same time, it is necessary to resolutely curb the tendency of drastic growth in extrabudgetary investment in fixed assets. Moreover, all localities and departments must cut their excessively high expenditure budget for the year and be determined to reduce financial outlays. Local financial authorities must first of all set aside necessary running expenses and education funds, and then start projects within the limits of funds available.

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MORE ON OPENING UP, ENLIVENING THE ECONOMY, AND ADHERING TO SOCIALISM

Beijing RED FLAG in Chinese No 13, 1 Jul 86 pp 3-7

[Article by RED FLAG Editorial Department]

[Text] Over the past 65 years since its founding, the CPC has experienced many great struggles. The history of the past 65 years has proved that our party is one which has close relations with the masses and one which stands at the forefront of the trends of our times and advances continuously. At present a reform trend is occurring in socialist countries. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has been standing at the forefront of the trends of reform.

Since the implementation of the economic policy of reform, opening up to the outside world, and enlivening the domestic economy, some people at home and abroad have maintained that we are pursuing capitalism and that we will eventually embark on the capitalist road. Through the practice in recent years, those people who hold such views have gradually realized that we are adhering to socialism. Facts are the most forceful persuader. Since the implementation of the policy of reform, opening up to the outside world, and enlivening the domestic economy, our economy has been developing in a coordinated, stable, and rapid way. Our market has been unprecedentedly prosperous. Our society has been characterized by stability and unity. Our people have been living and working in peace and contentment, and their living standard has markedly improved. The existing policy of our party has been widely supported by the majority of people. The broad masses of cadres and people demand and support reform. Our socialist prestige has been enhanced. Most people have strengthened their confidence in adherence to socialism. Practice itself tells us that reforming, opening up, and enlivening the domestic economy is the only way to promote the socialist cause.

Comrade Deng Xiaoping has recently pointed out that since the 3d Plenary Session of the 11th CPC Central Committee, some new guiding principles and policies have been implemented in our country. These can be generally summarized as: First, adhering to the socialist road, and second, opposing hegemonism and defending world peace. Our policy of reform, opening up to the outside world, and enlivening the domestic economy is based on the principle of serving the socialist road. Whether we have taken a correct path is judged by whether we have adhered to socialism and peace. Comrade

Deng Xiaoping's expositions are a basic summation of our domestic and foreign policies over the past 7 years and a fundamental guiding thought for our various policies in the future.

Reform is self-improvement and self-development of the socialist system. The so-called self-improvement means that while carrying out reform, we do not entirely change the socialist economic, political, and cultural system. It only means that under the prerequisite of adhering to the basic system of socialism and the socialist road, we correct the defects in various quarters. However, within a certain scope and to a certain degree, reform means revolutionary changes. It is as significant as the revolution in the 1950's aimed at establishing the socialist economic system. Historically speaking, the establishment of any social system will develop from a less healthy, less complete, and less consolidated process into a more healthy, more perfect, and more consolidated process. It generally takes scores of years or several hundred years for such a process. Major setbacks and relapses might occur in the process. The socialist system is one which overthrows the rule of the exploiting classes. It is a new system under which there is no exploitation of man by man. Starting from the basic completion of the socialist transformation in 1956, this new system has a history of only 30 years in our country. In addition, it experienced the 10-year obstruction of the "Great Cultural Revolution." Therefore, although the new system is good, it is not perfect. There are many defects in the economic, political, and other spheres under the system which hamper the development of the productive forces. To adhere to the socialist road, we should carry out reform.

The basic aim of reform is to emancipate and develop the productive forces. Under the guidance of the "leftist" ideology in the past, the practice of egalitarianism of "eating out of the same big pot" was regarded as socialism for a long time. The idea of preferring poor communism to rich capitalism was even advocated. It is not incorrect to say that "we do not want rich capitalism." However, Marxism never advocates poor socialism, even less the so-called poor communism. Socialism as a social ideology higher than capitalism means that it has more conditions to develop the social productive forces, accelerate the building of material and spiritual civilizations, and enrich the people faster than capitalism. Since the 3d Plenary Session of the 11th CPC Central Committee, through bringing order out of chaos and summing up historical experience, our party has greatly enhanced its understanding of socialism in both theory and practice. This is shown by the fact that our party has explicitly announced that developing the social productive forces is the most fundamental task in the socialist stage. Therefore, it has completely negated the theory and practice of "taking class struggle as the key link," and firmly and resolutely shifted the work focus of our party and country to modernization, concentrated on economic construction. With such fundamental changes, the party has been able to put forward the policy of opening up to the outside world and enlivening the domestic economy. Historical experience has fully proved that locking our doors against the world and failing to open our country to the outside world can never develop the productive forces. Failing to enliven the domestic economy and adhering to a rigid pattern can never arouse people's enthusiasm or expand the productive forces. Without the development of the productive forces,

our country will not become powerful and our people will never get rich. Without such development, the socialist system would be deprived of its basis and lose its attraction. It would not be able to be consolidated and developed. Therefore, implementing the policy of reform, opening up, enlivening the domestic economy, and developing the social productive forces more rapidly is precisely aimed at staunchly adhering to socialism.

To build our country into a prosperous, rich, and modernized socialist power, the CPC Central Committee has produced a tentative plan for socialist construction, with goals to be attained at three stages in scores of years to come: 1) By the end of this century, our per capita GNP should reach \$800 attaining a "comfortably well-off level"; 2) around the centenary of the birth of our party, we should attain the level of the second-class developed countries; and 3) around the centenary of the founding of the PRC, we should approach the economic level of the developed countries. Whether we will succeed in attaining the magnificent goals of development in three stages is determined by two factors: First, we need lasting world peace, which is an international need; and second, we should persist in implementing the existing policies, which is an internal need. Whether we are successful in persisting in the existing policies is determined by whether we are successful in carrying out all-round reform with the emphasis on the urban economy. The all-round reform involves the economic, cultural, scientific, technical, and educational fields, among others. What is more important is that it involves the reform of the political system and personnel system, and it makes efforts to overcome defects such as overstaffing, bureaucracy, survival of feudalism, and so on. The success of all-round reform will truly ensure the attainment of our goals by the end of this century and lay a foundation for stable development in the scores of years to come in the next century. Therefore, reform is of great importance to our adherence to the socialist road now and in the future.

Comrade Deng Xiaoping has pointed out: "The process of socialist modernization will be accompanied by toil and struggle in four areas. These four areas, which may be called the four essential guarantees for our keeping to the socialist road, are: First, introducing structural reform; second, building a socialist civilization with a high cultural and ideological level; third, combating economic crimes; and fourth, rectifying the party's work style and consolidating its organization, including upholding and improving the leadership of the party." ("Selected Works of Deng Xiaoping," p 358) This has told us that to adhere to the socialist road, we should pay attention to the building of socialist spiritual civilization in addition to upholding reform. We should crack down upon economic criminal activities to strengthen the building of our legal system. We should also uphold and improve the leadership of the party in order to have a good party work style.

Doing well in the socialist spiritual civilization is an important guarantee for reform and opening up to the outside world. Some people wrongly thought that the reason we stressed the building of spiritual civilization was that something wrong had occurred in reform. They also thought that we would use spiritual civilization to correct our mistakes. Some other people thought that stressing the building of spiritual civilization would hamper

and restrict reform and opening up to the outside world. These two ideas actually set the building of spiritual civilization against reform. Therefore, they are incorrect.

The actual situation is that reform and opening up will not only bring about unprecedented prosperity in economic construction, but also play a positive and promotional role in the building of spiritual civilization. Reform and opening up will promote the development of the productive forces and bring about a series of profound changes in economic life, social life, work methods, and mental outlook. It will also strongly hit at various traditional and backward concepts. These concepts include the remnants of feudal ideology of the feudal society which existed in China for more than 2,000 years, ignorance, and superstition; the natural economy which occupied a predominant position for a long time in the Chinese economy, narrow views of small producers, and backward concepts; backward concepts resulting from the long-term situation of seclusion; rigid concepts resulting from the ossified systems which lasted 20 to 30 years (an excessive degree of unified management, barriers between different departments or regions, the practice of eating out of the same big pot); erroneous concepts resulting from the influence of the idea of "taking class struggle as the key link," "leftist" guiding thought, and so on. On the other hand, with the progress of the reform, opening up, and modernization program, people now have or are fostering many new concepts beneficial to the development of the productive forces and the building of socialism with Chinese characteristics, such as the concept of opening up, the concept of becoming rich through hard work, scientific concepts, the concept on the importance of time, efficiency, and benefits, the concept of market and information, the concept of democracy and the legal system, and so on. Therefore, if a person ignores the essential fact that reform and opening up will promote the building of both material and spiritual civilizations, and if he thinks that the defects occurring in the process of reform and opening up should be corrected through the building of spiritual civilization, his idea is obviously not in accord with reality. Of course, there might be the defect to a greater or lesser extent of neglecting the building of spiritual civilization. In particular, the party's ideological and political work does not yet conform with the development of the situation. The defect should be corrected. However, we should realize that the above backward traditional concepts have a long history. Some of them are deeply rooted in our society and in people's minds. It will take a longer time to eradicate them. They cannot be overcome overnight. In addition, it is not an easy task to foster new concepts in the minds of most people. It is precisely for all these reasons that in the course of firmly insisting on reform and opening up, we should conscientiously strengthen the building of spiritual civilization so that the policy of reform and opening up and the building of spiritual civilization will mutually promote each other.

The building of spiritual civilization includes ideological and cultural construction. They basically belong to superstructure, which is decided by and serves the economic foundation. We cannot talk about strengthening the building of spiritual civilization by separating it from socialist modernization, the social productive forces, and reform. The reasons we should

strengthen the building of spiritual civilization are: First, building a high degree of socialist spiritual civilization is an important characteristic of socialism, an important manifestation of the superiority of socialism, and a component part of the general objectives and tasks of our party; and second, the building of spiritual civilization not only greatly promotes the building of material civilization, but also guarantees a correct direction for the building of material civilization. Such guarantee demonstrates the fact that the building of spiritual civilization serves reform and opening up. To ensure that reform and opening up march smoothly and healthily along the socialist road, we should do the following two kinds of work well from beginning to end, in addition to effective work in reform and opening up: First, we should help people ease their minds, correct backward concepts which are harmful to reform and opening up, enhance people's understanding of the vital and profound significance of reform, foster correct ideas and concepts beneficial to reform and opening up, remove ideological obstacles to reform, and hold opinions beneficial to reform. Second, we should help people resist the corrosion of the decadent ideology of the exploiting capitalist and feudal classes, understand the differences between the socialist planned commodity economy and the capitalist market, correctly handle the interests of individuals, the collective, and the state, and correct ideas and conduct which violate laws and discredit reform, such as seeking private gain at public expense, harming others to benefit oneself, taking money as everything, and so on. We should create a good social environment characterized by harmony, unity, stability, and good order. Common ideals and objectives of struggle and strict discipline are our true superiority. In the past we relied on them to promote our unity with the people and overcome difficulties which seemed to be unconquerable. Now and in the future, we should also rely on them to arouse the enthusiasm, creativity, and initiative of the party members, cadres, and the masses so that they will work with one heart and one mind and struggle hard to make progress in order to overcome various difficulties occurring in the process of promoting reform, opening up, and the modernization program.

Some people might say: We are now vigorously developing the commodity economy, but we oppose the idea of taking money as everything; we advocate the principle of distribution according to work and let some portions of people get rich first, but oppose the idea of being preoccupied with personal gains and losses and of working according to remuneration; we advocate the principle that enterprises should run their business independently and that they would assume sole responsibility for their own profits or losses, but we urge them to subordinate their interests to the overall and long-term interests of the state. Don't all these conflict with each other? It is true that all these involve mutual interests and that they will conflict with each other in practical life, in particular when interests between the state and enterprises cannot be properly handled. However, under socialist conditions, these interests can be unified. It is because the fundamental, long-term, and overall interests of various quarters are unified. It is precisely because of these conflicts that we need regulation by reform and other policies and measures, as well as the guidance of ideological and political work. Our reform and the building of spiritual

civilization are progressing amid the process of overcoming one contradiction after another. When a contradiction has been overcome, a new one might occur. Regulation and guidance are needed again. If we pay attention to one aspect at the expense of the other, the rigid system will revive again. We will also deviate from the track of building socialism with Chinese characteristics. All this does not conform with the objectives of our reform.

In recent years we have made fairly great achievements in economic construction and the present situation is gratifying. This is the success of our country. However, the work style of some of our party-member cadres and the general mood of society are truly bad in certain aspects. If we fail to strengthen the building of spiritual civilization and socialist legal system in order to resolutely change the situation and prevent it from spreading further, a qualitative change might occur in another aspect and affect the qualitative change of our entire economy. If such things happen, where does the significance of our economic success lie? Of course, our purpose in saying so is to let our comrades realize the seriousness of this problem so that they keep a clear head, uphold socialist principles in their work, and oppose and resist the erroneous trends of bourgeois liberalization. In the process of promoting our reform, we uphold the four basic principles from beginning to end and adhere to the two cardinal principles of assigning a predominant place to the economy under public ownership and promoting common prosperity. In both the economic foundation and superstructure, the socialist factor has occupied a predominant position. All this determines that our people have common political, economic, and social ideals and observe a common moral standard. This is precisely the objective basis on which the proposal of our party on promoting the building of spiritual civilization is placed. This shows that the work of grasping the building of spiritual civilization is in accord with the objective demands of the entire economic foundation and the superstructure. As long as we conscientiously grasp education and the building of legal system, under the socialist system we are able to overcome various greedy, corrupt, and ugly social phenomenon which is inherent in the capitalist system and the systems of other exploiting classes, and which cannot be overcome by the capitalist and other exploiting classes. This will demonstrate the superiority of our socialist system in the building of material and spiritual civilizations. This is also where our hope and confidence lie.

Some people abroad have mistakenly thought that our purpose in stressing the building of spiritual civilization is to "restrict." They believe that all these are at least not beneficial to the policy of opening up. What they think is actually wrong. Opening up to the outside world is our long-term basic national policy. Comrade Hu Yaobang recently stressed: "China has opened its door wide, and the door will not be closed forever." Our purpose in strengthening the building of spiritual civilization is to guarantee and promote opening up. This will enable us to enhance our capability of absorbing and digesting advanced foreign science, technology, and culture. On the other hand, this will also enhance our capability of rejecting and getting rid of the dross to maximize the positive role of opening up, and minimize the influence of various passive phenomena. The

better the problem is solved, the greater will be the results obtained in opening up. In such a way we will be able to make a faster and greater step in reform. Therefore, all friends who truly welcome our policy of opening up to the outside world have no reason to think that stressing the building of spiritual civilization at home will hamper our policy of opening up. There is no reason for our comrades who are enthusiastically engaged in reform and opening up to ignore the building of spiritual civilization.

Cracking down upon economic crimes and other criminal activities is an important guarantee for our adherence to the socialist road and the realization of the four modernizations program. Since the implementation of the policy of opening up to the outside world and enlivening the domestic economy, some cadres have become corrupted and a number of people have been involved in economic crimes. We are paying attention to the situation and resolutely cracking down upon their activities. Some people think that the roots of economic crimes are reform and opening up. What they say is, of course, wrong. Since our country experienced a feudal society which lasted more than 2,000 years and a semifeudal and semicolonial society which lasted more than 100 years, the corrupted, ugly, and criminal phenomena which are inherent in the basis of the exploiting class took deep root in our history, society, and people's minds. It is obvious that they cannot be overcome overnight with the elimination of the exploiting system and exploiting classes. The severe destruction of ideals, morals, discipline, and the legal system during the "Great Cultural Revolution" seriously poisoned people. The ideas of exploiting classes, out-and-out egotism, anarchism, and so on, which ran rampant during the 10 years of the "Cultural Revolution," cannot be completely overcome in the short period of several years since the convening of the 3d Plenary Session of the 11th CPC Central Committee. In the process of reform and opening up, we are facing a new situation and many new problems. The ideas and work of our leading cadres lag behind our times, and our unhealthy system and many loopholes in our management work and other work are an opportunity that can be exploited by economic criminal elements. Of course, the complicated environment resulting from the implementation of the policy of opening up to the outside world and enlivening the domestic economy and the corrosion of the bourgeois decadent ideology are also important factors contributing to the crimes committed by some people. However, if we use the viewpoints of historical materialism to analyze the problem in an all-round way, we will realize that although the unhealthy trends, economic crimes, and other criminal activities are related to reform and opening up, they are not inevitable results. It is wrong to feel doubts about reform and the policy of opening up just based on this. On the one hand, since the causes of economic and other crimes will continue to exist for a long time to come, we must for a long period and frequently wage struggles against and hit at economic and other crimes. We should view the issue from a higher plane of principle and understand it more deeply. We should on no account relax our efforts in this regard. We should not look down upon this issue. While talking about the significance of cracking down upon economic criminal activities, Comrade Deng Xiaoping stressed: "Indeed, unless we take it seriously and firmly stop it, the question of whether our party will change its nature may arise. This is not just alarmist talk." "It is an ongoing struggle, a regular item of work. If we don't make it so, how

can we talk about keeping to the socialist road? Without this struggle, the four modernizations and the policy of opening to the outside world and stimulating the economy will end in failure." ("Selected Works of Deng Xiaoping," pp 358, 359) Not long ago, while talking about the issue of grasping the improvement of party work style and the general mood of society, Comrade Deng Xiaoping pointed out again: "I would like to air my view again. We should employ dual tactics. A single plan of action alone is not enough. The so-called dual tactics mean that while grasping construction, we should also grasp the legal system." He added: "Therefore, we should not abandon the four upholds and dictatorship. This dictatorship will guarantee the smooth progress of the socialist modernization program and enable us to deal with persons and things obstructing our construction."

Doing well in reform, strengthening the building of spiritual civilization, strengthening the legal system, and cracking down upon criminal activities are closely related to the improvement of party work style and strengthening the building of the party. The matter of the work style of a ruling party is a matter of primary importance concerning its life and death. Due to the fact that our party is a ruling party and that its work style is connected with the general mood of society, the matter of the work style of the party determines whether it will be able to lead people in the country to march unswervingly along the socialist road.

The history of the party has shown that the issue of the party work style and the building of our party is closely connected with the ideological and political line of the party. Since the 3d Plenary Session of the 11th CPC Central Committee, the party has restored its ideological line of seeking truth from facts, defined its correct political line, and carried out reform in various aspects. All this has laid a foundation for the improvement of the party work style and the building of the party. If we fail to understand the good influence and great role of the correct ideological line, political line, reform, and party rectification in the improvement of the party work style and the building of our party, this means our views are lopsided and do not tally with facts. It is appropriate to say that only by deepening party rectification and reform can we discover serious problems in party work style and resolve to further solve these problems. Our purpose in solving these problems is to promote reform and ensure that our policy of reform, opening up, and enlivening the domestic economy progresses along a healthy path. We should profoundly realize that improving our party work style and strengthening the building of our party are long-term tasks that accompany reform throughout the course of development. Therefore, we should be determined in our understanding and action: First, we should be determined in implementing reform, the policy of opening up, and activities of enlivening the domestic economy; second, we should be determined in rectifying the party work style. In our actual practice, we should pay close attention to the revolutionary enthusiasm of cadres and masses. We should not confuse some inevitable mistakes committed in the course of reform with unhealthy trends. Similarly, we should not let people engage in criminal activities under the banner of reform or let them escape punishment by the party and the state.

Following the conference of party delegates held in September last year, and in particular since the central organ meeting which was held in early January this year and which was attended by 8,000 people, the CPC Central Committee has strictly dealt with the work of correcting party work style and has been very determined in achieving a fundamental turn for the better in both party style and the general mood of society. It therefore adopted a series of important measures. The leading organs and cadres played an exemplary role. Beginning with themselves, they discarded the work style of paying lip service but doing less. Starting with specific cases, they seriously investigated and dealt with major and important cases. Now, compared to the case last year and in previous years, the party work style and general mood of society have been greatly improved. Of course, strenuous and painstaking work is needed in order to effect a fundamental turn for the better in the party work style and the general mood of society. We should uphold the principle of correcting the party work style "resolutely and unswervingly." We should first grasp the work firmly for 2 years. After that, we should spend another 10 years on grasping it unswervingly. We should use our practical actions and results to tell people that we do not engage in idle talk only and that our party is a mature Marxist political party which can withstand the new historical test. In other words, in the course of leading the people to uphold the policy of opening up and enlivening the domestic economy, our people will adhere to the socialist road and foster a good party work style and general mood of society so that the building of material and spiritual civilizations will develop side by side and keep pace with one another.

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HOW THE 'RESOLUTION ON CERTAIN HISTORICAL QUESTIONS' WAS DRAFTED UNDER THE LEADERSHIP OF MAO ZEDONG

Beijing RED FLAG in Chinese No 13, 1 Jul 86 pp 8-13

[Article by Feng Hui [7458 5610]]

[Text] The "Resolution on Certain Historical Questions" (hereinafter called the "Resolution" for short) adopted by the Seventh Plenary Session of the Sixth CPC Central Committee in April 1945 was an important historical document of the CPC during the period of the new democratic revolution. It summed up both the positive and negative experiences of our struggle during the period from the founding of our party to the breaking out of the war of resistance against Japan, especially during the period of the second revolutionary civil war. It drew formal conclusions on certain historical questions of our party during the second revolutionary civil war, especially the questions concerning the leadership line of the CPC Central Committee in the period between the Fourth Plenary Session of the Sixth CPC Central Committee and the Zunyi meeting. It was a result of the Yanan rectification and education carried out by the CPC Central Committee and played a great role in unifying the thinking of the whole party and strengthening the unity of the party on the basis of Marxism-Leninism-Mao Zedong Thought. Recently, we checked various filed manuscripts and materials concerning the drafting of the "Resolution" and visited some comrades concerned who witnessed these events, thus reaching the following basic understanding on this question: The "Resolution" was a collective creation after long-term and repeated revision under the direct guidance of Mao Zedong Thought and Mao Zedong himself. From beginning to end, Mao Zedong was in charge of the drafting of the "Resolution." He put forth the general guiding ideology for the drafting of the "Resolution" as well as the guiding ideology for various parts of it, and many times made many revisions to the manuscripts. The basic content and important ideological viewpoints of the "Resolution" were all put forth by Mao Zedong. For this reason, according to a decision of the CPC Central Committee, the "Resolution" was arranged as an appendix in Volume 3 of the 1953 edition of the "Selected Works of Mao Zedong." The following is a brief introduction to the course of drafting the "Resolution," which will provide some basic situations for the comrades who are interested in the study of this question and for the historical workers of our party.

In September and October 1941, the Political Bureau of the CPC Central Committee held an enlarged meeting to discuss the question of the leadership line in our party's history, especially in the period of the second revolutionary civil war. Mao Zedong made an important speech at the meeting, in which he definitely raised the question of opposing subjectivism and factionalism. At the meeting, important preparations were made for the rectification of the whole party. On 13 October the same year, a meeting of the Secretariat of the CPC Central Committee decided to organize a committee to settle historical issues, which was composed of Mao Zedong, Wang Jiaxiang, Ren Bishi, Kang Sheng, and Peng Zhen, with Mao Zedong as its head. Wang Jiaxiang was responsible for drafting documents. At this meeting, Mao Zedong said: I only intend to produce a draft conclusion at this Political Bureau meeting and submit it to the Seventh Plenary Session of the Sixth CPC Central Committee. This plenary session will also produce a draft conclusion and submit it to the party's Seventh National Congress, at which an inner-party conclusion will be reached. At the end of a record of the enlarged Political Bureau meeting held in September and October 1941, which we found in the files, there is a footnote written by Wang Shoudao, the recorder (who was the responsible person of the Secretariat of the CPC Central Committee at that time), which says: "The general conclusion of the meeting was written by Chairman Mao, who did not deliver a speech on that occasion." The original manuscript drafted by Mao Zedong has not been preserved. There is only a hand-written copy of the manuscript written by his personal secretary, which is entitled "Draft Conclusion on the Question of the Central Leadership Line Since the Fourth Plenary Session of the Sixth CPC Central Committee" (hereinafter called the "Draft Conclusion" for short). On this hand-written copy, Mao Zedong made some revisions and wrote on its cover the following words: "Draft on history (confidential)."

The "Draft Conclusion" summarized Wang Ming's "leftist" line as follows: "The chief responsible persons of this line are Comrades Wang Ming and Bo Gu, and its nature is 'leftist' opportunism. Compared with the two erroneous lines of Chen Duxiu and Li Lisan, this line is more perfect in form, of longer duration, and in consequence more serious." The "Draft Conclusion" analyzed the serious mistakes of principle committed by Wang Ming's "leftist" line in the ideological, political, military, and organizational fields, pointing out that in the ideological field, it committed the mistakes of subjectivism and formalism; in the political field, it committed "leftist" mistakes on many fundamental questions of the Chinese revolution, as well as on appraising the situation and putting forward and carrying out strategic tasks; in the military field, it committed mistakes such as military adventurism in attacking large cities, military conservatism in the campaign against the fifth "encirclement and suppression," and finally flightism during the Long March; and in the organizational field, it committed the mistake of factionalism. The "Draft Conclusion" pointed out that the errors of the "leftist" line had deep social roots. They were "chiefly expressions of the petit bourgeois ideology in the ranks of the proletariat. The existence of the broad masses of the petit bourgeoisie, who are leading a bitter life in China, becomes a source of the rightist, and especially the

'leftist' erroneous ideologies within our party." The "Draft Conclusion" also pointed out: "In fact, the Zunyi meeting overcame the 'leftist' opportunist line" and solved the main problems at that time--the erroneous military line, the erroneous leading methods, and the erroneous cadre policy. "In essence, it realized a change from one line into another, in other words, it overcame the erroneous line and resumed the correct one."

At that time, since the rectification had not been carried out in the whole party and the senior cadres of the party had not been brought together to study party history and review and examine past mistakes, the understanding of the Fourth Plenary Session of the Sixth CPC Central Committee and of Wang Ming's "leftist" line was still incomplete and was still restricted to a certain extent. This was also reflected in the "Draft Conclusion." For example, it held that the line of the Fourth Plenary Session of the Sixth CPC Central Committee was basically correct and that the starting point of Wang Ming's "leftist" line was the "Resolution on the Urgent Tasks Emerging After the Workers' and Peasants' Red Army Smashed the Third 'Encirclement and Suppression' of the Enemy and With the Growth of the Crisis of the Revolution," which was adopted by the central authorities on 20 September 1931. Originally, this "Draft Conclusion" was to be submitted to the meeting of the Political Bureau of the CPC Central Committee for approval. But later, instead of being approved by the Political Bureau through formal discussion, it was suspended, because in the course of rectification, some collections of important documents of the party, such as "Since the Sixth CPC National Congress," "Before the Sixth CPC National Congress," and "The Two Lines," were published one after another in 1941, 1942, and 1943, and the senior cadres of the party, who had further discussed some historical questions, felt that some contents and the understanding of certain questions of the "Draft Conclusion" needed further revision and supplementation. Nevertheless, many of its important contents and viewpoints were preserved in the "Resolution," which was approved in principle by the Seventh Plenary Session of the Sixth CPC Central Committee and revised and approved by the First Plenary Session of the Seventh CPC Central Committee.

II

After the rectification movement and the study of the party's history by senior cadres, the question of drafting a resolution on historical questions was raised again by the CPC Central Committee in order to eliminate the influence of the "leftist" line, especially Wang Ming's "leftist" line, and in order to unify the thinking and understanding of the whole party.

On 5 March 1944, at the meeting of the Political Bureau of the CPC Central Committee, Mao Zedong delivered a speech on the study of the party's line and work style and the current situation, in which he gave his opinions on six of the many questions raised by the senior party cadres in the study of party history. These opinions were then approved by the meeting and became conclusions of the Political Bureau. Then on 12 April, in his report delivered at the meeting of senior party cadres (this report and another report delivered at the first department of the Central Party School on 20 May were later put together and formed the article "Our Study and the

Current Situation"), he conveyed these conclusions of the Political Bureau, which became important guiding principles for drafting the "Resolution."

On 10 May 1944, the meeting of the Secretariat of the CPC Central Committee decided to establish a committee for preparing the resolution on historical questions of the party. The members of this committee were Ren Bishi, Liu Shaoqi, Kang Sheng, Zhou Enlai, Zhang Wentian, Peng Zhen, and Gao Gang, and the convener was Ren Bishi. On 19 May, Qin Bangxian also became a member of this committee. Ren Bishi, the convener, was in charge of day-to-day work for drafting the "Resolution." He did a great deal of organizational work and took part in the drafting and revision of the "Resolution." At that time, although some central leaders, such as Chen Yun, were not members of this committee, they often attended meetings and discussions and put forth many ideas for the drafting of the "Resolution." In spring 1945, a number of groups were established among the chief senior cadres of the party who were in Yanan to discuss the draft "Resolution." The group leaders, such as Li Fuchun, Ye Jianying, Nie Rongzhen, Liu Bocheng, and Chen Yi also attended the committee meetings on some occasions and made speeches. In addition, Hu Qiaomu, who had been Mao Zedong's personal secretary since 1941 and who was later announced by Mao Zedong at a Political Bureau meeting to be concurrently secretary of the Political Bureau of the CPC Central Committee, and who acted as an assistant in this work, also witnessed the whole course of the drafting of the "Resolution," which was begun in 1944.

III

In the archives, we found a carbon copy of the draft "Resolution," on which was written May 1944. This document, entitled "Resolution on the Question of the Central Leadership Line in the Period Between the Fourth Plenary Session of the Sixth CPC Central Committee and the Zunyi Meeting (Draft)," concerns five questions. Identified by the comrades who were stenographers of the Secretariat of the CPC Central Committee at that time, the copy was written by Zhang Shude, who was also a stenographer and was in charge of the routine work assigned by Ren Bishi. Ren Bishi made some revisions on this copy and added a new question: "6) The significance of examining historical accounts and the importance of studying party history." According to our analysis, this copy would have been drafted by Ren Bishi. It was the earliest manuscript concerning the drafting of the new historical resolution in 1944 which we found in the archives. Checking the filed documents, we found that this copy was mainly based on the 1941 "Draft Conclusion." The structure of this copy is basically the same as that of the "Draft Conclusion," and question No 6 was added in light of the situation that the senior party cadres had begun their study of party history. The main contents and wording of this copy are also basically the same as those of the "Draft Conclusion," and quite a few major paragraphs are entirely the same as those of the latter. The only difference is the appraisal of the Fourth Plenary Session of the Sixth CPC Central Committee, because through the Yanan rectification and the study of party history by senior cadres, there had been great changes in the understanding and appraisal of that plenary session by the central authorities.

In the archives, there is also a manuscript of the "Resolution," which was drafted by Hu Qiaomu. According to our analysis, this was drafted later than the above-mentioned copy. There is no title to this manuscript. It concerns four questions. But some basic ideas of the second question (on the mistakes of Wang Ming's "leftist" line) and the third question (on the roots of these mistakes) were also based on the "Draft Conclusion." There is a greater difference between this manuscript and the previous copy in structure and writing, but the main structure of the manuscript is comparatively close to that of the "Resolution" adopted later. Ren Bishi made some revisions to this manuscript three times and added a title to it, namely, "Decision on the Question of the Central Leadership Line in the Period Between the Fourth Plenary Session of the Sixth CPC Central Committee and the Zunyi Meeting (Draft)." Moreover, he added to this manuscript a passage about how "leftist" dogmatism was supported by empiricism and, in particular, put forth seven outlined opinions on the mistakes of Wang Ming's "leftist" line. They are: 1) Not knowing the relationship between China's national contradictions and class contradictions, the imbalance in political and economic development, and the special relationship between the cities and the countryside; 2) not knowing that the new democratic revolution is an anti-imperialist and antifeudal revolution of a bourgeois nature; 3) not recognizing that all the other classes can possibly become our allies and form an anti-Japanese and anti-Chiang united front; 4) having no knowledge regarding the protracted nature of the revolution; 5) not knowing the important significance, as well as the strategy and tactics, of rural armed struggle; 6) making mistakes on the tactics of political struggle; and 7) committing sectarianism in organizational affairs. In light of the working conditions of the CPC Central Committee at that time and the work of the committee for preparing the resolution on historical questions, we believe that these opinions were put forth on the basis of collective discussions.

In the archives, we also found a manuscript revised by Zhang Wentian. This manuscript was written with a Chinese writing brush (except for two pages, which were carbon copies from Hu Qiaomu's manuscript) and has no title. We still cannot identify who was the real writer of this manuscript, but the time of the drafting of the manuscript should be later than that of Hu Qiaomu's manuscript. But in the archives, this manuscript is not complete. It consists of only the first half, which concerns three questions. The first question is a summary of the history of the revolutionary struggle in the period between the first KMT-CPC cooperation in 1924 and the outbreak of the war of resistance against Japan in 1937 and our party's struggle against Chen Duxiu's rightist capitulationism and Zhang Guotao's splittism. At the end of this question, Zhang Wentian added three passages, and the most important one is the first passage, which says: "We are especially proud that the 10 years of civil war has enabled our party to link Marxist-Leninist theories more closely with China's realities. The thinking of combining Marxist-Leninist theories with China's realities, which is represented by Comrade Mao Zedong, developed greatly during the civil war. It points out a correct orientation for the CPC. Comrade Mao Zedong's leadership in the CPC Central Committee was finally established in the last period of the civil war. Undoubtedly, this leadership will be

a guarantee for the final victory of the CPC in the future." The second question concerns the history of our party in the period between the failure of the great revolution and the outbreak of the war of resistance against Japan. It talks about the enlarged meeting in November, the Sixth National Congress, the Lisan line, the Third and Fourth Plenary Sessions of the Sixth CPC Central Committee, the interim Central Committee, the Fifth Plenary Session of the Sixth CPC Central Committee, and the Zunyi meeting. Zhang Wentian added the following passage at the end of this question: "The meeting is glad to point out: After scoring great successes and suffering numerous failures, the party has finally, and for the first time, reached such unanimity and unity in the ideological, political, and organizational fields under the leadership of Comrade Mao Zedong! Ours is a party advancing toward victory, and a party that can never be defeated by any forces!" The third question concerns the mistakes of Wang Ming's "leftist" line. The method of analyzing these mistakes in the ideological, political, military, and organizational fields, which was adopted by the previous manuscripts, was replaced by an overall analysis on seven points, which was basically based on the above-mentioned seven outlined opinions (there was also a manuscript including eight points later). Zhang Wentian made more revisions and added more supplements to this question.

IV

Mao Zedong began to revise the draft "Resolution" in the spring of 1945, after Zhang Wentian had revised the manuscript and made a clear copy of it. There is a title to the hand-written copy used by Mao Zedong, which also includes the fourth and fifth questions. The five questions later became the second, third, fourth, fifth, and sixth questions in the "Resolution." There are six manuscripts in the existing archives, which were revised by Mao Zedong.

In the first revision, Mao Zedong changed the original title, "Decision on the Question of the Central Leadership Line in the Period Between the Fourth Plenary Session of the Sixth CPC Central Committee and the Zunyi Meeting (Draft)," into "Resolution on Certain Historical Questions (Draft)." He added many contents to the first question, including the following passage: "To unite the whole party like one harmonious family, like solid steel, to fight for total victory in the war of resistance against Japan and for the complete liberation of the Chinese people."

The main contents of the second revision are: emphasizing the correct side of the Sixth CPC National Congress; criticizing the mistakes of the Fourth Plenary Session of the Sixth CPC Central Committee in attacking the so-called "rightists," while making a positive appraisal of the comrades who had been attacked, including He Mengxiong, Lin Yunan, and Li Qiushi; and pointing out the important significance of the Zunyi meeting in overcoming the Zhang Guotao line and saving a part of the main force of the Red Army. On the front page of this manuscript, he wrote the following instructions: "Comrade Bishi: Please ask Zhou, Zhu, Luo, and Liu (if they are here) to have a look at this document to see whether they agree with these revisions. If so, please print a number of copies and send them, under serial numbers, to more than 40

comrades. Invite these comrades to a forum to discuss it, and the matter can be settled. Then submit it to the Seventh Plenary Session of the Sixth CPC Central Committee for approval. Mao Zedong, 24 March."

Following these instructions, the draft "Resolution" was typographed for the first time on 26 March 1945.

After revision, this first typographed copy was reprinted on 5 April, and on this Mao Zedong made his third, fourth, and fifth revisions of the draft "Resolution." He mainly added a long paragraph to the text, saying that since its birth, the CPC has made the integration of the universal truth of Marxism with the concrete practice of the Chinese revolution the guiding principle in all its work and, through the 24 years of heroic struggle since 1921, it has gained great successes and rich experience and achieved unprecedented ideological, political, and organizational solidarity and unity, thus becoming the great leader of the Chinese people's liberation cause. This paragraph later became the basic content of the first question in the "Resolution."

In the archives, there is a manuscript written by Hu Qiaomu based on the 5 April typographed copy and the revisions made by Mao Zedong and others. Attached to it is a letter to Ren Bishi, which he wrote on 9 April. The full text of the letter follows: "Comrade Bishi: Enclosed is the manuscript on historical questions. Since the questions are not yet well-considered, there are not many revisions. You offered many opinions last time, but since I cannot remember them clearly, the relevant revisions are still not made. I hope you will send me a revised copy of this manuscript in the future so that I can study it further. As to dogmatist factions, I first mentioned small groups. The phrase dogmatist faction should not be used before the facts of factionalism are clearly shown, so as to show that we are seeking truth from facts. Likewise, on the question of empiricism, facts should be given before finding out who should be held responsible. Is it appropriate for me to say that? Regards. Qiaomu, 9 April."

The manuscript revised by Mao Zedong was reprinted on 8 April the same year. This time, the part concerning the mistakes of Wang Ming's "leftist" line was rewritten, resuming the original analysis in the political (including military), organizational, and ideological fields in place of the eight points. The content was also made much more substantial. Again, Mao Zedong made some revisions to this manuscript and added some new contents to it. This was his sixth revision of the draft "Resolution."

After being approved in principle by the Seventh Plenary Session of the Sixth CPC Central Committee on 23 April 1945, the draft "Resolution" was reprinted on 24 July. This time, concerning the mistakes of Wang Ming's "leftist" line, the military field was separated from the political field, and the mistakes were analyzed in the four fields.

Entrusted by the Seventh CPC National Congress, the First Plenary Session of the Seventh CPC Central Committee made some revisions and adopted the draft "Resolution," which had been approved in principle by the Seventh Plenary

Session of the Sixth CPC Central Committee. Then this document was unanimously adopted by the second meeting of the First Plenary Session of the Seventh CPC Central Committee, which was held on 9 August the same year. On 12 August, the "Resolution" was printed and became an official inner-party document.

While compiling the "Selected Works of Mao Zedong" after the founding of the state, in accordance with a proposal made by Mao Zedong on 19 August 1950, which was later approved by the members of the Political Bureau of the CPC Central Committee, the "Resolution" was added as an appendix to the third volume of these selected works. At the same time, the names of the persons chiefly responsible for Wang Ming's "leftist" line, Chen Shaoyu (Wang Ming) and Qin Bangxian (Bo Gu), were added to it.

V

In the course of drafting the "Resolution," senior party cadres held many serious discussions. In March and April 1945, such discussions were held more frequently. The groups under the leadership of Gao Gang, Li Fuchun, Ye Jianying, Nie Rongzhen, Liu Bocheng, Chen Yi, Zhu Rui, and Lin Feng held many meetings to discuss the matter and put forth many opinions. As was mentioned earlier, some responsible persons of these groups had also joined the discussions held by the committee for preparing the resolution on historical questions. All the important opinions put forth during the discussions were reported to Mao Zedong immediately. After the CPC Central Committee, Mao Zedong and the committee for preparing the resolution made a conscientious study of these opinions, and some reasonable and good ideas were later included in the "Resolution." Following are some examples based on our filed records.

During the discussions, quite a few people put forth different opinions on the passage about the Sixth CPC National Congress in the draft "Resolution." The matter was basically settled after repeated revisions. From the manuscript revised by Zhang Wentian to the 26 March 1945 typographed copy, the said national congress was described as follows: "It still did not make a thorough criticism of putschism in the ideological field, thus burying a root for the further development of 'leftist' ideology within the party." During the discussions, there were comparatively more different opinions on this point. Many people did not agree that the Sixth CPC National Congress had buried a root for the continuous development of "leftist" ideology. They held that the correct side of the said national congress should be stressed. Thus, this viewpoint was deleted in the 5 April typographed copy. But the passage about the Sixth CPC National Congress was rather simple. It only said: "The struggle between the two lines was carried out at the Sixth CPC National Congress, which criticized Chen Duxiu's doctrine and putschism and particularly pointed out that the main dangerous trends within the party were putschism and commandism, which are divorced from the masses." During the discussions, some comrades held that the said national congress deserved a higher appraisal. The 15 April typographed copy gave a more adequate exposition of the correct side of the said national congress, but said nothing about its shortcomings, saying that "we are not going into

details in this respect." Again, there were differing opinions about this during the discussions, which held that the shortcomings of the said national congress should be pointed out as well. Finally, in the 24 July typographed copy, an overall elaboration was given of both the correct side and the shortcomings of the Sixth CPC National Congress.

On the question of whether the Fourth Plenary Session of the Sixth CPC Central Committee was the beginning of Wang Ming's "leftist" line, all the previous manuscripts, from the first draft of the "Resolution" to the 26 March 1945 typographed copy, said that the Fourth Plenary Session did not play a positive role in criticizing the "leftist" mistakes within the party, but extended and developed such mistakes, holding that the "Resolution on the Urgent Tasks Emerging After the Workers' and Peasants' Red Army Smashed the Third 'Encirclement and Suppression' of the Enemy and With the Growth of the Crisis of the Revolution," which was adopted by the central authorities on 20 September 1931, marked the beginning of Wang Ming's "leftist" line. Making an appraisal of the Fourth Plenary Session was a serious matter. Although the central authorities repeatedly pondered and studied the question, beginning from the enlarged Political Bureau meeting held in September 1941, and especially after the Political Bureau meeting held in September 1943, no official conclusions had been drawn on this question. In the course of drafting the "Resolution," the CPC Central Committee discussed this question again and listened to the opinions put forth by senior party cadres during the discussion (for example, some comrades held that the Fourth Plenary Session was the beginning of the "leftist" line and that it was not correct to emphasize the 20 September resolution after the 18 September Incident). In the 5 April 1945 typographed copy of the draft "Resolution," an important revision was made on this question. For the first time, it clearly pointed out that the Fourth Plenary Session was the beginning of Wang Ming's "leftist" line.

On the eight-point exposition of the mistakes of Wang Ming's "leftist" line, quite a few people held different views, holding that this should be changed and the eight points should be combined. After the 8 April 1945 manuscript was printed, this part was rewritten and the mistakes were elaborated and analyzed in the political, organizational, and ideological fields. Later, in accordance with some opinions aired during the discussions, the mistakes in the military field were elaborated separately, and some new contents were added.

As to the comrades who had been persecuted or even wrongly killed in the movement to eliminate counterrevolutionaries, it was suggested during the discussion that they should be rehabilitated. In accordance with this suggestion, the following passage was added to the draft "Resolution": "The enlarged Seventh Plenary Session hereby declares: Any penalty, or any part of a penalty, that was wrongly inflicted upon a comrade by the exponents of the erroneous line shall be rescinded in accordance with circumstances. Every comrade who upon investigation is proved to have fallen victim to false charges shall be exonerated and reinstated as a party member, and his memory shall be held in honor by all comrades."

The comrades participating in the discussions also put forth some other opinions, such as that "dogmatist faction" and "empiricist faction" should be added to the draft "Resolution," that the fact that Wang Ming's "leftist" line had brought about a loss of 100 percent in the work in the White areas and a loss of 90 percent in the revolutionary bases should also be included, and that the viewpoint holding that the Fourth Plenary Session and the interim Central Committee were legal was incorrect. Regarding these opinions, the CPC Central Committee and Mao Zedong carried out patient persuasion and explanation. At a meeting of the Seventh Plenary Session held on 31 March 1945, Mao Zedong said: The questions of 100 percent and 90 percent, the question of moral character, the question of illegality, and the question of faction are not mentioned by the draft "Resolution." In my opinion, this is, at the very most, a shortcoming; but if they are overstressed or wrongly stressed, it might become a mistake. What Mao Zedong had said played an important role in helping senior party cadres further understand the Central Committee's policy on dealing with historical questions within the party and the guiding ideology for drafting the "Resolution" and in unifying the people's understanding.

The drafting and discussion of the "Resolution" fully expressed the lively democratic life within the party. All the comrades participating in the discussion spoke their minds and aired their views freely, and the CPC Central Committee and Mao Zedong earnestly listened to various opinions. This fully shows that the "Resolution" was an outcome of collective wisdom. On this point Mao Zedong gave a very good explanation. In his report delivered at a preparatory meeting for the Seventh CPC National Congress held on 21 April 1945, entitled "Work Policy for the Seventh CPC National Congress," he said: "Now we have learned to be prudent. In drafting the resolution on historical issues, we looked at it over and over again and still could not find many problems, but when all of you looked at it and discussed it, many problems were found. It is really very good that you have put forth so many opinions. This is the way to do things with caution." He also said: "Although many revisions were made in drafting the recent resolution, without the opinions put forth by all of you, it still could not be so perfect."

VI

What is described above shows that the "Resolution on Certain Historical Questions" was completed after being drafted several times, after being repeatedly discussed by senior party cadres, and after being repeatedly revised by many people. It took nearly 4 years, beginning October 1941, to complete the document. The "Resolution" is a crystallization of collective wisdom rather than the work of an individual. Everyone participating in this collective creation made his contribution to this historical document, but some comrades made greater contributions. The historical facts and filed records clearly show that it was Mao Zedong who made the greatest contribution to it.

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PUT THE ORIENTATION RIGHT IN THE TORTUOUS JOURNEY--NOTES ON READING THE
THIRD VOLUME OF THE 'SELECTED WORKS OF CHEN YUN'

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[Article by Xue Muqiao [5641 2550 2890]]

[Text] The third volume of the "Selected Works of Chen Yun" begins from the articles written in 1956. That was the year our country scored tremendous victories in both our socialist construction and our socialist transformation. We fulfilled the First 5-Year Plan in 4 years and at the same time basically completed the socialist transformation of our agriculture, handicraft industry, and private industry and commerce. Some comrades were carried away by these tremendous victories and sought rash progress in our construction. In 1956, Comrades Zhou Enlai and Chen Yun put forward the idea that rash progress should be opposed, but unfortunately they were later criticized by Chairman Mao at the Nanning Conference. In 1958, the campaigns of the "Great Leap Forward" and the "rural people's commune" were rashly launched and caused our country's socialist economic construction to suffer tremendous setbacks.

In his historic speech entitled "New Problems After the Basic Completion of Socialist Transformation," which Chen Yun delivered to the Eighth CPC National Congress in September 1956, he pointed out that we had to avoid that practice of going too far in carrying out the transformation and centralizing the economy, which would cause our production to fail to meet the demands of the market and of people's livelihood. He proposed that after the transformation of private industry and commerce was completed, we had to abolish the previous method of state monopoly in purchase and sales, which had been adopted in order to control private industry and commerce. In the past, the state wholesale companies directly allocated goods to lower levels, while basic-level shops could not directly purchase goods from factories to meet consumer demand. This unavoidably gave rise to the situation in which the varieties and quantities of the commodities that the state wholesale companies sent to various areas failed to meet demand, and thus caused some goods to be stockpiled and others to be in short supply. He criticized the previous method of market management, which in fact put the purchase of agricultural products under the monopoly of local supply and marketing cooperatives and the state commercial sector, without competition from any other purchasing units. Therefore, when they failed to pay attention to the purchase of particular agricultural products, or fixed the

purchase prices for them too low, the production of these products would fall and there would be shortages of them in the market. He also criticized the practice of excessive mergers and unified calculation of profits and losses in the process of the cooperative transformation of the handicraft industry. This had caused the quality of some handicraft products to decline and their variety to decrease. He said that in the process of the cooperative transformation of agriculture, we had imposed too much control over the sideline undertakings that had to be engaged in by the families of the members of the cooperatives, and thus caused some decline in the production of these sideline products.

In order to counter this situation, Comrade Chen Yun proposed that the monopoly in purchasing and marketing articles of daily use, which are of great variety, had to be gradually abolished and replaced by the method of selective purchase. A commercial department was to be empowered to be the first to select and buy any commodity in the category of selective purchase; while a factory was to be empowered to sell on its own, or assign a commercial department as agent to sell, the commodities that commercial departments had not selected for purchase. A commercial wholesale company was not to be allowed to force a lower level shop to purchase goods from it, while the latter was to be empowered to purchase goods from any wholesale enterprise in the country or directly from factories. A fairly large part of the production and operation of industry, the handicraft industry, agriculture, sideline undertakings, and commerce should be carried out in a decentralized manner, and the blind practice of overcentralized production and operation had to be corrected. He pointed out that people's demand for consumer goods of daily use was diversified and always changing. If many small factories were merged into large ones, they would not be able to meet market demand flexibly. We had to promptly correct the erroneous practice of paying attention only to centralized production and operation and neglecting the necessity for decentralization in production and operation. Otherwise, the defects in the areas of production, circulation, and service for our consumers would continue to grow.

In this speech, Comrade Chen Yun also pointed out that we had to make our prices facilitate our production and had not to regard "unifying prices" and "freezing prices" simplistically as a necessity. If the price difference between products of different quality was very small, then products of good quality could not be sold at a preferential price and we would not be able to encourage our enterprises to improve their product quality. On the contrary, this would cause product quality to decline. We had to allow quality goods to be sold at preferential prices and appropriately raise the prices of the products of good quality. We had to understand that decline in product quality was the worst kind of price hike. As long as consumers were willing to buy, we had to allow new products to be sold at a high price to a certain degree when they were put on sale in the market for the first time. When batch production of them began and their production costs fell, we would appropriately lower their prices. If we did not adopt that policy, we would not be able to encourage people to produce more new products. Allowing small local products to be purchased and carried away for sale freely would perhaps cause their sale price to rise in urban areas,

but this would promote the production of these products. When supply and demand were balanced, prices would drop to a normal level.

Comrade Chen Yun also suggested an appropriate change in the method of planned management. He said that we had only to include a small number of products of daily use, handicraft products, and small local products in our state plans, allowing all other products to be produced, purchased, and sold freely. For the articles of daily use included in state plans, we might also only fix reference targets, and allow the factories that produced them to set their own targets in the light of the market situation and thus carry out their production without being fettered by the state reference targets. (The reference plans here referred to were similar to the guidance plans now.) In short, we had to improve the quality and increase the variety of our consumer goods, enlarge the output of our industry and agriculture, and make our service trades provide satisfactory service. We had to transform our country's capitalist industry and commerce, individual agriculture, and handicraft industry into a socialist economy that benefited the people. The market that emerged in our country after this change would by no means be a capitalist market, but a socialist market that met our country's situation and our people's demands. Finally, Comrade Chen Yun pointed out that our socialist economy would be an economy in which the state and collective economy would be the principal part of our industry and commerce, but in which there would also be a certain amount of individual economy which would supplement the state and collective economy. In the sphere of production planning, planned production (including that under mandatory and reference plans) would constitute the principal part of our industrial production; while the free production which was to be carried out in the light of changes in the market situation and within the scope allowed by the state would supplement the planned production. In our unified socialist market, the market of the state (including state-run and collective commerce) was the principal sector, but there would be a free market within a certain scope and under state leadership. This would supplement the market of the state. All these views are still of great significance even now.

The above proposals by Comrade Chen Yun were consistent with the principles of our country's economic structural reform that have been implemented since the 3d Plenary Session of the 11th CPC Central Committee. It was a pity that these valuable views of Comrade Chen Yun were not accepted at that time. In particular, during the 3 years of the "Great Leap Forward," we developed further in the direction of excessively rigid centralization and thus put our socialist economy in an increasingly stagnant predicament. For almost 20 years, our economic results fell rather than rose, and we were unable to substantially improve our people's livelihood.

After the view that opposed rash advance was criticized, the movement of the "Great Leap Forward" began in 1958, calling for doubling steel output in that very year and for pushing grain output to 700 billion jin. Comrade Chen Yun saw that the hot wave was irresistible; therefore, he only suggested that neither of these targets be published in our newspapers in order to avoid putting ourselves in a passive situation. It was a pity that that suggestion was not accepted. As a result, people were forced to smelt iron and steel

with local methods, or even to falsely exaggerate output figures. In 1959, the State Statistical Bureau published the figures that in 1958, steel output had reached 11 million metric tons and grain output had reached 700 billion jin. Premier Zhou Enlai asked the bureau to verify the output. In his report to the NPC Standing Committee in August that year, steel output was only 8 million metric tons and that for grain was only 500 billion jin (the later verified figure was only 400 billion jin). When the annual plan for 1959 was drawn up at the end of 1958, the target for steel output was fixed at 20 million metric tons. When Comrade Chen Yun heard this, he personally went to the planning committee to take part in the discussion and said the target of 20 million metric tons was too high and that he would be satisfied if a target of 16 million metric tons could be fulfilled. Through the discussion, the target was finally lowered to 18 million metric tons. In March 1959, it was clear that the task of 18 million metric tons of steel could not be fulfilled, and the planning committee held a meeting in Shanghai and reduced the target to 16.5 million metric tons. Chairman Mao could not set his mind at rest and asked Comrade Chen Yun to study it and give his opinion. Comrade Chen Yun carried out repeated discussions with relevant comrades and suggested that the target be reduced to 13 million metric tons. Therefore, in his report to the NPC Standing Committee, Premier Zhou Enlai proposed that the target for steel output be reduced to 12 million metric tons, which would still mean an increase of 50 percent over 1958. In order to ensure steel output, we continued to develop the production of iron and steel by small blast furnaces and converters, and thus produced 13 million metric tons of steel by desperate efforts. As we wrongly criticized rightist opportunism at the plenary session of the CPC Central Committee at Lu Shan at the end of that year, the planned target for steel output was still fixed at 18 million metric tons for 1960. In order to fulfill this planned target, our iron and steel, coal, and other industries carried out production in excess of their capacity and could not overhaul their equipment according to schedule. The equipment suffered serious damage and our coal mines' extraction ratio was excessive. As a result, we were forced to sharply reduce our production in 1961. In the sphere of agriculture, the people's commune movement, characterized by large-scale and purely public ownership was carried out throughout the country in 1958 and caused a sharp reduction in our agricultural output in 1959. Owing to a shortage of agricultural products as its raw materials, our light industry reduced its output sharply in 1960. In 1961 and 1962, the production of all undertakings, including agriculture and light and heavy industry, fell sharply and brought serious difficulties to our national economy and people's livelihood.

At that time, Comrade Chen Yun was concurrently chairman of the Capital Construction Commission. Beginning in 1959, he time and again called for a reduction in the scale of our capital construction, but no one listened to him. He once said to us with a sigh that now people were hot-headed and it seemed that they would not cool down until they met trouble. In 1961 and 1962, as our production dropped in an all-round manner, our investment in capital construction fell drastically from over 30 billion yuan in 1960 to about 6 billion yuan, a decline of 80 percent. This drastic rise and fall gave us a painful lesson. During the past few years, Comrade Chen Yun has

pointed out that in drawing up our plans we must first arrange people's livelihood, then arrange our production, and finally arrange our capital construction if we have any strength left. As far back as in 1959, he pointed out that in order to ease the supply shortage in our markets, we had to practice thrift in consuming grain and satisfactorily arrange the supply of pork, chickens, ducks, eggs, and fish, and that we had to make special arrangements regarding the production of the necessities of daily use, reduce purchasing power, conscientiously reduce the excessive number of workers recruited in the year before, and give priority to arranging the transport facilities necessary for the supply of commodities to our markets. These suggestions of Comrade Chen Yun's failed to draw people's attention. Under the pressure of the "Great Leap Forward," the number of our staff and workers rose drastically from 24.5 million in 1957 to 50 million in 1960.

In 1961, our grain supply could not supply the needs of both our urban and rural populations. At a central work conference in May, Comrade Chen Yun pointed out that we had only two alternatives in solving the grain problem: The first was to continue to reduce the food rations of our peasants, but this would make our peasants suffer hunger and be unwilling to grow grain, so there would be even greater difficulties in our grain supply later; and the second was to urge the peasants that we had recruited into our cities to return to the countryside and switch back from eating the grain supplied by the state to eating the grain produced by themselves. This was a relatively feasible method. Only by so doing could we stabilize the whole situation and ensure the development of our grain production. Premier Zhou Enlai vigorously supported the policy of urging peasants who had entered the cities to return to the countryside. In 1961, the number of urban staff and workers dropped by 10 million, and did so again in 1962. As we did a lot of work, the task of reducing staff and workers by 20 million and sending them to the countryside to be peasants was smoothly completed without giving rise to any turbulence. This could only be achieved in a socialist country like ours.

From late June to early July 1961, I followed Comrade Chen Yun when he went to stay in his hometown, Xiaozheng People's Commune, Qingpu County, to make on-the-spot investigation. At that time, the peasants' life was indeed hard. Public canteens had begun to dissolve in many areas, but the peasants in Qingpu still ate in public canteens run by brigades (they had rice gruel for all three meals every day). When the peasants there heard the news of Chen Yun's arrival, they were very happy and thought that surely their food rations would increase. After making investigation for some time, Comrade Chen Yun held a meeting of a few old peasants he was well acquainted with to have some discussion with them. He told them that there was a poor grain harvest throughout the country and the livelihood in many places was even worse than theirs. At present, the state was unable to increase food rations and they had to think out ways for themselves. For example, they could grow double-harvest rice on a smaller area of land (at that time peasants were forced to grow double-harvest rice, and Comrade Chen Yun made a careful calculation and proved that growing double-harvest rice there not only required more labor, but would also reduce real income), somewhat enlarge their private plots (allocating some land to grow crops to feed pigs

for the households that bred pigs), breed more pigs, do more fishing, and so on. By so doing, they would be able to have one meal of cooked rice a day the next year, two the year after next, and three the following year. The old peasants nodded and said that they could only achieve that and could not achieve a thorough improvement at one stroke.

During the "Great Leap Forward," peasants' private pigs, chickens, ducks, and so on were twice confiscated by the people's communes. The first time was in 1958, when the people's communes were set up, and the second time was after the Lu Shan session in 1959. The animals were given back to the peasants in 1960 but, still, peasants dared not breed pigs. Comrade Chen Yun asked the old peasants which was right, the confiscation or the giving back of these animals. They replied: Confiscation or giving back, the orders from above were always correct. They still dared not breed pigs for fear that some day the pigs would be confiscated once more. Comrade Chen Yun said that the confiscation was wrong and giving back was correct and that there would never be confiscation again. The peasants were happy at this. His view was spread all over the commune as soon as the meeting closed. The next day, peasants rushed to many communes nearby to buy piglets and all the small boats were out collecting water cabbage (a green food for pigs). Comrade Chen Yun was much impressed and said to us that when we had committed mistakes, we had to admit them to the people and that if we did not admit them, we would not be able to make people have confidence in our current policies.

At that time, the central authorities stipulated that pigs could be bred by public units and by people as individuals, and that the latter had to be the major way. Shanghai municipality stipulated that the former had to be the major way and that no sow could be bred by people privately. Through repeated study, Comrade Chen Yun found that private breeding of sows was much better than public breeding. If private breeding of sows was allowed, it would be possible to produce more piglets. Otherwise, it would be impossible to develop our pig-breeding undertaking. Therefore, he personally wrote an investigation report on this. Another report was a careful calculation to show that growing double crops of rice was not as profitable as growing one crop of beans and one crop of rice, in order to prevent people from being misled by the superficial figures on high output of double-harvest rice. It was a pity that these investigation reports could not be published at that time. In my homeland of Wuxi, the peasants were forced to grow double-harvest rice on all their paddy land until 1978, and they were full of complaints. This has been gradually changed since the 3d Plenary Session of the 11th CPC Central Committee. Now, they grow one crop of rice and one crop of wheat every year, greatly reducing their workload and cutting their production costs, but the per mu output of grain has not fallen. On the contrary, their income has increased substantially. It has not been possible to publish these views until the publication of this volume of his selected works. Double cropping of rice can be popularized in south China, where the period of frost is short, but it is not advisable to force people to grow double-harvest rice in the areas to the north of the Chang Jiang Delta.

After his investigation in Qingpu, Comrade Chen Yun studied the problem of the drastic fall in the output of coal and iron and steel, which had a serious impact on our national economy, and held a 1-month get-together on each of the two problems. After these two get-togethers, Comrade Chen Yun pointed out that the major reason for the drastic decline in coal and iron and steel output was the excessively high production quotas in previous year, which had exceeded the comprehensive production capacity of the available equipment. In a desperate effort to fulfill the high quotas, much machinery and equipment had been operated beyond its capacity and could not be overhauled periodically, and many pieces of equipment were operated despite their being faulty. As a result, output was lower than their normal production capacity. Our coal mines paid attention only to extracting coal, but neglected digging and expanding the shafts. As a result, the extraction ratio was abnormal and we could not help but switch our major forces to digging and expanding our mines. In the 3 years of the "Great Leap Forward," a lot of iron and steel was smelted by small converters and blast furnaces, which not only produced low-quality products but also consumed three or four times more coal than large iron and steel plants. When our coal output dropped, in order to enable some small blast furnaces to continue their production, we had to make idle nearly half of the machinery and equipment of our large plants such as the Anshan Iron and Steel Complex because of the coal shortage. The method for solving this problem had to be to reduce our production quotas and scale of capital construction, make full efforts to overhaul our machinery and equipment, and carry out several years of readjustment in order to gradually restore our normal production capacity. According to an estimate at that time, the overall production capacity of the steel industry (including mining and rolled steel production capacity) was, in fact, only 12 million metric tons, but it was forced to produce over 18 million metric tons. As a result, output dropped to 8 million metric tons in 1961 and 1962. Through 5 years of consolidation, output was 12 million metric tons again in 1965 and rose to 15 million in 1966. But because of the "Great Cultural Revolution" output dropped again.

At the beginning of 1962, Comrade Liu Shaoqi listened to a report from the departments under the Ministry of Finance at a meeting, called the "Xilou [6007 2869] meeting," which was criticized during the "Great Cultural Revolution." Comrade Chen Yun pointed out at the meeting that at that time, some people underestimated the economic difficulties and thus failed to vigorously carry out the readjustment measures. Comrade Liu Shaoqi asked Comrade Chen Yun to give a speech to the members of the leading party groups of the various ministries and commissions in the State Council's small auditorium. This was the speech entitled "On the Current Economic Situation and a Few Methods To Overcome the Difficulties" that has been included in this collection. In that speech, he pointed out that over the preceding years, agricultural production had declined sharply and that grain output in 1961 had been more than 80 billion jin less than that in 1957 (according to the method of calculation at that time--the output of beans was not included--the grain output in 1957 was 375 billion jin). People's food contained little fat and they lacked clothing. Therefore, increasing our agricultural production in order to solve the problems related to food and clothing, in order to ensure the supplies in our markets, and in order to

curb inflation had become a task of the first priority at that time. He suggested that the 10 years from 1963 to 1972 be divided up into two periods, of which the first would be a period of recovery and the second would be a period of development. In the period of recovery, we had to exert all our forces to increase our agricultural production.

In order to overcome the difficulties at that time, in addition to reducing our urban population and "streamlining our administration," we also adopted some makeshift measures to overcome the inflation which had emerged and ensure the minimum needs of our people's livelihood. In order to stabilize prices, we rationed 18 categories of consumer goods that were most important for people's livelihood (including sweets and cakes) and thus stabilized their prices. In addition, we sold nonration sweets and cakes at high prices and set up expensive restaurants where food was supplied without ration restriction. The prices there were set in accordance with the principle of maintaining a constant supply of goods and were two or three times higher than food sold through rationing. This could not only satisfy the needs of the small number of urban people who had relatively high incomes and bigger bank deposits, but what was more important was that this could withdraw surplus money from our rural areas. At that time, in order to satisfy urban people's food demands, free markets were open in all cities in our country except Beijing. Our peasants sold grain and foodstuffs at high prices and had large amounts of money. Therefore, most of those who bought high-priced sweets and cakes and dined at expensive restaurants were peasants. They sold their agricultural products at high prices (five, six, or even seven or eight times higher than the prices fixed by our plans) in our cities. Our cities also used high-priced commodities to recover the money from them. From 1961 to 1964, we withdrew 5 billion yuan from circulation by selling food at high prices, which accounted for 40 percent of the total 12.5 billion yuan issued in 1961. Beginning in 1963, as our production rebounded and the volume of currency in circulation in our markets was reduced, the prices of goods in our free markets gradually dropped, and so did the prices of high-priced commodities. By 1964, these goods were again supplied freely at normal prices.

The greatest significance of the speech given in the small auditorium was that it emancipated people's minds and said what many cadres had not dared to for years. This opened the way for the adoption of various kinds of readjustment measures and the acceleration of the recovery of our industrial and agricultural production. Later, under the charge of Comrade Liu Shaoqi, the CPC Central Committee decided to enlarge the Central Financial and Economic Group which had already been set up since 1958. (Its members included Comrades Li Fuchun, Li Xiannian, and Bo Yibo, as well as Comrade Chen Yun.) This was aimed at giving it greater power in formulating the plan to readjust the national economy. As secretary to the group, I helped them in their work. At a meeting of the Central Financial and Economic Group on 7 March 1962, Comrade Chen Yun gave another important speech to reiterate his plan to divide up the 10 years into 2 periods and his view that the leading organs must be clearly aware that at that time the main task was economic recovery. The readjustment plan then was in essence aimed at slowing down the development of our industrial production and

capital construction in order to really focus on agriculture and the market. He also put forth the view that it was necessary to arrange the production of more manufactured goods of daily use in the light of actual capacity. Concerning agriculture, the problem of the market is a major issue related to people's livelihood concerning the livelihood of over 500 million peasants and over 100 million urban people. Solving this problem should be an important state policy. Our industry should first take into account the needs of maintenance and coordination between various equipment in order to be able to maintain simple reproduction. We should first satisfy the needs of production in that year before we could carry out capital production. Fairly great revision should be made to the year's annual plan and we had to make preparations for drastic reductions in the targets for our heavy industry and capital construction.

As he worked hard day and night in those years, Comrade Chen Yun was very weak and had to go to Hangzhou to recuperate. On 2 April, Premier Zhou Enlai presided over a meeting of the Central Financial and Economic Group. After the meeting, he personally presided over the group's work and set up a team to draft the readjustment plan, of which Comrades Deng Liqun, Wu Junyang (chief of the Coordination Bureau of the State Planning Commission), Xu Ming (secretary of the Premier's Office), and others, as well as I myself, were members. At that time, there was not much difficulty in reducing our heavy industrial production and the scale of capital construction; for, in fact, we could not have enlarged them even if we had wished to. The difficulties were that we had to make up our minds to suspend the construction and operation of tens of thousands of medium-sized and small projects, in particular tens of thousands of small blast furnaces which began construction during the "Great Leap Forward," and that we had to make up our minds to pull down those small blast furnaces the construction and operation of which had already been suspended in order to avoid wastage of our labor, material, and financial resources. Therefore, in addition to following Comrade Chen Yun's proposal to reduce the targets for our heavy industrial production and capital construction, we put forward the principle that we had to resolutely pull down and disband the enterprises that had to suspend construction or operation or that had already suspended construction and operation, and that in order to ensure the production of our key enterprises, we had to implement a policy of "closing, suspending the operation of, merging, and transferring the production of" a number of enterprises that had to be dissolved. We achieved satisfactory results by implementing that policy, but we were unfairly criticized for this during the "Great Cultural Revolution."

At that time, it was most difficult to suspend the production of our small blast furnaces. By reducing the production of our small blast furnaces by 1 metric ton of pig iron, we could provide additional coal for our big blast furnaces to produce 3 or 4 metric tons of pig iron of better quality. However, the comrades in many areas were apprehensive about running against Chairman Mao's principle of "developing large, medium-sized, and small enterprises and adopting foreign and local methods simultaneously." They said that reduction of the output of big blast furnaces was a defect in their work, but that suspending the production of small blast furnaces might

be a "mistake relating to the line." Therefore, we listed 10 advantages of the principle of "closing, suspending the operation of, merging, and transferring the production of" small blast furnaces and got Premier Zhou Enlai's support. He told me to take the document to Comrade Chen Yun to solicit his opinions. Comrade Chen Yun gave his full consent. The CPC Central Committee wrote its instruction on the document and then Comrade Liu Shaoqi approved the document and issued it to various departments and areas for discussion. At the Beidaihe Session in the summer of 1962, Chairman Mao criticized our view of the situation and said that we drew an entirely dark picture regarding it. However, Comrade Liu Shaoqi and Premier Zhou Enlai always supported this view. When the annual plan for 1963 was discussed in the State Council, people argued about the questions of whether we had completed the work of readjustment and whether we had to mention the task of readjustment in 1963. Premier Zhou Enlai pointed out that the readjustment had not been completed and that we had to carry out readjustment for 3 years. Therefore, Comrade Chen Yun's view was in fact not refuted. By 1965, we had successfully fulfilled the plan that Comrade Chen Yun had put forward for economic recovery in 5 years. Our agricultural production recovered and in the main it returned to the level of 1957, and our light industrial products could also satisfy market demand. Now many old economic workers cherish their memories of the economic readjustment from 1963 to 1965, in carrying out which Comrade Chen Yun's courage for bringing order out of chaos could not be dispensed with.

When he carried out investigations in Qingpu in 1961, the peasants did not have enough to eat and could not transplant rice seedlings. Xiaozheng Commune decided to assign households full responsibility for that task and soon the task was fulfilled. Some old peasants told Comrade Chen Yun that the transplanting had been done but that if the quality of the work was poor it would inevitably cut output the next year. If we did not want a reduction in output, we had to assign all-round responsibility to households with remuneration linked to output. When I returned to Shanghai, I learned that the practice of assigning output quotas to households by contract was carried out in Anhui. Comrade Chen Yun was very interested in this and asked me to study the issue with Comrade Zhou Taihe. At that time, we did not dare to confirm this practice and said that it had both advantages and disadvantages. In the spring of 1962, more and more comrades were for it and Comrade Deng Zihui did his best to recommend it to Comrade Liu Shaoqi. At that time the Anhui provincial committee had already criticized it and called it a mistake in orientation. Comrade Liu Shaoqi said that we had better not reach any conclusion for the time being and allow people to experiment with it. In the Beidaihe Session that summer, Comrade Chen Yun went to Chairman Mao and suggested that the practice of assigning output quotas to households by contract be allowed for the time being in order that production might recover. He was criticized by Chairman Mao for this. During the Beidaihe Session, in addition to criticizing the error in estimating the situation, Chairman Mao criticized the "three freedoms and one contract" (the three freedoms were assigning more plots of land for private use, the free market, and the practice of having enterprises shouldering sole responsibility for their profits and losses, and the one contract meant assigning output quotas to households by contract) and said that these practices would restore

capitalism. Afterward, Comrade Chen Yun left his leading post in our financial and economic work and the Central Financial and Economic Group ceased its work. But as mentioned above, Comrade Chen Yun's opinions on national economic recovery continued to be followed and substantial successes were achieved. This enabled our party and the people all over our country to overcome the serious difficulties caused by the years of the "Great Leap Forward"; therefore, comrades throughout our party always remember Comrade Chen Yun's contribution. It conformed to popular will that in the 3d Plenary Session of the 11th CPC Central Committee, the participants had Chen Yun resume his leadership over our economic work.

Owing to his advanced age, it was impossible for Comrade Chen Yun to shoulder the heavy tasks of our economic work, but at every important juncture, he would come out to clearly point out the orientation. At the 3d Plenary Session of the 11th CPC Central Committee, he first criticized the "leftist" mistakes in the economic work in the past and suggested that the quota of 60 million metric tons of steel for 1985 that had been fixed by the 10-year plan be reduced. Moreover, it was he who was the first to expound on the issues concerning planning and the market and who thus pointed out the orientation for our readjustment and reform.

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TENTATIVE DISCUSSION ON POSTWAR CHANGES IN INTERNATIONAL RELATIONS AND THE
POSSIBILITY OF WINNING LASTING WORLD PEACE

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[Article by Chen Qiman [7115 0796 2021]]

[Text]

I

Human society has experienced the disasters of two world wars in the 20th century.

World War I took place between 1914 and 1918. It involved 30 nations and a population of 1.3 billion, accounting for 75 percent of the world's population at that time. More than 70 million soldiers were mobilized by the two warring sides. There were over 30 million casualties, in addition to 10 million who died of famine and calamities. The total economic losses exceeded \$27 billion. (Footnote 1) ("A General World History" (Part 2 of Modern Division), People's Publishing House, 1972 edition, pp 410-411)

World War II, which took place between 1939 and 1945, far exceeded World War I in scope and losses to human society. Around 80 percent of the world's population was involved in the war consecutively, and war was conducted in the territory of 40 countries, with more than 110 million soldiers mobilized by the two warring sides. The battlefield of World War I was restricted to Europe, but the battlefield of World War II spread all over Asia, Europe, Africa, Oceania, and all oceans of the world. Casualties amounted to 50 million, 5-fold over World War I. World War II brought about \$4,000 billion worth of material losses. (Footnote 2) ("A General World History," Vol 10, Part 2, edited by Soviet Academy of Sciences, pp 780-781, translated version in Chinese)

That two world wars broke out successively in the first half of the 20th century was by no means accidental, but the product of human society entering the epoch of imperialism.

In the article "Imperialism Is the Highest Stage of Capitalism" and a series of works published around its publication, Lenin profoundly analyzed the inevitability of war between imperialist countries. Lenin pointed out:

Imperialism is precisely monopoly capitalism, and its nature is to pursue a huge volume of monopolist profits. To achieve this, imperialist countries will inevitably contend for the market, places for investment, and raw materials producing areas and struggle to carve up the world. When the world entered the epoch of imperialism, the great powers had already completed carving up the world. Imperialism carved up the world based on its strength. In the epoch of imperialism, the imbalance in capitalist economy, politics, and military strength had been aggravated. Hence, the rise of contradictions is the incongruity between the division of spheres of influence and the actual balance of strength. The newly-rising imperialism, which developed its strength more quickly, inevitably demanded redividing the world, while the old-brand imperialism would never give up its vested interests on its own accord. Thus, acute contradictions and conflicts would inevitably rise and war inevitably break out when the struggle to redivide the world developed to a certain extent.

It was precisely on the basis of a systematic analysis of the economic nature and all conditions of its development that Lenin made his inference, saying: "Imperialist war is absolutely inevitable when private ownership of production means still exists on such economic base." (Footnote 3) (Lenin: "Imperialism Is the Highest Stage of Capitalism," Preface 2 to French and German editions)

The actual conditions of the two world wars entirely proved Lenin's scientific conclusion.

World War I took place chiefly between the two great imperialist camps, the Entente countries and the Central Powers, and it was an imperialist war typical in its target of redividing the world and contending for world hegemony. World War II was a great antifascist war in human history and its nature differed from World War I, but the underlying cause leading to its outbreak was also contention over world hegemony between the imperialist camps. The culprit that started the war--the German, Italian, and Japanese fascist aggressive group--was precisely typical of the newly-rising imperialism in its urgent demand to redivide the world.

II

As World War II brought the world's people grave miseries and tremendous losses, especially the emergence and use of the atom bomb in the latter phase of the war which has cast a shadow of destructive nuclear warfare on the fate of mankind, whether human society could avoid the disasters of a new world war has become a postwar issue of worldwide concern. Politicians, social activists, and scholars of various countries have made speeches or written articles one after another on this issue, and specific works dealing with this topic have kept emerging. In the face of such an important current issue, which has a bearing on the future of mankind, Marxists should naturally make their own judgment.

Back in 1952, Stalin put forth his own thesis. According to him, although World War II dealt a heavy blow at a number of imperialist countries, the

contention for cheap raw materials and the struggle for a guaranteed market between imperialist countries are still inevitable, and thus the inevitability of wars between capitalist countries still exists. He forecast that such capitalist countries as the United Kingdom, France, the FRG, Japan, and Italy would surely rid themselves of U.S. control and adopt the road of independent development, and their conflicts with the United States would emerge, which, in reality, would be far more serious than the contradictions between socialist countries and capitalist countries. In addition, he pointed out that the peace movement could only postpone the outbreak of war, with a temporary maintenance of peace, but it could not basically eliminate the inevitability of wars between capitalist countries. (Footnote 4) (Stalin: "Socialist Economic Issues in the Soviet Union") Stalin's inference was for a considerably long time regarded by Marxists as the contemporary authoritative theory on war and peace and widely spread.

It has been over 4 decades since the end of World War II. Postwar history has proved that some aspects of Stalin's inference mentioned above are correct. For example, the United Kingdom, France, Japan, the FRG, and Italy have consecutively rid themselves of U.S. control to different degrees and adopted the road of independent development, and the contention for market and the struggle for raw materials producing areas between developed capitalist countries still exist. But speaking as a whole, the situation has not developed as Stalin anticipated. Partial wars and turbulences have never stopped in postwar years; however, they took place mainly in the Third World and not between developed capitalist countries. The contention between the two superpowers has been fierce--at times it was so tense that the situation was one of touch-and-go--but both parties always refrained from running head-on at the critical moment. The arms race has continued to escalate, and the danger of a new world war still exists, but there has been no great war so far. Statistics indicate that in the postwar years, there were 139 occurrences of big and small international wars and armed conflicts (including civil wars with obvious foreign intervention) by the end of 1984, of which 135 took place in Asia, Africa, and Latin America. Regarding the nature of the wars, some resulted from the intensified contradictions between the oppressed peoples and nations on one side and new and old colonialists and their agents on the other, others were between developing nations brought about by historical issues left over from the colonial age, and still others were brought about by the expansionist aggression of regional hegemonism. These wars were often interwoven with the superpowers' contention over the Third World, which has made the conditions all the more complicated. What is noteworthy is that in the 139 occurrences of war, none took place between developed capitalist countries. In fact, no such war or even grave war crisis has ever taken place so far despite the fact that the contention over market and the intense competition over raw materials producing regions still exist between developed capitalist countries. This has told us that the observation on the contemporary issue of war and peace must be guided by Marxism, in order to draw up new scientific theses starting from the historical facts in postwar years. We should not stop at Lenin's conclusion drawn around World War I based on the historical facts at that time, and less should we copy in an oversimplified manner some of Stalin's concepts proposed in the early postwar years.

Voluminous facts have shown that since World War II, profound changes have taken place in international relations. Although such changes have not been capable of eliminating the threats of a new world war, they have provided a realistic possibility to avoid a new great war. We shall discuss this point from the economic, political, and military aspects as follows:

1. The postwar economic development, the highly developed production, and internationalization of capital in particular have continuously strengthened the trend of the economic interdependence of capitalist countries.

More than 100 years ago, Marx and Engels pointed out, with the formation of the capitalist world market, the mutual ties and interdependence of various nations in economy gradually took the place of their original self-closure and self-sufficiency. However, until World War II, the course of production and reproduction of capitalism was chiefly conducted within the realm of each nation. The capitalist countries went through a high-rate development between the 1950's and early 1970's. With the great development in economy and science and technology, a further breakthrough of the narrow national realm was demanded in capitalist production and division of labor as well as an expansion to the international realm in great breadth and depth. The establishment of thousands of transnational and multinational corporations, the merging into one of the European economy as well as the economies of other regions, the establishment of various international organizations with developed capitalist countries in the main--the World Bank, the International Monetary Fund, economic cooperation and development organizations, and monetary and tariff unions--as well as the establishment of an international economic order and system aiming to safeguard the interests of developed countries have emerged to meet the needs of further internationalizing capitalist production and division of labor. The organized and planned division of labor inside some big enterprises has already expanded to a global scope, with transnational corporations and unified economic organizations pushing it forward. Such high-level internationalization of production and capital has enabled the unprecedented tremendous development in the mutual ties and interdependence of various nations in economy.

A conspicuous expression of such trends of interdependence between capitalist countries is the mutual infiltration of capital between all developed countries. The chief targets of direct overseas investment were colonies and semicolonies before World War II. Seventy percent of direct overseas investment of several major capitalist countries in 1938 was in Asia, Africa, and Latin America. (Footnote 5) ("On the Basis, Characteristics, and Functions of the Extensive Development of Mutual Capital Infiltration Between Developed Nations," SHIJIE ZINGZI, 1982, No 7) The internationalization of capital in postwar years has manifested itself not only in the growth of the volume of export capital by a large margin (long-term overseas investment of major capital-export countries grew by about 10-fold in the 3 decades between 1945 and 1975), but also in the rapid growth of direct investment between developed countries, exceeding their direct investment in developing nations and regions by a large margin. The mutual direct investment between developed countries already accounted for 70 percent of their total volume of direct overseas investment in the early 1970's. (Footnote 6) ((Soviet Union) "Contemporary

Political Economics of Monopoly Capitalism," Vol 2, Chinese translated version, p 106) This trend has continued to strengthen in recent years. For example, U.S. direct overseas investment in developed countries accounted for 75 percent of the total volume of its direct overseas investment in 1983. (Footnote 7) ((U.S.) BUSINESS CONDITIONS DIGEST [Shangye Xianzhuang 0794 2814 3807 3692], August 1984) The FRG's accumulated overseas direct investment in developed countries between 1961 and 1982 accounted for 94 percent of its total volume of direct overseas investment during the same period. (Footnote 8) (1984 "White Paper on Overseas Market," chapter on investment, p 354, edited by the Japanese Trade Renovation Society) The accumulated direct overseas investment of the United Kingdom in developed countries by the end of 1981 accounted for 80 percent of its accumulated volume of direct overseas investment. (Footnote 9) (According to the 1985 "Direct Overseas Investment of the World and Japan," edited by the Japanese Trade Renovation Society) Japan's direct overseas investment originally focused on developing countries, and its direct overseas investment in developed countries accounted for 45.3 percent of its total volume of overseas investment between 1972 and 1980; but between 1981 and 1984, this proportion went up to 50 percent. (Footnote 10) ((Japan) TOKYO BANK WEEKLY, Vol 29, p 2, 10 October 1985) Such a condition cannot but profoundly affect the relations between capitalist countries.

As mentioned above, Lenin and Stalin chiefly based their analysis on the irreconcilability of capitalist countries' contradictions in their contention over markets, places of investment, and raw materials producing regions concerning the inevitability of wars between capitalist countries. Today, contention between developed capitalist countries over spheres of influence continues to exist. The capital infiltration between them is also filled with the struggles of making use of each other, fierce contention, restriction, and counterrestriction. However, we cannot deny the fact that the mutual capital infiltration between capitalist countries based on a high level of specialization in production in breadth and depth, being deeply involved and convoluted with each other, will inevitably make them share the same fate and form a relation between them in which "all will suffer if one suffers, and all will benefit if one benefits." Under such circumstances, war is no longer an appropriate means to resolve the contradictions and conflicts between them. For example, it is universally known that fierce trade friction exists between the United States, Japan, and Western Europe which can be very acute at times. However, each has huge investments in the other countries. Based on 1983 statistics, the United States had an accumulated direct investment of \$102.4 billion in Western Europe, while Western Europe had an accumulated direct investment of \$82.7 billion in the United States. The United States had an accumulated direct investment of \$8.063 billion in Japan, while Japan had an accumulated direct investment of \$11.336 billion in the United States. (Footnote 11) ((United States) BUSINESS CONDITIONS DIGEST, August 1985) It is obvious that once war breaks out between them, both parties will suffer tremendous economic losses, which will far exceed the interests the victor may reap in war. For another example, the international economic order established in postwar years has been an important condition for the smooth operation of the highly internationalized Western production and capital. Once such order is upset by war on a large scale,

it will inevitably lead to great confusion of the entire capitalist economy. Therefore, despite that such order was established in the first years after World War II, showing the balance of strength at that time, which is especially favorable to the United States, and that there have been hundreds of quarrels between various capitalist countries in order to oppose and to "correct" such inequality, nobody has ever wanted to settle the problem with war, and continuous talks and repeated bargaining have been conducted for readjustment. The system of an annual summit meeting of the seven Western nations since 1975 has been established exactly to meet such needs. Therefore, we can see that the conditions based on which Lenin made the thesis of the inevitability of imperialist war have already undergone great changes. Failure to study such profound changes in the groundwork and conditions for the development of modern monopoly capitalism will make it very difficult to understand why a single war has not broken out between the capitalist countries since the end of World War II despite the contradictions and conflicts of all descriptions between them. True, there are the roles of political factors (the acute political and military antagonism between the East and the West and the dependence of medium and small capitalist states on the U.S. nuclear umbrella) but in the final analysis, what plays the decisive role are economic factors.

2. The rise of the Third World in the international arena in postwar years and the formation of the multipolar pattern of the world have put an end to the situation of several powers dominating the world of the prewar years.

The world people paid a great price for overcoming fascism during World War II, but simultaneously won historic progress. The great historical significance of World War II lies in the fact that it gravely reduced international imperialism and opened up a new phase for the revolutionary struggles of the oppressed people and nations. The national liberation movement of Asia, Africa, and Latin America has surged forward since the end of World War II, the imperialist and colonial system has disintegrated rapidly, and a large number of countries have rid themselves of long-term colonial rule, won their national independence, and are now striving to develop their national economy and safeguard their national independence and sovereignty. The Third World, which comprises these newly-rising countries (including socialist China), is a matter of great importance in our times. It means losing forever secure rear areas for the imperialist countries. The Third World has turned the United Nations, once a voting machine manipulated by some powers, into a platform for many medium and small states to uphold justice. The emergence of the Third World has greatly changed the situation in which the superpowers may arbitrarily manipulate the world's fate. World War II and the postwar political and economic development have also profoundly changed the world's political pattern. Over a very long historical period, Europe, as the cradle of capitalist and industrial revolution, with its economic and military strength being the strongest, was once the center of the international structure. The United States and the Soviet Union have risen since the end of World War II. The capitalist and socialist camps emerged in the early postwar years and took the place of the pattern with Europe as the center. But later the situation went through great changes. The United States has rapidly fallen from the height of its

development and its dominating position in the early postwar years; however, it is still the most powerful capitalist country in the world so far. The Soviet Union did its utmost to catch up with the United States in the mid-1950's; by the 1970's, the Soviet Union became the sole superpower capable of contending with the United States for world domination. Western Europe has implemented unification, which makes its economic renovation and development possible. Japan has developed into a capitalist economic power second only to the United States, and is working hard to make itself a political power. Socialist China has continuously grown in power. At the same time, many developing countries are becoming more and more important forces in international politics. The multipolar trend has become an irresistible tide in the world.

The roles of the Third World's rise and the formation of a multipolar world pattern in checking a new world war are easily seen. As is known to all, the United States and the Soviet Union are the two superpowers that possess powerful military strength to launch a world war and more than 95 percent of the nuclear weapons of the world today, and the chief danger of a new world war derives from their contention over world domination. However, no matter how powerful they are, a series of deployment, including the building of military strategic bases, the control over important strategic passages, and the organization of allied forces must be conducted if they want to launch a world war. One of the important reasons why the two world wars in the past were easily mobilized was that several imperialist powers were manipulating the world's fate, while the world's people and the medium and small states were powerless. Voluminous historical facts disclosed since the end of World War II have shown that in the crucial days when Hitler was marching toward the Rhine, annexing Austria, and invading Czechoslovakia, the war could have been pinned down or postponed had it not been for the appeasement policy of the British and French Governments, when the medium and small states were powerless facing the war threats, which became inevitable in the end. Things have changed a great deal since the end of World War II, the aggressive expansionism of great powers have continuously met with setbacks because of the staunch resistance of the medium and small states and their peoples, who are determined to safeguard their national independence and sovereignty. The United States met with defeat in Vietnam, and the Soviet Union is bogged down in its invasion of Afghanistan and its support for Vietnam's invasion of Cambodia; all this shows that the strategic deployment of the superpowers have been continuously upset and have been very difficult to achieve. This is the most important factor to check a new world war.

3. Development of the nuclear arms race of the superpowers has formed the so-called "nuclear terror balance," which makes both parties refrain from launching war rashly and makes the world peace movement develop into a powerful organized force today.

A remarkable characteristic of postwar international political life is the nuclear arms race between the superpowers. Today, both the two superpowers--the United States and the Soviet Union--own huge nuclear arsenals, they match each other in strength, and each has its merits and shortcomings. Both fear its own nuclear weaponry being smashed by a "first strike" of its opponent.

Therefore, both are sparing neither tremendous manpower nor financial and material power to continuously improve all kinds of nuclear weapons and their vehicles in the nuclear arms race to contend for military superiority. As a result, both sides possess several times the power needed to bring destruction on its opponent, far exceeding the needs for an actual war. This has formed the so-called "nuclear terror balance," for neither is immune to a counterattack if a first strike is launched. Reagan's "star wars" initiative aims to break up this "nuclear terror balance" and acquire overwhelming superiority over the Soviet Union in military; however, the Soviet Union will not resign itself to this. The arms race between the United States and the Soviet Union will continue; contention over superiority in space has become the focus of this race. The history of the 4 postwar decades proves that despite the ever-escalating arms race between the superpowers, neither has won the upper hand, and neither will rashly launch the first strike. This is because either side has the capability to bring destruction on the other. In the final analysis, the outbreak of all war is rooted in the conflicts in economic interests between the antagonistic parties. The basic principle of war is preserving oneself and eliminating the enemies, and all weapons serve this principle without exception. When weaponry develops that threatens the existence of mankind, and the result of war means destruction not only to the opponents but also to oneself, anyone would carefully consider the consequences of war. This is an important reason why the two superpowers have avoided running head-on at crucial moments despite their fierce contention.

But this does not mean that the future of world peace and the fate of mankind are determined chiefly by the "nuclear terror balance" of the two superpowers. The chief decisive factor is the forces that pin down the United States and the Soviet Union, restrict war, and safeguard world peace on a worldwide scale are developing and growing stronger with each passing day. The Third World countries, including the PRC, have become the mainstay of peace forces, and they have continued to play the role of the main force of safeguarding world peace and opposing hegemonism. China has adhered to the peaceful foreign policy of independence and taking the initiative in its own hands and has played an important role in opposing and checking hegemonism and safeguarding peace and stability in the Asian-Pacific region as well as the whole world. The West, North, and East European countries also want peace and not war, because they have gone through two great wars. Another positive trend is that some countries either belonging to certain groups or not are increasingly pursuing an independent policy and playing an important role in such issues as disarmament, opposing the nuclear arms race, and demanding relaxation of the tense international situation. Even the peoples in the United States and the Soviet Union are also strongly opposed to war and have brought greater and greater pressure to bear on their decisionmakers. All this has formed into ever-growing forces of safeguarding peace and checking war. We can see that as nuclear weaponry has constituted great danger to the existence of mankind, it has also promoted the unprecedented vigilance of the world people against war threats and the continuous rise of the movement to oppose the nuclear arms race and to safeguard world peace, which has become one of the strongest tides in the world today. Powerful evidence is the momentous antinuclear peace movement waged in developed capitalist countries since the beginning of the 1980's.

Regardless of the feasible possibility of preventing another world war provided by such profound changes in postwar international relations, with one's thinking lagging behind the actual conditions, one will land in a passive position and become weak and powerless in this struggle to safeguard peace that has a bearing on the fate of mankind. Of course, we must also see that the contention over world domination between the superpowers is now still very intense, the tense situation on a regional scope will continue to exist, the turbulence in the world situation will go on, and the danger of another world war still remains. The two factors and the two trends of both war and peace are developing. Whether human society will prevent another disastrous war of destruction on an unprecedented scale is, in the final analysis, determined by the result of the struggle between the two trends. Overestimation of the "sincerity" of the U.S.-Soviet summit talks, and the assertion that "relaxation has already become the general characteristic and trend of contemporary international politics," thereupon underestimating the danger of another world war, is inappropriate and harmful.

III

Since the end of World War II, China's Marxists have undergone a process of development and change in the understanding of war and peace.

When World War II was just ended, the antifascist alliance formed during the war soon split into two camps, and not long after the so-called cold war burst out. At one time, the atmosphere created by "the inevitability of war between the United States and the Soviet Union" and the "inevitability of World War III" was very strong and caused panic. Under such circumstances, CPC leader Mao Zedong made a scientific analysis of the international situation. Mao Zedong sharply pointed out that the danger of a new world war exists; however, at a time when World War II had just concluded, the fact that the United States should launch its propaganda on an anti-Soviet war in such a big way could only be a smokescreen to cover up its oppression of the American people and the expansion of its aggressive forces to the capitalist world in actual significance. He pointed out that so long as resolute and effective struggle is carried out against the world's reactionary forces, a new world war can be avoided. (Footnote 12) ("Talks With the American Journalist Anna Louis Strong," "Selected Works of Mao Zedong," Vol 4)

The founding of the PRC brought about tremendous changes in the balance of international political forces. Again, in 1950, Mao Zedong explicitly pointed out: "The war threats of the imperialist camp still exist, and the possibility of World War III still exists. However, the forces struggling to check the danger of war and to prevent the outbreak of World War III are developing very fast. So long as the communist parties throughout the world continue to unite all possible forces of peace and democracy and make still greater development, a new world war can be checked." (Footnote 13) (Mao Zedong: "Strive for the Basic Turn for the Better of the Nation's Financial and Economic Conditions")

These scientific theses on war and peace of Chinese Marxists with Mao Zedong as their representative have already been verified by historical facts. These theses have not only armed the Chinese people in resisting the world war threats and blackmailing of imperialism and the reactionaries and in daring to seize and consolidate victories when the time was ripe, but also inspired the national liberation movement in its vigorous rise at that time.

However, for some time since the 1960's, with the gradual rise of "leftist" ideological trends, "taking class struggle as the key" was stressed once again in China, and the estimation of the international situation was likewise affected by "leftist" views. Especially after the mid-1960's, it was believed that war was becoming close at hand and would even break out at any moment, because the United States had launched the aggressive war in Vietnam and the anti-China movement of the Soviet leadership had escalated. Such an estimation not only affected China in drawing up its foreign policies, but, to a large degree, China's domestic policies. As a result, the 1964 third NPC resolution on the four modernizations failed to be well implemented. It cannot be said that the initiation of the "Great Cultural Revolution," which was erroneous, was not related with such "leftist" estimation of the international situation.

The 3d Plenary Session of the 11th CPC Central Committee reestablished the ideological line of seeking truth from facts, linking theory with practice, and starting from the actual conditions in everything. Based on this line, the Chinese Marxists have reevaluated the question of war and peace in the world today through sober analysis and long-term study. Such reevaluation has been systematically discussed in many of the speeches by China's leading members published in recent years. It is precisely:

1. Peace and development is the most important and pressing issue of the world today, as well as a question of global strategy. These two important issues are closely linked. Peace is the necessary condition for developing economy and expanding international cooperation, while economic development of the world's nations, the Third World in particular, and expansion of international cooperation are in turn important factors for strengthening peace forces.
2. Today, the danger of a new world war still exists. The danger comes chiefly from the arms race and contention over some regions between the two superpowers, the United States and the Soviet Union, which possess over 95 percent of the nuclear weaponry. In our world today, only the United States and the Soviet Union are eligible to fight a world war, and the arms race between them has already expanded from the ground, sea, and air to outer space. If such large-scope escalation trend is not checked, the arms race will undergo qualitative changes, thus increasing the war danger and bringing about grave threats to world peace.
3. The peace forces restricting war have made heartening development in recent years, and the world's people have further raised their consciousness to oppose unjust wars. The Third World, accounting for three-fourths of the world's population, is the chief force safeguarding world peace. The Third

World most wants peace, and the development of the Third World forces means the development of peace forces. China, pursuing a peaceful foreign policy of independence and taking the initiative in its own hands, is a powerful factor in safeguarding world peace in the Third World. The forces restricting war will make one step forward with every advance China makes in its development. At present, the peace movement rising in all places over the world has shown the strong aspiration for peace of the people of all countries. The European people, the Japanese people, the Canadian people, and people of Oceania do not want war; nor do the American people and the Soviet people. Noteworthy is the development of the European peace forces. Europe, including both East and West Europe, has already become an important force in checking war and safeguarding world peace. The world's forces of safeguarding peace are further developing, and the growth of the world's peace forces will exceed that of war forces.

4. So long as the world's people genuinely unite as one, carry out resolute struggle against all expressions of hegemonism and expansionism and continuously upset their strategic deployment, it is entirely possible to prevent a new world war and the cause of safeguarding world peace is very hopeful. If war will not break out in this century, peace in the next century will be still more hopeful.

It is based on just such evaluation that Comrade Deng Xiaoping has explicitly pointed out of late: We said in the past that world war is inevitable; we have now changed our view. Based on the developmental trends of the international situation, we can win peace; but of course, a series of work needs to be done to win peace. (Footnote 14) (RENMIN RIBAO, 24 April 1986)

These new theses on war and peace of Chinese leaders are by no means a moment's change in strategy or slogans in propaganda, but based on scientific analysis of the profound changes in the postwar international relations and conclusions drawn through repeated studies and thinking on voluminous postwar historical facts and the actual conditions of the contemporary world. These scientific theses have not only provided grounds for China's current peace foreign policies of independence and taking the initiatives in its own hands, but also the theoretical base for China to devote its heart and soul and all its efforts to the four modernizations and building socialism with Chinese characteristics. It is precisely based on such an evaluation that the Chinese Government resolutely made the resolution on cutting back a million troops in 1985, taking the lead in making contributions to safeguarding world peace with practical actions. These scientific theses have powerfully armed and inspired the determination and confidence of the Chinese people in striving for lasting peace. The Chinese people will unite with all the world's peace-loving people in the struggles against hegemonism and for safeguarding world peace.

/6091

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PROTECT THE PEASANTS' ENTHUSIASM FOR RAISING PIGS AND CHICKENS

Beijing RED FLAG in Chinese No 13, 1 Jul 86 pp 27-28

[Article by Jing Ping [2529 1627]]

[Text] Recently in many areas, the number of pigs and chickens raised by peasants has decreased, and this problem should be attended to.

Pork and eggs occupy an important position in the food requirements of our people, and raising pigs and chickens is the most common sideline occupation in China's villages. Income from this constitutes about one-third of the peasants' cash income. In the last few years, although we have seen the development of modern livestock and poultry farms and quite large-scale livestock- and poultry-raising specialized households, the commodity pork and eggs which they supply only constitutes about 6 percent of the total supplied. For the vast majority of pork and egg supplies, we still depend on scattered production by peasant households. Thus, protecting the enthusiasm of the vast numbers of peasants for raising pigs and chickens has great significance in increasing peasants' income, guaranteeing the supply of meat and eggs in the market and improving the people's lives.

Since the villages implemented the responsibility systems, the national production figures for pigs and chickens have seen continued development. In 1985, the total number of porkers sent to market reached 238.95 million head, an increase of 19 percent over 1980, and at the end of the year there were 330 million head on hand, an increase of 24 million over the end of 1984. At the end of 1985, there were 1.156 billion chickens on hand, 9.47 percent up on the figure at the same time the previous year. The annual chicken egg production volume reached 5.3 million tons, nearly twice the 1980 figure. In these few years, there have also been several fluctuations in pig and chicken production. The major reason for this is the influence of the changes in grain production. Pork and eggs to a great degree are produced by transforming grain. When grain is in good supply, pig and chicken production develops. When grain is scarce, first it is necessary to satisfy the people's needs and the needs of industrial production. Thus, the amount available for pig and chicken production is quite small. Apart from this, the price of fodder, the purchasing price for pork and eggs, changes in purchasing policies, the correctness or otherwise of market information transferred, and the quality of epidemic prevention service

work can all produce fluctuations in the production of pigs and chickens. This is especially so in our country at present while the majority of the peasants have not completely rid themselves of the influence of the natural economy, and are not good at predicting changes in the market supply and demand situations. Often they look around and follow what other people are doing. This results in it being very easy for a situation of unified rises and falls to occur, and this results in sudden excesses and sudden short-falls.

The year before last, there was a rich harvest of grain, and leaders at various levels stressed the work of transforming grain. Thus, last year pig and chicken production saw great development. However, while there were many pigs and many eggs, purchasing work could not keep up, with the result that it was difficult to sell pigs and eggs. Last year, there was a fall in grain production, grain supply was tighter and compound feeds increased in price. The peasants' enthusiasm was thus dampened and this year the production of pigs and chickens has fallen. This decline, it should be said, is very difficult to avoid within certain limits. But, we should also recognize that in the present situation where grain supply can basically satisfy the various sides' needs, the degree of decline in pig and chicken production in some areas has been too great. This is related to the shortcomings in our planning, guidance, and service work. Many peasants lack a long-term view of market changes and do not recognize that slow sales are often a precursor to a good market or that a good market often changes into slow sales. Thus, there is quite a degree of blindness in production. In this situation, the state must strengthen planned guidance. In general, the production cycle for pigs and chickens is 1 year. If production falls at the beginning of the year it will affect the market supply after the autumn. At present, the commercial stocks are quite high, but if measures are not taken to promote production, the pork and egg supply at the end of the year or early next year may be tight.

In strengthening planned guidance, we must first speedily transfer to the peasants medium- and long-term information on pork and egg supply, and tell the peasants not to blindly reduce the number of pigs and chickens raised. Because our nation's level of pork and egg consumption is far below average world levels, following the improvement of the people's standard of living in the urban and rural areas, the demand for pork and eggs will grow daily, and there are also bright prospects for exporting pork and eggs.

Second, the relevant departments should strengthen guidance and service in terms of pig and chicken production, and take on some of the risks of the peasants in raising pigs and chickens. For example, the epidemic prevention departments should widely carry out epidemic prevention work for livestock and poultry. Fodder production and operations departments should do everything possible to reduce costs and operate on low profits so as to guarantee the supply of fodder. Commercial departments must strive to improve their service attitude and oppose the unhealthy tendencies of demanding that products be sold in a lower category than they should be and of forcing prices down. They should tap the potential of storage and processing facilities and purchase large amounts in peak seasons so as to

guarantee the supply in lean periods, increase rural meat supply networks and expand sales, so as to use sales to promote production. Insurance companies could also develop livestock and poultry insurance businesses in experimental bases, and so on.

Further, we must strengthen the role of policies. The relevant departments must formulate and implement correct pricing policies, including policies on necessary subsidies and rewards for sales. In the past, the state and localities generally implemented these policies and this played a very good role. Now some areas are continuing to implement them and the results continue to be fair. We should sum up experiences in this respect. The relevant departments of Wujiang County in Jiangsu, on discovering at the beginning of the year that there was a decrease in the number of pigs being raised, immediately adopted measures, went to other areas to purchase fodder grain, organized fodder production, reduced the price of fodder, provided preferential credit to specialized pig-raising households, called at households to purchase and adhered to the sale rewards policy. Not only did they quickly stabilize the number of pigs, but actually achieved quite a large development in pig raising. When chicken egg sales were sluggish, Anqiu County in Shandong resolutely implemented price guarantees and purchased without limits. Although this required expenditure of the county's finances, it protected the enthusiasm of the peasants of the county for raising chickens, and their income was tens of times the amount the county financial department expended in protecting the price of eggs. The county financial department also increased its income. Here there is the problem of how to keep accounts. At present, some areas are frightened of losing money and thus do not purchase pork or eggs. They allow the peasants to kill the piglets and the egg-laying chickens, which in the end inevitably results in them having to buy pork and eggs from other areas. This incurs increased expenditure which far exceeds the funds which would have been required to protect pig and chicken production.

In everything, one must plan ahead. As soon as a decline is evident in pig and chicken production and the problem of protecting the peasants' enthusiasm for raising pigs and chickens appears, we must adopt measures early. This is far better than making a hasty last-minute effort when the market supplies of pork and eggs becomes tight.

/6091

CSO: 4004/60

A STUDY OF THE TREND TOWARD INTENSIVE FARMING IN CHINA

Beijing RED FLAG in Chinese No 13, 1 Jul 86 pp 29-34

[Article by Huang Xiaohu [7806 1420 5706]]

[Text]

I

Since 1979, our nation's rural areas have gradually deepened the reform of the economic structure and most agriculture has been contracted to households. The reforms have stimulated the production enthusiasm of the vast numbers of peasants and the material investment in agriculture has increased. In 1984, the total motive power of agricultural machinery throughout the nation reached 265.09 million horsepower and chemical fertilizer use reached 17.398 million tons. These figures were respectively 65.94 percent and 96.81 percent up on the 1978 figures. (Footnote 1) (Based on statistics contained in "Statistical Yearbook of China (1985)," China Statistics Publishing House, pp 275, 281) What is particularly worthy of note is that on the basis of family contracts, a large number of specialized households and economic combinations which engage in various agricultural, forestry, animal-raising, and fishery activities have emerged. Compared to the average agricultural households, they occupy more land, more fields, and more water area. They also have more means of production, their speed of renewal is quite swift, and they pay attention to using advanced technology. Thus, they have a quite high rate of labor productivity and a quite high commodity rate. Also, through the reforms, the state-owned farms and the retained township and town agricultural enterprises have generally lost vigor. Thus, from an overall view the intensification of agriculture has seen new development.

Of course, when compared to technologically advanced nations, our nation's level of agricultural intensification is still very low. At the beginning of the 1980's, the average value of production-nature assets used by each agricultural worker in the United States was over \$100,000, which exceeded the average value of the production-nature assets used by each worker in manufacturing industry. (Footnote 2) ("The Economic Structure of the Major Capitalist Countries," published by ZHONGGUO KEXUE CHUBANSHE, p 48) A similar situation is found in other major capitalist countries. In China, even though there are agricultural economic combinations which have a fairly high degree of intensification, in 1984 the average amounts of fixed assets (excluding land) used by each person engaged in the industry was only

780-plus yuan renminbi. (Footnote 3) (Based on the "Statistical Yearbook of China (1985)," p 292) Also, there is very uneven development throughout the country and, in many areas and in many rural households, they are still very backward. This shows us that there is great potential for developing the intensification of agriculture.

II

Intensive operations refers to the centralized investment of large amounts of labor, especially materialized labor, in a certain area of land, the maximum possible use of advanced science and technology and, by mainly relying on improving labor productivity and per unit yield, developing agricultural production. Greatly promoting the intensification of agriculture has great significance in bringing prosperity to our socialist economy.

First, it helps to resolve the contradiction between a large population and a small area of cultivated land.

If a country has a quite large area of cultivated land and it adopts the methods of extensive operations and extensive cultivation, over a certain period it will still be able to increase its agricultural yield. However the potential for growth has limits and it also incurs costs in terms of damaging soil fertility and the ecological environment. Now, many countries around the world no longer adopt these methods. Our nation contains over 20 percent of the world's population, but the area of our cultivated land does not even reach 7 percent of the world's total. Unit-yield production of the cultivated land is already quite high and with current technology the potential for increased production is limited. The contradiction between a large population and a small area of cultivated land is extremely prominent. If agriculture is to accord with the requirements of developing all aspects of the national economy, then the only way is to adopt, as far as possible, modern technology and greatly develop intensive operations. There is no other option.

Second, it can enable peasants to obtain quite good benefits.

In the process of readjusting the rural industrial structure over the last few years, some areas have become lax in terms of agricultural production. The major reason is that the income from engaging in agriculture is lower than that gained from engaging in other industries. Since the avenues for becoming prosperous in the village have increased, the enthusiasm of many peasants for engaging in agriculture has gradually declined and some grassroots-level cadres also lack faith in engaging in agriculture. The low income of those engaged in agriculture is related to the fact that at present the prices of agricultural products are still quite low. It is also quite closely related to the fact that the level of intensification of our nation's agriculture is still quite low. Intensive operations can increase the differential income from land and thus allow the peasants to increase their income. Such situations have already been well introduced in newspapers. For example, through establishing agricultural machinery teams and small farms, Yuanhe village in Qinnan township, Changre city, Jiangsu, has

promoted intensive operations in agriculture. In 1985, the average production value created by each person engaged in agriculture was 5 percent higher than the production value created by those persons engaged in industrial labor, and the rate of profit in agricultural production value was 30 percent higher than that in industry. (Footnote 4) (Meng Jinyuan [1322 6855 0337]: "The Enlightenment Provided to Us by Yuanhe Cooperative Farm" in JIANGHAI XUEKAN (Economics and Society Edition), No 1, 1986) Also 585 specialized grain-producing households in Datong County, Shanxi, each produced over 50,000 jin of grain in 1985. These households constitute 1.5 percent of the total number of rural households in the country. They adopt, as far as possible, advanced technology in the whole production process from selecting seeds, and using fertilizer to planning and management. In 1985, they produced a total of 37.57 million jin of grain, 20.87 percent of the total grain output of the county. Of this, 31.66 million jin was sold as commodity grain, fulfilling 68.8 percent of the county's purchasing tasks. (Footnote 5) (Hu Rui [6320 6904]: "New Trends in the Development of Large Specialized Grain Households in Datong County" in CHINA'S RURAL ECONOMY, No 1, 1986) The average net income for each member of the labor force was close to 2,000 yuan, about twice the average level for the county.

Seen from the situation throughout the country, in 1984 there were a total of 2.036 million specialized households engaged in agriculture, forestry, animal-raising and fishery who reached unified standards. The average total income created by each member of the labor force of these households was 1,593.1 yuan, which gave an average total per capita income of 808.9 yuan. This was far higher than the level in ordinary rural households. Also, throughout the country, there were 70,100 new economic combinations which engaged in agriculture, forestry, animal-raising, and fishery. The average amount of total income created by each person participating in these combinations was 1,782 yuan, which is 188.9 yuan higher than the average total income created by each member of the workforce of the specialized households mentioned above.

It can be seen that developing intensive agricultural operations can gradually change the situation where people who engage in agriculture have low incomes and ensure that people who engage in agriculture can also become prosperous.

Third, it is of benefit in readjusting the production structure in the rural areas.

As intensive agricultural operations have a fairly high rate of labor productivity and commodity rate, on the one hand, they can provide a large quantity of agricultural products for use in developing agricultural product processing industries. On the other hand, they can also free more laborers to engage in production operations in industries other than agriculture. A major reason township and town industry, commerce and service trades have been able to develop quickly in our south-east coastal regions and the suburbs of some major cities in that the agriculture in these regions is quite developed and there is a certain base for intensive operations. Thus, they are able to provide various other industries with large quantities of foodstuffs, agricultural raw materials and surplus labor.

Rural areas developing industrial, commercial, and service township and town enterprises has a basic identity with the development of agriculture. In the past, we one-sidedly stressed "having the labor force return to the fields," but agriculture did not improve. In the last few years, we have engaged in opening up and agriculture has also developed, which demonstrates the fact stated above. However, sometimes there are contradictions between township and town enterprises and agriculture in terms of funds, labor and so on. If we only grasp township and town enterprises and have a relaxed attitude in terms of agricultural production, then the development of township and town enterprises will, in the end, be restricted. How are we to unify the two? The way to do it is, while exploring other avenues to achieve prosperity and transferring labor to these, to put great efforts into promoting intensive operations in agriculture. If overall arrangements are made for the two aspects, then the rural economy will be able to develop in a coordinated way.

Fourth, it helps to develop division of work between industry and agriculture and between urban and rural areas.

Agriculture is the base of the national economy. The higher the degree of agricultural intensification, the greater the ability to supply urban residents with sufficient food, and major industry with more raw materials. At the same time, it means a greater ability to expand the industrial product market, and to enliven the commodity exchange between urban and rural areas.

In reducing the differences between urban and rural areas, we cannot adopt the method of pulling urban and rural areas to the same level. Rather, we must develop the division of work between urban and rural areas and have the cities support and spur on the rural areas. Seen from our nation's situation, the existing large cities should not be further expanded. However, the medium-size and small cities can afford scope for quite large development. A proportion of the population of these cities will be people transferring from rural areas. At present, the vast majority of workers in township and town enterprises have "not left the village." This is mainly because agriculture, which is their base, is not sufficiently firm and thus they are unable to "leave the soil." In our history, there is the lesson learned from when the increase in urban workers exceeded the capacity of agriculture to support them, and thus there was no option but to greatly reduce the urban population. The only way to resolve this contradiction is the intensification of agriculture. At present, in some of the world's economically developed countries, only a small percentage of the total labor force is directly engaged in agricultural production. This is because they have very high agricultural labor productivity. In China because the great increase in agricultural labor productivity and the gradual centralization of township and town industries, in future many workers in township and town enterprises will end up "leaving the village" and becoming urban dwellers.

III

In developing our nation's agricultural intensification, we should pay attention to researching and resolving the following questions:

1. Intensive agricultural operations require an appropriate scale of land.

At the end of the 19th century, Kautsky wrote "Die Agrarfrage" ["The Agrarian Question"], which specifically discussed the development of capitalist agriculture. At the same time, it touched on many general laws of agricultural production. Lenin believed this work to be "the first work of systematic scientific research on the agrarian question" and that it had "great theoretical significance and practical significance." (Footnote 6) (Lenin: "Capitalism in Agriculture," "Complete Works of Lenin," People's Publishing House, 2d edition, October 1984, Vol 4, p 85) He also wrote articles appraising this work and criticizing bourgeois scholars for their misinterpretation of the ideas in the book. As to the scale of agricultural land, Lenin greatly admired the following analysis in the book: Under a situation of similar technological and socioeconomic conditions, that is to say, in terms of a general tendency, large-scale production which uses large areas of land is superior to small-scale production which uses small areas of land. Thus, large areas of land have commercial advantages; they are beneficial in the use of agricultural machinery, in developing the division of work and coordination and in implementing advanced cultivation systems and management systems. Also, the amount of human labor and material labor consumer per unit-area is less, which is advantageous to reducing production costs. However, as to land scale in agricultural production, where technological and economic conditions are different, then specific analysis is necessary. For example, in capitalist large-scale production which uses much hired labor and much material investment, the scale of land will in general be smaller than that of large-scale production before capitalism. In the same way, in capitalist agriculture, the scale of production of intensive operations on small estates can be greater than that of extensive operations on large estates. The earliest forms of capitalist large-scale farms--forests and animal-raising farms--required estates with large areas, while cultivation requires a smaller area, and so on. (Footnote 7) (Please refer to last book, pp 98, 103, 104, and 109) Today, these views are still enlightening.

Today, many of our nation's villages have implemented the overall contract agricultural production responsibility system. Some, from the start, have paid attention to relatively centralizing the land (including mountain forests and water) in the hands of those who are skilled in agriculture. However, the vast majority have adopted the method of dividing land equally on the basis of population or on the basis of the labor force available, and the scale of land is generally quite small. This is because in the previous few years, the economy of the vast rural areas was backward, there were few production avenues outside agriculture, and within agriculture there was no division of work or division of specialities. In such a situation, the majority of peasants would only accept the system if the method of equal distribution of production conditions was adopted. However, the division of land was too fragmentary and there have been many problems. Now, some large-scale agricultural machinery cannot be fully utilized and other specialized agricultural machines are lying idle. Field irrigation facilities have been damaged, some to a very serious degree. In some areas, it is now not easy to achieve unified planting, unified arrangements for crop deployment and rotation, and unified application of fertilizer and the spraying of pesticides.

There are too many plots of land interspersed between others, which results in it not being convenient for the peasants to farm and also results in a waste of labor and so on. In the last few years, agricultural production has seen great development, mainly because the reforms and policies of relaxation have motivated the enthusiasm of the peasants. However, in terms of basic rural construction, it has mainly been achieved by relying on the tapping of existing potential. Now, the peasants and cadres of many regions have already recognized that contracting land on an equal per capita basis is not a long-term policy. Through several years of development, many rural production operation avenues have opened up and thus there has appeared, to different degrees, a tendency to relatively centralize land in the hands of some people. Sometimes this has occurred through peasants voluntarily transferring contracts and sometimes the planned readjustment of contracted land has been arranged by the leaders of grassroots-level organizations in the rural areas.

Is there a contradiction between the relative centralization of land and the extension of land contract periods? The land contracts are the result of respecting the masses' wishes. The relative centralization of land requires, in the same way, the masses' voluntary participation as a prerequisite. Also, we are still going to have the contract form and, thus, basically, there is no contradiction between the two. We must also recognize that the relative centralization of land and the division of work and division of specialities are conditions for each other. Thus we must proceed gradually and cannot be anxious about our progress. Seen from a national scale, the majority of the villages in the country still do not have the conditions for adjusting the contracted land in an overall way. The only way forward is very steadily with small readjustments. At present, some grassroots-level cadres do not have a sufficient understanding of the relative centralization of land, and they do not dare support or guide readjustments which they are capable of carrying out. Other cadres see some one-sided situations and individual experiences and get excited. They do not consider the objective conditions and act with a terrific din and bustle, sometimes even adopting administrative orders to bring about the forced centralization of land. This causes the masses to have doubts about the party's policies. Both of these situations are extremely disadvantageous to doing well in rural work.

Rural industry and commerce mainly relies on market regulation and there are certain hazards in this. Thus, many operators, in order to retain other avenues, are not willing to easily give up their contracted land. In order to promote the relative centralization of land, we can consider formulating some policies and adopting some measures. For example, the village collectives should guarantee those persons who engage in nonagricultural production operations that as soon as they want to return to agriculture, they can again obtain contracted land. Some areas have implemented a proxy-operator system, whereby a collective economic organization or large contracting household cultivates land for peasants involved in other industries. This is quite a good transitional form. We should also recognize that it is not necessarily a fact that the bigger the scale of land the better. Engaging in agriculture under conditions of certain funds and technology, there is the question of the appropriate scale of land. If the land area is too small,

apart from the previously mentioned disadvantages of small-scale production as compared to large-scale production, the situation might arise where the level of production intensification is too high, which will lead to a steady increase in investment earnings. Then, when the earnings decrease to a certain degree, it will result in losses. If the land area is too large, the level of intensification will decrease and land productivity will decrease. When the productivity decreases to a certain level, economic rationality will be lost.

Our nation is very vast and there are great differences in the economic and technical conditions of the villages in various areas. Thus, we cannot have a single unified land scale standard. For example, from an analysis of several large households specialized in planting in Xindu County, Sichuan, it is seen that on the Chengdu plain, it will be most suitable for a family with 5 or 6 members to contract for the planting of 30 mu of land. Jiangsu indicates that in the development of grain planting in the rural areas of southern Jiangsu, the large households provide socialized service and it is normal for each family to contract 10 mu of land. However, in areas where village-level economic strengths are great and they can arrange cooperative farms and specialized service, on average each member of the labor force can cultivate 20 or 30 mu of land. Yanbei Prefecture, Shanxi, notes that on the basis of the prefecture's current level of productive forces, it is best if each member of the labor force contracts for the cultivation of 30 mu of land. It can be seen that in the relative centralization of land, it is necessary to proceed from the actual situation in each area. We cannot just work on the basis of the bigger, the better.

2. Starting from labor-intensive forms and gradually changing to funds-intensive and technology-intensive forms.

In general, our nation's present degree of agricultural mechanization and level of modern technology are quite low. The cultivation methods are basically the traditional ones and thus in many cases, when specialized households or economic combinations occupy a quite large area of land, they centralize quite a large amount of labor. As compared to modern agriculture, this type of labor-intensive agriculture is backward, but for many areas in our nation, this is quite progressive. This is completely different to the centralization of labor under the former "big pot" system. First, these are voluntarily organized on the basis of respecting the peasants' right to decide for themselves. Second, the use of the labor force is quite rational. A large number of people are centralized on a large area of land and, through fully developing the coordinated division of work within agriculture, the labor productivity is raised. Third, a fairly high agricultural labor productivity rate strongly supports the transfer of the agricultural labor force to nonagricultural industries, causing a decrease in the labor force engaged in agriculture throughout the society. Fourth, when the total size of the labor force engaged in agriculture decreases, it produces the demand to adopt machinery and modern technology to replace manual cultivation and backward technology. In the past, "leftist" policies tied an increasing amount of surplus labor to the land and agricultural production did not meet the pressing demand to adopt machinery and advanced technology. This

resulted in our several previous agricultural mechanization movements suffering subjectivity and blindness. In our nation, the ratio between agricultural power machinery, and the auxiliary and specialized machinery is seriously out of balance. This is the product of the above-mentioned blindness. In the last several years, rural mechanization has suffered losses and waste to various degrees. The major reason for this is that the land is divided into too many small plots. It is also related to the fact that some machinery is not practical. Now, the situation is different and there are increasingly pressing demands from the vast number of peasants for the use of agricultural machinery. These are not the subjective abstract demands of the past, but a series of specific demands proceeding from the requirements of the various internal production links of agriculture. Quite high agricultural productivity and commodity rates will speed the accumulation of agricultural funds and will allow these demands to be realized. These situations constitute a strong force promoting the development of scientific research into, and production of our nation's agricultural machinery. In the process of widely adopting agricultural machinery, labor-intensive agriculture will gradually change to modern agriculture which is funds-intensive and technology-intensive.

The development situation in our nation's agriculture at present is still far removed from modernization, but the trends and contours of development are very clear. In order to speed modernization, on the one hand, grassroots-level organizations must actively support and provide correct guidance in relatively centralizing the labor force on the basis of relatively centralizing land. What is called correct guidance includes many aspects. A major one of these is not allowing things to return to the old system or allowing the "big pot" again. Another aspect is that relevant people should go deep into the reality of agricultural production, seriously listen to the peasants' ideas and demands and change the situation where scientific research into, and production of agricultural machinery is backward.

3. Suiting measures to local conditions and having many forms.

China is vast and the situation is different in different areas. The methods of intensive operations in agriculture are also different. For example, in some state-owned farms in the northeast and the northwest, they have already changed to funds-intensive and technology-intensive operations and there is no need to return to labor-intensive operations and start again from the beginning. At present, a quite prominent problem in farm work is how to combine the strong points of large-scale production with the strong points of family operations. On this question, we should fully carry out experiments in many respects and should not rigidly adhere to one model. As a further example, there are the villages in the economically developed areas of the southeastern coastal region. They have little land and although there is a large labor force, a large proportion has already transferred to non-agricultural industries. Thus, the agricultural labor force is insufficient, but the areas are well-endowed with funds and technology strengths. Here, we can consider further developing some small funds-intensive or technology-intensive agricultural enterprises. This does not necessarily mean however that on large pieces of land we should not centralize a large labor force.

Further, some regions and large cities which have good conditions for engaging in foreign economic relations can, in accordance with the demands of foreign trade and urban consumers, greatly develop various special types of agricultural enterprises which require large amounts of funds, a high degree of technology and do not require much land or labor, such as those involved in artificial feeds, greenhouse cultivation, flowers and plants and horticulture.

In the last few years in China the transfer of the rural labor force and the development of intensive agriculture has generally been carried out under state planning and in many cases has not broken away from the scope of public ownership. The majority of the various types of specialized households and economic entities developed by the various areas on the basis of opening up avenues and transferring surplus rural labor in a planned and organized way have either been an operational level of collective economic organizations or a part of the new-type cooperative economy. In the last few years, although the private economy has seen certain development, all along it has been in a subordinate and supplementary position. The future development of our nation's agriculture will mainly take the avenue of the cooperative economy. Intensive agriculture has a fairly large operational scale and the division of work will become increasingly developed. Not only will the various internal links of production gradually become independent but they will gradually extend to industry and commerce and will eventually meld into a single whole. For example, the poultry raising industry will be composed of a series of links such as fodder processing, incubation, breeding, fattening, disease-prevention, processing, refrigeration, transport and sale. Many of these things a single family or household will not be able to handle by itself and it will require combinations.

Developing the cooperative economy also requires proceeding from reality and adopting various forms. There can be cooperation in terms of production links, cooperation in terms of supply and sales, and cooperation in terms of production, supply, and sales. Sometimes it is constituted by a single enterprise and other times by a loose combination, and so on. The further specialization develops, the more the peasants who are situated at various links in production and operations need various types of service. Thus, it is possible to use the method of providing service to strengthen the power of the collective economy. Seen overall, what is referred to as service is various links in the reproduction process. However, these links have high demands in terms of funds and technology, and profits are not necessarily good. Thus, in general, peasant households cannot or are unwilling to engage in such operations. The original regional-type cooperative economic organizations, supply and marketing cooperatives and some new-style cooperative organizations have the conditions to operate in these links and, through supplying various services to rural households, can expand the scale of cooperation and promote the development of agricultural intensification.

In general, regardless of whether it is in the determination of production projects, the selection of production methods or the decision on which specific form of cooperation to adopt, in no case should a firm unified method be set down. Rather, decisions must be taken in accordance with the circumstances and there must be various types of guidance.

4. Self-reliance and assistance from the state and the collective.

Intensive agricultural operations require quite a large amount of funds. Most of the funds should be accumulated by the peasants themselves but at the same time, the state and collectives must provide necessary assistance.

For a time before 1979, mainly during the "Cultural Revolution," there was a widening tendency in terms of the price scissors of industrial and agricultural products. Because the price of agricultural products was too low, if the peasants solely relied on planting, then it was very difficult to accumulate funds. Some even lost money. At that time, the funds required for expanding reproduction in agriculture were mainly supplied from manufacturing and sideline industry. After 1979, the state greatly raised the purchasing prices for agricultural products and there was a change in the situation. The prices of agricultural products in these last few years has enabled the peasants, after paying for the means of production used in agricultural production and necessary labor consumption, to have a certain amount of profit. Thus, they have been able to accumulate some funds for expanding reproduction of agriculture. Seen over the long term, the price of agricultural products may rise again and the accumulation power of agriculture will strengthen. Thus, developing intensive operations in agriculture should mainly rely on the peasants' own efforts.

However, we should also recognize that the present prices for agricultural products are still fairly low. At these price levels, the peasants still have great difficulties in purchasing agricultural machinery and adopting modern agricultural technology. Also, in many places in our nation, the per unit-yield in agriculture is already fairly high. Under present technical conditions if investment in agriculture is further increased, it may lead to a situation where there are steadily decreasing investment benefits. This will dampen the enthusiasm of the peasants for expanding reproduction. Thus in order to speed the development of agriculture, the state and collectives should provide some funds to support intensive operations in agriculture.

Our nation all along has paid attention to support agriculture. However, the methods adopted in the past were mainly uncompensated. This can easily promote a reliance mentality among the peasants. In the use of funds to support agriculture, a focal point has often been lacking, and thus the results have not been ideal. How to correctly use funds to support agriculture is an issue worthy of serious research. Some comrades have suggested that following the reforms of the urban workers' wage structure, the method of inverting prices for agricultural products will in the end be abolished. At that time, the state will be able to take away the present agricultural product price subsidies. Then it can use other funds to establish a special fund which, mainly through compensated forms, will be able to assist the peasants to develop intensive agricultural operations and promote the specialization and socialization of the rural economy. The adoption of compensated forms will push the peasants toward seeking economic benefits and there will be an increasing cyclical use of funds. This proposal is worthy of serious consideration.

Collective economic organizations should adopt the form of "using industry to support agriculture" and they should take some of the funds from the profits of township and town enterprises to support agriculture and the specific methods by which we are to have "industry support agriculture" are very worthy of research. Many areas use their money to increase the amount of income allocated to those who engage in agriculture and most of this is spent on livelihood consumption. Very little is actually spend on production. In certain situations, this is necessary. After the standard of living of the peasants sees a fairly great increase, it will not be appropriate to do things in this way, and it will be necessary to consider how to use the money to benefit production links and encourage the peasants toward intensive operations. Apart from uncompensated support, we can also consider adopting several compensated support methods to improve the effective use of funds.

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TRADITIONAL EDUCATION AND REFORM OF TEACHING METHODS

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[Article by Pan Maoyuan [3382 2021 0337]]

[Text] The "Resolution of the CPC Central Committee on Education System Reform" states that changing what is taught to students, conducting a reform of teaching methods, improving the quality of teaching, and conducting a reform of the high-education system, constitute a very important and pressing mission. Education reform is primarily a transformation of educational thinking. Therefore, the current discussions among the educational circles on traditional educational thinking are highly essential. Many important questions involved should be gradually clarified through study; these questions include: What traditional education is, what viewpoints and methods in traditional education are incompatible with socialist modernization, how to correctly view traditional education, how to transform traditional educational thinking, and so on. I will here discuss some of my personal views.

Sublate But Not Discard Outright Traditional Education

In China, the concept of traditional education has two meanings: the general and the particular. The "general meaning" refers to the educational ideas and experience based on the thinking and views of educationists through the ages and established in the prolonged course of development of education in China. The "particular meaning" refers to what has arisen from the influence on China of the educational thinking system in Western educational history, that system being epitomized by the early 19th century German educationist Herbart. One meaning is wider than the other, but they are closely related.

Proceeding from his theories of idealist ethics and conceptual psychology, Herbart established a rigorous educational theory system. He divided educational work into three parts, namely: management, teaching, and training. Management as a prerequisite to teaching and training refers to rigorously disciplining students. Teaching as the core of education is a "condensed form" of transmission of knowledge. Training as "the supreme goal of education" refers to instilling into students the moral concepts and norms prescribed by the rulers so as to train students to be "genuinely good"

people. Viewing education as a process, he divided this process into four stages according to the students' psychology of learning: understanding (learning with concentration on the new things taught), association (relating the newly acquired concepts to the old ones and forming new concepts on the basis of old ones), systematizing (synthesizing newly acquired knowledge into systematic conclusions and generalized points), and method (applying systematized knowledge to the real world and completing systematized knowledge to the real world and completing assignments). Later, his successors divided the first stage into two, so that there are five stages: preparation, enlightening, relations, conclusion, and application. This is the subsequent popular theory of the stages of teaching. In preliberation China, books on primary school and middle school teaching generally divided the classroom teaching activities for each topic into several stages: motivation, deciding on objectives, explaining teaching materials, summing up main points, and giving assignments. In postliberation China, since we learned Kailov's educational theory, teaching schemes used in middle and primary schools have often divided each lesson into several stages: organizing teaching, reviewing old teaching materials and proceeding to new teaching materials, explaining new teaching materials, consolidating newly acquired knowledge, summing up briefly in class, and giving assignments. The influence of Herbart's theory of the stages of teaching also appears in this method. It should be said that Herbart's theory is not unreasonable because it to some extent reveals the sequence of students' psychological activities in learning teaching materials, and it clearly defines the steps involved and the tasks for various stages. However, its primary concern is the transmission of knowledge and its classification of stages is rather stereotyped and tends to be a mere formality. It should also be said that under certain given historical conditions Herbart's educational thinking system and his theory of the stages of teaching were indeed progressive compared with ancient teaching methods, so that they enjoyed great popularity among, and exerted profound influence on, various nations of the world. The question is that with the development of modern society, new requirements for the training of qualified personnel have arisen, so that his educational thinking system and teaching methods have become highly incompatible with the requirements of modern education.

What we nowadays generally call traditional education incorporates not only Herbart's educational thinking system and his theory of the stages of teaching, but also the influences of traditional Western educational thinking, of traditional ancient Chinese educational thinking, and of the educational thinking arising from our own experience accumulated before and after the founding of new China. Therefore, traditional education in the broad sense is very complicated in substance. In some aspects, it stresses intellectual education at the expense of moral education, stresses the mere transmission of knowledge, and stresses theory at the expense of practice, while correspondingly in some other aspects, it stresses both moral education and intellectual education, stresses both the transmission of knowledge and the development of intellectual abilities, and stresses either practice alone or both knowing and doing. It embraces both the spoon-feeding method of teaching and advocacy of the heuristic method. It both stresses giving everyone the same treatment and has experience in teaching different students

differently according to their aptitude. It embraces both the idea of "upholding the teacher's dignity" and the principle of "teaching benefiting the teacher and student alike." Despite this complexity, the main tendencies of traditional educational thinking in regard to teaching can be summarized into the following points:

1. Both moral education and intellectual education are stressed. Generally, people advocate implementing moral education for students through teaching. This conforms to what Herbart said: "Teaching without paying attention to moral education is a means without an end; moral education without teaching is an end without the means."
2. Regarding intellectual education generally the transmission of knowledge is stressed at the expense of developing students' intellectual abilities. Even when people acknowledge the necessity of intellectual development, they often think that mastering knowledge is tantamount to intellectual development.
3. Concerning what is taught to students, academic and scientific knowledge is taught according to a rigorous classification of subjects, the logical systematization of teaching materials is stressed, and laws of the psychology of learning are considered only if logical system is not affected.
4. Regarding the relationship between theory and practice, theoretical knowledge is stressed at the expense of social and real-life practice.
5. The organization of teaching is basically characterized by teaching by class and grade. It is only in this setting that limited attention is paid to "teaching different students differently according to their aptitude."
6. The main form of teaching is classroom lecturing, which is the core around which other forms are developed.
7. The spoon-feeding method of teaching is usually used while the heuristic method is seldom if ever used.
8. Regarding what motivates students to learn, externally imposed motive force is stressed at the expense of internal motivation.
9. Regarding teachers' and students' activities, the teachers' leading role is stressed at the expense of the students' role as the main body.
10. Regarding teaching management, unity marked by a line of authority running from above to below is stressed, while variety embracing the method of going from below to above is opposed.

Thus, judging either from its complexity of substance or from its main tendencies, traditional education includes both rational factors and unreasonable things, both currently useful cultural treasures and ideologies incompatible with modernization. The view that modernization must sweepingly entail discarding outright traditional education is nihilist and incompatible with the law of development of things.

The new superseding the old and the new emerging while the old is weeded through constitute the law of development of things. New things invariably emerge and develop out of old things; this is a sublation, not a simple discarding, of old things. "Sublation" includes discarding, preserving, and improving. The decadent or negative parts of old things are discarded while the positive elements in old things are preserved and also improved and developed as part of the new things. According to the objective needs for socialist modernization and the inherent laws of development of education, negative things in traditional education must be discarded and positive elements in traditional education must be preserved and improved so that they can become part of our socialist modern education. Only thus can educational reform be relatively readily accepted by people and can modern education develop smoothly and healthily.

Education history demonstrates that being nihilist toward traditional education invariably leads to a deteriorating quality of education. Dewey, depicting himself as epitomizing "modern education" and "progressive education," discarded all "traditional education" since the time of Herbart and proceeded to the other extreme, rendering students unable to master systematic knowledge. In the 1920's, the Soviet Union's "revolutionary action" against Czarist traditional education caused chaos in school teaching. During China's "Great Cultural Revolution," the "gang of four" denounced traditional education, including education over the 17 years since the founding of the PRC, as bourgeois education, preached "doing just the opposite," and thus caused a catastrophe in education. These lessons lead us to realize that educational reform is a process of qualitative change whereby old substance gives way to new, and that according to the principle of linking theory to practice and under the guidance of the dialectical materials and historical materialist ideology, we must realistically distinguish the essence of traditional education from its dross and sublate it. In the current educational reform, we must particularly use dialectics to deal with some controversial problems regarding the teaching process.

Correctly Handle Several Relations of the Teaching Process

1. Knowledge and intellectual abilities. A major tendency of traditional education is the emphasis on transmitting knowledge at the expense of developing students' intellectual abilities. This educational viewpoint is one-sided in all ages and its shortcomings are particularly conspicuous in today's world of rapid scientific and technological development. Advocating and studying the development of students' intellectual abilities now constitute the central theme of educational reform in various countries of the world. In China's current educational reform, it is absolutely necessary to stress paying full attention to students' intellectual development and endeavoring to train students' intellectual abilities. However, some comrades either consciously or unconsciously set intellectual abilities against knowledge and advocate stressing the former at the expense of the latter. Thus, some comrades say: "Currently intellectual development is more important than transmitting knowledge." Some hold that in the light of the need for modernization, education should change over from training qualified personnel of the "knowledge type" to training those of the

"intellectual type" or "ability type." They often quote statistics to pinpoint the so-called "knowledge explosion" facing us today, saying that "the amount of knowledge will double every few years" and that much of a fresh college graduate's knowledge will "become old" in several years. The arguments and grounds of argument of this theory, which is copied from Western scholars, are in many ways incorrect.

First, considering the grounds of argument, it is doubtful whether the allegation that knowledge "explodes," "becomes old," and "doubles in amount once every few years" is scientific. We acknowledge that science and technology develop rapidly and the amount of available information keeps on increasing. However, information is not identical to knowledge. Moreover, the replacement of old generations of technology and products by new ones does not imply that the scientific theories and basic knowledge which form their basis "become old." People often use the following famous quotation from Einstein to argue that intellectual ability is more important than knowledge: "Developing the general ability to think independently and make independent judgments, rather than acquiring professional knowledge, should always be put in the first place. One who masters the basic theories of one's discipline and has learned to think and work independently will certainly find one's own way and will certainly be more adaptable to the changes of progress compared with those whose training consists mainly of acquiring detailed knowledge." Here, it is clear that whereas "professional knowledge" and "detailed knowledge" "should not be put in the first place," "the basic theories of one's discipline" is mentioned precisely on a par with "independent thinking and work." Has Einstein's 70- or 80-year-old "general theory of relativity" and "special theory of relativity" "become old"? Information related to technology and products should be distinguished from basic theories. New products appear every day and new technology continually replaces old technology, but basic theories are relatively stable though they must also continually develop. That is why we stress that basic theories and knowledge should be particularly strengthened in university education. Of course, we should also pay attention to "frontier" knowledge and opportunely master major new achievements in science and technology, because although technological knowledge develops quickly, with the new continually replacing the old, however, considering the relation between new and old knowledge and the accumulation of knowledge, the new can emerge only if the old is weeded through, so that even those major technological achievements which may rather quickly become outdated are worth mastering; moreover, this can also help widen horizons and foster a pioneering spirit in teaching.

Second, it is incorrect to argue that knowledge can be divorced from intellectual abilities and that the so-called "knowledge type" and "intellectual or ability type" can be set against each other for comparison. Knowledge and intellectual abilities are different, but there is an internal relation between them. Each depends on, restricts, promotes, and transforms into the other. Students' intellectual abilities can develop only on the basis of mastering knowledge, as Lenin said: "We must use knowledge of basic facts to develop and enhance every learner's thinking ability." ("Selected Works of Lenin," Vol 4, p 348) What are intellectual abilities? In the final

analysis, they are the wisdom and abilities needed for applying knowledge to objective things. Without the requisite knowledge, intellectual abilities will be like water without a source or a tree without roots. More knowledge does not imply higher intellectual abilities or stronger capability. Intellectual development must not only be based on a definite amount of knowledge but must also depend on other conditions, like tempering through practice, and so on. Traditional education is one-sided precisely because it neglects students' intellectual development. Therefore, we advocate that teachers must not only transmit knowledge, but must also pay attention to fostering students' intellectual abilities according to the laws of intellectual development; we do not request teachers to go to the other extreme and despise the transmission of knowledge. Transmitting knowledge and developing intellectual abilities should be dialectically unified in both the teachers' work and the students' development into useful persons. Neither should be overemphasized at the expense of the other. The phenomenon of overemphasizing one at the expense of the other has appeared among university students because the role of knowledge has been one-sidedly played down. Some university students do not want to become qualified personnel of the "knowledge type" and they refuse to arduously study theories. Some students wrongly believe that knowledge will "become old" after a few years and they reluctantly study merely for tackling examinations. They often naively abandon knowledge and go after so-called "abilities"; thus, they go after methods of "conducting oneself in society" and the ability to "adapt oneself to changing conditions in life," which require little knowledge as their basis. Moreover, certain kinds of one-sided propaganda in society are exerting an influence. Consequently, the "argument that study is useless" is again gaining ground. This cannot but arouse people's concern.

2. Technical education and general education. General education is an enthusiastically discussed topic in our educational reform. It is thought that in the modern society of scientific and technological development, "those with a general education background are at an advantage." Some comrades say that in the universities "general education" must replace "technical education." How should we view this question?

In higher education, the goals of training and the things taught students are invariably directly subject to the constraint of the level of cultural and scientific development. Modern scientific development integrates a high degree of specialization with a high degree of synthesis. Overly specific technical education is no longer compatible with the requirements for modern scientific and technological development. In China, the curricula for specialties are too narrow in scope, and traditional teaching based on specialized disciplines is stressed at the expense of synthesis of knowledge. It is correct that in the light of this shortcoming, interdisciplinary studies and integration of arts and science subjects should be advocated. In the 1950's, China trained qualified personnel according to the Soviet model, stressed technical education alone, and denounced general education. This had the disadvantage of one-sidedness. However, if we conversely completely negate technical education and advocate replacing it with general education, this will not be an all-round way of development.

First, foreign countries' advocacy of either general education or technical education is related to their social backgrounds. Some (not all) Western countries, like the United States, stress general education because of two reasons: First, this is to satisfy the needs of the labor market, where a specialist has little chance of finding a job suited to his speciality. If one's knowledge is overly specialized, one cannot easily find a job. Second, students in ordinary high schools learn very little general academic and scientific knowledge, particularly mathematics and science. Lacking a systematic foundation in knowledge, they find it difficult to learn more advanced theoretical knowledge. Thus, in universities of higher standards, the learning of basic knowledge must be strengthened as a remedial measure. Big enterprises and companies have their own professional training organs and prefer recruiting and providing short-term training to graduates whose education is relatively broad-based. On the other hand, the Soviet Union stresses technical education because of the requirements of the socialist planned economy and planned training of qualified personnel. Generally speaking, the rate of compatibility is high in distributing jobs according to specialities. With training which aims to produce specialists, economic benefits and social benefits can be relatively quickly developed. In China, owing to the overly narrow scope of specialities and certain shortcomings in the distributing system, some problems related to inability to apply what one has learned also exist. Generally speaking, however, the rate of compatibility of specialists with jobs is much higher than in the West where college graduates find jobs by themselves on the labor market. According to investigations conducted by the departments concerned in Shanghai, since liberation, the overwhelming majority of university graduates posted to various industries and occupations in Shanghai have jobs that are basically compatible with their specialities. The rate of compatibility can even be higher if the admission system and allocation system are modified according to the methods stipulated in the "Resolution," if a reasonable flow of qualified personnel is permitted, and if, with the rational aspects of general education being taken as reference, the scope in specialities is widened, the foundation is appropriately deepened, and attention is paid to fostering students' intellectual abilities. Judging from the state's financial burden, the students' learning time, and so on, this method of training specialists with a broad and deep foundation is more advantageous than general education with an uncertain goal of training. The state can, through projections regarding qualified personnel and according to the optimum mix of qualified personnel, make overall plans for training and allocating qualified personnel, so that the superiority of socialism in training qualified personnel in a planned way and according to appropriate proportions can be developed, and the best educational results can be achieved.

Second, from the viewpoint of scientific and technological development, it is really difficult to enjoy any advantage in the development of highly comprehensive sciences if people's knowledge is "specialized" but not "general"; however, if people have "general" knowledge but are not "specialized," and lack adequate specialized knowledge and skills, it will also be difficult to achieve success in the development of highly specialized sciences. Modern top qualified personnel should possess both general and specialized knowledge. They should specialize on the basis of

possessing general knowledge. They should possess specialized knowledge but know how to synthesize various branches of knowledge. That is, the training of modern qualified personnel should preferably integrate general and technical education.

How then can technical education be integrated with general education? The answer is that we must, in the light of the optimum composition of modern specialists' knowledge and intellectual abilities, conduct a reform of what we teach, our teaching methods, and our teaching system. It is generally believed that optimum composition of modern specialists' knowledge should embody possession of relatively broad and deep basic knowledge, possession of specialized knowledge of a definite depth, mastering of one's major discipline and also the trends of development of closely related disciplines or what is called "frontier" knowledge, and mastering of the necessary knowledge of horizontal disciplines and scientific methodology. This can be summarized as the integration of "general" and "specialized" knowledge. However, this is merely a general requirement. To have specific measures, we must also formulate specific programs regarding the knowledge structure in the light of the goal for training specialists. To cope with the new situation of scientific and technological development, the Soviet Union advocates training "experts possessing a broad range of knowledge"; and in recent years it has drawn up a series of "qualitative standards governing specialists" for various professions, which serve as the basis for "formulating teaching plans and syllabuses and plans for allocating and using specialists." In 1984, China's Ministry of Machine-Building Industry mobilized more than 170 teachers and cadres from 33 institutes and colleges to go deep into over 100 relevant factories, research institutes, and organs of institutes and schools, to conduct surveys among over 1,800 specialist professors, technical workers, and graduates of all previous years. After more than 1 year's effort, it drew up the "Proposals for Professional Norms Related to Qualified Personnel Training" for four general specialties: machine-building technology and equipment, precision instruments, industrial electrification and automation, and industrial management. After undergoing careful discussions and appraisals, those proposals were "adopted as the basis or a reference for the formulation or revision of teaching plans by the respective specialties." This is an example of solid work in educational reform.

3. Teachers and students. The status and role of, and interrelationship between, teachers and students in the teaching process have always been a controversial question among education theorists. The traditional Western educational viewpoint that "students must be passive in their relation to teachers" (quoted from Herbart) was negated long ago by Herbart's successors. Later, the majority of traditional educationists held that students' consciousness and enthusiasm in learning should be developed under the teacher's leadership. This viewpoint is correct, because it conforms to the laws governing the process of school teaching. However, people interpret the teacher's leading role differently, while the students' role as the main body is neglected, so that theories of teaching often discuss how teachers teach and seldom seriously examine students' psychological activities in mastering knowledge and developing intellectual abilities; and in preparing

lessons, teachers also often consider only how to make their teaching scientific, systematic, and logical, without paying much attention to methods of enabling students to learn in a lively and vivid way. Considerable experience has been accumulated in instilling knowledge, but there are few methods for inspiring students to learn, so that students are also used to stereotyped learning, memorizing, and learning only along the lines of the teacher's instructions, and are poor in independent thinking and independent work. This ideology or method, which neglects the students' status and role as the main body in the teaching process, is clearly disadvantageous to developing students' consciousness and enthusiasm in learning, and is more so to the training of modern qualified personnel with creative ability and a pioneering spirit. Therefore, establishing the idea of students' status and role as the main body in the teaching process is a basic issue in educational reform.

In the teaching process, both teachers and students are main bodies in teaching activities. Among the three factors: teachers, students, and teaching materials, teachers and students are dynamic factors. However, because teachers and students have different tasks, their roles also differ. Generally speaking, teachers possess knowledge and they shoulder the major responsibility for the orientation, content, progress, and method of teaching. Their leading role must be fully developed so that teaching can proceed in a planned and organized way and according to certain objectives. However, "teaching is for the sake of learning"; if the knowledge and skills mastered by the teachers are to be successfully transformed into students' knowledge and skills, the students' active role must be developed, and the erroneous tendency in traditional education of stressing teaching at the expense of learning must be ended. However, it is also incorrect to stress learning at the expense of teaching and negate the teacher's leading role.

What arguments negate the teacher's leading role?

(1) The external cause argument. A rather popular theory of teaching considers the teacher as an external cause in the teaching process. It holds that the teacher's function is an external condition; any external cause is necessary but not dominant, because changes in anything depend on that thing's internal contradictions. This argument acknowledges the teaching process as a bilateral activity involving the teacher and students, but also treats the teacher as the external cause; this is self-contradictory. This erroneous view arises from confusing the teaching process and the learning process, which are two closely related but different concepts.

(2) The argument that modern means of teaching will replace the teacher. In the West, there is an argument that because of the popularization of teaching by television broadcasting and teaching with the help of the computer, students will be able to learn by themselves through a dialogue between man and machine, so that in future education, teachers will withdraw from teaching activities or will merely play an assistant or advisory role. Whether this tentative idea works in the capitalist society will not be discussed here, but in China at least, it probably cannot be a goal of our efforts. Modern teaching methods can improve efficiency in teaching and

replace part of the teacher's work; this is certainly true, and China has started to use them, though to a highly inadequate extent. China's higher education for adults largely employs the remote teaching method, which should continue to develop in the future so as to satisfy the need of young people (mainly those who are working) for improving their standards of education and science. However, can machinery replace teachers in playing the educational role of exerting a subtle influence on students' character and thinking? Can dialogue between man and machine replace education in collectivism and organizational discipline which is implemented in the collective setting of the classroom? Can remote teaching fulfill the educational goal of all-round development? This is doubtful. Moreover, the use of modern teaching methods generally requires the teacher's instruction and inspection. The software used in teaching tools must still be prepared by experienced teachers with help of experts and technicians. Moreover, the influence of a teacher's character, sentiments, and behavior on students cannot be generated instead by modern means of teaching.

(3) The argument that teachers can play a leading role in the teaching process only in ordinary schools, and that in higher institutes of learning, teachers should be relegated to a position of providing assistance in the teaching process. True, university teachers should not specify details regarding students' learning activities as primary school teachers do, because their students have a greater amount of accumulated knowledge and experience and higher intellectual abilities. However, this entails a different teaching method but not a negation of the teacher's leading role. In the stage of university education, the teacher's leading role should mainly be the providing of guidance regarding orientation, main points, and self-learning; the teacher should devote greater effort to "showing the way without pushing, imploring without repressing, and opening up the way without journeying to the destination." However, if the teaching process is conducted in a school, then, even if the students involved are postgraduate ones, the teacher must play a leading role in regard to orientation, progress, and method, thus shouldering his responsibility as a teacher and instructor. Why has the erroneous view arisen that university teachers should no longer play a leading role? This is because the leading role is given the simplistic interpretation of the teacher lecturing and instructing with students taking notes and passively carrying out instructions; it is not understood that the teacher's leading role embraces many different forms and methods and different treatments for students of different abilities.

In the educational reform, there are controversies over the relations between theory and practice, lecturing and self-study, teaching and scientific research, inheriting and creating, the thought of seeking common ground and the thought of striving for differences, and so on. These controversies must be correctly handled by using the dialectical materialist and historical materialist ideology and method.

Rely on the Vast Numbers of Teachers, Transform Traditional Educational Thinking

It is mainly the teachers who will fulfill the mission of educational reform. Any organizations or cadres can only organize and exercise leadership over the teachers in the reform of teaching, and must not take the place of the teachers to carry out a reform of the specific things taught and the specific teaching methods. This is not only because teachers are most familiar with what is taught in their subjects as well as the standards and abilities of the students they teach, but also because, more importantly, only they can play a leading role in the teaching process. Lenin said: "The real nature and orientation of a school are determined not by local organizations, or good intentions, or resolutions of student 'committees,' or 'teaching syllabuses,' and so on, but by the teaching staff." ("Lenin on National Education," pp 111-112) Only by reliance on the vast numbers of teachers to take the initiative to enthusiastically fulfill the mission of educational reform can a reform of the specific things taught and the specific teaching methods be accomplished. Thus, the "Resolution" clearly states: "The most important thing is to mobilize the teachers' enthusiasm."

It should be noted that this is the most important but also the most difficult link. In past educational reforms, very often the authorities issued calls and the educational administration departments produced plans, while the teachers as the genuine main force of reform were treated not as the force to rely on but as an object of reform, so that the vast numbers of teachers either passively waited for assignments to fulfill or remained indifferent and stuck to their old ways of doing things. Those "reforms" appeared to proceed with great momentum but actually were not efficacious; most of them in the end did not produce the desired results. Currently, the goal of reform has been clearly defined, a reform of the system has been launched on a full scale, and the situation is very good. Whether the educational reform can develop in depth depends crucially on whether the teachers' enthusiasm can really be mobilized. How can their enthusiasm be mobilized? Genuinely implementing the set policy is the prerequisite and improving understanding is of crucial importance. Genuinely implementing the set policy mainly refers to genuinely treating the vast numbers of teachers as the main force to rely on in doing a good job of educational work and carrying out the educational reform, and really trusting them, assigning important duties to them, and showing concern for them. Improving understanding mainly refers to enabling teachers to clearly know the orientation of reform, to learn the theories of educational science, to master the laws of education and teaching, and to clearly discern in traditional education and those educational theories which are popular in the West what is compatible with the requirements of socialist modernization and what is not, so that traditional educational thinking can be transformed and the healthy development of educational reform can be promoted.

Studying the theories of educational science not only serves to enable one to analyze traditional education, but, what is more important, makes possible the mastery of theoretical weapons to guide the practice of educational reform. We know that in the discussion and practice of

educational reform there are many reasonable and correct views and experiences, but inevitably there are also some errors. For example, opposing "treating books as of sole importance" and opposing "absolute subservience to higher authorities" have led people to stop paying attention to book knowledge and organizational discipline; advocating the fostering of creative ability has led people to strive for differences in thinking and stop striving for unity in thinking; stressing the importance of practice has led to despising of theoretical studies; advocating self-study has led people to think that lecturing can be negated; stressing students' role as the main body has led to the negation of the teacher's leading role; and so on. The effect is that among students certain phenomena like laziness in study, not respecting teachers, lax discipline in class, and undisciplined style of life, despising Marxist-Leninist theory, and so on, have appeared. Currently, university students demand facing up to the new technological revolution, achieving socialist modernization, and carrying out educational reform. This enthusiasm is highly valuable and is a force promoting reform. We should listen to and support their correct views, and enlighten them when they have incorrect views of overly demanding desires, so that their pioneering spirit and enthusiasm for reform can be directed to the correct path. This enlightening work also relies on the joint effort of the vast numbers of teachers, so that the teachers are required to prepare themselves by studying Marxism-Leninism and educational theories. Of course, in the course of development educational science, like any other science, is in some ways not absolutely correct, not mature enough, or not perfect. This precisely calls for our effort to continually develop it in the course of learning and applying it, instead of despising it without good reasons or completely negating it.

There is a one-sided view that only primary and middle school teachers need to study educational science but it is unnecessary to require university teachers to master education theory or pay attention to teaching methods; it is sufficient to judge them by their academic standards. Some people also give examples of many teachers who can teach well without having systematically studied educational science. We do not deny this fact. However, their good standard and results of teaching are not only due to their good academic standard but are also due to their teaching experience accumulated over many years. They often have to undergo a relatively long process of repeated attempts during which they gain experience, cherish their experiences of success, and spontaneously learn some laws of teaching. Engels said that natural scientists can master the dialectical method of thinking by virtue of the power inherent in the natural sciences themselves; "however, this is a relatively long and slow process during which there are many unnecessary obstacles to overcome." ("Selected Works of Marx and Engels," Vol 3, p 468) This applies also to the mastering of educational laws. Particularly, in the educational reform, lacking adequate preparation in the area of theory will lead to a greater number of "unnecessary obstacles" or even lead to the conscious or unconscious adherence to the beaten track of traditional education.

Of course, theoretical principles alone cannot ensure a smooth development of educational reform. There must also be practical experience in reform.

We should assign to the teachers the duty of changing the specific things taught and the specific methods of teaching. We should let them feel free to experiment and practice, and give them encouragement and support. When the enthusiasm of the vast numbers of teachers is mobilized, the educational reform will be able to persistently develop in depth.

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FULLY REALIZE THE IMPORTANCE OF GOVERNMENT INSTITUTIONS CHANGING THEIR
MANAGEMENT FUNCTIONS AND IMPROVING THEIR WORK STYLE

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[Article by Wu Shuchi [2976 2885 1615]]

[Text] The superstructure must be suited to the economic base. When the economic base is changed or developed, the superstructure must correspondingly change and develop. This is inevitable in the history of economic development and is also a basic principle in historical materialism. Our country is currently carrying out the reform of the economic structure and is energetically developing practices in socialist commodity economy. This will bring about changes in the superstructure of socialism. With changes made in the structure, the organizational structure and work style must also change, otherwise it will not be possible to continue to push the reform forward and it will be difficult to consolidate the fruits of the reform. Hence, in the "Report on the Seventh 5-Year Plan," Premier Zhao Ziyang pointed out: It is necessary to fully realize the importance of government institutions changing their management functions and improving their work style.

Changes in the Management Functions of Government Institutions Are the
Objective Demand of the Development of Socialist Commodity Economy

The full development of commodity economy is a stage that cannot be passed over in socioeconomic development. The development of a socialist commodity economy and from it the evolvement of the strengthening of lateral economic combinations based on volition, mutual benefit, and equality will inevitably come up against and break the old pattern and ancient regulations of the demarcations between departments and regions in the departments of government administrative organs in charge of the product economy, and will also inevitably cause changes in the government institutions' management functions.

Since the takeover of the country's political power by the proletariat and the whole people, the government institutions' carrying out of the functions of managing the economy is not only a mission endowed by history but also a special feature of socialist economy. However, for a long time, due to the one-sided recognition that displaying the government's functions of managing

the economy and government departments directly operating and managing the enterprises are one and the same thing, a pattern of authority or power of using administrative management measures to manage the economy has been formed. The notable feature of this type of power or function is that government institutions have represented the state in issuing orders from top to bottom and level by level, to directly order and manage the economy, including the enterprises' operating activities. Basically, government departments have controlled everything, had everything in their hands, and carried out planned production in an all-inclusive manner. Distribution was on a unified basis. In the supply of many important commodities a rationing system was in force; consumption was controlled.

Due to the strangling control, the overly tight grip, the minute grasping work carried out, and the government's attempts to control being too inclusive, the supply of commodities in the market became scarce, the enterprises lacked motive power and vitality, and the labor productivity rate dropped. Development of the productive forces was seriously curbed and the strong points of the socialist system could not be brought into full play.

Following the deepening of the reform of the economic structure and the development of the socialist commodity economy, the enterprises have gradually become commodity producers and entrepreneurs who are relatively independent, operate autonomously, and are solely responsible for their own profits and losses, and the original functions of the government institutions have become increasingly inappropriate. At present, for the sake of invigorating the enterprises, the State Council has formulated 10 regulations on extending the decisionmaking power of the enterprises. However, due to the old structure's still playing a role, and the government institutions' management functions not having basically changed, it has become difficult to carry out the extension of the decisionmaking power of the enterprises, thus influencing the enterprises' enthusiasm and curbing the lateral union of the enterprises. Hence, suitably and correspondingly changing the management functions of the government institutions has become an important topic which must be attended to in pushing forward in depth the reform of the economic structure.

With the government institutions' management functions being oriented toward management of the commodity economy, their nature, scope, tasks, and methods will be correspondingly changed. The change will be from a microeconomic control which attends to minute details and extends to the lowest level in everything to a macroeconomic control and management which develop diversified forms of the ownership system and diversified forms of management; the change will be from a mainly direct control of an administrative nature to a mainly indirect control which is the blending of economic measures, legal measures, and administrative measures; the change will be from reliance on unitary planned regulation to a mechanism displaying diversified economic regulatory measures; and the change will be from the former management system of highly centralized power-wielding and nonseparation of government from enterprise functions to a system featuring streamlining and retrenchment of government structure, delegation of power to low levels, and separation of government from enterprise functions. These changes are the

important contents of the reform of the economic structure and are also the objective demands of the deepening of the reform of the economic structure.

The "Decision of the CPC Central Committee on Reform of the Economic Structure" outlined the government institutions' functions of managing the economy as follows: Formulating the strategies, plans, guidelines, and policies for economic and social development; formulating the programs for development of material resources, technological transformation, and intellectual development; coordinating the development plans and economic relationships of the regions, departments, and enterprises; arranging the major construction projects; collecting and propagating economic regulatory measures; formulating and supervising the enforcement of economic statutes; appointing and dismissing cadres within the prescribed sphere of authority; taking charge of economic and technological interflow with foreign countries; and so on. On the basis of the practical experience gained in the reform and construction in recent years, during the changeover period between the new and old structures, it is especially important to fully carry out and display the government institutions' functions of management of the economy in regard to such aspects as planning, coordinating, servicing, adjusting and controlling, supervising, and inspecting. In particular, enforcement of the service functions and "changing the long-standing situation of the grassroots level and enterprises revolving around the leadership organs and not the leadership organs serving the grassroots level and enterprises" carry an extremely important and realistic significance. For this reason, Premier Zhao Ziyang, in his "Report on the Seventh 5-Year Plan," again emphasized: To meet the demand that the state's management of the enterprises be changed from being principally direct control to being principally indirect control, the economic departments of governments at various levels should change the former method of concentrating their major energy on fixing targets, sanctioning projects, distributing funds, and distributing material resources to principally doing a good job in carrying out overall planning, grasping policies, organizing coordination, rendering services, and strengthening inspection and supervision. This is an important constituent part of the whole reform of the economic structure and is also an important reform of the socialist superstructure.

Conforming to the Changes in Functions; Promoting Reform of the Structure

In order truly to carry out the change in the government's management functions, it is necessary to streamline and retrench the government institutions. During the period of changeover between the new and old structures, we must emphatically carry out reform of the institutions under the guidance of correct theories.

Historical experience has shown that reform of the government institutions ensures the reform of the organization of management functions. But changing the management functions is also the necessary precondition for successfully reforming the organs.

Since the founding of the PRC, in accordance with the tasks and requirements, government institutions of our country, particularly those of the economic

department, have several times undergone streamlining and retrenchment and relatively large reforms have been carried out four times. In the structural reform in 1982, the party and the state, in order to rectify and overcome the long-standing and age-old malpractices in the state's administrative organs, such as the unduly swollen organizational structure, overstaffing, an overly large number of levels and stages, and a low efficiency rate, did much work and especially achieved notable results in such directions as making the cadres more revolutionary, younger in average age, better educated, more professionally competent. However, despite the several episodes of streamlining and reform, including the 1982 reform of the structure, the nature and tasks of the government institutions' management functions have not changed at all. Although changes were made time and again in the government's economic departments, they have still continued to take care of a voluminous amount of business and work which included many jobs that should not have come under their charge, but should have been attended to by the grassroots levels and the enterprises. This has caused the leadership organs and organizational structures to be inadvertently trapped in "mountains" of documents and affairs, unable to tackle big jobs well but endlessly bothered by minor details. The result: The more an organ is "streamlined" or "retrenched" the bigger in size it becomes, the more the affairs are "simplified," the more they increase in number, the more the personnel are "reduced," the bigger the staff becomes in size, while business efficiency is continuously falling. If an enterprise wishes to undertake a project, in some cases it has to approach many departments and seek many signatures before it gets the green light to proceed, but if any one department objects, the project will have to drag on. Up to now, instances can still be found in which a petition submitted by a lower level organ has traveled the rounds of relevant departments of the central government for more than a whole year without yet getting any definite reply! The appearance of a situation of this kind is of course related to bureaucratism in government departments, but the responsibility for it cannot be ascribed to any one person. Rather, it is an inherent drawback of the original administrative and management structure. Therefore, on the one hand, reform of the structure is a necessity and must be carried out; on the other hand, we must sum up new experiences from actual practice, look for a new road, and start from changing the management functions and proceed to promoting the reform of the structure. If we still rely on issuing simple administrative directives ordering the merging of certain organs or the elimination of certain others, literally simplifying for the sake of simplification and merely paying lip service, then this can hardly be suited to changing the management functions of government organs and will only return to the old road of "adding and cutting, cutting and adding" incessantly. Premier Zhao Ziyang, in his "Report on the Seventh 5-Year Plan," summed up the experiences gained in reform and construction during the Sixth 5-Year Plan period and pointed out that the direction for the reform of the structure from now on is: "Following changes in the management functions, overall economic management departments and economic inspection and supervision structures must attain completeness and be strengthened, while specialized management departments must be appropriately merged and retrenched." Hence, we shall point out the basic principles which must be followed in reforming the structure during the Seventh 5-Year Plan period and which may be summarized as mainly being the following three:

First, it is necessary to insist on retrenching and streamlining. This is the basic principle for the establishment of organs by the state and is also a guarantee for improving the administrative efficiency of government organs. Retrenchment and simplification are not equivalent to merely abolishing or merging the enterprises. In the reform of the structure, abolition and amalgamation of enterprises are of course needed. What is more important is to further clarify the nature and mission of the management functions of the organs after the change, to formulate a program of reform of the structure that is suited to our country's development of a socialist planned commodity economy, and to earnestly put it in operation so as to truly achieve the objectives of retrenchment and delegating power to the lower levels and so that the state's administrative organs become highly capable organs and political entities with a high level of working efficiency, able to keep in close contact with the people, and devoid of bureaucratic habits. At present, in accordance with the demands due to the reform of the economic structure and changes in government organs' management functions, the state's management of the enterprises will be switched from the former direct ordering of the enterprises' activities in production, supply, and marketing to principally doing a good job in planning, coordinating, serving, and supervising the whole industry or trade. In so doing, the management organs of a specialized nature whose objects of management or control are products or industries or trades can be appropriately abolished, merged, or retrenched, and can be gradually merged into a few large management or industrial structures. That is to say, government departments should firmly delegate power to the enterprises and enforce management and control by industries or trades. At the same time, we must start from reality and consolidate the existing companies, particularly those which outwardly, in form, have separated government from enterprise functions and diminished their dependence on administrative directives, but which in reality are still companies of an administrative type in which government and enterprise functions are not separated.

Second, it is necessary to perfect and strengthen macroeconomic management organs. In the new situation of reform and opening up, the more the economy is invigorated, the greater is the need for strengthening management. Following the switch between the new and old structures, the government institutions' functions in managing the economy will be switched from being principally direct control to being principally indirect control. But this in no way implies weakening the state's leadership over the enterprises, or that the state will no longer perform any managing or controlling function at all. Rather, the macroeconomic control and management must be further strengthened and various kinds of regulating and adjusting measures and, if necessary, administrative measures must be employed to further invigorate the enterprises and to manage the enterprises well so that, in conformity with the demands of the state's macroeconomic management, the enterprises will be able to develop their microeconomic activities in a healthy manner. This will require perfecting and strengthening both the structure and system of government departments in charge of the macroeconomic management functions. Hence, in the reform of the structure, in addition to vigorously fulfilling the retrenchment objective, it is necessary to correspondingly consolidate and strengthen those departments of an overall nature which

have charge of the macroeconomic management function, such as the planning, financial, and banking departments, and make them truly converted to the track of macroeconomic management.

Third, it is necessary to set up and perfect an authoritative and prestigious inspection and supervision system. Under the conditions of vigorously developing the socialist commodity economy, in order that macroeconomic management can be realized and the whole economy invigorated and kept under control, we must have a perfect inspection and supervision structure and system. Lenin once emphatically pointed out: "Supervision means making a good adjustment of the first stage of communism, so that it can correctly implement the major conditions needed for work." ("Selected Works of Lenin," Vol 3, p 258) In the reform of the structure, we should not weaken, but should bring into full play the supervisory functions of departments in charge of finance, banking, taxation, commodity prices, statistics, auditing, industrial and commercial administration and management, and customs services of the governments at various levels. Moreover, the supervisory functions of the government organs should extend deep into the various economic stages to ensure the various categories of economic activities proceed along a regular track.

Following the Reform of the Structure and Change in the Functions, Work Style and Work Methods Must Likewise Change

To lead is to serve. In the final analysis, changing the management functions of government organs is tantamount to fully respecting and protecting in real earnest the enterprises' decisionmaking power and also earnestly performing well the job of serving the enterprises and the grassroots level. In his "Report on the Seventh 5-Year Plan," Premier Zhao Ziyang called on the entire working personnel of government organs at various levels to "consciously become suited to these changes, raise their own ideological and business levels, and improve their methods of work and work style," and to "firmly eradicate the malpractices of bureaucratism, overcome the various symptoms of wrangling, indulge less in vain talk, do more solid work, and strive to raise work efficiency." The raising of work efficiency among government organs is the central theme of improving work style and is also the fundamental purpose of changing the management functions and carrying out reform of the structure. Seen from the dialectical viewpoint, changing the functions, reforming the structure, and improving the work style are important elements, none of which can be lacking and which are three-in-one and mutually related in improving work efficiency. Changing the functions and reforming the structure naturally demand improving the work style, while improving the work style also creates the precondition for changing the management functions and improving the structure. From now on, in improving the work style, government organs should stress helping the grassroots level to solve its actual problems, help the enterprises to solve troubles and difficulties, and create the necessary conditions and a good external environment for the enterprises to operate autonomously, be solely responsible for their own profits and losses, create their own accumulations, and transform and develop themselves, and also for developing lateral economic combinations among the enterprises based on the principles of volition, mutual benefit, equality, and mutual aid.

For the sake of serving in an even better manner the grassroots level and the enterprises, government organs should strive hard to learn the basic theories of Marxism, acquire economic knowledge and special know-how, go deep into the grassroots level and the masses, strengthen investigation and research, and generally enhance the capacity to make decisions in a scientific manner and to handle practical problems. In particular, on the theoretical side, it is necessary to intensively study the innate laws governing the movements of socialist commodity economy and, on the side of actual practice, it is likewise necessary to actively look for the various roads leading to the development of socialist commodity economy and to fully change or rectify all the regulations and systems, ideas and concepts that do not conform with these demands. It is also necessary to firmly change the traditional ideas that have existed for a long time and that treat socialist planned economy and commodity economy as opposed to each other, and to firmly establish the new concept that socialist economy is planned commodity economy based on the public ownership system. It is necessary to change the traditional concept of having fixed prices, and uniform prices instead of floating prices and movement of prices and to acquire new experiences in the use of economic levers to promote the development of production. It is necessary to change the traditional concepts of relying on mandates to pursue production, restricting consumption, and calling for egalitarian distribution, and in production management to establish the market concept, news and intelligence concept, benefit concept, time concept, and the dialectical concept of production determining consumption and consumption stimulating production, thus actively guiding consumption and developing production according to demand. In short, we should consciously abide by, and use, the law of value to serve the realization of the general objective of reform of the economic structure, liberation of the productive forces, and development of productive forces, and also to serve the development of the socialist economy in a planned and highly effective manner. In the course of the reform, government workers should continuously improve their work style following the changes in the management functions, but their inherent revolutionary character should not be changed, nor should their purpose of serving the people be changed. In particular, during the period of switching from the old structure to the new one, due to the new structure not having yet attained maturity and being still in the process of continuous establishment and seeking perfection, and also due to the old structure losing its effect in certain respects, it is unavoidable that loopholes will appear in the system and in management. This will require our government workers to further raise their consciousness, take the whole situation into consideration, abide by discipline and law, strictly enforce all mandates, observe all restrictions, be loyal to their tasks, work selflessly, consciously protect the interests of the state and the interests of society, serve the people wholeheartedly, shun all malpractices and act as a reformer who works selflessly for the public interest.

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WHY DO WE SAY THAT THE DEVELOPMENT OF TOWNSHIP ENTERPRISES IS A NECESSARY STEP FOR INVIGORATING THE RURAL ECONOMY?

Beijing RED FLAG in Chinese No 13, 1 Jul 86 pp 45-46

[Article by Yu Mu [0151 2606]]

[Text] Agriculture is the foundation for the development of the national economy and invigorating the rural economy carries an extremely important significance in our country's socialist construction. Over 30 years of experience have shown: With several hundred million peasants engaged in agricultural pursuits of a unitary nature, the rural economy has not developed and the peasants have found it difficult to become well-off; only through maintaining the precondition of stabilizing grain production, energetically developing diversified operations, and developing commodity production will it be possible to invigorate the rural economy more swiftly and in an all-round manner. To develop commodity economy in the rural villages, it is most important to develop the township enterprises.

First, developing the township enterprises is an important condition for the modernization of agriculture. Modernization of agriculture requires large amounts of funds and advanced technology and a large number of talented persons. To fulfill these conditions, it is difficult to rely wholly on aid from the state. Principally, it is necessary to rely on the strength of the peasant masses and individuals. Seen from the conditions at present and for a certain period in the future, the profits from agriculture itself are very small and relying solely on the accumulations of agriculture itself make it difficult to realize modernization. The relatively more realistic road is the development of township enterprises, taking a portion of the relatively large profits of the township enterprises for use in improving agricultural production conditions and speeding up the steps in agricultural modernization.

Second, development of township enterprises is an important factor in switching, in the rural areas, from a natural economy to a commodity economy. The predecessors of township enterprises were enterprises run by the production brigades and teams of the people's communes and were gradually developed in the seventies. When they first appeared, the external environmental conditions were poor and extremely disadvantageous, but they stubbornly struggled on. Their ability to survive and ultimately develop

may be attributed to the existence of market demand which could not be fully met by the products turned out by the state-run enterprises. Following enforcement of the rural reform, market demand is likely to develop even more strongly and this will provide an even better economic environment for the development of township enterprises. Conversely, the development of township enterprises will greatly promote the development of rural commodity economy.

Third, development of township enterprises is advantageous to the readjustment of the rural industrial structure. The all-round development and modernization of the rural economy necessarily requires, on the basis of enhancement of the productive forces, a rational readjustment of the past industrial structure and its great development to provide various kinds of industries for agriculture before production, during production, and after production. These industries are precisely the major factors catering to the activities of the township enterprises. Only when the township enterprises have developed can these industries which provide services to agriculture be developed and can a rational industrial structure be formed in the rural areas to promote the rural economy's coordinated and stable development and its heading gradually toward modernization.

Fourth, township enterprises serve as important locations for the training of various kinds of technological personnel for the rural areas. Township enterprises are organized by the peasants themselves. These locally born and bred enterprises have, on the one hand, fully utilized their traditional technology and, on the other hand, attracted and guided by market forces, they have actively absorbed modern technology. Particularly in the development of personnel and in enterprise management, they have evolved their own methods of procedure. The procedure is not a closed one; rather, by means of various channels, it actively learns from the advanced enterprises in the cities and towns and borrows strength from the urban areas. For example, enterprises in southern Jiangsu have employed a large number of elderly retired workers from Shanghai and taken advantage of their technology to make various kinds of enterprises achieve great development. In fact, a large number of peasants in the rural areas have gone through training by the township enterprises and have soon acquired management knowledge and practical technology. They have become a new batch of capable persons in the rural villages and an important contingent of technicians for the development of the rural economy.

Fifth, township enterprises have become important places for absorbing and accommodating the rural population which has left agriculture as an occupation. Following the development of agricultural modernization, large numbers of the rural labor force and population will be shifted from agricultural production. Estimates made by relevant units are that by the end of this century, in our country, there will be some 100 million rural workers leaving agriculture as an occupation. If this entire labor force depends wholly on the state to arrange employment for them in the urban areas, then it will put unbearable pressure on the cities and towns, and the way out is the development of township enterprises. In recent years, township enterprises have already absorbed nearly 70 million rural workers and provided

them with employment. This has not only opened up a new road for rural economic development, but has also made an enormous contribution to the development of the whole national economy.

Sixth, development of township enterprises has also laid the foundation for the rise and prosperity of small cities and towns. Cities and towns constitute an important force in leading the rural areas to modernization. This is because cities and towns possess scientific technology, culture, capital, communications facilities, talent, and so forth, and only through the inflow of these factors into the rural villages can a fundamental change be realized in the rural areas. Capitalist countries have taken the road of achieving rural modernization after having exploited the peasants and rendered the rural villages destitute, and up to now a situation of urban and rural areas being opposed to each other still exists. Ours is a socialist country. We should fundamentally break the situation of antithesis between the urban and rural areas and take a new road of cities and towns helping each other and enjoying co-prosperity. The way to do this is to set up many small towns in the rural areas so that they may become the political, economic, and cultural centers of the rural areas. The basis of these small cities and towns is the rising township enterprises. The township enterprises in these small cities and towns directly and indirectly serve the economy of the nearby rural villages. The source of the population of these small cities and towns is the nearby rural villages. They may also consist of people who have left agricultural occupations and people who are both workers and peasants.

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ON TRANSPARENCY OF MAN

Beijing RED FLAG in Chinese No 13, 1 Jul 86 p 47

[Article by Zhang Leike [1728 7191 0344]]

[Text] I came to think about this under the influence of Comrade Zhao Ziyue, a well-known actor.

This old artist, who joined the ranks of revolution when he was very young, gave a speech at the meeting to discuss the deeds of advanced people in the organs directly under the central authorities. In his speech he gave an account of how he worked as a "CPC member among film actors." At the end of his speech, he talked about his shortcomings and defects in public without reserve and expressed the will that he "will be an honest man who does not resort to deception and a transparent man rather than a mystic man." These words were enthusiastically applauded by all those present at the meeting.

"To be a transparent man," as transparent as crystal--what wonderful words! I think that everyone, in particular those who are determined to fight all their lives for the cause of communism, should act as Comrade Zhao Ziyue said and consciously improve their transparency. By so doing, they will let other people and the party organizations know them very clearly and be clear about their strong and weak points. As a result, other people and the organizations can help them develop their strong points and overcome their shortcomings and thus avoid lots of trouble and twists and turns. By so doing, the relations between our comrades will be sincere and harmonized. However, things are often not so simple. We all know that the "Great Cultural Revolution" has caused some people to have dual personalities and made other people bewildered and unsure what their real attitude and personality are. These people are called double-faced people. On the other hand, we very often see that some people always like to keep their thoughts secret so that no one knows what they think in their minds. Even at the meetings specially held for criticism and self-criticism, which ought to be good opportunities to freely air our views, these people do their utmost to prevent other people from having a peep into what lies deep in their souls. In addition, they make such good use of the rich legacy of language handed down by our ancestors that other people are at a loss in finding the meaning of what they say. As a result, meetings that ought to have been lively become meetings of criticism and self-criticism only in

form. What good can this bring to our party, our cause, and our people as individuals?

When Lu Xun evaluated Liu Bannong, he said: "Sure Bannong was shallow. But he was as shallow as a clean stream that people can see the bottom of. Even if there is some silt and rotten grass, they do not change the main feature of its cleanness." True, being "shallow" cannot be regarded as having a good personality, but for a man in behaving himself, we would rather he be somewhat "shallow" and that he be so "transparent" that we can read his mind clearly, than he be so mystic that he is like a bottomless abyss filled with unfathomable mystery. If a man is "transparent," we can be sure that the "silt and rotten grass" can be removed and his "shallowness" can be changed. Perhaps, owing to many years of political movements in which people were severely criticized and persecuted, even now some people still have some "lingering fear," therefore, they stick to their philosophy that "one must not have full confidence in other people." Still others have added some "mud" to what was originally "transparent" in order to prevent other people from seeing through. As a result, these things that should not exist in their minds have been forever buried deep in their minds, become rotten and stink, and produce some poison. Finally, they poison these people's minds and make it impossible to save them. This is no exaggeration with which to scare people.

As a matter of fact, for a CPC member, the degree of his "transparency" means nothing but the degree of his ideological awareness and the extent of the purity of his party spirit. As a true advanced member of the working class, he should be honest and aboveboard and have a clear goal. Naturally, he should be so "transparent" that people think that he is very affable and can be trusted. Why do people cherish particularly deep respect and memory of fine CPC members like Zhou Enlai, Peng Dehuai, and Chen Yi? Is this not because of their thorough selflessness and terrific "transparency"? Now, our party is encountering some "hard problems" in consolidating itself; for example, the somewhat incorrect party work style. If we want to solve these problems thoroughly, we must rely on improving the "transparency" of all CPC members, in particular the cadres who are CPC members. By so doing, we will make them consciously loyal and honest to the party and people. This ought to be a part of the task to steel party spirit and also an indispensable part of the task to intensify the consolidation of the ruling party.

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WHERE DOES THE CLEAR WATER OF THE POND COME FROM?--READING THE BOOK 'THE CHRONICLE OF A DRIED POND'

Beijing RED FLAG in Chinese No 13, 1 Jul 86 p 48

[Article by Hong Liang [1347 0081] and Pei Heng [0160 5899]]

[Text] The waves of reform are surging on China's vast land, stirring the thick and heavy yellow soil and inspiring the souls of the Chinese nation. However, the "rocks" that have been given rise by the decaying ideology left over by history and some defects continue to stand stubbornly and steadfastly amid the torrent. Zhao Benfu's short story "The Chronicle of a Dried Pond" is precisely a story that reflects this existing situation through his level-by-level narration of a story about the transformation of a dried pond that had lain idle for many years. Between the lines, there are worries and indignation which enlighten people and make people think.

There are not magnificent and shocking scenes in the story, but its simple narration deeply reveals the significance of its theme. To the northwest of a county town, there is a dried pond which is surrounded by wild grass and withered willow trees, but is swampy the year round because sewage water and rubbish are poured into it. The Beiguan Brigade wanted to turn this pond into a fish pond, but as the brigade lacked funds and as the problem concerning its title was difficult to resolve, this idea could not be carried out. A few years went by, and the county party committee finally decided to not only turn it into a fish pond, but also to build a park around the pond. The residents there were excited by this. However, before this decision was actually carried out, people argued about where the rubbish and waste water were to go and whether it would give rise to conflicts between different nationalities.... A project that not only benefits the people but is not difficult to carry out became very difficult, was delayed endlessly, and consumed people's enthusiasm and confidence. What is the root cause of this malady?

There is then a sudden turn in the story. Just as people almost entirely lose hope about the construction of the park, a tall veteran serviceman comes. Half a month later, many peasants come to the area to build the fish pond. It turns out that it is the veteran serviceman, a lunatic who has just retired from the PLA, who has initiated and organized the construction of the fish pond. With his "mad" enthusiasm, he smoothly resolves all the

"difficulties" and "conflicts" and finally completes the construction. However, when his madness is cured, everything returns to the old situation and there are countless obstacles to his work, which makes it impossible for him to make any progress in his work. Finally, his madness returns.

What an interesting "madness"! This mad enthusiasm drastically shocks the readers. From this, we can feel the writer's great indignation at the failure to make any progress in building the fish pond. However, this mad enthusiasm does not merely mean praise for a persistent spirit in doing practical work. The reason why this mad enthusiasm works is precisely because of the high position of the old comrade, who is not in a post of power, but who still has a remnant influence. Those who oppose the project submit to his authority and dare not offend him; therefore, he can achieve what he wants. If he was one of the common people, even if he had people's deputies to express his desires, let alone "mad enthusiasm" his suggestions would only be accepted as words, but might not be smoothly carried out. Therefore, it is the real reformer, the team leader, the small hunch-backed old man hated by other people, who has the wisdom to know the truth. The following dialogue in the story is very wonderful:

"It is said that the man is a lunatic. I am afraid that he is not reliable."

"You do not understand!" said the old hunchbacked man with delight. "What we need is precisely his madness! The madder, the more reliable! Can we rely on soberness for reliability? Ha!"

What a wonderful argument that "it is precisely the madness that works"! However, the writer's thinking does not stop at this. If he should, he could not go beyond the old scope of plays about upright and honest officials. What makes people think deeply is that when the veteran serviceman recovers after treatment, although he has not lost his enthusiasm for his work, he cannot do this work as smoothly as when he was mad, and he meets countless obstacles in his work. It is even harder for him because he is still regarded as a "lunatic." Does this mean confirmation of his achievements? Does this mean that his work enthusiasm is not practical? No; his madness has touched the core of bureaucracy and smashed the inertia of working according to "routine." Since no one dares oppose him directly, the best method is to regard him as a lunatic. Is there anyone who understands him? This practice that resists reform and would rather maintain all the old things in peace is precisely one of the reasons for our backwardness. To some extent, this story carries on Mr Lu Xun's tradition in discovering the characteristics of our nation. The veteran serviceman's mad enthusiasm in fearing nothing reminds us of the lunatic in Lu Xun's short story "An Ever Lit Lamp," who shook people's hearts when he shouted with loneliness: "I will set fire to it." But the loneliness and the going mad once more of the veteran serviceman in "The Chronicle of a Dried Pond" fills people with pain and sadness.

What our reform needs is pathbreakers and practical workers. It is the actual work that scores achievements rather than empty talk around a table or

illusions given rise by short-lived enthusiasm. The story discloses for us the latent frightful historical inertia that underlies the situation whereby "all people are carrying out the reform." This inertia consumes people's enthusiasm and makes them satisfied with the status quo. Does this not sound an alarm for us?

In "The Chronicle of a Dried Pond," profound inward philosophical thinking is skillfully and naturally combined with a description of reality. We can feel the writer's indignation in his undecorated wording. May this short story cause you to think deeply and may the hot torrents beneath the surface of the story shake you!

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A GOOD BOOK FOR HELPING PEOPLE BECOME FAMILIAR WITH INNER-PARTY LIFE
KNOWLEDGE--AN INTRODUCTION TO 'HANDBOOK ON INNER-PARTY LIFE KNOWLEDGE'

Beijing RED FLAG in Chinese No 13, 1 Jul 86 inside back cover

[Book review by Yang Fengchun [2799 6646 2504]]

[Text] Since the focus of party work was switched to economic construction, our party has placed even greater emphasis on the "necessity of the party administering the party" and the "necessity of imposing strict discipline inside the party." It has called on the vast number of party members to correctly exercise their rights and perform their duties and play their role as pioneers and models among the masses of people. Therefore, systematic carrying out of education concerning knowledge about inner-party life has already become an important task in building up our party.

Carrying out systematic education about inner-party life knowledge among our party members is not only an objective demand resulting from the acceleration of the four modernizations, but also the common desire of our vast number of party members in order to strive to make themselves qualified party members and to improve their political understanding and sense of organization. Now, of our party's over 42 million members, over 17 million joined the party in the period from 1966 to 1976, and more than 8.5 million joined in the period from 1977 to 1984. These party members account for 60 percent of the total membership of our party. Quite a large portion of these comrades have not received systematic education about inner-party life knowledge, and are therefore unfamiliar with the various inner-party rules that govern the party's political life and routine activities. Some comrades even have some muddled ideas about the basic concepts related to the party and party members. For example, in handling the relations between their personal interests and the interests of the masses of people and between the interests of the part and the whole, they do not know that party members should consciously put the interests of the masses of people, the whole, and the party first. At the same time, as our reform deepens, many new cadres have been appointed to leading posts in party organizations at various levels. Quite many of these comrades who specialize in doing party work are not familiar with inner-party rules. For example, a mayor who was concurrently secretary of the leading party group regarded it too troublesome to call meetings of the group. Therefore, he set up a "nuclear team of three people" inside the group and had this team discuss and decide all major

issues. As he did not know the inner-party rule of collective leadership, this secretary of a leading party group committed the mistake of violating the party's organizational principle. For another example, at a meeting to punish a party member, the secretary of a county CPC committee said in conclusion that the party member must not only be expelled from the party, but also be placed on probation within the party in order to make the punishment more severe. He did not know that expelling a member from the party is the most severe punishment inside the party; therefore, he gave such a ridiculous conclusion. Even the comrades who joined the party before the "Great Cultural Revolution" have forgotten many of the inner-party regulations and rules, because for a long time, they have failed to review the various knowledge about inner-party life. All this proves that it is necessary for both new and old party members to study again the knowledge about inner-party life.

The book "Handbook on Inner-Party Life Knowledge" edited and published by Heilongjiang Province's PARTY LIFE journal provides us with a textbook to become familiar with the knowledge about inner-party life and thus satisfy this demand. The handbook reflects the new situation and problems that we have encountered in carrying out party work in the new historical period and is thus very relevant. The book has 55 special topics and is divided into 1,031 small sections to expound on the various rules and regulations concerning inner-party life. For example, it expounds on the questions of how we are to satisfactorily do the job of administering party members, how we are to do a good job of educating party members, how we are to be good party branch secretaries, and so on. It is well organized and gives detailed explanations of the regulations and actual work methods; therefore, it not only covers all the topics but also is very helpful for the actual application of the rules and regulations. The writers and editors of the book have strived to take into the research achievements since the 3d Plenary Session of the 11th CPC Central Committee in answering some questions concerning the basic theory of party building. Of course, it is still necessary to make further efforts to make the order of the sections of this handbook more reasonable and scientific in order to make it easier for people to read it and it is also necessary to deepen the exposition on the question of how we are to integrate theory with practice in handling some basic issues. However, generally speaking, this book can still be regarded as a good book to constantly refer to by the comrades who hope to understand the knowledge about various rules governing inner-party life.

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