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China Report

RED FLAG

No. 1, 1 January 1982

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

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TELL THE TRUTH, DON'T SAVE FACE

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 2-6

[Speech on 9 May 1945 by Chen Yun]

[Text] CCP Central Committee party literature research office's note: "Tell the Truth, Don't Save Face" is a part of a speech Comrade Chen Yun made at the seventh CCP national congress in 1945. It vividly and profoundly explains how to treat merits and mistakes from the historical materialist point of view and asks our cadres, especially leading cadres, to tell the truth and not to save face. The principles Comrade Chen elaborated in his speech should be studied well and understood today by all comrades of our party at a time when the party's fine traditions have been seriously damaged after 10 years of turmoil under the rule of the Lin Biao-Jiang Qing counterrevolutionary clique.

Recently, the party Central Committee asked us to bravely take up the weapon of criticism and self-criticism and cleanse ourselves of political dust and microorganisms. It also asked leading members of party organizations at all levels in particular to make preparations for conducting "correct and serious criticism and self-criticism without distorting facts," earnestly improve the style of party leadership, improve collective leadership by party committees at all levels, enhance unity both within and outside the party and give effective leadership to all fields of work. The study of Comrade Chen Yun's speech is of great importance in implementing the guidelines and meeting the requirements set by the party Central Committee.

Pursuant to the instructions of the Secretariat of the party Central Committee and with the approval of Comrade Chen Yun, this speech is now published for the study of party members and cadres.

If a comrade asks me: You have been head of the organizational department for several years, do you have something to say? I would say that I have, now that I am relinquishing this job for Comrade Peng Zhen to take over. If he asks me: What do you have to say? My answer is: I have already made clear in Comrade Shaoqi's office as to how many party members, cadres, statistical tables and pamphlets we have. Now I do not want to say more about that but I would like to speak about something else. I feel that I have the responsibility to speak to you at this congress about what I have seen. You, comrades, can study and decide if I am right and criticize and refute me if I am wrong. In the past 7 years I have found a number of party cadres arrogant. During this period I did not make contact in my work with large numbers of cadres. I have not been to north China, central China and the area under Kuomintang rule during the war of resistance against Japan. But many people have come to Yanan from these places to "make a pilgrimage." From my contact with these people, I have found that many people like praise and dislike criticism. Some people only want to be promoted, but not demoted. When they make a contribution, they are sure to claim credit for themselves. When they make a mistake, they always try to shirk their responsibility. When they are criticized for their mistakes, they give a lot of reasons to prove they are not at fault. They feel comfortable when praised, and uncomfortable when criticized. This is a tendency existing among a number of cadres within our party. Let me define more clearly what I have said. Our party cadres on the whole are good. They are basically Bolsheviks, with some defects. With regard to the condition I just described, there is some difference between the period before and after the rectification of incorrect work style. There has been a great improvement following the rectification. But the condition still exists among a number of our cadres. The rectification has touched only a number of cadres. Here I want to add that the number of cadres unmoved by the rectification is quite large, not just a few. They include those in the local areas and those in the army. From what I see, the army has more of such people than the local areas. This is my own view. Cadres who are arrogant include low-ranking cadres, middle-ranking cadres and high-ranking cadres as well as the big shot [datouzi 1129 7333 1311]. The nature of individualism of low-ranking cadres is the same as that of high-ranking cadres, but the "burdens," in my opinion, are different. This is because the "burden" of individualism carried by low-ranking cadres is limited. For instance, a company leader will carry on his back a bed sheet, two pairs of shoes, a box of tooth powder and a toothbrush. That is all. The burden is uncomfortable, but not as uncomfortable as that of high-ranking cadres, big shots, party and army chiefs who have more baggage, such as bed sheets, cotton-padded mattress and blankets. Thus a high-ranking cadre with such a tendency is more dangerous than a middle- or low-ranking cadre because of the difference in "burden." The "burden" I have just mentioned refers to individualism in the mind of a communist. Why should one feel arrogant? Well, there is a basis for arrogance. The person is aware of his contributions. If he discovers that he has made no contribution, what can he feel arrogant about? Arrogance comes when a person feels that he has made some contributions.

Incidentally, I would, therefore, like to discuss my views on contributions and mistakes. If you have performed certain work under party leadership and

have thus accomplished something, what will be your view of your accomplishment? I would say that three factors should be noted: first, the strength of the people; second, leadership by the party; and third, the personal role. Can this order be reversed so that personal role comes first, party leadership second and the strength of the people third? I say no. This order must never be reversed. You will ask, why not? Why should the people's strength come first? It is wrong to think that if one does not take part in the revolution, the common people can never be emancipated, the CCP will be at its wits' end and the masses will find themselves at a disastrous impasse. When a hero dies, will the revolution come to a halt? Will the people no longer wage revolution? The common people still want to wage revolution and the party continues to advance. Therefore, the people, not the heroes, come first and the party comes second. One must give full weight to the role of the party. Take the army for instance. Our army sometimes loses battles, but it will not collapse. One should have some personal experience in this and believe not his ears but his eyes. During the Long March, the Fifth Army Corps fought every day for a period of 100 days while on a forced march. It seemed that this corps could not fight any longer. Marching forward with torches in their hands, the soldiers' morale was low. However, everyone would have thrown away their torches and continued fighting to resist the enemy if the superiors had decided to continue the battle. Soldiers taken prisoners by the enemy managed to escape and returned to their parent units one after the other. Things were very difficult during the Long March, but no one wanted to leave; they stayed with us because the army was an army led by the Communist Party. It is easy to lead this army; but in another sense, it is difficult to do so. The fact that everyone wants to wage revolution and accepts no mandatory orders makes it very difficult to lead the army; yet, the fact that everyone is conscious of what he is doing and works hard for conscience sake makes it easy to exercise leadership over the army. In other armies, if a company leader, a regimental commander or a division commander changes sides, he can take his unit with him. But our army is different. If a leader or a commander is a turncoat, the men will refuse to go with him and will kill him. There have been many examples of this in the past and at present. What strength is behind these examples? This is the party's strength. The Communist Party is welcomed by the people wherever it goes. The common people first ask if you are a member of the Eighth Route Army or not? Why should they ask? It is because the common people support the Communist Party. Because they are poor, they want to be emancipated, to strike blows at the local tyrants and share their land, to "share" something. They agree with the Communist Party. This shows the party's strength, not the strength of the individual. This indicates the party's influence. Our Communist Party has had its low and high points. During the late years of the civil war, we were welcomed by the common people even though we pursued an erroneous line. I do not say this for the purpose of defending the mistakes made in those years. What I say is a fact. The common people did not accuse you of following a dogmatic line. They only knew that you were communists and that the Communist Party wanted to overthrow the local tyrants, to share their land and to work for the people's interest. All this shows that our party's strength is powerful. Therefore, the people come first, the party second and the personal role comes last.

Does the individual play a role? I would be wrong if I negated the individual's role. If the role of the individual means nothing, why should we support Chairman Mao? I say the individual plays a role and sometimes a big role. My word here is based on facts. People, whether they are Chinese or foreigners, with the exception of a tiny number of reactionaries, all say that Chairman Mao's leadership is fine. However, the most essential thing is the common people, the Communist Party. When a person acknowledges that this is true, has worked for a period of time and his work is not bad, can he say "I have made a great contribution"? No, this is not appropriate. The question should be viewed this way: In line with the revolutionary requirements of the people and with the party's leadership, we have worked in conformity with the objective situation and have not made many mistakes. Our work is just so-so. It is very rare that objective conditions allow a person to accomplish his work fully. It is common that when objective conditions permit a person to accomplish 100 percent of his work, he has performed only 80 percent, 60 percent, or 50 percent because of his shortcomings. Then, what can one feel arrogant about? Another situation is this: When objective conditions are so good that they permit a person to accomplish 100 percent of his work, he has accomplished nothing because of his mistakes or he has performed only 20 percent or 10 percent because of his many shortcomings. He has not made a single contribution but has committed numerous mistakes because 80 percent or 90 percent of what he has done was wrong. In this case, he must not feel proud of what he has done. Is this view correct? I say it is correct. We should not overestimate our own role and feel so self-important.

If other comrades respect and praise you for your good work, you should be on guard. Do not feel complacent when people praise you or you will trip and fall. When is a person apt to trip and fall? We had this experience when we were proceeding on foot during the Long March, that is, we were constantly wary of tripping and falling. If you thought you had never tripped and fallen during the march, then you were likely to trip and fall soon. Therefore, you should be on guard when people praise you. Think for yourself whether you are that good. Maybe you are not that good and you should be on guard. The CCP has so many examples of this. Those who believed that their personal contribution was beyond that of the people and the party have fallen and never risen again. I find the most outstanding examples in two persons--Chen Duxiu and Zhang Guotao. In the past, that old fogey Chen was a VIP, being publicly recognized as the party's leader during the great revolution. Zhang Guotao, or Chairman Zhang, was the chairman in the border region. But when he abandoned the common people and the party, he was not worth a coin.¹ During the Qing dynasty, a ma [7802] money was used, which was subsequently replaced by copper coins. Was he worth a copper? No. What are they up to now? Chen Duxiu is dead. He organized liquidationists to oppose us, but the people did not support him. Was the later Chen Duxiu the same as the earlier Chen Duxiu? The later Chen Duxiu was indeed the Chen Duxiu of the great revolution. They were actually one and the same man. At first, the people supported him as leader, but they eventually ignored him. Zhang Guotao, formerly Chairman Zhang, is now engaged in secret service. Does he have supporters? Only Generalissimo Chiang supports him. The common people do not support him. Did he have a large mountain stronghold in the beginning? The Fourth Front Army was sizable, but he was alone when he left. All

the cadres stayed away from him and his guards also returned to Yanan. He was alone when he left amid the drizzling rain of the Qingming season. We can draw a lesson from these things. A person has his contributions, but he should not overestimate them. He who abandons the people and the party will achieve nothing. This is how we should measure ourselves. From where do your merits derive? For one thing, the common people want revolution. We, the party members, have merely done something under the party's leadership to meet the people's demand. That's it. In no way should we feel complacent.

Regarding the question of making mistakes, I have the feeling that besides an incorrect stand and a vicious motive, there are other things which trip up a person. Because of a misperception of the objective things, the resulting actions also go wrong. There were many instances of this in the past and there are many at present. We wonder how many more such instances will occur in the future. When people say, "Hey, you are wrong," should we blush and feel offended? Of course it is not good to make mistakes, but it does not matter if you have a correct attitude. If you make a mistake and others criticize you, you should ask for their advice, learn how they analyze the mistake, and then correct it. In this way you will make fewer mistakes in the future. We must tell the truth, not save face. We should evaluate things as they are and do what needs to be done. Sometimes, the more you save face for the moment, the more you lose it in the future. Only when you are not afraid of losing face, cast aside all considerations of pride and sincerely correct your mistake can you keep some face. A Communist Party member who takes part in the revolution has given up everything and is ready to sacrifice his life for the revolution. So why should he be concerned about face? Cast aside such considerations, tell the truth, and do whatever is beneficial for the people and to the revolution. We are shouldering such a heavy burden and if we want to save face, we will not be objective when discussing things and will look at things from a certain angle, that is, we will tend to support the opinions that are beneficial to us and to our faces and disapprove of those that do not consider our faces. If you want to save face, you will view things from the angle of personal interest when discussing questions and take a wrong stand. You will not see problems clearly or tell the truth. The results are bound to bring harm both to other persons and to yourself. For instance, the enemy is powerful. However if we misjudge it and think it is weak, then we are defeated. Defeat is the result. This not only happened in the past, but will also happen frequently in the future. No one is an exception.

Why do I spend so much time on this question at the meeting of the seventh national CCP congress? I feel I have the responsibility. Having been the director of the CCP Central Committee's Organization Department for 7 years and being aware of this question, I need to talk about it at the meeting. I hope delegates to the congress will examine and verify the matter to see if it is correct and determine which part is correct, which part is wrong and whether it is all correct or all wrong. Anything wrong with it can be refuted. If this situation really exists, I hope everyone will make corrections in this respect. Now is an opportune time, a very important opportunity. Chairman Mao's report says that according to the general situation in the

world and China, we are on the eve of a final battle. We have the ambition to liberate the whole of China and arouse the people of all of China to stand up and to hold the political power in their hands. This should be done immediately. The seventh national CCP congress is precisely designed to accomplish tasks like this. Now the whole party's task is to increase its strength and there are many ways to do this: by either expanding the liberated areas or by shrinking the enemy-held areas. I personally feel that we should increase and decrease at the same time. By increase, I mean we should study. By decrease, I mean we should unload the "burden," which is also a way to increase strength. The strength increased in this way is inestimable. If all our comrades are upright, seek truth from facts and are devoid of individualism, they can withstand an army of 100,000 or 1 million. This is an invincible power.

Comrades, the CCP is a party with its own army. In making revolution, we have local civilian work and military work to do. At present, army work and armed struggle are the major work. The army holds the guns. Its organization is more centralized. Its cadres hold great responsibilities and its ranking cadres hold even greater responsibilities. Can the 450 million people achieve liberation? Will liberation be achieved early or late? Will some 100,000 less people be sacrificed or some 100,000 more? The people throughout the country place their hope on our party and on our ranking cadres. If we do our work well, victory will come and the people will be liberated soon. If we do not do our work well, the 450 million people will not be quickly liberated, victory in the revolution will be delayed for years and many more people will be sacrificed. Then, we will be letting the people down. Our party has to decide the destiny of the people throughout China. Communist Party members, it is the people who have chosen you to be their representatives in waging revolution. It is the people who want you to lead them in the struggle for emancipation. We have this duty. We cannot afford to fail in our work. Failure in our work is not just the matter of one person or a few people. The success or failure of the 450 million people throughout China is at stake. We must be conscientious. We should cast away all that is bad and everything that should be cast away. We should shoulder our responsibilities in front of the people. Failing to do so means failing to fulfill our duty. People say that CCP members are outstanding descendants of the Chinese nation. Whether we are outstanding or unworthy descendants can be judged by whether we have fulfilled our duty for the people. This duty has been given to us. We should conscientiously handle this question. I repeat: Our comrades are basically Bolshevik and are good Communist Party members. What I was talking about was some drawbacks among the good. Some cadres have these drawbacks. Now, it is time to correct these drawbacks. During the civil war period, a book entitled "Struggle To Make the CCP More Bolshevik"² was published. That was not good. We must discard our "burden," truly struggle to become Bolshevik and increase the strength of ourselves and the party.

FOOTNOTES

1. Zhang Guotao was acting chairman of the Shaanxi-Gansu-Ningxia border region government from September 1937 to April 1938. On the Qingming

tomb-sweeping day in April 1938, representing the Shaanxi-Gansu-Ningxia border region government, Zhang Guotao held a memorial ceremony at the Huang emperor mausoleum and took this as an opportunity to escape to Wuhan to join the Kuomintang secret service group, thereby becoming a renegade of the Chinese revolution. So, later on in the passage it was said that "he was all alone when he left amid the drizzling rain of the Qingming season."

2. This refers to a booklet by Wang Ming published in 1931 representing the left-deviationist dogmatism.

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KEEP THE OVERALL SITUATION IN MIND AND GIVE METICULOUS GUIDANCE

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 7-10

[Article by RED FLAG Editorial Department]

[Text] Filled with a feeling of joy, all of us are now ringing out the year 1981 and ringing in the year 1982.

How was our work in 1981, now that we are reviewing it? If we do not have any prejudices, we cannot but admit that the whole party, including all localities, nationalities, trades and professions and fronts, made new contributions and scored major new achievements in our work. What were the principal signs of these major new achievements? First was the continued turn for the better in the economic situation and second was the greater stability in the political situation. The continued turn for the better in the economy refers not only to the fact that we have overcome serious natural disasters, that our production has increased by a considerable margin and that there has also been very great improvement in our financial status while great readjustment of the national economy is being carried out; but, what is more important, it refers to the fact that we have systematized a set of correct principles for the guiding ideology of the socialist economic construction, that is, the 10 principles put forth by Comrade Zhao Ziyang in his report to the 4th Session of the 5th NPC. The latter achievement is, in a certain sense, greater than the former one. It is precisely this set of principles that has enabled our national economy to embark on the path of steady development. It is also precisely this set of principles that will ensure that we do not take the tortuous path of muddling things up in the future, but take the new path with substantial speed, better economic effect and more practical benefits for the people. This is the experience we have gained after spending many years and paying great sacrifices. Politically, we have maintained and developed in the past year the political situation characterized by stability, unity, vividness and liveliness. It can be said that the political situation in our party and state at present is the best since the 1960's. In this aspect, the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" approved at the 6th Plenary Session of the 11th CCP Central Committee has played a positive role in unifying the ideology of the whole party, the whole army and the people of all nationalities throughout the country, strengthening unity, enhancing revolutionary vigor and building a powerful and modern socialist

country with one heart and one mind. This role has exceeded the expectation of a great many comrades and is showing itself ever more clearly.

The achievement in the past year has not been gained easily. This is the result achieved by the whole party, the whole army and the people of all nationalities throughout the country with concerted and strenuous efforts under the guidance of the principles and policies of the CCP Central Committee. We should fully understand that the entire situation is getting better and better with each passing year and that the party's prestige is rising continuously. More and more people at home and abroad believe that our party has the ability and means to administer our country well and to achieve the objectives of our struggle for this century. We should have the confidence in ourselves and the steadfastness of the proletariat. The view that the prestige of our party appears to be dropping continuously does not conform to reality. Comrade Mao Zedong often quoted Lenin as saying that, in order not to make others vacillate, one should first of all not vacillate oneself. We should always remember this sentence.

Naturally, we should also understand that the people set very high demands on us and expect us to do more and better. As a matter of fact, some of our work has not been done well and a lot of problems have not been solved well. We should never overlook the problems in this aspect. What are our conclusions then? The conclusions are: do not be satisfied with the achievements made, and do not slacken our efforts but continue to go all out, forge ahead and strive to achieve the objectives of our struggle in the new year.

The year 1982 is the sixth year since we smashed the "gang of four," the fourth year since the 3d Plenary Session of the 11th CCP Central Committee was convened and the first year since we accomplished the historical task of bringing order out of chaos in the guiding ideology of our party. That is to say, the party will have many more favorable conditions in 1982 for concentrating its energy on leading socialist modernization better. Therefore, it is entirely justifiable to ask the whole party to do its work better in various fields so as to obtain better results in the new year and to win still greater victories in socialist modernization.

In order to win still greater victories in socialist modernization in 1982, what are the targets and the requirements?

First, it is necessary to simultaneously grasp the building of material civilization on the one hand and the building of spiritual civilization on the other. Relatively satisfactory results should be achieved in these two aspects. The slogan that "life under socialism must attain a high ethical and cultural level" has been recorded in the "resolutions" of the 6th Plenary Session of the 11th CCP Central Committee. This is a very good slogan and has a very strong appeal to the people of the whole country. It can play a very good role in mobilizing the people politically and exert very good influence internationally. The bourgeoisie has always accused us of paying no attention to civilization in building communism. We declare that socialist spiritual civilization is 10,000 times better than your civilization!

Second, it is necessary to develop the economy vigorously, steadily and speedily. The advantage of this formulation is that it contains both given quantitative requirements and strict qualitative ones and unifies the two aspects. Stress should be laid on steadiness, and it is necessary to do away with falsity. This means that close attention should be paid to improving economic results. This makes it necessary for us to conscientiously carry out the 10 principles for economic construction and solve a series of major problems in a planned way. Every sphere, including agricultural and industrial production, communications and transportation, capital construction, circulation of commodities and finance and banking, should do its work in a down-to-earth manner so as to raise economic results. We should fully understand the significance of improving economic results as the heart of economic construction. First of all, it is necessary to soberly understand that our economy has shown very great improvement since the great readjustment of the national economy, but the potential danger has not been completely eliminated. The task of stabilizing the economy, of achieving a near balance in financial revenue and expenditure and the basic stability of prices, remains a matter of the first magnitude that merits our close attention. Second, it is necessary to understand this truth, that is, whether we engage in construction or increase the income of the workers and peasants, the money comes, in the final analysis, from industry. Ninety percent of our state financial revenue is provided by industry. Only by improving the economic results of industry, which means that we have not only developed production but also increased our income, do we have money to engage in construction and improve the people's lives. Furthermore, it is also necessary to understand that in order to improve the economic results, it is imperative to have a firm grasp of the readjustment and restructuring of enterprises. The potential of our enterprises is very big. So long as we carry out technological transformation, gradually institute and amplify the economic responsibility systems, strictly enforce the various necessary rules and regulations, train the ranks of staff and workers well, reorganize the leading bodies, practice democratic management, raise the level of management, step up ideological and political work, overcome lax discipline, poorer quality, serious waste and other phenomena and crack down on the evil tendencies such as deception, tax evasion, graft, bribery, withholding profit that should be delivered to the state and overcharging the state, shall we be able to achieve the aim of improving economic results and further stabilizing the economy. Moreover, it is necessary to further make clear the guiding ideology for rural work. In order to stabilize the economy and enable the national economy to embark on a new path, we should rely not only on industry but also on agriculture. It is necessary to educate the peasants in collectivism and patriotism. They should be made to understand that it is imperative for China to take the road of socialist collectivization in agriculture; that it is imperative to uphold the long-term unchanged policy of public ownership for land and other basic means of production and the long-term unchanged policy of practicing the production responsibility systems in the light of the requirements of the collective economy; that it is imperative to uphold the principle of "never slackening our efforts in grain production and actively developing the diversified economy"; and that it is imperative to uphold the principle of giving consideration to the interests of the state, the collective and the individual. On the basis of raising the peasants' consciousness,

it is necessary to gradually perfect the agricultural production responsibility systems and set up a rational agricultural production structure characterized by diversified economy, comprehensive development, good economic effect and a high commodity rate. Finally, it is necessary to profoundly understand this major principle: in the economic construction of our country, we must coordinate the activities of the nation like pieces in a chess game and act according to plans. Ours is a great socialist country with 1 billion people, 800 million of whom are peasants. In all the economic activities, stress should be laid on the planned economy supplemented by regulation by market mechanism. In our country, the relationship between the planned economy and regulation by market mechanism is one between the principal and the subordinate aspects. Our economic work should be aimed by providing 1 billion people with rice and enabling our country to have the surplus strength to carry on with the construction. The improvement of the people's lives should be kept within the framework that they can eat and engage in construction. The consumption of the people should be arranged according to plans for we should not pay attention to eating alone. There would be no prospects for our country if we should eat or use up everything. The construction of our country should also be carried out according to plans in order of priority and importance; we should not upset the balance among finance, credit and goods. It is also necessary to strengthen guidance of the agricultural economy and allow the peasants to operate within the scope of the state plans. Only by doing so can we conform to the overall, long-term and fundamental interests of the people and the state.

Third, in carrying out political work and building spiritual civilization, we must strive to make definite improvements in social order, social morality and party work style. In areas inhabited by minority nationalities, we should also strive for great improvements in the relationship and unity among nationalities. In order to accomplish these three tasks, it is necessary to adopt a series of practical and effective measures.

First, it is necessary to mobilize the whole party and all social forces and to arouse all media and mass organizations to create strong and persistent public opinion for building socialist spiritual civilization. Otherwise, it is impossible to build socialist spiritual civilization. We were very good at creating public opinion during the war of resistance against Japan. In implementing the three main rules of discipline and the eight points for attention, the people's army was also very good at creating public opinion. In December 1980 Comrade Deng Xiaoping proposed that, in achieving the four modernizations, it is necessary to vigorously promote the spirit gained during the revolutionary war years. He said: "We should also spread this spirit among the entire people and youths by giving it great publicity and setting an example, so that it will become the main pillar of spiritual civilization of the PRC, cherished by all people in the world who demand revolution and progress and admired by many people in the world who lack spiritual ballast and suffer spiritual depression." It seems now that the matter has not aroused the close attention of the people and has not been given "great publicity." "Great publicity" refers to creating public opinion. It is necessary to create powerful and sustained public opinion to foster the healthy tendencies and suppress the unhealthy ones. The methods of piecemeal,

weak and feeble publicity will not achieve the desired results. In brief, in building a high degree of spiritual civilization for our nation, it is necessary to conduct extensive, thoroughgoing and sustained education among the whole party, the whole army and the people of all nationalities throughout the country. It is necessary to pay attention to this matter for many years and make it known to every household.

Second, all party and government organizations, armed forces units, enterprises, schools and mass organizations, totaling more than 100 million members, should take the lead in talking about civility, courtesy, sanitation, order and morality, stressing beauty of the mind, language, behavior and environment, planting trees to make the motherland green, beautifying the environment, and carrying out sanitation work and other socialist activities for the benefit of the public. The 4th Session of the 5th NPC has approved a resolution on launching a voluntary tree planting movement by the whole people. We should promote these activities in a sustained and thoroughgoing way and not carry them out on and off or in a feeble manner. This is also a movement for changing prevailing habits and customs and transforming China. The significance of this matter should not be underestimated. There are 1 billion people in China and if we first pay attention to these movements in a persistent manner among the 100 million people, the prevailing customs of the entire society will change accordingly.

Third, it is necessary to effectively reorganize the grassroots organizations in the cities and the countryside and to improve the ideological and political work of party organizations and the government work in the grassroots. This is a very important matter. Take the rural areas for example. After the practice of various forms of the production responsibility system and especially in localities where the system of assigning farm output quotas for each household and assigning each household full responsibilities for task completion has been practiced, it is necessary to pay close attention to avoid or rectify the breakdown or disintegration of the grassroots organizations. As an economic unit, the function of the production brigade and the production team in leading the economy should be preserved; the function of commune (township) and production brigade (village) as basic-level government in particular should be correspondingly strengthened. Otherwise, the various kinds of confusion in the rural areas will unavoidably spread. At present, in some localities of the rural areas, public security is poor, the general mood of society is unhealthy and gambling and superstitious practices are rampant. An important reason for the emergence of these phenomena lies in the fact that the party and government organizations in the grassroots are not sound. It is therefore necessary to reorganize the basic-level organizations so that the ideological and political work of the grassroots party organizations and the government work at the grassroots can be genuinely strengthened.

Fourth, it is necessary to continuously strengthen the work of party discipline inspection committees and the administrative and judicial departments, to earnestly solve the unsettled problems regarding the implementation of the party's policies, and to resolutely and promptly hit at all violations of law and discipline and criminal activities. The leading comrades of the

CCP Central Committee recently pointed out that a few units and cadres continued to engage in smuggling activities and the activities of selling smuggled goods and that the fact that some localities had failed so far to deal with the matter gave us much food for thought. With respect to matters of this kind, it is necessary to investigate them thoroughly and mete out stricter and heavier punishment if an important person or a big organization is involved. From this we can see that, with respect to the serious matters of violating law and discipline within the party, if we fail to resolutely and mercilessly investigate and affix responsibility for them, it will be impossible to rectify the party work style. In order to improve the general mood of society, it is first of all necessary to rectify the party work style. An extremely important aspect in building spiritual civilization is to use the party work style to promote the common practice of the people.

Fifth, it is necessary to transform the superstructure in a planned and systematic way, to simplify the administrative structure, to vigorously overcome bureaucratism and to greatly increase efficiency. The malpractice of bureaucratism that exists in the political life and economic management of our state has become a serious obstacle in our efforts to advance along the new path for developing the national economy and to engage in the building of the four modernizations. After meticulous investigation and repeated studies, the CCP Central Committee and the State Council are determined to adopt decisive measures to resolutely change the intolerable states of affairs, such as great numbers of departments, overstaffed organizations, complicated administrative structure, petty disputes, having more hands than needed, excessive number of deputies and nominal positions and low work efficiency. The central organizations and the State Council will set an example for the party and government organizations at various levels throughout the country by putting them into practice first. The measures will then be spread from one level to another and be accomplished by stages and in groups within the specified time. Without grasping the link of simplifying administrative structures and without starting with this work, it would be impossible to overcome bureaucratism.

Building socialist spiritual civilization is a long-term and tremendous strategic task which requires us to do a lot of work. It is necessary to start our work by paying attention to social order and the general mood of social and party work style--particularly party work style. This is a major task the whole party should pay close attention to.

Now, the correct line and principles have been laid down and the targets of our struggle have been ascertained. It is necessary to let all our party members fully understand the significance of achieving new major successes in our work in 1982. We can take a still firmer stand if we make new and greater progress in economic and political work and in building material and spiritual civilization in 1982. Then, the path will be smoother for us to advance from this year to the next, march onward toward the goals of the "sixth 5-year plan" and subsequently open up a new period of economic prosperity. At the same time, it goes without saying that this will also be of great significance in promoting the return of Taiwan to the motherland and the handling of international affairs. In brief, what should be done since the fighting

tasks for this year are so heavy and there is so much work to be done? First, it is necessary to enhance revolutionary vigor and second, to pay attention to methods of work. In a word, with respect to the work for this year, the whole party, first of all the leading organs and leading comrades at various levels, are expected to accomplish the following requirements: keep the overall situation in mind and give meticulous guidance. It is necessary to uphold the four basic principles and overcome the state of laxity and weakness in the work of leadership.

CSO: 4004/21

THE WHOLE PARTY MUST STUDY MARXISM

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 11-12

[Article by Song Renqiong [1345 0117 4522]]

[Text] Since the day of its founding more than 60 years ago, our party has always relied on the conscientious study of Marxism and adhered to the integration of the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution to save the revolution from danger and disaster. This has enabled the revolution to turn from defeat to triumph and to advance from triumph to still greater triumph. At present, as the party in power of such a great oriental country as China with its long history, complicated conditions and formerly very backward economy and culture, our party shoulders the magnificent task of leading 1 billion people of various nationalities in realizing socialist modernization. The government work report recently adopted by the 4th Session of the 5th NPC has pointed out that in order to fulfill this task and build a high degree of socialist material civilization as well as socialist spiritual civilization, we must genuinely proceed from actual conditions in China and break a new path that will be more realistic in speed and that will produce better economic results and provide more material benefit for the people. To this end, the conscientious study of Marxism-Leninism-Mao Zedong Thought should occupy an extremely important position among the comrades of the whole party.

Since the 3d Plenary Session of the 11th CCP Central Committee, our party has, on the basis of practical examination, correctly summed up the experiences of the past and corrected the leftist mistakes in guiding ideology. This has enabled a great improvement to take place in the level of Marxism of the whole party. Only as a result of integrating with the concrete practice of China's socialist construction can the universal truth of Marxism-Leninism increasingly demonstrate its immense vitality and can achievements be made in various kinds of work. The present problem is, some of our party members and cadres and even some of the comrades in charge of leadership work have not paid enough attention to the study of Marxism. Consequently, when confronted with the new conditions and new problems which constantly appear, they do not know what to do and cannot apply the correct stand, viewpoint and method to observe and solve the various complicated contradictions. They are unable to link up the actual conditions of their own locality and department

to comprehensively understand and consciously implement the policies and principles of the party. They have no knowledge of the true state of affairs and are always vacillating. They stick to their own views and engage in endless arguments. The advance of history and the development of causes are so fast that if we deviate only slightly from Marxism, the discussion of emancipating the mind, exploring new paths and successfully carrying out various tasks would be out of the question and we would be lagging further and further behind the trend of the times. All party members and cadres, and above all the leadership cadres, must fully understand that only by conscientiously studying Marxism can they shoulder the important historical task and can they be worthy of the great trust of the people. On such a serious and important question as this, they cannot be the least bit sluggish or careless.

As the nature of the work and the responsibility shouldered by every comrade are not the same, there should also be particular emphasis on the content of study. I advocate that everybody should study a bit of philosophy, political economy, scientific socialism and history. At present, we must pay special attention to integrating the study of the resolution adopted by the 6th Plenary Session of the 11th CCP Central Committee with the economic expositions of Comrade Chen Yun and the 10 major principles for economic construction proposed by Comrade Zhao Ziyang. Study does not mean memorizing by rote. We must above all correctly understand the stand, viewpoint and method, restore and carry forward the good style of study of integrating theory with practice and apply the Marxist stand, viewpoint and method to analyze and solve actual problems in our work. We have often said in the past that we must study Marxism. However, because we sometimes did not integrate that with the practice of our revolution and construction, we have turned the lively theory into a rigid dogma and made serious mistakes. Wang Ming's dogmatism caused great damage to the cause of the Chinese revolution. In the Yanan rectification campaign which began in 1942, the whole party applied Marxist theory to sum up historical experiences, criticized dogmatism and unified thinking. This guaranteed the success of the war of resistance against Japan and the war of liberation. After 1957, because of the misunderstanding and dogmatic interpretation of certain ideas and theses in the works of Marx, Engels, Lenin and Stalin, and because we were not good at applying and developing Marxism in accordance with the already changed social condition, we also made mistakes in our work. After the smashing of the Jiang Qing counterrevolutionary clique, the erroneous "two-whatevers" policy still appeared among some of the comrades. From the 3d Plenary Session to the 6th Plenary Session of the 11th CCP Central Committee, as a result of the application of Marxism-Leninism-Mao Zedong Thought in bringing order out of chaos, carrying on the revolutionary cause and forging ahead into the future, our party has restored and formulated a series of correct principles and policies ideologically, politically and organizationally as well as in various fields of socialist construction, basically reversed the erroneous leftist orientation, produced the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and enabled the principle of integrating theory with practice to emit greater radiance.

In the study of theory in the future, we must on the one hand continue to guard against and oppose dogmatism, and on the other hand, we must also guard against the tendency of opposing and despising the study of theory. Both these tendencies are subjectivism and a sign of ossification of thinking. Unless these obstacles are swept away, it is impossible to integrate theory with practice. In the past, by relying on the guidance of Marxism-Leninism-Mao Zedong Thought, our party obtained a victory in revolution and construction. At present and in the future, we must also rely on this heirloom to create new achievements. The great cause of 1 billion people building a strong and modern socialist country will constantly spur the Chinese communists to draw strength from Marxism-Leninism-Mao Zedong Thought, more closely integrate the basic principles of Marxism-Leninism with the concrete practice of modernization and enrich and develop Mao Zedong Thought. We hope that all the comrades in the party will attach great importance to the study of theory, seriously read books, and courageously practice and dedicate themselves to the cause of socialist modernization.

CSO: 4004/21

THE KEY TO BUILDING THE TWO CIVILIZATIONS

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 13-14

[Article by Zhao Shouyi [6392 1343 0001]]

[Text] Our party is now going all out to undertake two things of great importance: one is to build socialist material civilization and the other is to build socialist spiritual civilization. This is our strategic thinking and two goals of struggle which are inseparable and complement each other. All our departments and work must be centered closely on and must serve these two great goals, and we must struggle for the realization of these two great goals.

To realize these two great goals requires many conditions, of which one exceedingly important condition concerns cadres. Our cadres at various levels are the pioneers of the vast masses on all fronts, and they are of vital importance in uniting and leading the masses in fulfilling the various tasks put forth by the party and the state. Stalin said that if we could train all cadres of the various departments into fairly mature Marxist-Leninists and help them to be able to solve the problem of state leadership without making serious mistakes, we would have the basis for solving all our problems. Therefore, the constant enhancement of the Marxist theoretical level and professional knowledge of our cadre ranks is a question of utmost importance in the building of socialist material civilization and spiritual civilization.

Our party has always attached great importance to the Marxist theoretical study and education of the cadres. The party's historical experience has shown that when cadres study well and the party's work style is good, our cause advances and triumphs; when cadres do not satisfactorily study and the party work style is unhealthy, our work requires strenuous efforts and even suffers setbacks. The Yanan rectification movement in 1942 and 1943 was a widespread and profound Marxist education movement. Through the rectification movement, the level of Marxism of the whole party was raised and an important ideological foundation was laid for seizing victory in the war of resistance against Japan and the war of liberation. In the early 1950's, the broad masses of cadres studied the history of social development, grasped the basic viewpoints of historical materialism, conscientiously remolded their ideology, fostered the revolutionary world outlook, preserved

and developed the traditions of wholeheartedly serving the people, thus resulting in a more practical work style, fairly reliable implementation of the policies, and comparatively close relations between the cadres and the masses. Precisely because of this, in the first 7 years after the founding of the PRC, remarkable achievements were made in various work, the socialist transformation was completed smoothly, industrial and agricultural production expanded at rapid rates, the people were happy and fully confident in the future of socialism, and the general mood and outlook of the society was completely improved. Thus it can be seen that the cadres' doing a good job in studying and enhancing their theoretical levels of Marxism and professional knowledge have always been the key in the success or failure of our cause.

We are now in a great historical period, a period in which we are pushing our cause forward and forging ahead. The 6th Plenary Session of the 11th CCP Central Committee marked the completion of the historical mission of bringing order out of chaos in the party's guiding ideology, but the work to correct "leftist" mistakes in our work has not yet come to an end. There still exists a bourgeois liberalization trend in the society, and this also affects the party. The influence of feudal ideology and small-producer mentality is still widespread. There are some erroneous concepts and confused ideas concerning the four basic principles and also, in varying degrees, the party's principles and policies among some cadres and masses. The work to bring order out of chaos in theory and to conduct ideological education is still fairly arduous. Furthermore, the historical mission to build socialist material civilization and spiritual civilization has posed many new problems which we must study, analyze and solve by using Marxism-Leninism-Mao Zedong Thought. Therefore, to strengthen the cadres' theoretical study is of special significance at present.

The building of socialist material and spiritual civilization is not separated from the guidance provided by Marxist theory. To modernize industry, agriculture, national defense, and science and technology, it is necessary to use Marxism-Leninism-Mao Zedong Thought to study China's national condition and formulate correct principles and policies in accordance with the objective laws of the development of things. To build a socialist spiritual civilization, it is most necessary to strengthen the ideological education in Marxism. The term socialist spiritual civilization not only refers to education, science and education but also to communist thought, ideals, beliefs, moral concepts, discipline, revolutionary stand and principles, a comradely relationship among people, and so on and so forth. Socialist spiritual civilization is, up to now, the highest stage of the development of spiritual achievements of mankind. The core of socialist civilization is the communist spirit, which is a fundamental indication of differentiating socialist spiritual civilization from the spiritual civilization of the past historical stages and other societies. Besides, communism is the Marxist ideological system. Therefore, using Marxism-Leninism-Mao Zedong Thought to educate people is the central issue in building socialist spiritual civilization.

Marxism holds that the working class will not spontaneously produce a socialist consciousness. Ideological consciousness will not automatically improve

simply because production is expanded. Marxism is the most advanced scientific ideological system based on the whole cultural knowledge of mankind. It should be instilled into people's minds. This means that using Marxism to educate people is a long-term and arduous task. In the past, we relied on the propagation of Marxism in inspiring, educating and organizing the masses and won victory in seizing political power. Now to build the two civilizations, it is necessary to do this instilling work. At present, first of all, it is imperative to help the 20 million cadres throughout the nation, and in particular the leading cadres at various levels, receive a relatively full education in Marxism. By intellectual investment, we mean first and foremost making investment in the cadre ranks and conscientiously promoting cadre restudy and reeducation. Only when they are helped to base their world outlook on Marxism, to acquire the spirit of self-devotion to realize the ideal of communism, to set high aims and lofty aspirations, to work hard for the prosperity of the country and transform China, and to have the correct ideological line of seeking truth from facts, can they lead by example and teach the people throughout the country to foster communist thoughts, ideals, beliefs and moral concepts and habits, and to go all out with one heart and one mind to struggle for the construction of the two civilizations.

Owing to the damage caused by Lin Biao and the "gang of four," the party's tradition of attaching importance to theoretical study was suspended for a fairly long time. During the "Great Cultural Revolution," sham Marxist and anti-Marxist absurdities were in vogue, ideological confusion prevailed, and the demarcation line between right and wrong was obscured. Large numbers of new cadres lack an education in basic Marxist knowledge, and the theoretical quality of the entire cadre ranks is far from suiting the requirements of the present situation. Since the 3d Plenary Session of the 11th CCP Central Committee, the Marxist ideological line has regained its ruling position throughout the party. The state of affairs has begun to turn for the better. However, the problem in which some cadres look down on and even detest and reject theoretical studies has not been completely solved. By either using the pretext of being busy in routine duties or being content with simply reading documents and materials and even regarding economic construction as a matter of practice, some cadres refuse to study Marxism. Being mentally active, some comrades dare to dig into problems but because of not being well prepared in terms of basic Marxist theory and of failing to profoundly experience and observe the history of the Chinese revolution and the reality of Chinese society, they are apt to be influenced by the erroneous trends of thought and to go astray ideologically. Facts have proved that only by closely integrating with practice and enhancing education in basic Marxist theories, can we heighten our consciousness, achieve unity of thinking and unify the understanding of the vast numbers of cadres on the line, principles and policies formulated since the 3d Plenary Session of the 11th CCP Central Committee so as to better lead the masses in building the two civilizations.

In terms of cadre's theoretical study, we have experiences both positive and negative which we must sum up in an earnest way and, especially, we must make a serious study and draw up a plan in the light of the new situation. For some time in the past, it was true that we did not get a good grip on

theoretical study, particularly in the case of in-service cadres. In reality, the absolute majority of cadres are at their own posts and those cadres who can leave their jobs temporarily to study in party schools are limited in number. Genuinely to enhance the political and ideological consciousness of cadres, improve work style and work methods, and raise work efficiency, it is essential to devote much time and energy to promoting study by cadres.

At present, the cultural and theoretical levels of cadres are uneven. In the light of the experience gained in the early postliberation days in dividing cadres into advanced, middle and primary study groups and in proceeding from the existing foundation of the cadres, it is advisable to exercise specific and systematic guidance for them. The contents and requirements of study should vary, and uniformity must not be imposed. The ways and means must also be diverse and varied. According to content variety, running short-term study classes, evening party schools and television universities is encouraged. In short, it is necessary to adopt measures which are welcomed by the cadres and to encourage all of them to study more and better. It is imperative to strengthen the tutorial aids to help cadres in their study. The CCP committees of various provinces, municipalities and autonomous regions are encouraged to run publications to provide guidance to cadres in their theoretical study. Localities which have the necessary conditions are urged to set up a contingent of full-time or part-time teachers and instructors in political theory. Cadres who study hard and make marked achievements should be commended and encouraged, and the cadres' study and results of study must be taken as one of the bases for testing and promoting cadres. In sum, herculean and effectual efforts should be made to make the cadres' theoretical study a success. If this is done well, we will be able to substantially raise the theoretical level of the whole party and promote the building of socialist material civilization and spiritual civilization.

CSO: 4004/21

STUDY ECONOMIC THEORY IN THE LIGHT OF THE 10 PRINCIPLES

Beijing RED FLAG in Chinese No 1, 1 Jan 82 p 15

[Article by Commentator]

[Text] The government work report delivered by Comrade Zhao Ziyang at the 4th Session of the 5th NPC correctly analyzed the economic situation in our country, pointed out the prospects for our development and emphatically expounded the 10 principles for economic construction. These principles should be utilized in blazing a new trail for developing our economy at a more realistic speed and with better economic results, and for achieving more material benefits for the people. They are clear, abundant in content and have not only provided us with a definite work program in our socialist economic construction but also with important material for our study of economic theory. The study of the government work report and the study of economic theory can be and must be closely related.

The core of these 10 principles is achieving better economic results. This is the prerequisite for achieving more material benefits for the people as well as the key to ensuring the continued development of the national economy. It must be considered the basic starting point for all our economic activities. Needless to say, in the study of economic theory, we must firmly grasp this core. Why is it that many of our important indexes, which reflect economic results, are lower than those of the developed countries at present, and even lower than the historical record levels of our country? Why have things remained unchanged in many places and units in spite of the great efforts for years, and why has the development of production and improvement of people's livelihood not conformed with the efforts the people have made? What should we do to effectively straighten out our guiding ideology, to master economic laws, to improve our work and produce as much material wealth as possible with the least possible consumption of manpower and materials and financial resources? These questions require our careful consideration, profound analysis and further exploration in the light of our practice. The theme of achieving better economic results in all links of production, construction and circulation runs through the Marxist theory of reproduction and Comrade Chen Yun's economic works. Therefore, only by focusing on this aspect in studying economic laws and summing up experiences and lessons can we really make our study effective.

The 10 principles have concretized the policy of readjusting, restructuring, reorganizing and upgrading, which has been proved to be effective in practice since the third plenary session. They are, in reality, a systematic explanation and a scientific confirmation of the eight-character policy. The study of economic theory in the light of the 10 principles will deepen our understanding of this theory and will help us realistically sum up experiences and lessons in our work and in our localities and departments. Thus, a more solid ideological foundation will be laid for further implementing the party's eight-character policy.

The 10 principles embody the basic spirit of proceeding from China's realities in our socialist economic construction and establishing a new road to modernization suitable for our conditions, which was put forth in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." The "resolution" pointed out: "The prolonged 'leftist' mistakes we made in our economic work in the past consisted chiefly of departing from China's realities, trying to exceed our actual capabilities and ignoring both the economic returns of construction and management as well as the scientific confirmation of our economic plans, policies and measures, with their concomitants of colossal waste and losses." The aim of our study of economic theory is the mastery of economic knowledge and economic laws, and in the final analysis, is the establishment of a road of socialist construction suitable for China's realities and with a Chinese style. Proceeding from this, the 10 principles made a feasible change in the long-standing past practices, which were the result of the "leftist" ideology, and paved a new road for our economic development. Studying economic theory in the light of the 10 principles will deepen our understanding of China's realities and the law of our socialist economic construction, as well as our understanding of Marxist economic theory. Since the 10 principles for economic construction involve a number of economic problems, as well as economic and natural laws, they will give great impetus to our theoretical study, as our cadres, especially those in the economic departments, will have to study economic theory well. Many comrades have already realized this and a new campaign for studying theory has emerged in many places. We are sure that this campaign will develop vigorously, for it is a requirement of our socialist modernization and the demand of our times.

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HOW SHOULD WE LOOK AT THE STUDY OF ECONOMIC THEORY AT PRESENT?

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 16-17

[Article by Su Xing [5685 2502]]

[Text] Since 1981, vast numbers of cadres, using Comrade Chen Yun's economic works as a basis, have been seriously studying socialist economic theory. As far as I know, many units, especially units engaged in financial and economic work, are very enthusiastic about the study and have learned a lot from it.

In the 1950's cadres also engaged in a large-scale study of economic theory. At that time, they mainly studied basic theoretical knowledge and tried to understand through the study the historical inevitability of socialism replacing capitalism and the socialist economic laws. This was in order to raise their consciousness in carrying out socialist transformation and planned economic construction. The study at that time left a very deep impression on us. Even now, whenever we talk about theoretical study, we always think that we learned the most at that time.

At present, we are carrying out our study under new historical conditions, which are quite different from those in the 1950's. Nevertheless, the urgency of our study is not less than that in those days. First, our country's socialist construction has traversed a course of nearly 30 years and has gained rich experiences. Some of these experiences are positive while others are negative. Yet they all need digesting and summing up. In the course of digesting and summing up these experiences, we can find the objective, and not fabricated, intrinsic laws and use them as the guide for our action. Second, after 1958, the leftist errors in the guiding ideology for economic work became more and more serious. Although corrections had been made from time to time, the problem was not thoroughly solved either in theory or in practice until the 3d Plenary Session of the 11th CCP Central Committee. It often happened that, at times, some tentative ideas in the works of Marx, Engels, Lenin and Stalin were misinterpreted or dogmatized in order to provide "theoretical bases" for the leftist errors. During the "Great Cultural Revolution," Lin Biao and the "gang of four" made use of this for sabotage activities and caused great confusion in theoretical work. Such confusion needs clarifying through theoretical study and through the work of bringing order out of chaos. Third, since the focus of our work was

shifted to building socialist modernization at the 3d Plenary Session of the 11th CCP Central Committee, new situations and new problems have emerged one after another in the course of readjustment and restructuring. A good command of theory is also needed to study these new situations and new problems. Therefore, everybody needs to study economic theory.

Compared with the study in the 1950's, there is another difference in the current study. A number of cadres have already acquired knowledge of the basic theory of political economics through various study channels and they need not start from the very beginning (those without such knowledge must of course learn the basic theory first). This will help them better integrate theory with reality and better understand the laws of our country's economic construction through summing up experiences. Understanding economic laws does not merely mean memorizing a few formulas or learning some concepts by heart. More important is to study the forms of socialist economic laws manifested under our country's concrete conditions and to study how to determine policies and principles. In view of these requirements, nothing is more suitable than taking Comrade Chen Yun's economic works as the major topic for our study.

Comrade Chen Yun's economic works were not written as theoretical works. He proceeded from the reality of our country's socialist construction and put forth a series of views and suggestions in the light of issues affecting the overall situation. However, what he put forth is theory. For example: the planned economy is the main body and free production under the guidance of planning is the supplement; planned socialist economy means proper proportion; the scale of capital construction must be appropriate to the capabilities of financial and material resources; the increase in the people's purchasing power must be appropriate to the amount of consumer materials available; financial income and expenditure must be proportional to credit income and expenditure, and the former must be slightly more than the latter; annual plans must be made in such a way that they dovetail with those before and after them; and so on. All these are important theoretical matters and are applications and developments of basic Marxist principles on reproduction in the practice of our country's socialist construction. Therefore, we should never regard these works simply as articles or reports for solving problems in practical work but must study them in the way we study theory. During the Yanan rectification campaign, Comrade Mao Zedong explained what is meant by theory. He said, "There is only one kind of true theory in this world, theory that is drawn from objective reality and then verified by objective reality; nothing else is worthy of us calling it theory." I hold that Comrade Chen Yun's works are exactly this kind of theory.

Most of the works we are studying at present were written by Comrade Chen Yun at the end of the 1950's or at the beginning of the 1960's. After studying them, can we use them to solve economic problems in the 1980's? The answer is yes. First, the readjustment of the national economy which we are carrying out at present is, as far as its content is concerned, basically the same as that at the beginning of the 1960's. The views and suggestions put forth by Comrade Chen Yun in the light of the conditions at that time are also suited to the present situation. Second, since these views and

suggestions are in conformity with objective laws, they can be used not only within a short period but also within a relatively long period. This means that we not only can use them today but also can continuously derive ideological strength from these works in building socialist modernization in the future. Finally, the scientific attitude and dialectical methods which Comrade Chen Yun persistently upheld are universally applicable in all our work, particularly in economic work, and they should all the more be seriously studied. Ideologically speaking, the reason why we suffered repeated setbacks in economic construction in the past is that we committed the mistakes of subjectivism, impetuosity and rashness and ran counter to the scientific attitude of seeking truth from facts and to the dialectic method. We should always bear this lesson in mind.

In studying economic theory, we should take Comrade Chen Yun's works as a basis. At the same time, we should also integrate the study of the 10 principles for economic construction put forth by Comrade Zhao Ziyang in the government work report he delivered at the 4th Session of the 5th NPC. We can also read some books on economics. For example, the book entitled "Studies on Problems of the Chinese Socialist Economy," written by Comrade Xue Muqiao, proceeds from our country's reality and probes into socialist economic laws. It can help us achieve a deeper understanding of Comrade Chen Yun's works. If possible, we can also read "Study Marx' Theory on Reproduction."

Not only should cadres engaged in financial and economic work study economic theory. Cadres doing other work should also study it, because the building of socialist modernizations will still be the focus of our work for a relatively long time to come. Economic construction is closely related to various trades and professions and is also related to individual life. If we do not learn a little economic theory, we will not be able to coordinate our work with the central task. During the revolutionary war period, nearly all cadres were concerned with and studied military affairs and almost everybody read Comrade Mao Zedong's military works because fighting was the central task in those days. At present, all trades and professions should be concerned with the economy as they were concerned with military affairs in the past. They should study a little economic theory according to their own conditions. This will be conducive to our making concerted efforts in satisfactorily building socialist modernization.

CSO: 4004/21

PUT AN END TO THE PRACTICE OF ALLOWING THEORETICAL STUDY TO TAKE ITS
NATURAL COURSE

Beijing RED FLAG in Chinese No 1, 1 Jan 82 p 18

["Readers" forum article by Li Biyan [2621 4310 3508]]

[Text] To my knowledge, the practice of allowing theoretical study to take its natural course and to run slackly is prevalent among the incumbent cadres of some units. The main manifestations are as follows:

Lacking a study plan. On their own whim, some cadres choose to study something for a time and drop it at another time when their whim passes. They do not have a plan in mind about what to study. They study things that suit their taste but ignore things which are not to their taste. When their seniors come to inspect them, they convene an "emergency assembly" and fetch some documents, newspapers and magazines to study for the moment.

Lacking a theme for discussion. Very often, they spend much time studying their work and discussing their daily routine, without a central theme. Sometimes, because of digression, they cannot hit the "right path" even though they have a central subject.

Having an unsound system which nobody follows. During the study period, you turn up when he does not, or when he shows up, I do not. A member will decide at will on the number of days for study in a month, and on whether to conduct individual or collective study. And such a practice is called "flexibility."

Cadres' progress is not checked. Few people bother to know which comrades perform well and which do not. Nor do they bother to find out how they have studied or how much each of them has learned.

Why is there such a phenomenon? The reasons are complicated. However, the main reason is that our comrades' awareness of the importance of theoretical study varies. The reputation of theory was discredited by Lin Biao and the "gang of four" and has not been rehabilitated. For instance, some comrades still maintain that one cannot produce food or cotton only by theoretical study. What they mean is that theory cannot solve practical problems; "distant water cannot quench present thirst." Some comrades believe that

theoretical study is the responsibility of the upper-level departments and the leading cadres, and that the lower-level departments are responsible for execution, not for theoretical study. Such blurred understanding has stifled, to various degrees, the zeal for and the interest in theoretical study. In particular, a few leading cadres often make leadership over daily routine diametrically opposed to leadership over theoretical study. They maintain that "the sky will not fall" even if theoretical study is "slowed down or put off for a while." They regard theoretical study as "a flexible assignment for a flexible target," and do not put it in the place it deserves. The practice of allowing theoretical study to take its natural course is extremely out of step with the construction work facing our party. We should not allow it to continue. Thus we suggest:

1. Promptly compile "a handbook for cadres," a textbook of political theory.
2. Establish a sound system of study. To ensure that theoretical study can be carried out normally, a discipline of study and a system of attendance checking, examination, awards and penalties should be established.
3. Enhance study efficiency by improving study methods. To set up junior, intermediate and senior classes for cadres in accordance with their levels of theoretical education, so that theoretical study suiting individual cadres can be organized.
4. Strengthen the ideology, organization and work of the teams of theoretical education, so that they can play a significant role in theoretical study.
5. Party organizations at all levels should earnestly strengthen the leadership over theoretical work. And this is the key. Comrades holding leading positions should take the lead to participate in theoretical study and set a fine example for others to follow. They have to comprehend, study and solve various problems arising from theoretical study promptly, to sum up seriously their experience and unceasingly dig deeper into theoretical study. We suggest that organization departments should take the cadres' performance in theoretical study into consideration when their proficiency is assessed.

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LEARN FROM THE WOMEN'S VOLLEYBALL TEAM AND WORK HARD

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 19-22, 6

[Article by Rong Gaotang [2830 7559 2768]]

[Text] The victory won by the Chinese women's volleyball team in the third world cup championship has spurred patriotism on our physical culture front and the patriotism of people across the country and the will of people on various fronts.

Why has the victory evoked such wide repercussions? First, the team members have made history by gaining a major success in large-ball games for our country, won merit for the motherland, and realized the longstanding aspirations of leading veteran cadres and the broad masses of the people. Second, through television programs, broadcasts and news reports, the people of the whole country have been deeply impressed and enlightened by the determination and the stringent training of the team members. Third, the victory of the team has served to reflect the strong determination of the Chinese people in working hard to make their country strong and to boost the morale of the nation. The sportsmen of our country made good achievements in a series of major competitions last year and the people across the country were very happy to hear the good news that kept pouring in. People understand that a nation must not brood over the long period of past sufferings. On the contrary, it must pluck up its spirit, do a good job of realizing the modernization program and march forward with big strides.

The road taken by the women's volleyball team is arduous. Historically, I think the experiences of the team can be summarized in the following eight points.

1. Have Ideals and Aspirations for Scaling the World's Heights

Throughout its history, our party has always educated the sportsmen of our country to cherish high ideals and aspirations and dare to scale heights so as to win merit for the motherland. This education has become the definite goal for our struggles and is a glorious tradition.

The attitude taken by a collective or by an individual toward their tasks is fundamentally related to whether or not they make progress. Different ideals

and goals will consequently be accompanied by different degrees of broadness in the field of vision and by different efforts. Following the world championship won by our table tennis team in 1961, Comrade He Long demanded that we also win championships in large-ball games. In 1964, Comrade Zhou Enlai invited Mr Omatsu, Japanese volleyball coach, to help our country train volleyball players and give demonstrations in Shanghai. Comrade He Long also put forth the slogan of the "three fearlessnesses and five up-to-the-mark's," which means fearing neither hardship, fatigue nor injury and being up to the mark in ideology, skills, physical condition, training and competition. All these are aimed at winning world championships. It was a pity that while this goal was yet to be realized, the women's volleyball team slid from sixth in the world to 14th during the "Great Cultural Revolution."

That the team was able to win the world championship is inevitably linked to certain social and historical conditions. If the team members' ideals of winning world championships were still considered today as displaying the champion mentality and criticized as revisionism, the players would hardly have been able to win the championship just by relying on their own small number. The team has been able to take a healthy road only under the conditions of the new historical period in which the party has restored order, emancipated thinking, advocated the work style of seeking truth from facts and educated sportsmen to win merit for the motherland.

Over the past few years, the members of the women's volleyball team have been dreaming of the situation in which the national flag is hoisted, the national anthem is played and they receive gold medals. In addition, they regarded sparing no efforts for their motherland as their greatest happiness. The team ranked fourth in the second world volleyball championship in 1977, and team member Cao Huiying received the blocking net medal, courage medal and best sportsman medal. But she said: "Even if I received 100 medals, it could not compare with winning a championship for the motherland." The team defeated the previous Olympic champion, the Japanese team, and the world's fourth-ranked team, the North Koreans, in the second Asian volleyball championship in 1979 and consequently won the championship. This victory inspired the patriotic feelings of compatriots in Hong Kong and Macao and the broad masses of people at home. People said: "Volleyball fans love China all the more." Team member Chen Yaqiong was asked by her family in Hong Kong to stay there, but she said: "My cause is in the motherland."

Volleyball is a sport that is needed by the motherland, and many of the players have contributed their youth and even life to promoting the sports. Team coach Ma Zhanyuan was persecuted during the "Great Cultural Revolution" and his parents in Canada asked him to go there to inherit their property. But he said with determination: "I'm a communist, and I can in no way be separated from either the socialist motherland or the volleyball, which I like so much. I've not yet completed the tasks assigned me by Comrade He Long!" He devoted his life to volleyball, right up to the end. A player who was critically ill asked her mother to help her dress her in red sportswear for her passing away. A coach who was suffering from heart attack continued his coaching during a competition, and died in carrying out his duty. His family demanded just one thing: "Let him take a ball with him!" And a

white ball became a precious burial item for this loyal fighter. With all these in mind, we can understand more profoundly the significance of the words spoken by the girls of the team with regard to the cause of volleyball: "Youth is precious, but the cause is more precious," and the fact is that the cause of sports is a revolutionary cause for which sportsmen have been training hard and sacrificing themselves one after another and from generation to generation.

2. It Is Imperative To Be Courageous and Confident in Tackling Any Difficulty

It is by no means an easy task to the championship of the world, which is so vast. Our women's volleyball team has experienced unimaginable difficulties in its struggles. Neither the courage nor the confidence of the members of the team has ever been eliminated in their road of advance. They are confident that, with their socialist motherland and with the party's leadership and the support of the people, their cause will surely win victory through their efforts, generation after generation. They understand that the road to championship is tortuous and that victory belongs to those who march forward courageously and stubbornly. They postponed falling in love and marriage, gave up opportunities for family reunion, rest and recreation and endured sickness, fatigue, injuries and pain. In short, they are "carrying out their cause at the cost of their life." A member of the team, Lang Ring, said: "If we want to score achievements that outstrip others, we have to pay the highest price."

In the face of strong rivals in the world, the Chinese women's volleyball team has followed Comrade Mao Zedong's thinking on strategically belittling difficulties and tactically taking them seriously. The team dares to win victory and is good at competing. A team coach said: "My heart will remain restless until the team wins the championship cup." The members of the team have always tried to find out their own shortcomings and the superior points of their opponents and spared no efforts to win.

The ideological basis for the members of the team in surmounting difficulties stems from their high responsibility, and their material basis for overcoming difficulties comes from their daily hard training. The team has been able to defeat so many strong rivals and win the world championship very largely because of the ideological guarantee and the skills and tactics displayed by the players during the matches. The team analyzed the strength and inferior and superior points of themselves and their rivals. Each player is required to talk about her own thinking and to grasp the skills needed for her to deal with her opponent. The players of the team won all of their seven matches in the third world championship and this was made possible by relying on the results of the protracted training in ideology, skills, tactics and physical training. The victory can in no way be easily achieved in one move.

3. It Is Imperative To Have Correct Guiding Ideology in Training

The skills in world sports have been developing rapidly. Strategically, attack and defense promote each other while technique and skills condition

each other. The emergence of new technique enriches strategy and the emergence of new strategy, technique and methods of training only comes about in competition; they can in no way remain unchanged. Therefore, it is necessary to constantly innovate, to proceed from one's own specific conditions and to learn from and use new things in a predicted and planned way.

Volleyball technique is constantly developing. The Chinese national women's volleyball team pays much attention to studying the situation and trends of strong teams in the world, analyzing the advantages and disadvantages of various techniques and absorbing the advantages. Proceeding from actual conditions, the team has also spared no efforts to develop its own characteristics and has taken a road characterized by its own particular technique.

Any sport in which country has done well has its own correct guiding ideology for training. Many sports are still lagging behind because there are so many contradictory views that it is difficult to decide who is right. We have suffered much from such situations. The Chinese women's volleyball team has maintained its feature of fast attack, constantly developed skillful techniques, and absorbed the defense technique of the Japanese team and the technique popular in Europe. The comments made by world volleyball circles pointed out that the road taken by China for developing technique is correct.

Under the guidance of the correct guiding ideology in training, the members of the team are not content with their current standard. They have learned the technique of cushioning the ball from the Japanese team, to enrich their own technique. They have also created some technique based on their own feature of fast attack. They are always required to think hard, and spare no efforts to make one new breakthrough after another. All these things are invaluable.

4. It Is Imperative To Carry Out Strict and Hard Training

Diligent learning and hard training are the basic practical activities of the members of the team. They understand that without hard training it is impossible for them to master good technique. The reason why they have been able to complete technical movements and to coordinate technically in competitions is in fact the result of their accumulated experiences and hard training. The sportsground is the place where they carry out most arduous struggles; it is also where their youth is at its prime. Team member Chen Zhaodi said: "Some people spent their youth amid flowers and under the moonlight, while ours is spent amid the song of stress and tension."

The members of the team have formed a good tradition of hard training. The late Premier Zhou Enlai watched them training in 1964 and encouraged them to "learn from and overtake Japan." Many people worried whether the members of the team could stand such arduous training. Yet they have been able to persist in such training, which can be said to be unprecedented in the world, and consequently, they have shown the way for the sportsmen of the whole country.

In order to meet the needs in competition, they carry out arduous, difficult and strict scientific training, while the volume of their daily training surpasses or nears the intensity of a major international competition. Such training is a serious test of will and physical conditions. Yet the members of the team understand that they are carrying out such training for the sake of the prestige of their motherland, for realizing the victory yearned for by the broad masses of the people and for making Overseas Chinese feel proud of the Chinese people, who have stood up; consequently they are able to stand up to all difficulties. Thus, through years of hard tempering of their will, physical conditions and skills, they are becoming stronger.

Their training is stringent yet scientific. Their coaches set strict, impartial and incorruptible demands, but do so in the right way, not willfully and recklessly, and show them the results of their training. Consequently, they are convinced of the value of such training and willing to persist, no matter how strenuous it is.

The players were able to remain calm and display their skills well during the third world championship thanks to the pressure imposed on them in their daily training. They competed very hard in the last 2 days. In the last day but 1, they defeated the U.S. team 3-2. International news services commented: "The physical condition of the Chinese players will be an obstacle to victory." But the fact was that they did not wear themselves out. Amid roars and shouts, they competed calmly and in the end overpowered their rivals and won complete victory.

5. It Is Imperative To Have a Good Traditional Style

The Chinese women's volleyball team represents a good collective with good traditional style. Its work style represents a comprehensive manifestation of people's thinking and deeds; it is invisible strength. A good work style is an important guarantee for good training and competition. The team pays much attention to education in ideological style and has maintained its good style generation after generation.

Members of the team often help each other in such matters as how to correctly understand the relationship between ideological style and technique. New members become acquainted with the devotion and the hard struggles of players of the older generations. The coaches talk about their own experiences and lessons in an effort to teach the players to understand the importance of ideological style. When a problem crops up within the team, the leadership applies this problem to carry out collective education to help all the players increase their understanding and draw a lesson from the problem.

The ideological style of the Chinese women's volleyball team is to unite for winning still higher standard; it is strict and conscientious. The girls of the team intentionally temper their will under difficult conditions. The team visited the United States in March 1980. They flew for 24 hours and changed planes 4 times; they were sick on arrival but continued their training. In 1979, the team visited Japan and lost the last game 2-3 after

leading earlier. The reason for the defeat of the team was that the main attackers did not coordinate well. The team took this as an example to teach the players and help them understand the importance of unity. The team is characterized by its endurance of hardship and difficulties in training while its style in competition is one of daring to fight hard. All the players have vigor to overpower their rivals and they get into active positions to attack. They do not relax their efforts when they are leading, do not lose confidence when they are lagging behind, do not hesitate at critical moments and compete doggedly till the last minute. During its match with the Japanese team in the third world championship, the Chinese team was 14-15 down in the 5th game. A Chinese player, Chen Yaqiong, saved strong attacking ball and organized a new attack. The team won the game 17-15. Another player, Chen Zhaodi, was suffering again from an injury to her stomach; she could hardly run and was criticized by the coach. In order not to influence the coach in making a decision, she did not say a word; she did warming-up exercises with tears in her eyes. She played stubbornly until her team won the cup. She was helped from the court and carried on people's backs to the Chinese Embassy and to the bus and plane. All these things demonstrate the doggedness of the players. The life of these girls is alert and lively. They can correctly handle honor and marriage, and they do not pursue vulgar tastes.

The main measure taken by the team in fostering good style is to combine ideological education with strengthening management and setting up responsibility systems, with cadres and party members taking the lead. The party group in the team has persisted in holding meeting during the most critical moments of competitions since the team joined the world championship in 1978. Key party members are responsible for important tasks, and they first of all seek the reasons for problems within themselves. All these things have ensured the formation of a good style.

6. Pay Attention to Selecting and Nurturing Talent

Another reason why the team has been able to make rapid progress and become strong is that it has concentrated the finest talents across the country. Selection is the premise for nurturing talent, and with rational selection, the nurturing and training of a player will produce twice the result with half the effort.

Volleyball is an all-round game of body height, physique, technique, tactics and determination. The Chinese women's team began to pay attention to the height of its members, and now their average height is among the tallest in the world. In addition, training is carried out in a way so that each player is able to display her advantages and make up for her shortcomings; requirements are set according to the specific conditions of each player. The coaches know the players well enough to be able to assign them tasks commensurate with their abilities. Thus, as each player is able to display her strong points, the whole team has a balanced strength.

The players on the team pay attention to selecting talent in competitions, and test and examine the standard of each player in will, physique and technique through acute competition. But the selection cannot be made just

through selective competitions; it must be made through repeated study and investigation of a player, from her comprehensive behavior and deeds, from predictions of her progress, from widely soliciting opinions and through full discussion. Particular treatment is given to a particular talent so as to ensure that the talent can be concentrated effectively to display its advantage in mastering the most advanced techniques.

The team is bold in training new members by combining them with experienced ones. Veteran players are willing to help their new colleagues, while the latter are willing to become good successors and inherit the experiences of their predecessors. For the sake of the common goal, veteran players are happy to see that new players have been able to catch up with or surpass them, and they are not jealous of such progress. A member of the team, Yang Xi, was still in her prime technically during the eighth Asian games in 1976, and was more experienced than her colleague Lang Ping. But in order to further new players and for the interest of the whole team, she happily gave up her place to become a reserve player.

7. It Is Imperative To Have a Strong and United Leading Group

The cadres and coaches of the Chinese women's volleyball team have formed themselves into an elite working team with close coordination. They all treasure their cause, help and support each other, exchange different views but take unified action in their tasks, and "prop up" rather than counteract each other. When Yuan Weiming became a coach of the team, team coach Deng Ruozen asked to become his assistant. Deng has more experience than Yuan, yet he wanted to take the more arduous job so that Yuan would be able to concentrate his efforts on improving the standard of the whole team.

The cadres and coaches demand that they themselves master the knowledge of their profession, and get to know the development of volleyball technique in the world and the strength of their own team and other teams. Consequently, they are able to carry out training, assign players and guide competitions with a fairly good idea, and cope with difficulties.

They are able to set examples through their own deeds, set strict demands on themselves; with wholehearted devotion to the team, they sweat more and think more than the players. They often put forward new problems and find good methods to solve them in an effort to make more progress. They are bold in management, and they manage well. They set even stricter demands on key players; they do not coax or flatter them. Thus, sharing weal and woe, the cadres, coaches and players of the team train strictly. They do not criticize others at will. They are concerned for and trust each other and cooperate happily.

They carry out ideological work even during training and competition and teach players to correctly view hardships, difficulties, victory and defeat. Thanks to such education the players are highly conscious when carrying out dogged training and they are happy to face difficulties. They are able to overcome various interferences during competition and concentrate their efforts. They are not arrogant in victory and they do not lose heart in face of a setback.

8. Volleyball Circles Across the Country Should Unite With One Mind and Coordinate Closely

The team's victory was the collective result of volleyball circles throughout the country in mastering advanced techniques. Many strong teams in the country joined in collective winter training for 9 successive years to help improve the standard of the national team and their own teams. The members of these teams did not have family reunions for 7 or 8 years. Many teams across the country sent their own best players to the national team. The PLA volleyball team sent four or five players and coaches, and the Sichuan team sent three key players. Consequently, these teams were themselves in difficulties for many years. The Jiangsu team sent its coach, Yuan Weiming, and three second-passers and assigned four key men players and one international umpire to help the national team; consequently, the team lost its chance of winning the national championship. Nonprofessional teams also sent their key players to the national team as reserve players. Heilongjiang Province recently sent eight of its best players to be reserves of the national team. The measures taken by all these teams merit our respect.

Basically speaking, the experiences of the Chinese national women's team are the results of the concern of the party leadership, the support of the people, the superiority of the socialist system and the efforts of the players themselves. Without the conditions and situation that appeared following the 3d Plenary Session of the 11th CCP Central Committee, the players would not have been able to win no matter how hard they worked. On the other hand, we cannot just pay attention to conditions and neglect objective efforts. The victory was also the result of the fact that the ranks of sportsmen across the country learned from the experiences of fraternal units, such as the national table tennis team and mountaineering team. The experience of the women's volleyball team is the common treasure of our physical cultural front.

The players on the team have done a good job, but this does not mean that there is nothing left to be desired. In other words, with the development of their cause, they face new problems. First, their position has changed. Strong teams in the world will no doubt study the Chinese team in an effort to catch up with or surpass it. Our team will become the main target in the next championship. Many teams in the world now have almost the same strength, while some have better conditions than our team in some aspects and might well make greater progress. Therefore, we have heavier training tasks. Second, the party and the people have given us very high prestige and they have set higher demands. We must, therefore, guard against being arrogant and finicky and carry out more ideological and political work.

There is no end to the development of a cause. The Chinese women's volleyball team must learn from the constant vigor of the table tennis team. We hope that the women's team will be able, in the new situation, to make new progress and score greater achievements.

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AN IDEOLOGICAL TREASURE FROM THE UNITED FRONT--STUDYING THE EXPOSITIONS CONCERNING THE UNITED FRONT CONTAINED IN VOLUME 1 OF THE 'SELECTED WORKS OF ZHOU ENLAI'

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 23-27

[Article by Yang Chao [2799 6389]]

[Text] Comrade Zhou Enlai was a great Marxist and proletarian revolutionary as well as a long-tested outstanding leader of the CCP. During the protracted revolutionary struggle in our country, he worked with all-out efforts and showed his outstanding talent, doing immortal meritorious service for the cause of the party and the people. The important works on political, military, economic and cultural affairs during the period of the democratic revolution in our country included in volume 1 of the "Selected Works of Zhou Enlai" (hereafter referred to as "Selected Works") were valuable documents summing up the successful experiences of the Chinese revolution, and they made an indelible contribution to the formation and development of Mao Zedong Thought.

During the period of the new democratic revolution, Comrade Zhou Enlai persisted in integrating the universally applicable principles of Marxism-Leninism with the concrete practice in the Chinese revolution and gave many incisive expositions on the questions regarding the united front. In his three articles, "On the Relations Between the CCP and the KMT From 1924 to 1926," "On the Party Sixth Congress" and "On the United Front," which are included in volume 1 of the "Selected Works," he summed up and discussed systematically, comprehensively and profoundly the party's work on the united front during the new democratic revolution. Seriously studying these articles is of vital significance in studying the historical development of the united front, summing up the experience and lessons on the united front, and guiding our work in the united front during the new period.

I

The united front was one of the three magic weapons by means of which the Chinese revolution triumphed. Fundamentally speaking, the great importance it had and the important role it played were determined by the nature of the Chinese society and the situation of class relations. Old China was a semi-colonial and semifeudal country in which the imperialists, the landlord class

and the bureaucratic bourgeoisie were the objects of the revolution. They acted in collusion, forming a tremendous reactionary force. At the same time, old China was a society which was small at both ends and big in the middle, that is, the proletariat, the landlord class and the big bourgeoisie accounted for the minority while the peasants, the urban petty bourgeoisie and the national bourgeoisie accounted for the overwhelming majority of the country's population. For this reason, in order to defeat the three tremendously powerful enemies and triumph in the Chinese revolution, the proletariat had to unite with all revolutionary classes and strata to form a revolutionary united front under all circumstances. To form this united front, it had to appropriately analyze and appraise the conditions of the classes in Chinese society and distinguish between friends and enemies. Applying the dialectical and historical materialist viewpoint, Comrade Zhou Enlai incisively analyzed and correctly elaborated on these conditions. He said: "The new democratic united front consists of the proletariat, the peasantry, the petty bourgeoisie and the liberal bourgeoisie, and at times even includes some big landlords and members of the big bourgeoisie. So our ranks cover a broad spectrum." (p 211) Although the proletariat is "small in terms of numbers and strength," "its political consciousness is high and its ability great" and it "is the backbone of our forces." (p 211) "The peasantry, which makes up the bulk of these forces," is "the most dependable ally" of the proletariat. (p 211) "The urban petty bourgeoisie is also a basic force in the ranks of the new democratic revolution." (p 212) The liberal bourgeoisie (that is, the national bourgeoisie) on the one hand maintains ties with feudalism and imperialism and on the other hand is oppressed and fettered by them, so that it has a dual character, that is, it shows a tendency toward compromise and a tendency toward revolution. "The proletariat should win it over, unite with it, or at least neutralize it." (p 212) The various groups of the big bourgeoisie receive support from different imperialist blocs. When the spearhead of revolution is pointed at a certain imperialist bloc, the groups of the big bourgeoisie, which are related with other imperialist blocs, might join in the struggle against this bloc. The proletariat might form a united front with these groups of the big bourgeoisie in order to weaken the enemy force and strengthen its own reserve. However, "reaction is deeply ingrained in them. So, in cooperating with them, we must be constantly on our guard and oppose their reactionary tendencies." (p 213) These analyses and elaborations made by Comrade Zhou Enlai were of vital significance in guiding united front work during the new democratic revolution.

Leftist and rightist errors have occurred many times in the history of the Chinese revolution. These errors were expressed in different forms. An analysis of the class relations showed that people who made these errors did not proceed from the actual conditions in Chinese society and could not grasp the changes in the class relations in the course of development of the actual conditions, so that these errors impeded the development of the revolutionary united front. People who made rightist errors saw only the tendencies of the national bourgeoisie toward the revolution but did not see its tendencies toward compromise. They saw only the possibility of some groups of the big landlords and big bourgeoisie joining in the united front under certain historical conditions and forgot their reactionary character. They

even regarded the programs, policies and ideologies of the proletariat and the bourgeoisie as the same and ignored the essential difference between the proletariat and the bourgeoisie. Consequently, they pushed the capitulationist policy in the united front. People who made leftist mistakes equated the Chinese bourgeoisie with the bourgeoisie of the capitalist countries, overlooked the possibility of the national bourgeoisie participating in revolutionary struggle in a certain period of time and to a certain degree, and even mistook the petty bourgeoisie as an enemy of the revolution and arrived at "closed-doorism," which caused the Chinese revolution grave losses and serious defeats. "The right deviationists give away the whole army, while the 'left' deviationists push it away." (p 220) With this remark, Comrade Zhou Enlai pointed out sharply the consequences and essence of these two wrong policies.

The new democratic revolution in our country had a very long course of development. Comrade Zhou Enlai said: "Owing to frequent changes in the relations between the enemy and ourselves and in the conflicting camps, as well as to constant change in the overall situation," "the form and nature of the united front varied" in different periods of time. (p 207) This was another correct thesis formulated by him by summing up the development of the united front in our country.

Comrade Zhou Enlai pointed out: "We had an anti-imperialist and antifeudal national united front" during the first civil revolutionary war period. (p 207) At that time, the party's united front policy quickly brought about an upsurge in the revolution, and the workers' and peasants' movement, which was aimed at fighting imperialism and feudalism, developed vigorously. Under these circumstances, our party helped the KMT establish the national revolutionary army, which triumphantly launched the Northern Expedition and defeated the northern warlords. Later, because Chiang Kai-shek betrayed the revolution and Chen Duxiu exercised rightist capitulationist leadership in the party, this great revolution ended in failure and the united front broke up.

With the great revolution ending in failure, the new KMT warlords represented by Chiang Kai-shek ruled the country, and the national bourgeoisie chimed in with the counterrevolution. Only the proletariat, the peasantry and the petty bourgeoisie (including the revolutionary intellectuals) remained in the revolutionary camp. The Chinese revolution entered a new period. The united front in that period was a worker-peasant alliance, which Comrade Zhou Enlai called "a democratic worker-peasant national united front against feudal oppression and KMT rule." (p 207) After the "18 September" incident in 1931, because Japanese imperialism stepped up its armed aggression for the purpose of subjugating the whole of China, the contradiction between the Chinese nation and Japanese imperialism became the principal contradiction and that between different classes in China became a secondary one. Under these circumstances, our party suggested "stopping the civil war and uniting all forces to resist the Japanese." It drew up the strategy and policy of building an anti-Japanese national united front. The peaceful settlement of the subsequent "Xian incident" accelerated the realization of the second KMT-CCP cooperation and the formation of the anti-Japanese

national united front. Owing to the correct line and policies adopted by our party, the anti-Japanese national united front was maintained and the people's forces grew in number and strength throughout the period of the war of resistance against Japan.

New changes took place in the relations between classes in China after victory in the war of resistance against Japan. With the support of U.S. imperialism, the KMT led by Chiang Kai-shek, which had shown itself to be a diehard force in the anti-Japanese national united front, declared a full-scale war on the CCP and the people in July 1946. The second KMT-CCP cooperation broke down. At that time, our party led and developed the people's democratic united front, calling on all oppressed classes, democratic parties, mass organizations and minority nationalities throughout the country and patriotic Overseas Chinese as well as patriots in various other fields to unite to topple Chiang Kai-shek and liberate China. As the people's war of liberation developed triumphantly, the people's democratic united front grew in scope and became more consolidated.

Reviewing the history of development of the united front, Comrade Zhou Enlai further pointed out: The changes we have encountered in the united front have been so frequent, so great and so complicated that we must be clear-headed and be able to investigate problems and study them analytically, so that we shall be "capable of correctly understanding the changing contradictions in the course of history, identifying and analyzing the enemy at all times and setting forth a correct policy for defeating him." (p 209) He repeatedly stressed that we should grasp the different characteristics in the united front in different periods of time; we should neither take friends as enemies nor enemies as friends; we should not take as enemies all who were enemies yesterday but have become friends today, and should not consider as friends all who were friends yesterday but have become enemies today. His thesis in this respect incisively summed up both the positive and negative experiences and lessons and elaborated on the theory of the united front from the high plane of distinguishing between friends and enemies.

II

The question of the united front is a question of how the proletariat should organize and lead its allies in the revolutionary struggle.

Because of the above-mentioned characteristics and conditions existing in Chinese society and in class relations, the proletariat first of all had to form a close alliance with the peasantry. Summing up the experience of the Chinese revolution, Comrade Zhou Enlai pointed out: "It is necessary in the new democratic revolution to rely on the most dependable ally--the peasantry--which makes up the bulk of our forces and, as Comrade Mao Zedong has put it, constitutes four out of five fingers." (p 211) By winning over this ally, the proletariat united with the majority of the Chinese people, thereby laying a firm foundation for the revolutionary united front. Comrade Zhou Enlai profoundly criticized the "left" and right deviationist mistakes in regard to this question. He pointed out: "It is a 'left' deviationist mistake to rely not on the peasants but only on the proletariat, expecting it to charge

forward alone. The result is isolation. It is a right deviationist mistake to rely on the bourgeoisie, especially the big bourgeoisie." He also arrived at the correct conclusion that "with the peasants we can both advance and retreat; without them we can advance only in small numbers and in isolation, and there is no place to retreat to." (p 211)

The proletariat's dependable ally also consisted of intellectuals, handicraftsmen, professionals and small traders, who together formed the petty bourgeoisie. Conditioned by their economic status, they might vacillate to a certain extent in the revolutionary struggle but would join in and support the revolution on the whole. They were therefore an excellent ally of the proletariat. Comrade Zhou Enlai paid close attention to the situation of the petty bourgeoisie and the role it played in the united front. He emphatically pointed out in many of his articles: "The democratic dictatorship of the workers and peasants does not exclude, but definitely includes, the petty bourgeoisie" (p 160) and "we are strong only when the workers, peasants and petty bourgeoisie stand united." (p 212)

In order to strengthen itself as much as possible and to form the broadest possible united front, the proletariat, on the basis of establishing the worker-peasant alliance, had to strive to win over the middle forces between the enemy and ourselves, unite with all people who could be united, and mobilize all positive factors to form an alliance of all working people with all other people who could be united. This alliance chiefly included the national bourgeoisie and, in given historical conditions, also included the enlightened gentry and the regional power groups who had split with the landlord class. It even included some groups of the big landlords and big bourgeoisie. Comrade Zhou Enlai said: "Some people say we only want to win the allegiance of the peasants and the petty bourgeoisie. That is not true. We also want to win the allegiance of the liberal bourgeoisie." (p 217) Accordingly, while working in Chongqing, he meticulously did a great deal of work on the middle forces, giving democratic parties active support, maintaining extensive contacts with industrialists, businessmen, intellectuals and representatives of various other circles and making strenuous efforts to win them over to the side of the people. At the same time, he paid close attention to showing solicitude politically, ideologically and in everyday life for people of all walks of life who sympathized with and supported the cause of people's liberation. He said: "From now on, we must see to it that the safety and health of our progressive friends are ensured.... We must give them more material help and economic assistance and show constant solicitude for them politically." (p 238) Shown concern in every possible way by him, many friends outside the party rallied more closely around the party and made useful contributions to fighting the common enemy.

In short, Comrade Zhou Enlai not only showed theoretically the necessity and importance of winning over the middle forces, but also made gigantic efforts in practice to win over these forces, thereby making a valuable contribution to developing and strengthening the revolutionary united front.

III

Upholding leadership by the party is a basic principle in the united front. Each of the classes, strata and groups within the united front during the new democratic revolution had "its own aims" and "its own interests to pursue" (p 1) and "wanted the united front to be led according to its own ideas." (p 216) For this reason, the struggle for leadership was inevitably the focus of the contradictions and struggles within the united front. Comrade Zhou Enlai pointed out: "The proletariat, being more progressive than the other classes, should lead the others and be what Comrade Mao Zedong calls 'the commanding officer.' But the proletariat does not gain the position of command automatically...because others are contending with the proletariat and the Communist Party for leadership--not only the big bourgeoisie but also the liberal bourgeoisie and the petty bourgeoisie.... But the main force contending with us for leadership is the KMT, the ruling group representing the big landlords and the big bourgeoisie. Therefore, it is mainly the KMT and the CCP which struggle with each other for the leadership of the united front. The big bourgeoisie is our principal opponent." (p 216) In order to win victory in the new democratic revolution, our party had to adhere to the principle of independence, uphold leadership in the united front and carry out complicated, acute struggle against the KMT which represented the big landlords and the big bourgeoisie.

The KMT, the ruling group representing the big landlords and the big bourgeoisie, held the political and military power and the economic lifelines of the state, and reaction was deeply ingrained in it. In the course of forming the united front with the proletariat, therefore, it constantly and firmly opposed the ideological, political and organizational development of the proletariat and its political party and strove to seize leadership in the united front and wipe out the forces of the proletariat and its political party. Entrusted by the party Central Committee, Comrade Zhou Enlai constantly upheld the party's leadership in the united front during his long-term united front work inside the KMT. In his article entitled "The CCP in the Present Political Struggle" written in December 1926, he pointed out in unequivocal terms that, in cooperating with the KMT, the proletariat and the CCP must be independent politically and organizationally and must also firmly grasp leadership and uphold the correct ideas of supporting the left and attacking the right. He said: The KMT-CCP cooperation "does not mean that the CCP has lost its identity and should no longer have any independent views.... The communists, while supporting the KMT and the national government, should nevertheless put forward the political and economic demands of the workers and peasants, within the limits of democracy, and press the KMT government to fulfill them one after another." (p 3) He publicly exposed the counterrevolutionary activities of the KMT right wing. He scathingly denounced: They "have obviously been active in opposing the communists, the Soviet Union, and the workers and peasants and in collaborating with the forces of tradition." (pp 3-4) He clearly announced: "Faced with diverse tendencies, the communists have consistently joined forces with the left wing in waging both ideological and practical struggles against the right." (p 4) With the revolutionary movement developing rapidly and the contention between the bourgeoisie and the proletariat for leadership in the united front

sharpening with each passing day, Comrade Zhou Enlai led the revolutionary students' organization of the Whampoa Military Academy in actively propagating the revolutionary theory and the party's policy regarding the united front and in uniting with all revolutionary forces to wage an acute struggle against the KMT right wing. However, at that time, Chen Duxiu exercised right capitulationist leadership, favored uniting with the bourgeoisie instead of fighting against it, and made three big concessions organizationally, militarily and politically to the KMT right wing. He also lacked a clear-cut policy toward Chiang Kai-shek, a counterrevolutionary careerist. Subsequently, Chiang Kai-shek launched the "12 April" 1927 coup d'etat in Shanghai, publicly betraying the revolution. This caused the KMT and the CCP to break with each other and the united front to break up. Reviewing and summing up this part of history, Comrade Zhou Enlai incisively criticized Chen Duxiu and others for their erroneous right-deviationist view that "a bourgeois revolution had to be led by the bourgeoisie and not by the proletariat, which should only assist the bourgeoisie; the proletariat should 'carry the sedan chair' for the bourgeoisie." (p 158) He pointed out that an important reason for the defeat of the great revolution was that Chen Duxiu and others abandoned the party's leadership in the united front and its struggle against the KMT right wing.

After the "18 September" incident, Japanese imperialism stepped up its aggression against China. Disregarding the serious national crisis, Chiang Kai-shek and the KMT persisted in the policy of "internal pacification before resistance to foreign invasion," thereby "precipitating the Xian incident" in December 1936. (pp 192-193) The CCP Central Committee headed by Comrade Mao Zedong correctly analyzed the situation and made the policy decision of peacefully solving the "Xian incident" and compelling Chiang Kai-shek to resist the Japanese. It also sent Comrade Zhou Enlai as its plenipotentiary representative to negotiate with Chiang Kai-shek in Xian. In the negotiations, Comrade Zhou Enlai firmly carried out the party Central Committee's policy and compelled Chiang Kai-shek to accept our party's proposal for stopping the civil war and uniting to resist the Japanese, thereby promoting the establishment of the anti-Japanese national united front. Throughout the great revolution and the second revolutionary civil war, our party saw Chiang Kai-shek's reactionary nature more clearly. Commenting on the point that Chiang Kai-shek and the KMT were compelled to join in the anti-Japanese national united front, Comrade Zhou Enlai said: "Chiang Kai-shek and his group, who represent a section of the big landlords and the big bourgeoisie, took part in armed resistance, but they were still essentially reactionary." (p 209) At that time, as our party's permanent representative in Chongqing where the KMT government was situated, he faced danger fearlessly, firmly carried out the party Central Committee's principles and policies, and fought tit for tat against Chiang Kai-shek's and the KMT's reactionary behavior of passively taking part in armed resistance and actively opposing the communists.

After the Japanese surrender, the KMT reactionaries, for the purpose of seizing the fruits of victory of the armed resistance against the Japanese and with the support of U.S. imperialism, played the trick of "peace talks" while preparing for a full-scale civil war. To realize the people's wishes

and expose Chiang Kai-shek's true features in the course of struggle, Comrade Zhou Enlai accompanied Comrade Mao Zedong to negotiations with Chiang Kai-shek in Chongqing in August 1945. Afterward, he led our party's delegation to a political consultative conference attended by various other parties. As a result of the intelligent and firm struggle launched by Comrade Zhou Enlai and others, the KMT was compelled to accept the plan and agreement that was favorable to the people. Chiang Kai-shek and the KMT flagrantly scrapped this agreement soon afterward. Still, Comrade Zhou Enlai's militant spirit of upholding the principle of independence and firmly defending the revolutionary forces deserves to be respected and remembered forever.

Comrade Zhou Enlai made full expositions on the united front. He summed up his experiences and theories on the united front (which are carried in volume 1 of the "Selected Works") during the period of the new democratic revolution. However, his basic ideas and principles concerning the united front are useful to us as long-term guidance. Since liberation, we have united with the revolutionary classes and strata and all patriotic democrats, continuously developed and strengthened the revolutionary united front under the party's leadership and on the basis of the worker-peasant alliance, and won great victories in our country's socialist revolution and construction. Our country has now entered a new historical period. In order to build China into a powerful modern socialist country, to accomplish the great cause of returning Taiwan to the embrace of the motherland and unifying the motherland, to oppose hegemonism in world affairs and to defend world peace, we must still unite with all forces which can be united, and fully arouse all positive factors to develop and strengthen the revolutionary patriotic united front. In the new historical period, therefore, the united front remains an important magic weapon which should be strengthened instead of being weakened. We must go further to reeducate all party members on the party's policy regarding the united front and wipe out the ideological influence of the Lin Biao and Jiang Qing counterrevolutionary cliques, so that the party's united front work can better accomplish the general tasks during the new period.

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ETERNAL GLORY TO A MAN WHO WORKED FOR THE PARTY ALL HIS LIFE--IN MEMORY OF
COMRADE DENG ZIHUI

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[Article by Liu Ruilong [0491 3843 7893]]

[Text] Comrade Deng Zihui was one of the party's outstanding leaders of the peasant movement. During the agrarian revolution, he was one of the founders of the western Fujian revolutionary base. During the war of resistance against Japan, he was one of the key leaders of the northern Jiangsu-central China revolutionary base and the New Fourth Army. After liberation, he was a brilliant leader and organizer of the cause of China's agricultural collectivization. Whether in the stage of the new democratic revolution or in the stage of socialist revolution and socialist construction, he made important contributions to the party and the people, devoted his lifetime energies to the revolutionary cause, and was always cherished and held in esteem by the people.

Comrade Zihui and I worked together, at different times, for a total of 16 years. Nine years have elapsed since he passed away. I deeply cherish the memory of Comrade Deng Zihui with high esteem.

I

It was in May 1941 that I met Comrade Deng Zihui for the first time. He was first entrusted by the Central China Bureau of the CCP Central Committee and the headquarters of the New Fourth Army to inspect northern Jiangsu Province. Later the CCP Central Committee decided that he should stay there and be political instructor of the 4th Division and secretary of the district CCP committee. It was also at that time that I was recalled to work there. Before I met him, I had heard that, together with Comrade Chang Dingcheng and others, he had led the peasants of western Fujian Province to stage an uprising and establish the western Fujian revolutionary base in the spring of 1928. When the central worker-peasant government was founded, he was appointed minister of finance, leading the work of developing the economy of the central soviet areas. Later, when the Red Army began the Long March, the CCP Central Committee left him together with Comrades Xiang Ying, Chen Yi, Tan Zhenlin and Chang Dingcheng and others, who persisted in struggle during the extremely difficult 3 years of guerrilla warfare. After the beginning of

the war of resistance against Japan, he joined in the leadership work of the New Fourth Army. Prolonged revolutionary struggles tempered him into a strong-willed and richly experienced revolutionary. We were delighted to the bottom of our hearts at his arrival.

When Comrade Zihui arrived in northern Jiangsu, the 4th Division of the New Fourth Army had just been transferred from the western side of the Tianjin-Pukou railway line to its eastern side. The base areas on the eastern side of the railway had not been held for very long, the masses had not yet been aroused and the revolutionary bases were not very consolidated. At that time the situation was grave. There existed a tripartite confrontation between the enemy, local armed diehards and ourselves. Under these circumstances, the pressing tasks at that time were how to rapidly arouse the masses, expand the people's armed forces and establish and consolidate the revolutionary bases. Comrade Deng Zihui and Peng Xuefeng and others of the district CCP committee resolutely carried out the directive of the CCP Central Committee and its Central China Bureau, a directive urging them to arouse the masses, organize the masses, expand the revolutionary forces and within two winter-spring periods build northern Jiangsu into a consolidated democratic anti-Japanese aggression base while seriously restructuring and expanding the main force and local armed forces.

In building the revolutionary bases, Comrade Zihui firmly grasped a key link, namely, going all out to mobilize and lead the peasants in waging the struggle for the reduction of land rent and loan interest. This was aimed at organizing the majority of the peasant masses to establish the political superiority of the basic masses, and at the same time correctly taking care of the interests of the various classes which resisted Japanese aggression. In June 1941, the district CCP committee held a meeting of the activists and studied the concrete policies for reducing land rent and loan interest in the regions of northern Jiangsu. After the meeting, large batches of cadres were sent to the countryside to mobilize the masses to carry out the struggle for the reduction of land rent and loan interest, thus improving the economic life of the peasants and arousing them to resist Japanese aggression. On the basis of the aroused masses, we set up anti-Japanese aggression and salvation associations, composed of workers, peasants, youths, women and so on. By the end of 1944, the membership of those associations had reached more than 1 million. We reorganized the local armed forces controlled by the landlords and transferred the guns into the hands of the people; completely restructured grassroots political power and established the "three-thirds system" of anti-Japanese aggression and democratic political power. This substantially raised the economic and political positions of the masses of workers and peasants and greatly weakened the feudal forces, thus establishing an order of new democratic revolution. While establishing the superiority of the basic masses, Comrade Zihui paid close attention to uniting various classes that were resisting Japanese aggression and to uniting all patriotic forces to join in the resistance against Japanese aggression. Often he did work which the democrats and the enlightened gentry did. He had a lot of friends among these people.

It was necessary to overcome the difficulties in supplying grain and funds to the revolutionary bases. Being good at managing finances and organizing

production, Comrade Zihui led and perfected the government's financial and economic organs, and implemented unified progressive taxation, state purchase of grain, land taxation and goods taxation. He also set up the Northern Jiangsu Bank and issued border currency. At the same time, learning from the experiences of Yanan, he mobilized and organized the army and the people of northern Jiangsu to carry out a mass production campaign and develop agricultural and handicraft production. Every year we organized the masses to engage in spring plowing and in summer and autumn harvests, to build water conservancy projects, to plant cotton, and to study spinning and weaving. We also organized mutual aid teams and cooperatives and encouraged the peasants to work out plans to make every household prosper, and urged the labor heroes to carry out a production emulation drive. As a result, a great upsurge in production prevailed in northern Jiangsu under a war situation. We broadened sources of income and reduced expenditure, handled all revenue and expenditure in a unified way, practiced a unified budget and strict accounting, practiced a unified state treasury and strict audits, practiced strict economy and put an end to corruption and waste. This enabled us to quickly overcome the economic difficulties of the revolutionary bases and basically ensured clothing and food for the army and the people of northern Jiangsu.

In 1943, in the rectification movement led by Comrade Zihui and the district CCP committee, we ran a total of nine training courses in rotation, and Comrade Zihui made rectification reports many times to them. In the rectification movement, the cadres were organized to study documents, sort out the unhealthy tendencies of subjectivism, sectarianism and stereotyped party writing, and overcome nonproletarian thought. This resulted in the enhancement of the ideological consciousness of the cadres. In July 1944, when Comrade Liu Zijiu studied in the CCP Central Committee's party school, he wrote "a letter to the district CCP committee of northern Jiangsu concerning the question of study," which was authorized to be issued to the various revolutionary bases by Comrade Mao Zedong. Comrade Zihui organized the cadres and the army to study this letter, thus enabling them to further deepen the mass viewpoint. Through the rectification movement, Comrade Zihui handled two misjudged cases of Siyang and the northern Jiangsu middle school in a timely, realistic and practical way, with the result that the cadres were educated, unity was strengthened and the party's prestige was enhanced.

In the struggle to constantly establish, consolidate and expand the revolutionary bases, we won a series of victories in the military struggle against the enemy and local armed diehards. In the winter of 1942, through 33 days of bloody battle, we eventually smashed the large-scale "mopping-up operations" launched by the Japanese aggressors against our revolutionary bases. In March 1943, with the coordinated 2d and 3d Divisions under the unified command of Comrade Chen Yi, Comrades Peng Xuefeng and Deng Zihui led the principal force of the 4th Division and captured Han Dele alive. He was the commander of the KMT anticommunist command of Jiangsu Province in the Shanzitou battle, and after being educated, he was released and courteously sent over the border. In August 1944, Comrade Xuefeng personally commanded the principal force of the 4th Division in marching westward. They established eight county administrations, liberated 2.5 million people, recovered large parts of the revolutionary bases in the Henan-Anhui-Jiangsu border areas

and, as a result, the revolutionary bases of northern Jiangsu were expanded to twice their former size. In commanding a battle, divisional commander Xuefeng heroically gave his life for his country.

After Comrade Zihui's arrival in northern Jiangsu Province, the work of the revolutionary bases in such fields as political power, armed forces, finance and economics, the united front and party building was pushed forward and deepened. Contingents which maintained close ties with the masses and were capable of fighting were educated and nurtured. He deserved to be called a good teacher and guide of the broad masses of the army and the people of northern Jiangsu. In recollecting this period of his military life, we cherish his memory all the more!

After the victory in the war of resistance against Japan, Comrade Zihui took up leadership work in the Central China Subbureau and East China Bureau under the CCP Central Committee successively in the Jiangsu-Anhui and Shandong liberated areas. In leading the struggle for land reform, he creatively put forth the policy of "starting at both ends and leaving the middle untouched," carried out the CCP Central Committee's "4 May" directive in an exemplary way, and corrected the "leftist" and rightist deviations which cropped up in the work of land reform. In leading the work of supporting the front, together with other leading comrades, he quickly put an end to the passive state of this work and met the logistical supply needs of our armies in central China and Shandong Province, thus creating favorable conditions for smashing the enemy's attacks and also providing the Huai-Hai campaign, the successful crossing of the Changjiang River and other campaigns with rich experiences.

II

After the nationwide completion of land reform, under the leadership of the CCP Central Committee and Comrade Mao Zedong, Comrade Zihui devoted all his energies and strength to organizing and leading the agricultural cooperativization movement and to developing socialist agriculture.

In early 1953, Comrade Zihui was transferred and appointed by the CCP Central Committee to be director of the Rural Work Department of the CCP Central Committee. Not long afterward, I was transferred to the Ministry of Agriculture and continued to work under his leadership.

Comrade Zihui invariably took a clear-cut, firm and positive attitude toward China's agricultural collectivization. He said to me: "Chairman Mao asked me to work in the Rural Work Department. This means organizing the several hundred million peasants to engage in agricultural cooperativization. This is the general principle and general task of rural work." He held that in developing agricultural production, we could not rely on the scattered and backward small peasant economy. The only way was to organize mutual aid and cooperation. The socialist transformation of the small peasant economy "could not waver." Together with comrades of the Rural Work Department, on behalf of the CCP Central Committee, he took charge of the work of formulating "decisions concerning developing agricultural producers' cooperatives"

and other documents one after another and forcefully led and propelled forward the agricultural cooperativization movement.

Concerning the question of how to realize China's agricultural collectivization, Comrade Zihui maintained that it was necessary to proceed from the present condition of China's small peasant economy, supporting the peasants' enthusiasm for developing mutual aid and cooperation on the one hand and not dampening the enthusiasm of the individual peasant economy on the other hand. We had to adopt various transitional measures and transitional forms which were easy for the peasants to accept so that the peasants were able to enter the stage of socialism of their own free will and being well-prepared ideologically. He upheld the principles of "exercising active leadership and achieving steady advance" formulated by the CCP Central Committee, of voluntary participation and mutual benefit, of setting an example and of state assistance. He opposed noninterference or coercion, commandism as well as rashness. In early 1953, in some localities there emerged a phenomena in which the peasants were forced to join the cooperatives, the interests of the middle peasants were encroached upon and advanced forms were sought after blindly. He made timely suggestions to the CCP Central Committee in order to overcome impetuosity. The CCP Central Committee accepted his suggestions and issued one after another a series of documents to correct these deviations. They also compiled the "directives to the party committees at various levels concerning production in spring plowing" drafted on behalf of the CCP Central Committee by the Rural Work Department of which he was in charge, the RENMIN RIBAO editorial entitled "The Key to Leading Agricultural Production" and its "decisions concerning agricultural producers' mutual aid and cooperation" into a book entitled "A Guide to Present-Day Agricultural Work," which was issued throughout the nation to direct the movement. Comrade Mao Zedong personally wrote instructions in it, calling on personnel engaged in rural work "to make a serious study of it." At the first national rural work conference, he further emphatically criticized rash deviations and expounded the principle of "achieving steady advance." These measures played a positive role in the smooth development of the agricultural cooperativization movement at that time.

Before the autumn harvest of 1954, the agricultural cooperatives throughout the country had increased in number from 14,000 to 100,000, and in 1955 dramatically increased to 670,000. Because the growth rate was too fast, 7 billion jin of grain in excess of the state purchasing quota was purchased all over the country. A strained situation both in grain and in cooperativization emerged in a large number of places to varying degrees. In some places pigs and cows were slaughtered, trees were felled and production was sabotaged. This state of affairs attracted the attention of the CCP Central Committee and Comrade Mao Zedong. On 10 January 1955, the CCP Central Committee issued the "circular concerning the rectification and consolidation of the agricultural cooperatives," urging that measures to suspend the further expansion of, to appropriately reduce and to rectify the cooperatives should be taken in different regions. At the beginning of March in that year, the CCP Central Committee and the State Council issued an "urgent directive concerning rapidly arranging the work of grain purchase and sale and reassuring the peasants in production," pointing out that "it is necessary

to reduce the pace of agricultural cooperativization." In the last 10-day period of March, Comrade Mao Zedong invited some leading comrades and put forth the principle of "suspension, reduction and expansion," pointing out that with regard to cooperativization, our policy was to suspend, to reduce and to expand. Those which deserved to be suspended should be suspended, those which deserved to be reduced should be reduced and those which deserved to be expanded should be expanded. Comrade Zihui and the Rural Work Department of the CCP Central Committee earnestly implemented the above-mentioned directive. They carried out rectification and consolidation work among the 670,000 cooperatives throughout the country, of which 650,000 cooperatives were preserved and 20,000 cooperatives were disbanded. Later it was said that "200,000 cooperatives were disbanded." This was not a fact. This rectification overcame the tendencies toward rashness and impetuosity, relaxed the strained rural situation and sparked the enthusiasm of the broad masses of peasants to a certain extent.

On the question of the speed of agricultural cooperativization, in May 1955, when discussing plans to develop cooperativization, Comrade Zihui maintained that cooperativization should be popularized step by step. He also held that attention should be paid to its consolidation, and it should be developed in accordance with the CCP Central Committee's original plans instead of being developed excessively at an unduly rapid pace. Doing things in such a way seemed to be a bit slow, but, in fact, from a long-term point of view, it would be faster and make better progress. Later these correct proposals were subjected to criticism.

After being criticized, Comrade Zihui still threw himself with great zeal into the work of consolidating agricultural collectivization. He especially stressed upholding the principle of voluntary participation and mutual benefit, maintaining that the heart of the matter was to correctly treat the middle peasants and to establish an alliance of the poor and middle peasants; he stressed not discriminating against the peasants still farming on their own and maintaining that only when the interests of the majority of the peasants were protected and developed, could we enjoy their support. He paid close attention to doing a good job in the operation and management of cooperatives, to rectifying their financial affairs, and to ensuring increases both in production and income of cooperative members. Together with the comrades of the Rural Work Department of the CCP Central Committee, and on behalf of the CCP Central Committee, he drafted a series of directives and documents concerning the consolidation of agricultural collectivization. In October 1957, based on the summation of the experiences of various localities, he made a suggestion for practicing unified administration, graded management and a personal responsibility system with a clear division of labor and responsibility. After people's communes were organized throughout the nation, he continued to work hard for the consolidation of the collective economy. In 1960 he personally conducted investigations in the rural areas and on this basis he took charge of drafting the "forty regulations for handling the internal affairs of the people's communes." The 1961 work meeting held by the CCP Central Committee formulated the "draft regulations for the work of the rural people's communes" (that is, the "sixty regulations") by using these regulations as reference and summing up the experiences of various localities.

In the spring of 1962, he wanted to consolidate the collective economy and find ways to integrate the economic interests of the collective with those of the individual on the basis of investigations. Apart from stabilizing the system of production team ownership, respecting the decisionmaking power of the production teams, preserving small freedoms and not changing the fixed grain purchase quotas for the production teams for a number of years, he laid further stress on establishing strict production responsibility systems. He advocated that, under the premise of putting production planning, the means of production, labor and distribution under unified administration, the production teams were allowed to assign work and output to the operating groups under a contract. The latter were allowed to assign field management and some work requiring certain production skills which were not convenient for the collective to do, to individual households under a contract, by linking remuneration with output and giving rewards for fulfilling production tasks. Large-scale work was to be done collectively and small-scale work individually. This proposition was aimed at countering the serious situation at that time in which no clear responsibility was fixed and no distinction was made between those meriting rewards and those deserving punishment, and the proposition was, therefore, warmly welcomed by the peasants. The fine situation which has emerged after the introduction of various forms of the agricultural responsibility system in the rural areas of present-day China has fully proved the correctness of Comrade Zihui's assertion concerning establishing a responsibility system linking remuneration to output.

As for how to develop China's agricultural economy, Comrade Zihui also put forth a series of far-sighted propositions. He held that in order to develop agricultural production, first of all it was necessary to have a clear understanding of the basic condition of China's agriculture, of the natural resources and other conditions, and to make the best possible use of the favorable conditions and avoid the unfavorable ones. He criticized the tendency to make production unitary, and stressed the need to develop a diversified economy and all-round production in such fields as agriculture, forestry, animal husbandry, sideline occupations and fishery. He attached great importance to the work of the technological transformation of agriculture and to the enthusiastic popularization of advanced production techniques and advanced experiences in operation and management. He also advocated that technical popularization centers and operation and management centers be established throughout the nation. He advocated that in carrying out agricultural capital construction, consideration should be given to practical demands, the principle determining important and urgent demands should be practiced, things should be done within the limits of our capabilities and we should not entertain the idea that seeing that "all neglected tasks are now being undertaken" we are only "one step away from heaven."

Comrade Zihui also made outstanding contributions to establishing and developing China's agricultural scientific undertakings. At the national conference on agricultural scientific work called in December 1955, he reminded us to recognize that, after cooperativization, the peasants would inevitably require scientific assistance. He said that in developing agricultural production, besides relying on the enthusiasm of the peasants, we should rely on the use of agricultural science. Labor plus science would

ensure a steady increase in production. At Comrade Zihui's suggestion, the Chinese Academy of Agricultural Sciences, various district institutes and specialized institutes of agricultural sciences were established and tens of thousands of agrotechnological personnel were trained, thus ushering in a new era in China's agricultural scientific research.

Practice over a long period of time has proved that Comrade Zihui and the Rural Work Department of the CCP Central Committee of which he was in charge remained steadfast to the socialist orientation and to the party's line, principles and policies and made remarkable achievements. His correct proposals concerning the development of China's socialist agriculture are still of significance to the modernization of agriculture.

III

Working together with Comrade Deng Zihui for a long time, I realized that he had many noble qualities and a fine work style which deserves our study and attention. Here I would like to list some of his characteristics which left fairly deep impressions on me.

Comrade Zihui raised his understanding of the mass viewpoint and mass line to the higher plane of party spirit and then put them into practice. He was a model of our party in enthusiastically upholding the mass viewpoint and mass line. He always taught the cadres to get deeply involved with the masses, understand them and foster the idea of serving the people wholeheartedly, doing everything for the people and relying on the people in doing everything. He said: "Going all out to mobilize the masses is the basic line of the party in leading the revolution and the only way for the masses to achieve victory in the revolution and self-emancipation." Every party member and every revolutionary should have the mass viewpoint. This is "the basic content of the party spirit."

He held that whether waging revolution or carrying out construction, we should rely on the consciousness, wishes and voluntary participation of the masses of people instead of having the mentality of acting and considering oneself clever and practicing subjectivism and commandism. As long as we take the mass line and consult with the masses when matters arise, we will become wiser in doing things. When considering policy issues involving the interests of the masses, he always reminded us to "take the more important one in weighing up two advantageous measures and take the less harmful one in weighing up two disadvantageous measures." He asked us to maintain wide and close ties with the masses, listen attentively to the voice of the masses, acquaint ourselves with the weal and woe and the urgent demands of the masses, and really find out where their interests lay. To achieve this, the basic thing was for our comrades to live like the masses and "rather than having privileges, their words, deeds, clothing, housing and food should be in a common style." In this way, the masses would dare to approach us and be willing to tell us what was on their minds. In work over a long period of time, he himself was best at doing mass work, at maintaining close ties with the masses, at having a true understanding of the demands of the masses and using the language of the masses to explain to them the party's views and policies.

Another outstanding characteristic of Comrade Zihui's was that in doing everything he laid stress on investigation and study, proceeded in everything from reality and sought truth from facts. These strong points of his took shape when he was in western Fujian during the agrarian revolution. By conducting profound investigation and study and summing up the experiences of the masses, he reached the conclusion: "take from those who have too much and give to those who have too little; take from the fat to pad the lean." This conclusion and the conclusion reached by Comrade Mao Zedong from the investigations he conducted in Xingguo coincided. For this, Comrade Zihui was praised by Comrade Mao Zedong. Later, when he was in northern Jiangsu, central China and Shandong Province, in working in various fields, he took investigation and study as a means to find a way and as the foundation for formulating principles and policies.

During the stages of socialist revolution and socialist construction, as usual, he preserved this fine work style. He was praised by Comrade Mao Zedong three times. The first time was in 1957. On the basis of investigations and study, he drafted the directives and documents concerning the consolidation of the agricultural collective economy for the CCP Central Committee. Comrade Mao Zedong praised him for his method in doing this work, namely, to proceed from reality. The second time was in March 1962, when a work conference was convened in Guangzhou by the CCP Central Committee. After the "sixty regulations" were discussed at the meeting, Comrade Mao Zedong said at the meeting that our revered Comrade Deng had done a good thing in formulating the "sixty regulations." He had the spirit of conducting investigations and study and his views were correct. The third time was when, after the Guangzhou conference, he was entrusted by Comrade Mao Zedong and Comrade Liu Shaoqi to determine the problems of the rural basic accounting units. He returned to Fujian Province to conduct investigations and carry out experimental work, and then wrote "an investigative report concerning the experimental work of the basic accounting units of the people's communes" in which he formulated solutions to some concrete problems arising after production teams were made the basic accounting units. When he read the report, Comrade Mao Zedong was very happy and wrote instructions for it to be issued throughout the country. The instructions read: "This report of Comrade Deng Zihui's is very good. It is sent to you for your reference"; "Conducting serious investigations and study and making a concrete analysis of concrete conditions instead of an abstract and subjective analysis are the soul of Marxism"; "First secretaries of various provinces are encouraged to lead some working groups and go, adopting the method of Comrade Deng Zihui's, to the countryside to do investigation work and study for about 10 days." He was still ready to accept the views of other people, views stemming from practical work, and modestly learn from the creativity of the masses. When the production responsibility system was proposed in 1962, it was he who was the first to receive a letter written by a grassroots cadre in Anhui Province. He sent out a working group and after the system was proved to be effective through repeated investigations and studies, he proposed this method to the CCP Central Committee. His thoughts, views and assertions were often fairly suited to reality thanks to the importance he attached to investigation and study.

In handling the relationship between the individual and the party, Comrade Zihui was a model who upheld principles and observed discipline. He could withstand the tests of both favorable and adverse circumstances. In all circumstances, he always struggled arduously and made unremitting efforts to improve himself. He dared to practice criticism and self-criticism. Strict in analyzing himself ideologically, he would criticize himself in public without scruple if he found he had made mistakes. When he was unjustly criticized, he could take the interests of the whole into account, hold back his grievances for the sake of shouldering more important tasks, safeguard the unity of the party and never shirk responsibility. But on the question of principle involving the fundamental interests of the people, he would never yield. Conscious of dangers, he would give no thought to personal gain or loss, but instead would report and make suggestions to the CCP Central Committee and ask it for instructions according to the rules and regulations of the party. He was open and aboveboard as well as very sincere, and he never concealed his views.

Comrade Zihui also had the spirit of using his own hands and starting, in doing everything, from small matters. He personally compiled a "Rural Accounting Textbook." Together with us, he studied such problems as agricultural scientific research and education, the popularization of technology, the grain cropping system, the diversified economy, the development of pig raising and animal husbandry, river control and water and soil conservation, and construction in mountainous areas. Even in his last few years, he indefatigably studied the rural "insurance system for farm cattle" so as to ease the burden on the peasants.

All this fully shows that he was boundlessly loyal to the cause of the party and the people and to Marxism-Leninism-Mao Zedong Thought. Comrade Zihui proved himself to be a Marxist who integrated theory with practice.

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HOW SHOULD WE LOOK AT THE QUESTION OF MARKET PRICES AT PRESENT?

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 33-36

[Article by Liu Zhuofu [0491 0587 3940], director of the State Administration of Commodity Prices]

[Text] In the government report delivered at the 4th session of the 5th NPC, Premier Zhao Ziyang said that commodity prices in 1981 were mainly stable. Comparing 1981 to 1980, he said, the rise in the general price index has been smaller. Prices of daily-use goods have been kept stable. However, the prices of some items have risen. These words summarized realistically the general situation of our market prices in 1981.

First of all, the situation of market prices in 1981 was better than that of the previous year.

Regarding the price index, from January to September 1981, the general social retail price index rose by 1.1 percent as compared with the same period of the year before. Within this figure, the state-fixed prices rose by 0.9 percent; negotiated prices rose by 1.6 percent; and fair market prices rose by 5.3 percent. It is estimated that the general retail index for the whole year rose by 2 percent, which takes into account the price rise of cigarettes and wine, while the same index rose by 6 percent in 1980. Of course, owing to various complicated factors, the index cannot exactly reflect the real situation of price changes. For example, the index cannot reflect such phenomena as disguised price hikes and random charges. After prices of eight categories of nonstaple foodstuffs were raised in 1980, the repercussions of a chain reaction were quite strong; besides, the range of commodities which can be negotiated had not been well defined, adding such problems as hikes in negotiated prices and sporadic price hikes for a period of time. For this reason, the State Council issued the "circular on stringent control of prices and rectification of negotiated prices," which enforced a price freeze on all consumer goods and called for a nationwide price inspection. In this way, sporadic price hikes were brought to an end and prices were kept basically stable. In the first half of 1981, the general retail price index rose by only 0.7 percent. The masses were rather satisfied with this. However, in the latter half of the year, vegetable prices were raised. Then the state adjusted the prices of some commodities, and some of the fair market prices also rose. All this contributed to raising

the price index in the latter half of 1981, which is expected to be larger than that in the first half. However, viewing the entire year and all aspects, it is certain that the rise in the price index in 1981 was smaller than the rise in 1980.

Second, some prices did rise; hence the masses were further burdened.

The retail price rise in 1981 can be divided into three parts.

The first part is the price rises approved by the State Council. There are two such groups in this first part. One group was approved around the second quarter. Among those, the selling prices of bamboo, wooden and leather products were raised. The reason for these price rises was that the former purchasing prices for timber, bamboo, cowhide and sheepskin were on the low side. However, after raising the purchase prices proportionally, the production of finished products from these raw materials incurred financial losses, so that the output of the products decreased; some of them even became in short supply. Therefore, it was necessary to raise the prices of finished products, which spurred the development of production and better met the needs of the masses. The other group included cigarettes and wines, the prices of which were raised recently. While deciding to raise the prices of these two groups of commodities, the State Council lowered the prices of other items. Among them, there were polyester cloth, nylon socks, rubber-soled shoes, electric meters for civil use, electric fans, television sets, recorders, magnetic tapes, digital watches, refrigerators, as well as honey, walnuts and so on. In general, both the increases and decreases occurred in commodity prices. In the main, the amount of price rises for industrial products was equal to that of price decreases. Both price rises and price decreases totaled over 300 million yuan. Adding the price rise of cigarettes and wine and the price decrease of polyester cloth, the total amount of price rises was a bit larger than the total amount of price decreases. However, the commodities whose prices were raised are daily-use consumer goods; and the commodities whose prices were lowered are only bought by a small portion of the people, or are not bought frequently by most of the people, so that the broad masses of consumers did not readily feel the effect of the lowered prices. As a result, the impression of price hikes ran deeply among the masses.

The second part of the price rises came from enterprises which raised the prices of their products without authorization. This was mainly reflected in all kinds of disguised price hikes and random charges. In the course of implementing the economic responsibility system and after linking bonuses with profits, the administration and supervision systems did not keep up with the changes, so that the problem became more pronounced. By means of raising prices without authorization and making disguised price hikes and random charges, some enterprises and institutions increased their profits in order to distribute more bonuses. Besides, owing to the unhealthy tendency of "entering through the backdoor," well-made inexpensive commodities were first sold to friends, relatives and the so-called "related units," thus further adding the burden on the broad masses of consumers.

The third part of the price rises came from market trading. Shortages of some commodities traded in this way resulted in price rises. Prices of other items were hiked by shops. All this causes the expenses of urban residents to increase.

However, in the urban areas, it was the rise in nonstaple foodstuff prices that aroused the most complaints from the masses and affected them the most. The vegetable price rise in particular drew the loudest complaints from the masses, despite the state's increasing vegetable price subsidies year after year. In 1979, the state gave a subsidy of 240 million yuan; in 1980, 310 million yuan; and in 1981, more than 400 million yuan. For vegetables, the masses had to pay more, and the state had to give more subsidies, but the supply did not improve. This was owing to problems in production and management. The shortage of commodities at state-fixed prices was another reason for the rise in price of nonstaple foodstuffs. The masses were thus obliged to buy more commodities at negotiated prices or at fair market prices. In some towns, most of the pork was supplied by individual retailers, since state-owned shops only supplied a very limited amount. Among vegetables, poultry, eggs and aquatic products, those bought at negotiated prices or in market fairs accounted for a substantially large proportion. The departments concerned are planning a special meeting to find solutions to the above problems.

While finding that the prices of some commodities did rise and that the masses were greatly affected, we should also note other aspects. Comparing 1981 with 1978, the peasants' income increased by over 18 billion yuan owing to increases in state purchasing prices for agricultural and sideline products. Cash wages (including bonuses and subsidies) of staff and workers in units owned by the whole people were 24.7 percent higher in 1980 than in 1978, while prices rose by 10.1 percent over those of the same period. Even if disguised price hikes and other factors are taken into account, viewing the country as a whole, wages rose much more than prices. Therefore, looking at the people's livelihood in an all-round way, we should say that prices have risen in recent years and the masses have had to pay more, but workers' wages have also increased and, moreover, they have risen more than the increase in expenditures, so that the people's standard of living has improved. Of course, there is still some imbalance. Families which have more people employed, had their wages increased and had more bonuses had a more improved standard of living, and they constituted the majority. On the other hand, families which did not have such benefits felt the price rises much more, their standard of living did not actually improve, and some suffered a decline in the standard. These people are mainly personnel who work in government organs and who work in scientific, cultural, educational and medical-health institutions. Finance Minister Wang Bingqian said in his report at the 4th session of the 5th NPC that the state is planning to readjust the wages for staff and workers in departments which do not adopt the bonus system.

Here, it is necessary to say something about price subsidies. Although the state still has many financial difficulties, a subsidy system has been in effect for many years for people's daily-use goods and agricultural products

in order to stabilize market prices. Particularly in the past 2 years, while the state purchasing prices for agricultural and sideline products were raised, selling prices for grain, cotton and oil were still maintained. Thus the state had to increase price subsidies year after year: in 1978, the subsidies amounted to 7.8 billion yuan; in 1979, 14.6 billion yuan; in 1980, 20.8 billion yuan; and in 1981, it is expected to be over 32 billion yuan. Among the total subsidies in 1981, subsidies for grain, cotton and oil accounted for 22.8 billion yuan; those for meat, fish, eggs, sugar, vegetables and domestic coal accounted for 2.8 billion yuan; and those for chemical fertilizer, pesticide, diesel oil for farm use, electricity for farm use and farm machinery accounted for 4.5 billion yuan. This fully shows that the state has spent a lot of money in order to ensure stability in the people's livelihood.

At present, many people are concerned about the price decrease of polyester cloth and the price rise of cigarettes and wine. So it is necessary to give a further explanation here.

It was after careful consideration that the State Council decided to lower the price of polyester cloth and to raise the price of cigarettes and wine. The polyester cloth price decrease was mainly for the purpose of expanding sales, reducing stockpiles, promoting production and improving people's clothing. By raising the price of cigarettes and wine, it was intended on one hand to cover the increased cost caused by the price rise in raw materials, and on the other hand to increase revenue and help overcome the current financial difficulties.

It was planned to lower the price of polyester cloth by 0.66 yuan per meter, but as the result of actual implementation, the price was lowered by about 0.70 yuan per meter. Among the cigarettes and wine, the prices of those of high quality and of well-known brands were raised much higher, but prices were raised less or held level for those of intermediate or low quality and those which already had rather high prices. Considering the retail price rise within the whole country, prices of the grade A cigarettes were raised on an average by 0.27 yuan per pack. Among them, the prices of some well-known brands like Zhonghua produced in Shanghai and Yunyan in Yunnan were raised by 0.50 yuan; prices of grade B were raised on an average by 0.08 yuan per pack, but the well-known Qianmen and Hengda brands were raised by over 0.10 yuan; prices of the grade C were raised by 0.02 yuan, and some of good quality were raised by 0.05 to 0.06 yuan; and prices of grades D and E were held level. Prices of well-known white wines were raised by 2 yuan per jin, bulk grain wine prices were raised by 0.05 to 0.20 yuan per jin, bulk standard beer prices were raised by about 0.16 yuan, bulk yellow wines were raised proportionally, bottled wines prices were raised correspondingly, but potato wine prices were held level. The range of price rises varied according to locality. Some were higher than the national average, others were lower.

While the prices of polyester cloth, cigarettes and wines were being adjusted, a small number of provinces and municipalities also increased the prices of several kinds of commodities. The price adjustment of these

commodities had generally been previously approved by the State Council. Most localities had finished this adjustment one after another several months earlier. So it cannot be said that those few provinces and municipalities which had not finished this price adjustment used this opportunity to hike the prices of more commodities. However, some localities have not done enough propaganda and explanation among the masses to get them to understand the reasons for adjusting the prices of more commodities, hence there were misunderstanding and complaints among the masses for a time. This should be taken as a lesson for future work.

There are quite a number of people who worry that the prices of other commodities will be hiked following the latest rise in cigarette and wine prices, thus starting an upward trend.

As prices of the eight categories of nonstaple foodstuffs were raised the year before, the chain reaction and random expansion of negotiated prices were not well controlled. This shortcoming in our work remains fresh in people's minds, and their misgivings are understandable. However, it can be clearly stated that the latest price rises in cigarettes and wine will not lead to such a situation. This is because cigarettes and wine are finished products and are different from the eight categories of nonstaple foodstuffs, which are both direct consumer goods and also the raw materials for some consumer goods. Therefore, the rise in cigarettes and wine prices will not cause a chain reaction among other commodities whose prices are fixed by the state. While deciding to raise the prices of cigarettes and wine, the State Council also gave instructions to all departments and localities to strictly control prices and to prevent prices from being hiked randomly.

It should be pointed out that, before the state can reform the structure of wages and prices in an all-round way, keeping market prices stable, in the main, is the most important task in pricing work. Only under the premise that the stability of prices can be ensured and both the increase and decrease of the prices are arranged, can the adjustment of a small number of commodities be made step by step in a planned way. Premier Zhao Ziyang pointed out that, after the price rise in cigarettes and wine, stringent measures should be adopted to maintain price stability. He said that retail prices under the control of the State Council or its subordinate departments cannot be raised without the approval of the State Council, even if the existing prices are irrational. It should be made a matter of discipline. In any case, retail prices should be kept stable. As for problems concerning administered prices and the relations between different industrial departments or between the industrial and commercial departments, solutions should be reached by the leading organs concerned after due consideration, and afterward, no market price can be changed. The pricing departments must be determined to cooperate with industrial, agricultural, commercial and market administrative departments in effectively maintaining the stability of market prices. The following are specific measures to be implemented:

1. Conscientiously straighten out and stabilize the state purchasing prices for agricultural products. Since the 3d Plenary Session of the 11th CCP

Central Committee, the purchasing prices for the agricultural products have risen by 35 percent. There has already been a very great improvement in the situation of prices being too low for agricultural and sideline products. According to the current financial and material capacity of the state, and looking at the rate of development of agricultural production in recent years, it can be said that the current levels of purchasing prices for agricultural products conform to the current needs in the readjustment of the national economy. Prices can no longer be used to arouse the peasants' enthusiasm. We should rely on the development of production instead of price rises to make peasants prosperous. A correct price policy can bring about production growth, but improper price rises can harm production, harm the price relations between different agricultural products and between industrial and agricultural products, so that the coordinated development of the entire national economy will be affected. It must be seen that price rises only relate to the distribution of the national income and cannot create any social wealth. Under the present circumstances, if the purchasing prices for agricultural products are further raised, the state can only add to its financial deficit and issue more banknotes, inevitably causing price hikes, which will not only make the workers suffer but also make the peasants lose their benefits from purchasing price rises. Therefore, we must be determined to keep the purchasing prices for agricultural and sideline products stable over the next few years. The income of the broad masses of peasants, which conforms to the policies, should be protected; but random practice of some localities and departments, which violate state policies to expand the variety of commodities with negotiated or increased prices, to hike the negotiated prices and to cut the purchasing base quotas, should all be rectified conscientiously. The principles of giving consideration to all the interests of the state, the producers and the consumers and consolidating the worker-peasant alliance should be clearly explained to the cadres and the peasants, so as to stabilize, above all, the purchasing prices for agricultural and sideline products.

2. The adjustment of planned prices must be strictly controlled. While we tackle the small number of extremely irrational prices, the internal prices for settling accounts should be lowered as far as possible, or the taxes and profit distribution between enterprises can be readjusted. Product price adjustments, which will directly or indirectly cause a rise in market retail prices, should be strictly controlled. The financial losses of enterprises can be stopped mainly by improving management, reducing costs and cutting down circulating expenses. At present, there is a great potential in these respects, and a great deal of work can be done to accomplish these things.

3. It is necessary to resolutely stabilize the prices of basic necessities. There must be no rise in the prices of staple and nonstaple foods, cotton cloth, domestic coal, salt and other items supplied by ration or in exchange for coupons. Financial losses which occur in the handling of these items should continue to be covered by subsidies.

4. It is necessary to stabilize the prices of popular vegetables. It is essential that the leading comrades in large and medium-sized cities and in industrial and mining areas give their personal attention to this problem.

Planting and purchasing of vegetables must be done in a planned way. Problems concerning the production orientation of the peasants in suburban areas should be solved. The contradiction in the communes and production brigades between their industrial and sideline production on one hand and their vegetable production on the other should be carefully and properly handled. This requires that every locality and department do a great deal of work.

5. It is necessary to enact economic legislation and strengthen price controls. A pricing law is now being drafted. Inspection and supervision over commodity prices should be further strengthened. Industrial and commercial enterprises must straighten out ideas and styles of operation. Every locality should effectively strengthen the forces administering and supervising prices at the grassroots level. Particularly in the large and medium-sized cities, towns, industrial and commercial enterprises, there must be competent personnel in charge of price control. They should, by relying on the masses, frequently inspect and supervise market prices.

At present, there are many rumors being spread in society about prices. For example, it has been said that "the price of flour will be hiked; grain coupons will not be necessary"; "no cloth coupons will be issued from 1982 on"; "there will be an all-round hike in prices, everybody will be subsidized by a few yuan"; and so on. All these groundless rumors should never be given any credence.

The price problem is a comprehensive reflection of the national economy. To stabilize market prices is a task jointly shared by all departments concerned (including production, planning, commercial, financial, industrial and commercial administrative departments). Governments at all levels must mobilize their forces, by relying on the masses and pooling their wisdom and efforts, to bring prices under control in a comprehensive way. The fundamental way to stabilize market prices lies in developing production, lowering costs, achieving financial balance, controlling money supply and increasing consumer goods suited to the market. Premier Zhao Ziyang raised 10 important principles for economic construction; the people all over the country are striving for a fundamental improvement in the state's finance and economy. Without a doubt the prospects for our economic development will be better and better. Under the leadership of the party and the government, with the coordination and joint efforts of all departments, we are bound to be able to continue to keep market prices basically stable.

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ACT IN ACCORDANCE WITH THE EDUCATION LAWS AND IMPROVE THE QUALITY OF
TEACHING IN AN ALL-ROUND WAY

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[Article by Wen Hanjiang [3306 1383 3068]]

[Text]

I

When we implement the eight-character policy in educational work, we must in the first place do a good job of readjustment, and we must also pay attention to the improvement of quality on the basis of rectification and restoration. Therefore, reviewing and summing up the experience of teaching practice over the past 32 years, studying the laws governing educational work in the new situation, and studying how to further improve the quality of teaching are very important tasks facing schools.

Over many years, in our teaching work we have paid attention to imparting knowledge and applying relevant theories, principles and methods of teaching to teach basic knowledge and skills. The actual results have been rather good, the quality of teaching has markedly improved and tens of thousands of personnel have been trained to serve the state's needs. Practice has proved that it is absolutely correct to stress basic knowledge and basic skills (abbreviated as the "two basics" below) in teaching. During the decade of internal disorder, the quality of teaching drastically deteriorated because basic knowledge and theories were done away with to a great extent and people vigorously carried out "open-door schooling" and "substituting action for study." This negative experience also testifies to the necessity and correctness of vigorously grasping the "two basics."

However, nowadays, science and technology develops at a tremendous pace, and scientific and technological knowledge changes with each passing day. If we only pay attention to the imparting of knowledge in teaching and students only master and memorize the theories and knowledge built up and summed up by their predecessors, without acquiring the ability to independently apply their knowledge to solve problems, then in their future work they will find it difficult to master new theories and knowledge which develop continuously, and therefore they will be unable to solve new problems. Past experience in teaching has also told us that although some students get high marks, they will find studying very difficult when they study more advanced things or

when they enter institutes of higher learning. Some students acquire a great deal of knowledge in school. However, after graduation they show poor adaptability in work. This is because, over many years in our teaching work, we have paid attention to the imparting of knowledge alone, at the expense of the fostering of their ability. Therefore, we must fully develop the students' intellectual ability, cognitive ability and ability to analyze and solve problems. Only thus will the needs of the cause of socialism be met.

We must not only impart knowledge to students and foster their ability, but, what is more important, we must train them to be new people who are both Red and expert and who are fully developed morally, intellectually and physically. Therefore, it is an important task in teaching to provide ideological and political education so that the students gradually acquire a proletarian world outlook and so that their communist moral qualities are fostered. In the past, although we paid attention to ideological education in teaching, our work was often divorced from reality and marked by leftist and rightist deviations. For example, in the past, under the influence of the "leftist" ideology, we neglected or did away with the teaching of basic knowledge, unrealistically providing so-called ideological education, which was as superficial as putting on shoes and hats. We stressed the teaching of viewpoints and theories at the expense of educating students through gradual, uplifting and subtle influences. We stressed teaching by preaching at the expense of teaching by example, and so on. Since the smashing of the "gang of four," there has been a tendency to stress the teaching of the "two basics" at the expense of ideological and political education, with students being taught knowledge without being educated as persons. In recent years, we have one-sidedly gone after promotion rates and marks at the expense of full moral, intellectual and physical development. There has been a growing tendency to stress the training of a minority of students to be the "elite" at the expense of catering to the needs of all the students. All this is against our party's educational policy and is disadvantageous to the training of a large number of qualified personnel. Recently, thanks to the concern and guidance of the CCP Central Committee, the education departments at various levels have adopted effective measures to implement the educational policy of enabling students to develop in an all-round way--morally, intellectually and physically. They have stressed catering to all students and have strengthened ideological and political education for young students. This is a good start in improving the quality of teaching in an all-round way. Teaching is the main work of a school. Integrating ideological and political education with teaching is an important aspect of the moral education in schools. Therefore, we must correct our understanding of ideological education, sum up both positive and negative experiences, put an end to the slackness in our current ideological and political work, and conscientiously strengthen the ideological and political education of students.

In short, at present, when we stress the improvement of the quality of teaching, we must not be content with satisfactorily teaching the "two basics." We must further free our thinking from old ideas, study the new situation and new problems facing us in educational work, and vigorously discover objective laws of education. While doing a good job in grasping the teaching of the "two basics," we must also vigorously develop the

students' intellectual ability and their revolutionary ideological qualities. We must flexibly integrate the three tasks of teaching the "two basics," fostering the students' abilities and providing ideological education. We must clearly understand the laws governing the development of each task and the interrelationships between these laws, and improve the quality of teaching in an all-round way.

II

Basically, fostering ability means fostering a capacity to understand and transform the world. Fostering the young students' ability mainly means fostering their ability to independently master and apply knowledge in the learning process, that is, to enable them to acquire the ability to creatively apply their knowledge.

Mastering knowledge is closely related to fostering ability. The two promote each other. In mastering knowledge, a student must convert the knowledge acquired by his predecessors into his own spiritual wealth. This conversion process must be accomplished through his own cognitive activity. The development of his ability (cognitive ability) will be favorable to his mastering of knowledge. If his ability is not developed, the knowledge he masters will be mechanical and lifeless. On the other hand, his ability is developed precisely through the learning process. If he departs from the basis of acquiring knowledge, the fostering of ability will become empty talk. Therefore, knowledge is the basis for the development of ability, and conversely, ability can promote the learning of knowledge. It is a one-sided and incorrect view to hold that it is unnecessary to pay attention to the fostering of ability if one can acquire solid knowledge, or to hold that the acquisition of knowledge is not very important, the principal task being the fostering of intellectual ability.

In fostering students' abilities and developing their intellectual ability, what principles of teaching must be followed? What are the characteristics of the things to be taught and the characteristics of the methods and forms of teaching? These important questions must be conscientiously studied.

In this era of rapid development of science and technology and new branches of learning, it is impossible for a person to master all kinds of knowledge or master all the knowledge contained in a specified branch of learning. School education can only help the students build a foundation which will enable them, in their work after graduation, to further independently master and apply new knowledge and study and solve new problems. In the common expression, the purpose of school education is to enable them to "draw inferences about other cases from one case."

In school, students must study various subjects and master extensive and rich knowledge in various branches of learning. In order to foster the students' ability and enable them to "draw inferences about other cases from one case," we must set this "one case" against the extensive sea of knowledge, so that students can understand complicated phenomena by applying simple principles and comprehend things by analogy. Therefore, in teaching we must distinguish

general knowledge from key knowledge. In the light of the theory of the "structure of knowledge" put forth by the American psychologist (Bruner) [Buluna 1580 7627 4780], and also in the light of what we have learned from our teaching practice, in teaching extensive knowledge we must stress basic concepts, basic principles and ways of thinking.

The basic concepts and principles of a subject reflect a concentrated expression of the knowledge on this subject. That is, they reflect the internal relations and essential characteristics of the knowledge on this subject. All the knowledge on this subject can be explained in terms of these basic concepts and principles. For example, various phenomena in classical mechanics can be explained in terms of the basic concepts (velocity, acceleration, force, momentum, power, energy and so on) and the basic principles (the three laws of motion and the law of gravity) of mechanics.

In teaching, we not only must give the students the fruit of our predecessors' study and research, so that they know "what," but also must enable them to understand "why" and know "how" the knowledge is derived. Therefore, when teachers teach the students basic concepts and principles, they must also teach them ways of thinking. By ways of thinking, we mean how concepts are formed, how principles and principal formulas are derived, how sentences and paragraphs in articles are arranged, how to analyze problems and what steps to take in solving them--even the structure and systematic aspect of a unit of teaching material or a branch of learning--and so on. If students are taught ways of thinking, they will more thoroughly understand the derivation and significance of concepts and principles, how the understanding of concepts and principles has been extended and deepened, and also the laws governing the relationships between various concepts and principles. Thus, the knowledge in the students' heads will be systematic and living instead of patchy and rigid, and can be more easily memorized.

Actually, teaching is a process in which students, under the teachers' guidance, systematically acquire knowledge and gradually understand the objective world. In this process, the students master and apply knowledge and undergo two "changes," namely, from not knowing to knowing, and from knowing to application. These changes are basically the same as the two leaps in the process of cognition that mankind undergoes, although there are also some differences. The main difference is that the two changes occur under the teachers' guidance, and they do not arise from the students' independent process of exploration and creation.

The theory of knowledge tells us that the dynamic role of cognition is reflected in the two leaps in the cognitive process. Cognition is based on practice, and its key significance lies in the creative ability of thinking. In order to bring the dynamic role of cognition into play and to foster the students' ability in our teaching, we must not only lead them to relate what they learn to the realities in their learning process, but also highlight the role of thinking and vigorously enable the two "changes" to occur. Often there are two completely different teaching methods. The first is the spoon-feeding method, whereby "teachers lecture and students listen." Instead of students playing a leading role, the teacher monopolizes

everything and deprives the students of their opportunity to play their role. The students' brains serve as flasks for holding knowledge. Thus, in acquiring knowledge, the students only lap up information without digesting it and just memorize it mechanically. In applying what they have learned, they only mechanically apply formulas, just like drawing a tiger after a cat's image. This teaching method inevitably makes students learn without thinking. It is contrary to the law of cognition. Although the students can acquire a definite amount of knowledge in this way, this knowledge remains lifeless and rigid in their brains, and therefore their ability is poor. The other teaching method is that of elicitation. The teacher mainly inspires his students to think actively and learn on their own initiative. The teacher plays a leading role by adeptly stimulating the students' interest in learning, inducing them to think according to correct thought processes, and inspiring them to explore, think over and study new knowledge and problems in the spirit of seeking truth. This teaching method is geared to the two changes in the learning process and brings the role of thinking and the dynamic role of cognition into play, so that learning and thinking are closely integrated. This is compatible with the law of cognition. Therefore, the knowledge acquired by students in this way is living knowledge which can promote the development of their creative thinking ability.

The students' learning activities are mainly carried out in certain specified places, namely, the classrooms. Classroom teaching is the basic form of teaching. It is a shortcut to the acquisition by students of the extremely abundant spiritual wealth built up by our predecessors. It makes it unnecessary for the students, in inheriting their predecessors' scientific and cultural knowledge, to undergo once again the long, tortuous and complicated processes which their predecessors underwent in exploring and discovering truths. Therefore, it is correct to grasp the central link of classroom teaching when we want to improve the quality of teaching. However, we must note that in classroom teaching, learning activities such as listening (to lectures), reading (books), performing (experiments), doing exercises and so on are conducted under the teacher's guidance. The correct teaching method can inspire students to think actively and arouse their enthusiasm for learning. However, in the same class, various students differ in their personal interests, inclinations, abilities and skills. Classroom teaching caters to the whole class and is mainly for grasping things common to all students, and therefore it is difficult to genuinely pay special attention to individual students and teach every student individually according to his aptitude. Thus, in developing the students' intellectual abilities and fostering their ability, classroom teaching is limited in its effectiveness. Therefore, aside from doing a good job of grasping the central link of classroom teaching, we must also vigorously start various kinds of extracurricular learning activities. Aside from compulsory common core courses, we must more vigorously run electives and various kinds of seminars so that senior middle and college students can take courses suited to their own personal circumstances and inclinations. Thus they can independently carry out reading of extracurricular materials, independent study, experimentation, practical work and creative projects. We must also develop on an extensive scale various categories of academic groups, science and technology groups, literature and art groups, physical training groups and so on, so that

through group activities, students can use their own brains and hands to develop their own personal inclinations and skills. This kind of all-round development will help foster their ability to discern, present, analyze and solve problems.

III

Incorporating ideological and political education into teaching is a means of fostering, by means of political subjects and the teaching of various other subjects, the students' proletarian world outlook and communist moral qualities on the basis of acquiring and mastering knowledge. In a class society, the kind of intellectual education that does not bear the mark of any class is nonexistent. The system of knowledge in a subject invariably gives expression to some definite philosophical system and ideological viewpoints. For example, in the teaching of natural sciences, courses in mathematics, physics, chemistry, biology and so on enable students to understand the laws of movement in nature, so that they gradually acquire the dialectical materialist ideology. History and geography help educate students in patriotism and historical materialism through making known to them our motherland's ancient history, vast territory and abundant resources. Therefore, ideological education and the imparting of knowledge are inter-related and each merges into the other. Academic education and moral education are closely integrated and are unified. This is one characteristic of knowledge itself. In the past, ideological education was devoid of substance and was conducted in isolation. Quotations, political terms and philosophical concepts were used as substitutes for the teaching of the "two basics." Language and history lessons were turned into political lessons. This violated the laws governing the integration of academic education with moral education. Practice has verified that this not only failed to enable students to satisfactorily acquire basic knowledge, but also failed to enable us to attain the goals of ideological education. The teenage years are a time of physical growth and growth in knowledge. Education and teaching work must be a long-term, steady undertaking. To substitute analysis of the situation for the teaching of basic theories, or to substitute political campaigns for long-term and painstaking ideological education, runs contrary to youths' physical and mental development, which is characterized by being long-term and continuous. On the other hand, we must not think that imparting knowledge is tantamount to ideological education, or even refrain from conscientiously studying how to incorporate ideological education into teaching work, on the grounds that academic education is integrated with moral education. In fact, teachers must vigorously enhance their own ideological consciousness and standard of political theory. They must conscientiously analyze their teaching material and must be adept in discovering in it elements of ideological education material, which they must understand thoroughly. They must understand the real condition of their students' ideologies and flexibly integrate the imparting of knowledge with ideological education. Only thus will the result of ideological education be good.

The process whereby students learn by virtue of our teaching is also one in which their world outlook and moral qualities develop. It is a process

whereby their acquisition of knowledge, emotional development, development of willpower and behavior are unified on the basis of knowledge. Teachers must not only impart knowledge to students, but also arouse their emotions and train them to have strong willpower as well as good habits. The exposition of knowledge, the reading of poetry and prose, the appreciation of works of literature and art, and singing performances can not only enable students to acquire knowledge, but can often arouse strong, morally wholesome emotions in students, such as love for the proletariat, patriotism, fervent love for the people, the party and the socialist system, and so on. Thus, students are educated through gradual, uplifting and subtle influences. By inspiring students by vivid means of presenting images, teachers can stimulate the students' enthusiasm and interest in learning and strengthen their confidence in learning. Therefore, the fostering of emotions can promote the acquisition of knowledge. Only by integrating knowledge with emotional experience so that the two echo each other can a powerful impetus be generated. Thus, when conducting ideological education, the teachers are required to possess revolutionary sentiments. Teachers must deeply love students, carefully discover points of emotional significance in their teaching material, and blend these points with the imparting of knowledge in a natural way. Only thus can the students' lofty moral sentiments be more effectively fostered.

Moreover, thanks to the teachers' organization, guidance and rigorous demands, the students, by listening to lectures, reading books, performing experiments, doing various prescribed and extracurricular exercises, and by repeated practice, can not only master knowledge and skills in the learning process, but also be trained to have strong willpower marked by firmness, bravery and courage in the face of difficulties. They can also acquire qualities and habits such as fervent love for the collective, vigor and diligence, conscientiousness, a strong sense of responsibility, adherence to discipline and so on. These qualities and habits will further help them acquire knowledge and skills. Therefore, in teaching and learning, acquisition of knowledge, emotional development, development of willpower and behavior are dialectically unified, and the imparting of knowledge and ideological and moral education promote each other.

Young students have a strong inclination to imitate others. In the development of their ideology and moral character, the role of examples is extremely important. The teachers and students are together day after day. In the classroom, the teacher is under the observation of scores of students. The teacher's ideology, behavior and attitude toward other people--in short, every one of his words and actions--influence his students in a subtle way. Some of his actions and words will leave indelible impressions on the students' minds. Therefore, it is very important for teachers to strengthen their own moral character and strengthen self-cultivation. Teachers must not only pay attention to imparting knowledge and fostering their students' lofty moral character, but also always play an exemplary role and persist in the unity of teaching by words and teaching by example.

In teaching, the unity of academic education and moral education, the unity of acquisition of knowledge, emotional development, development of willpower

and behavior, as well as the unity of teaching by words and teaching by example, can be summarized as the unity of teaching book knowledge and educating students as persons. In the past, the leftist and rightist deviations in ideological education were owing to the artificial separation of teaching book knowledge from educating students as persons, or owing to stressing only one of these two things. The vast numbers of teachers have rich experience in both teaching book knowledge and educating students as persons. At present, we must observe the laws of education, sum up the teachers' experiences, strengthen and improve ideological education in teaching, and improve the quality of teaching in an all-round way.

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THE INDIVIDUALITY OF CREATION AND THE SPIRIT OF THE TIMES

Beijing RED FLAG in Chinese No 1, 1 Jan 82 pp 41-44

[Article by Li Zhongyue [2621 0022 1471]]

[Text] Since the smashing of the "gang of four," and especially since the 3d Plenary Session of the 11th CCP Central Committee, the vast numbers of literary and art workers have, under the guidance of the line laid down at the third plenary session, smashed the fetters of leftist literary and artistic ideological trends, restored and fostered the realist tradition in literature and art, dared to look life in the eye, think independently, and carry out bold innovations. They have paid closer attention to using their own unique individuality of creation to reflect the objective truth of life and express people's thoughts, feelings and aspirations, thus enabling a lively scene to emerge in the field of socialist literature and art. The rapid progress that our country has achieved within just a few years in literature and art is worthy of conscientious study and scientific summation, so as to promote the even healthier development of socialist literature and art. However, we must not fail to recognize that, when it comes to the question of how to deal with certain works at present, certain individual comrades have put forth erroneous theories and views. For example, they emphasize that artists should only display "the emotions, vicissitudes and spiritual world of the individual." "They do not need to stoop so low as to act as the mouthpiece of the spirit of the times" and "they do not need to stoop so low as to show the great achievements that lie outside the world of personal emotions," and "should even avoid these by writing about the experiences and heroic struggles of characters that we have grown accustomed to and by describing scenes of selfless labor." Furthermore, they put forth this erroneous view as a "new aesthetic principle." This brings up the question of how to understand the individuality of creation, the relationship between the individuality of creation and the times, and the relationship between the individuality of creation and the reflection of the lives, struggles, thoughts and emotions of the masses. We should realize that, since this is put forth explicitly as an "aesthetic principle," it is necessary to discuss the problem of the relationship between the individuality of creation and the spirit of the times.

Does literary and art creation call for an individuality of creation on the part of the artist? The answer is yes. Literary and art creation is

complicated individual mental labor. Literature and art provide a means for people to become masters of the world. Its characteristic is that of using concrete artistic images which are capable of arousing emotions to reflect the substance and generality of life. Its special point is to adopt the thinking, emotions, personality, encounters and fate of man--man who is at the center of social relationships--as the main object of understanding and description, and then, through the object described, to proceed to unfold a complicated, abundant picture of a particular time that is full of contradictions and struggles. This means that literature and art clearly possess the characteristic of sentiment. As for the source of the so-called desire to create, this is not to be found in any abstract concept or fixed theme, because it is the result of the contradictions and conflicts of life, the thoughts and emotions of characters, the generality (universality) obtained by characters from the social environment which they find themselves in and the particular character (individual style) with which they display this generality, reacting on the thoughts and emotions of the artist and eliciting strong sympathy. On the whole, in the course of creating, the artist has merely placed the object that he has described in a particular temporal, social and class environment and devoted his efforts to describing the special character of the thoughts, emotions, morals and conduct which it possesses. It is only in this way that he is able to write true-to-life, vivid and evocative artistic images, or we might say that artists can bring their description of artistic images to the level of clarity and vividness. This means that artists must bring into play what they have accumulated during their lives, proceed from their experiences in life and emotional experiences, spread the wings of their imagination, penetrate the innermost thoughts and feelings of the characters and empathize with them, so that the artists will have a deep knowledge and mastery of unity of the social substance and special character of the object described. It is precisely in the course of this vivid inner understanding and empathy that the artist, on the one hand, acquires an ever-deepening feeling for and understanding of the thoughts and emotions of characters and accurately and profoundly masters the unity of the social substance and personalities of the characters, and, on the other hand, endows his characters with some of his own thoughts, emotions, feelings and experiences (which are also restricted by a specific temporal, social and class environment). We can see that every artistic image created by an artist mirrors his own individual assessment of the social politics, morality and aesthetics of the things described by him, and these are brought out by his own unique artistic style and devices. Therefore, from content to form, works of literature and art are bound to clearly bring out the individuality of the artist. These include the artist's own individual feelings, experiences and knowledge of social life, the sum total of his own individual psychological characteristics (including personality, pastimes, interests, morals, mental qualities and cultivation), as well as his own individual way of thinking in images and mode of expression. True works of literature and art cannot help bringing out the individuality of the artist. Most narrative works are like this, not to mention the creation of lyrical works with a strong flavor of "I" (lyric poetry, lyric art, lyric music, lyric dance, lyric prose and so forth).

Since literary and art creation is inseparable from the artist's individuality of creation, what and how the artist writes must be governed by his individuality. He can only select subjects suited to his individuality and things with which he is familiar, which he truly has a unique feeling for and knowledge of and which he really is worked up about. It is only in this way that he can display his strong points and avoid his weak ones, achieve a degree of proficiency and, by calling on his wealth of imagination, create true-to-life, evocative, and original works of literature and art. The artist is best able to feel for subject matter and characters that he is interested in. What things he will be good at understanding and in respect of which he will have unique views and discoveries, and on what things he will best be able to use his artistic imagination, are not determined simply by directives from the executive or by other people's orders, but by the artist's direct or indirect experience of life, thoughts and emotions, temperament and character, cultural knowledge, aesthetic tastes and artistic values. Just as there are never two completely identical leaves in the world, so the individuality of creation varies from artist to artist. It is also precisely their uniqueness and originality, the feature that distinguishes them from others in their creation, in other words, their individuality of creation, which enables true works of literature and art to possess inimitable characteristics. They always display new discoveries and openings in life, thus enabling the world of literature and art to be eternally resplendent with brightness and color.

It can be said that all the outstanding works and lively and evocative artistic images that have emerged in large numbers in the world of socialist literature in our country in recent years were closely related to the unique feelings and knowledge of life of their authors. Characters in works about the industrial battlefield include Jiang Zilong's factory manager Qiao ("Factory Manager Qiao Assumes Office"), Zong Fuxian's and He Guofu's Luo Xingang ("Blood Is Always Hot") and Shui Yunxian's Fu Lianshan ("Domestic Strife"). Characters in works about rural life include Gao Xiaosheng's Chen Huansheng ("Chen Huansheng Goes to Town"), He Shiguang's Feng Yaoba ("On the Farm") and Zhang Yigong's Li Tongzhong ("Story of the Convict Li Tongzhong"). As for characters in works about cadres, Zhang Siyuan in "Butterfly" is radically different from Che Pengkuan in "Pioneer." As for characters in works about intellectuals, both Lu Wenting in "When One Reaches Middle Age" and Mei Puti in "Wedlock" possess their own characteristics. As for works on youth, women and army men, these are all full of variety and differ considerably from each other in their forms. It is precisely these artistic images, which are rich in substance, that, from different angles and profiles and by reflecting certain inevitable demands made by real life concerning substance and historical development, constitute a new trend in socialist literary and art creations of the new period. Therefore, respecting and caring for the developing of the individuality of creation of artists is one of the basic premises for developing a flourishing socialist literature and art. Without the uniqueness and originality in creation of artists, there can be no true artistic creation and development.

Creation calls for individuality. However, the individuality to be found in literature and art is definitely not the manifestation of the artist's own

individual subjective spirit or his own narrow "self-expression." Why? As has been said before, it is only when the artist has acquired a deep understanding and mastery of the unity of the general and specific character of the object described that he can create a clear and vivid artistic image. That is one side of the coin. The other side is that the artist's own individuality of creation is not innate, but formed and developed in the environment of a particular period, society and class. The feelings, experiences and understanding that the artist has in regard to social life, the sum total of his psychological traits, the characteristics of his thinking in images and mode of expression--all constitute the key elements of his own individuality of creation and were all formed and developed under specific social and historical conditions and through personally experienced social practice. Even the artist's individual physiological qualities and the physiological base that constitutes his individuality are not only acquired by him at birth but also acquired, developed or lost in later life under the historical conditions of society. If we separate the spirit of the times from the individuality of creation for the sake of opposing the transformation of literature and art into a mere mouthpiece of the spirit of the times, and regard literary and art creations merely as narrow "self-expression," we are bound to degenerate into the evil individualization of divorcing ourselves from the times and from the people. Furthermore, this individualization is basically not determined by the will of the individual, but by the historical development of the objective world. It will then be the product of the social phenomenon of a current going against the trend of history.

In essence, the relationship between the individuality of creation and the spirit of the times is the relationship between the subjective world and the objective world and between individuals and the community. Gorky once said, "An artist is a man who is good at refining his own subjective impression and deriving from it objective things of universal significance. He is also good at expressing his concepts in his own way." ("Gorky on Literature," compiled by Lin Huanping, p 6) An important criterion for an artist is that he must be good at expressing his concepts in his own way and, what is even more important, be good at analyzing and refining his own subjective impression, deriving from it material which conforms with reality and has the universality and significance of inevitability, and expressing it.

Undoubtedly, anything subjective is in essence a reflection of the objective. Nevertheless, not all subjective things correctly reflect the objective. Likewise, not all subjective experiences and understandings of an artist have the same value and significance. We cannot say that each subjective experience and impression of an artist or any characteristic of his subjective side is reasonable and valuable and is worthy of affirmation and manifestation. The reasonability and inevitability of individuality of creation lie exactly in that it is a concrete and unique form of reflection of the objective social contents that have universality and are of the significance of inevitability. Only if the artist's subjective experience or the difference of individuality is at the same time the unique reflection and manifestation of objective social content can it constitute the true individuality of creation. This means that it should be one's "own" unique experience and understanding and at the same time it should be able to reflect and express

objective social contents of universal significance. Therefore, the value of "self" in artistic creation does not lie in showing one's unique experience and unique expression alone. What is of decisive significance is whether the unique experience and expression reflect, and to what degree they reflect, the objective reality of life, express the thoughts and feelings of the masses and embody the inevitable demands of history and the times. People who do not analyze or refine their own subjectivity, who are content with expressing their trivial desires and narrow thoughts and feelings, and who regard the individuality of creation as something purely subjective, individual and wishful, are in fact not respecting and advocating the individuality of creation. On the contrary, they are sabotaging the individuality of creation and artistic talent. This kind of "self" has nothing to do with true individuality of creation and has no objective aesthetic value no matter how loud the calls for it are or how unique the expression of it is.

The reason why the "new principle of aesthetics" is not correct is that it one-sidedly stresses an artist's "self-expression," cuts off and denies the flesh-and-blood relationship between the artist and society, the times and the people, and turns literature and art into a pure individual undertaking. Just imagine: if an artist adopts an indifferent attitude toward social life and the people's labor and struggle as being "not within the realm of self-expression" and regards them as "not requiring the least of his attention" and only seeks, and is given to "secrets of life which are embedded in the heart"--no matter whether these "secrets" in the heart are manifestations of individual subjective spirit--how can these "secrets" constitute the true individuality of creation which coincide with the times and the needs of appreciation of beauty by the masses and which remain unique to him? Since this kind of individuality excludes and is divorced from the needs of the times and the people, it unavoidably appears in obscure forms which are difficult to understand and reveal ambiguous views toward social life, blur and present illusory sentiments and adopt a wavering attitude. This so-called individuality of creation--if it can be regarded as such--is merely a pale manifestation of the lack of thoughts and of being weak in willpower and cold in feelings. It is the product of shutting oneself up in one's inner world and setting oneself apart from the people's life. This path of creation will only result in one's losing artistic vitality. If a person engaged in artistic creation adopts an indifferent attitude toward the seething real life and toward the people's struggle, thoughts and feelings, he cannot master life and participate in a struggle. He cannot even be an observer. Much less is he worthy of the name of artist!

In artistic production, it is the people's needs that play a decisive role. In the final analysis, the value and function of literature and art is to reflect the nature of life by means of individualized forms so that the people will obtain from them ideals, confidence, strength and orientation; it is to meet the people's needs of appreciation of beauty; and it is to help the people to push history forward. No matter whether an artist has realized this, the receptivity of his work always depends on whether it meets the needs of the people in a specific society. The formation of his individuality of creation can never be separated from the demands and influence of the times. The history of the development of literature and art has

repeatedly proved: "The more outstanding a poet is, the more he belongs to the society in which he has been brought up and the closer is his talent's development, inclination and even characteristics linked with the historical development of the society." ("V. G. Belinskiy on Literature," p 22) On the contrary, "The moment a man's relationship with this world has reached such a state that he regards 'self' as 'the sole reality,' he has inevitably become an out-and-out pauper in thought." (G. V. Plekhanov, "A Letter Without an Address--Art and Social Life," p 274) Therefore, the strength of the individuality of creation can only come from the flesh-and-blood relationship between an artist and the times and the people. Only by placing himself in the current of the people and the times and continuously absorbing the strength of feelings and thoughts can an artist's individuality of creation become vital, profound and powerful. If a socialist artist drowns himself in a secluded corner deep in his heart of "self" and cuts himself off from the "arteries" and the "umbilical cord" of the times and the people, his talent and individuality will certainly wane and wither for lack of nourishment from the people and life, and his feelings and thoughts will certainly become radical, odd and fantastic for lack of corrections by social practice. To an artist, what is more dangerous than losing the ability of creation? In the past few years, there have been a very small number of writers who strive to use fantastic plots and write things to stimulate sensuality. Vulgar and cheap aesthetic interest and serious distortions of real life are found in their works. The reason this has occurred is that the relationship between these writers and the times and people has deviated from the cause of socialist literature and art.

We are socialist writers and artists. Serving the people and serving socialism is the firm and unshakable orientation and the sacred mission of each literary and art worker. At present, our country has entered a new historical period of carrying out overall socialist modernization. In this period, there are numerous new things and new contradictions which artists have to familiarize themselves with and study. In particular, under the present condition with numerous intricate and complex thoughts and social contradictions, writers and artists are faced with the central task of correctly understanding themselves and correctly understanding the times so that they can correctly and penetratingly reflect the times and manifest the spirit of the times. This arduous and glorious task demands that artists foster a richer and more powerful individuality which meets the needs of the times and the people. In order to achieve this, it is imperative to get deeply involved with the new life and practice, to participate in the great struggle of the masses for building the four modernizations, and to more seriously analyze our own experiences and impressions while seeking and discovering our subjective experiences and impressions of life in order to find out how much we fall short of the needs of the people and the demands of the times. In other words, in the course of reforming the objective world, we must continuously reform our own subjective world so that our individuality of creation can develop and can be improved and we can truly become the natural bearer of the spirit of the times and the people's will. This requires that artists should seriously study and grasp Marxism-Leninism-Mao Zedong Thought, and not the opposite. This should be the only correct road for the formation of a revolutionary artist's basic quality and his individuality of creation.

The people are the mother of literary and art workers. Let us "consciously draw source material, themes, plots, language, and idyllic flavor from the people's lives and nurture ourselves with the people's spirit of working with a will to create history"; we hope that the individuality of creation of artists becomes the accent of the times and the resonant echo of the people's sentiments and desires and not merely the nurse of artists' souls.

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THE CYCLE OF REPRODUCTION AND THE CHARACTERISTICS OF ECONOMIC CRISES IN
POSTWAR CAPITALISM

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[Article by Xiong Xingmei [3574 1840 5019]]

[Text] The development of basic contradictions in capitalism determines the regularity of the cyclical movement of capitalist reproduction and the inevitability of periodic eruption of economic crises. However, in the course of capitalist development, manifestations and specific forms of the periodic process in social reproduction and of economic crises varies under different historic conditions. Since World War II, the scientific and technological revolution has greatly developed. It has brought about tremendous changes in the national economic structure in many capitalist countries. Nonproductive economic sectors have expanded; economic relations among states or among groups of states have grown rapidly. At the same time, the major capitalist states have strengthened their intervention in the economy. In particular, they have tried by all possible means to increase investment and consumption so as to enlarge market capacity. These new conditions exert a great influence on the supply of goods and services in contemporary capitalist society. Thus, the reproduction cycle and economic crises have different characteristics from those in the past.

The Four Stages of a Cycle Are Not as Distinct as in the Past

After a certain stage in the development of capitalism, reproduction is marked by cycles. After a crisis, through depression, recovery and upsurge, conditions for a new crisis are prepared.

Under the conditions of state monopoly capitalism, the four stages do not replace one another in a clear-cut order; the unique and distinctive characteristics of each individual stage have become vaguer than before. This is one of the new characteristics. Fluctuations between different stages are becoming smaller, with partial crises and stagnation often interrupting a certain stage. This results from the fact that states make their day-to-day (short-term) economic regulations in accordance with the development of this cycle: when the economy is brisk, by reducing the expenditure on social security and the like and by increasing taxes to increase revenue, states can concentrate funds; when depression arises, by reducing taxes and increasing

social security and other government expenditures, these funds can be infused into the economy again to stimulate effective demand. If this redistribution of funds does not restrain the economy from declining, the state will further increase expenditure, implement deficit financing and artificially create purchasing power. The continual state regulation of market demands can certainly exert a huge influence on the cyclical process.

It is not easy to distinguish the stages of depression and recovery. They are often replaced by slow resurgence or production fluctuations. This phenomenon mainly arises from credit expansion and other financial measures pursued by major capitalist states when the economy is tending toward a decline. Sometimes, retrenchment measures are imposed immediately after strong stimulation to prevent so-called "economic overheating." To a certain extent, this results in temporary stagnation and fluctuations which interrupt the regular interchange of different stages in a cycle. As an obvious example, in the mid-1960's, production fluctuations occurred frequently in the course of economic growth in the West European countries; unstable low speed growth and production stagnation occurred alternately after crises.

Simultaneity and Nonsimultaneity Appear Alternately in Economic Crises

In the period of nonmonopoly capitalism, along with the development of world markets and the formation of a world capitalist economic system, unified cyclical activity of capitalist reproduction was an increasingly obvious tendency. Eruptions of economic crises in major capitalist countries tended to be relatively simultaneous. After capitalism entered the monopoly stage, international capital relations were further strengthened, but crises occurring in major capitalist countries were still obviously simultaneous.

Under the conditions of contemporary capitalism, there are two important factors simultaneously playing roles in the cyclical activity of reproduction. Along with the further internationalization of production and capital, economic ties between states and areas have been strengthened to an unprecedented degree. At the same time, along with the development of state monopoly capitalism and strengthened state intervention in the economy, monopoly regulation has also continually exerted influence on the cyclical process. Both these forces influence social reproduction and give rise to the following results: On one hand, economic crises in the capitalist countries vary in all aspects--they are different in intensity, in timing and in their duration. On the other hand, in analyzing the capitalist world as a whole, unified capitalist cycles still exist and an economic crisis has not lost its universality.

After World War II, five worldwide economic crises occurred in the capitalist world.

The first crisis occurred in the early postwar period. The degree of wartime destruction in capitalist countries and their progress in reconstruction varied greatly, thus resulting in greatly different cyclical processes in

capitalist reproduction. An economic crisis occurred in 1948-1949 in the United States, and in West Europe and Japan a crisis occurred in 1951-1952. All of them had the characteristics of postwar periods but they were obviously not concurrent.

The second crisis occurred in 1957-1958. It was a concurrent worldwide economic crisis which covered a broad scope.

The third occurred in the 1960's. After the upsurge of large-scale investment in fixed capital in the early 1960's, industrial production declined and a crisis-like stagnation occurred one after another in France, West Germany, Japan and Britain in the mid-1960's. In the United States, there was also production stagnation in 1966, but along with the escalation of the Vietnam war, huge amounts of military expenditure propped up the U.S. economy and postponed the eruption of the crisis until 1969. The non-simultaneity of this worldwide crisis was very pronounced.

The fourth was the economic crisis storm in 1974-1975, which was aggravated by the eruption of the oil crisis which engulfed the entire capitalist world. It was a concurrent worldwide economic crisis of the gravest degree since the big crisis in the 1930's and since the capitalist states strengthened their intervention in the economy.

The fifth crisis was reflected in the slowdown of economic growth since 1979 and the prevailing economic decline and stagnation since 1980 in the major capitalist countries. In the EEC countries, industrial production declined for four seasons running; unemployment increased sharply and chalked up postwar records. This worldwide economic crisis affects the entire West but has hit especially hard the West European countries. Its concurrency is rather noticeable.

It should be pointed out that the worldwide economic crisis is of a universal nature. During the periods of 1953-1954, 1960-1961 and 1970-1971, phenomena such as industry declining and unemployment rapidly increasing occurred in a small number of capitalist countries. But they can be considered as only partial crises.

To sum up, from the end of World War II up to now, the five worldwide economic crises in the major capitalist countries occurred in alternation concurrently and inconcurrently. Together with several partial crises, they form a united activity in the cycle of postwar capitalist reproduction.

The Impact of Economic Crises Becomes Relatively Weaker

Another characteristic of economic crises in the contemporary capitalist world is that their impact is becoming relatively weaker. No crisis as grave as the one in 1929-1933 has arisen since World War II.

In this period, although economic crises and stagnation did occur in the capitalist countries, they were not as serious as those before the war, and generally, their durations were shorter. This is mainly the result of the

fact that, under the conditions of state monopoly capitalism, regulatory measures imposed by the governments not only stimulate market capacity, but also artificially create demand, thus weakening, and sometimes greatly mitigating, the impact of the crisis on the economy.

Second, the great influence of scientific and technological revolution on the cyclical nature of the economy cannot be neglected. The major capitalist states have strengthened their intervention in the economy, thus bringing about a great advance in the scientific and technological revolution. Newly developing industrial sectors have arisen one after another. These new industries do not take the same course in their development. Industrial sectors such as the war industry, space industry and nuclear power industry mainly rely on the state market, and their economic activities are relatively stable. Even in the periods of economic stagnation, chemical, petrochemical and electronics industries are still able to expand business and exports. Although the degree of their influence on the cyclical process differs, the rise and development of these new industrial sectors forces the proportion of the old sectors in the economy to shrink day by day and creates various new market demands. Thus, the effects of the economic crises have been relatively small.

In addition, owing to the great efforts by the countries to expand credit, the production of and markets for durable consumer goods have been increasingly expanded. These commodities gradually lose their values in the course of consumption. This is similar in some ways to the consumption of production equipment and machinery. But the renewal of durable consumer goods often differs in timing from the renewal of industrial fixed capital. This is conducive to mitigating the fluctuations in reproduction periods.

Furthermore, both the continuous growth of postwar international trade and the rapid development of transnational companies since the 1960's are conducive to monopoly capital expanding foreign markets abroad and to shifting crises onto others. Of course, we cannot overlook the tremendous damage many Third World countries have sustained as a result.

Finally, the nonsimultaneity of some crisis eruptions in major capitalist countries can also, to a certain extent, mitigate the impact and severity of the economic crisis.

Under the conditions of state monopoly capitalism, the impact of economic crises is becoming weaker. But this does not mean the negative effect of the overproduction crisis law relating to the basic contradictions of capitalism is tending to vanish. This negative effect manifests itself in other ways.

In contemporary capitalism, states unceasingly strengthen their anticyclical regulatory measures; monopoly organizations also greatly strengthen their control over marketing and production of some important commodities. At the same time, they improve business forecasts and correspondingly adopt new management techniques to regulate enterprise production and stocks. Under these conditions, severe overproduction seldom results in the former measures

of large-scale destruction of production equipment and the discarding of commodities. It mainly manifests itself in the idleness of a large amount of production capacity. Stalin pointed out in the 1930's that the extremely low utilization of capacity had become a frequent phenomenon. Since, in state monopoly capitalism, states try by all means to expand markets and major companies also continually regulate their production and stock, there is a chronic phenomena in which the utilization of capacity is frequently and extremely low. In the periods of postwar crises, the utilization of capacity in the U.S. manufacturing industry declined to 70-80 percent; even in noncrisis years, the utilization was generally only 80-85 percent; but the amount of commodity stock was much lower than in the 1930's.

Economic Crises and Monetary Crises Erupt Simultaneously and Mix With Each Other

The most noticeable manifestation of the contemporary monetary crisis is the wide-ranging and severe inflation. On the one hand, major capitalist states have been implementing the Keynesian financial policies of expanding credit, which have resulted in increasingly severe inflation in these countries. On the other hand, money devaluation in these countries has affected their money value stability vis-a-vis other currencies. Besides this, over a long period of time, the United States took advantage of the privileged position that the U.S. dollar had gained in the world monetary system to export inflation, thus bringing about worldwide inflation.

When the gold standard came into effect in monopoly capitalism, the simultaneous eruption of economic and monetary crises often shocked the credit system and resulted in the bankruptcy of a large number of banks. In state monopoly capitalism, despite the fact that inflation has become more and more frequent and severe, and has interacted with the economic crisis as they occurred simultaneously, the banking system has not been seriously threatened. During the economic crisis of 1974-1975, bank bankruptcies occurred in the Western countries and involved some major banks in the United States and in West Europe. But the scope and severity of the crisis were far less than the financial storm in the big crisis of the 1930's. The reason that the crisis of 1974-1975 was far less intense than the crisis of the 1930's is the state's intervention in the financial industry: at that time, the central banks of the eight West European countries, the United States and Japan reached an agreement to make all efforts to rescue the commercial banks which had sunk into dire straits. At the same time, the improvement of their banking system, including the deposit insurance system, also helped a lot.

Contemporary monetary crises also take the form of international financial crises. This is reflected in the instability of the currencies of capitalist countries, first of all of the U.S. dollar, in the gradual disintegration of the international monetary system of which the U.S. dollar was at the center, and in the resulting disturbance and disorder of international financial business.

The international monetary system centering on the U.S. dollar was founded on the agreement of major capitalist states. By this arrangement, state monopoly

capitalism of these countries could be united to administer and control the capitalist monetary system on a worldwide basis. Under this arrangement, the U.S. dollar functioned as the intermediary between gold and other currencies. This system was based on the condition that the United States was very strong both politically and economically. Along with the U.S. economic position declining and the appearance of its adverse balance of international payments, the U.S. dollar's status as the monetary system basis of the entire capitalist world was ruined; its gold reserves unceasingly flowed out. At the same time, along with its ceaseless devaluation, the external credit of the U.S. dollar was also shaken. Since the early 1960's, the U.S. dollar has experienced frequent crises. However, these monetary crises were not manifested in runs on gold or on banks, but rather in the panic rush to purchase gold and other currencies on the international financial market far away from U.S. territory. Despite the all-out efforts of the United States to maintain the strength of the U.S. dollar, its official external price differed increasingly from its internal price and its maintenance at least became impossible. In August 1971, the U.S. dollar ceased being exchangeable for gold. In 1973, almost all the Western industrial countries abandoned fixed exchange rates and adopted floating rates. This marked the final disintegration of the international monetary system centering on the U.S. dollar. It also showed the limitations of the united measures of state monopoly capitalism.

Since the floating exchange rates went into effect in Western countries, exchange rates of their currencies and gold price are decided by the relationship between supply and demand, and are also affected and regulated by political, economic and other factors, thus changing frequently and in a disorderly way. For example, the price of gold jumped from \$37 per ounce in 1971 to over \$800 in early 1980. After that, owing to the high U.S. interest rates and other factors, the gold price dropped sharply again. Disorderly fluctuations of currency exchange rates and gold prices demonstrated the partial failure of the efforts of international state monopoly capitalism to establish a stable monetary system worldwide, thus causing disturbance and disorder to the circulation of international short-term funds and to financial business. That is the substance and typical manifestation of international financial crises since the disintegration of the international monetary system centering on the U.S. dollar.

Economic crises and inflation mutually restrict each other. But inflation and international financial crises interact--they intensify each other. The fact that these three factors mingle with each other and occur simultaneously reflects the severity of economic crises under the conditions of state monopoly capitalism.

In recent years, in the major capitalist countries industrial production growth has slowed or even stagnated, unemployment has drastically increased, and together with striking price rises, these have generally been called "stagflation" in the West. This is the most pronounced characteristic in the cyclical process of capitalist reproduction. In general, countries bogged down in "stagflation" can never for a minute lose their government's support by intervention and the financial credit lever which prevent economic

crises from worsening; neither can drastic measures of expansion be taken to stimulate rapid economic growth, for they will cause prices to rise uncontrollably. Thus these countries are often locked in a dilemma.

These comprehensive economic phenomena in the capitalist world appeared in the late 1960's and became prominent in the early 1970's. Over the entire 1970's, they further developed. Not only have they become prevalent in the capitalist world, but they are also regular phenomena in every individual stage of the capitalist cycle. They demonstrate an inevitable tendency in the development of state monopoly capitalism.

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A FEW SUGGESTIONS FOR IMPROVING THE AGRICULTURAL PRODUCTION RESPONSIBILITY SYSTEM

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[Article by Yu Yaozhong [0151 6540 0022] of Huai'an, Jiangsu Province]

[Text] How should the agricultural production responsibility system be gradually improved? I have a few suggestions, as follows:

1. The forms of the responsibility system must be relatively stable.

Premature "finalization" is of course undesirable, but relative stability is essential. The responsibility system established through fully democratic discussions in accordance with the wishes of the masses which suits the actual condition of the localities and the production brigades and production teams, no matter what form it takes, should be relatively stabilized. There is now an argument that "full assignment of responsibility is full emancipation of the mind, linking remuneration with output is semi-emancipation of the mind and fixed-quota management is not emancipation of the mind" spreading far and wide in some places. This has disturbed the production brigades which are practicing the production responsibility system of linking remuneration with output and the system of short-term work contracts so that they do not know what course to take. Owing to diverse and confused opinions and hesitations about what to do and what not to do, some localities have to switch from one form of the responsibility system to another: fixing quotas for each group in winter, fixing quotas for each household in summer and giving full assignment of responsibility another try after autumn. The constantly changed forms of the responsibility system and changeable minds of the commune members have become a "bodhisattva in a water vat--an indeterminate god." Therefore, to stabilize the forms of the responsibility system and set people's minds at rest is not only the wish of the masses but also the foundation for improving the responsibility system.

2. The production teams must not be "empty-handed teams."

By the term "empty-handed teams," I mean that the means of production of the collective economy have all been shared out and the production items under collective operation have all been handed out. The emergence of the "empty-handed teams" is the result of failing to have an all-round understanding of

the implementation of the production responsibility system. It must be correctly realized that the implementation of the production responsibility system is aimed at mobilizing the enthusiasm of both the collective and the individual, expanding production, strengthening the collective economy and improving the livelihood of commune members. For this reason, the mobilization of the enthusiasm of the collective and the expansion and the strengthening of the collective economy must not be ignored.

3. The tendency toward extravagant eating and drinking must be checked.

It goes without saying that it is a good thing to give mutual aid in rush seasons. But in the summer harvest season this year, some localities treated those whom they invited to help as guests. They busied themselves in buying fish, pork and greens and in serving rich dinners to the guests. Furthermore the peasant households vied with one another in serving dinners to their guests, and they had to spend at least 10 to 20 yuan, or even 20 to 30 yuan, in this way. Some people hold that so long as the grain and property of the collective are not eaten or spent, there should be no interference in the practice of mutual aid and the give-and-take among commune members, which is called "dragonflies eating their own tails." This opinion is not correct. We must encourage mutual exchange of labor, display the spirit of cooperation, be industrious and thrifty in managing a household, and run all undertakings in an industrious and economical way.

4. Output must be honestly reported.

There has been an argument that "one must not be vague on the part within the fixed quotas under a contract, but it is justifiable for one not to be so strict on the portion in excess of output quotas under a contract." For this reason, some localities took the fixed targets in a contract as the real output of this year's summer grain output, excluding the portion in excess of output quotas under a contract. This is mainly because they are afraid that the state will raise the purchase base because "when the river rises the boat goes up." It is imperative to be realistic and practical in this respect. The results of production should neither be exaggerated nor denied. Particularly in the first year when the production responsibility system was introduced, whether the work in reporting the output is done well has a bearing on the work in the coming years. If things are not done well in the first year, then they will be repeated in the second year because there is a precedent. So it is important for the departments concerned to seriously implement the principle that the state purchase base must not be changed for 5 years once it is fixed.

5. Cadres must concern themselves with the affairs of the collective.

Now there is a false impression among some cadres. They hold that "with the responsibility system, the cadres have nothing important left to do. With the heavy load being shouldered by everyone, the cadres feel they can have a breathing spell." The masses of commune members feel very anxious about this state of affairs and say: "Brigade cadres are hard to find, team cadres are devious; when problems are encountered no one knows what to do." This is

because, since the implementation of the production responsibility system, new conditions and new problems have emerged which call for timely study. The masses of commune members urgently ask the cadres to strengthen leadership, do more work and find solutions to problems. For this purpose, the cadres at various levels, primarily brigade and production team cadres, must regard the whole farmland of the brigades and teams as their own responsibility plots and rack their brains and take an interest in the affairs of the masses of commune members instead of setting their eyes only on their own responsibility plots.

6. Financial control must be tightened.

The financial affairs of some production teams are not in order, a condition about which the masses of commune members have made many complaints. They say that they would rather suffer losses in the open than suffer losses in the dark. By the term losses in the dark, we mean such problems as confused financial affairs, unplanned and wanton increases in expenditures and subsidies, waste in doing things, corruption and embezzlement of public funds, and the practice of taking more than one's share. In a certain sense, in the matter of improving the production responsibility system, the masses of commune members pay most attention to the democratic financial work. Therefore, it is necessary to rectify the financial work and tighten financial control.

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