

## Develop the Economy and Ensure Supplies

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*This is the second of the four reports on the basic facts about commerce in Hunan Province, central-south China. — Ed.*

**D**EVELOP the economy and ensure supplies" is a slogan that can often be seen in shops in Hunan as well as in other parts of the country. As early as 1942 Chairman Mao stated: "The general policy guiding our economic and financial work is to develop the economy and ensure supplies." (*Economic and Financial Problems in the Anti-Japanese War.*) This, of course, applies to our work in commerce as well. For only when industry and agriculture develop can we provide a material basis for commerce and ensure a steady expansion of commodity circulation, a thriving market and stable prices.

The policy of "developing the economy and ensuring supplies" gives expression to the characteristics of our socialist commerce. In our first report, we gave a brief account of the great change in commerce in Hunan and the rest of China where socialist public ownership has in the main replaced capitalist private ownership. But in the considerably long historical period of socialism, there are still classes, class contradictions and class struggle, there is the struggle between the socialist and capitalist roads and there is the danger of capitalist restoration. On the commercial front, there are also class struggle and the two-line struggle. Only when we take class struggle as the key link and follow the correct line can our commerce help consolidate the socialist economy. If we neglect class struggle, deviate from Chairman Mao's revolutionary line and do not carry out the policy of "developing the economy and ensuring supplies," and instead put "profits in command" and engage in "free trade" as preached by the chieftains of the revisionist line Liu Shao-chi, Lin Piao and Teng Hsiao-ping, our socialist commerce will in fact degenerate into capitalist commerce and all commercial activities will once again be guided by the capitalist motto — "Make greater efforts for things highly profitable; make less efforts for things less profitable; and refrain from doing things that bring in no profit at all." And the result will be the disruption of the socialist planned economy, followed by the evils of capitalist commerce such as buying cheap and selling dear, speculation, jacking up prices and swindling the customers. The commerce in the Soviet Union today is well illustrative of such a state of affairs.

While in Hunan, we visited many commercial undertakings in cities and villages where we saw for

ourselves how Chairman Mao's revolutionary line has been better implemented thanks to the Great Cultural Revolution and the movement to criticize Lin Piao and Confucius. In doing business, the commercial workers always see to it that their work is aimed at promoting industrial and agricultural production with priority given to the needs of agriculture, the foundation of the national economy.

### Serve Agricultural Production

In Hanshou County by the Tungting Lake, Tai Tu-po, head of the county's bureau of commerce, briefed us on the work he is in charge of. He was once a member of the Chinese People's Volunteers who fought in Korea in the early 1950s with a record of distinguished services and was later demobilized after he was wounded and became disabled. Upon his return home, he insisted that he should work although he was fully entitled to an indefinite period of recuperation. This was how he came to be a commercial worker in Hanshou. Handicapped as he was by difficulty in movement and poor eyesight, he nevertheless managed to go to all the supply and marketing co-operatives run by the county's 26 people's communes, and even to all their agents in the production brigades, to find out from time to time the peasants' needs in both production and daily life. Through painstaking efforts, Tai and his colleagues in the county have done an excellent job in their field of endeavour.

Here is the story about how Tai Tu-po set up a store selling Chinese medicinal herbs. Most of the medicinal herbs traditionally used by the Chinese people in treating diseases are wild plants that can be found in the wilderness and hills. Sold at a low price, they are very welcomed by the working people. Chairman Mao has said: "Chinese medicine and pharmacology are a great treasure-house, and efforts should be made to explore them and raise them to a higher level." The drug company in the county, however, while making great efforts to promote the sales of Western medicine, showed little interest in dealing Chinese medicinal herbs. When Tai Tu-po learnt of this, he decided to have the company open a store selling these herbs. But it turned over only half a yuan on the first day of business. Some comrades wanted to give it up for fear of incurring losses. Tai, however, was undeterred; he talked them over and helped them realize that to see things only in terms of profits is the capitalist way of doing business and a manifestation of the revisionist line. These comrades



Tai Tu-po soliciting opinions from an old fisherman.

finally all agreed that since the aim of socialist commerce is to serve the people and production and since medicinal herbs can be obtained locally and cost very little, running a shop like this is in the interests of the masses and so its business must continue.

Before long this shop was doing an increasingly brisk business. Later, at Tai Tu-po's proposal and with the approval of the county Party committee, a farm was set up on the county's outskirts to grow Chinese medicinal herbs. With Tai himself taking the lead, all staff members of the drug company took time out to work on the farm. Meanwhile, the cultivation of medicinal herbs was gradually popularized throughout the county. In Hanshou today, growing medicinal herbs has become an important sideline occupation in many of its people's communes. This has not only brought more income to these communes but given a powerful backing to the co-operative medical service that has been introduced in the countryside during the Great Cultural Revolution.

Peng Teh-yun, head of a supply and marketing co-operative of the Hucheng People's Commune on the county's outskirts, told us how this co-op served agricultural production. Before 1970, the co-op often failed to make the needed farm implements available in time, and sometimes when it did, they were not the kind the peasants exactly wanted. For this, the commune members criticized them, saying: "You commercial workers know nothing about farming. Look! Many things you offer do not suit our needs." So the staff of the co-op went to the production brigades in the commune to work alongside the commune members and at the same time find out their actual needs. In this way, they came to know that the commune needs various farm tools for its 21 main lines of farm work throughout the

year, a draught animal needs 42 different implements for various purposes, and a peasant needs 75 different tools for different farming seasons. To meet all these needs, they increased the variety of farm implements and other goods and stocked them up in time. They always saw to it that they "work out the peasants' needs before the peasants do and have the necessary goods ready before the farming season is in."

To help the rural areas develop diversified economy while ensuring grain production, the county's commercial department sent some 200 purchasers to people's communes and production brigades to act as "idea men." Through taking part in manual labour in production teams, they acquainted themselves with the natural conditions and farm production in the various localities. Then in the light of market demands, they proposed to the Party committees of the communes concerned what new lines of production to be added, such as growing tea trees on hills and growing lotus and raising fish in lakes and ponds. Taking advantage of their widespread links with production units in the county and elsewhere, they also helped the local communes bring in good strains of seeds and cultivation techniques. For instance, Hanshou where no bamboo was grown in the past had to ship in large numbers of bamboo farm tools every year. Later, thanks to a suggestion made by the commercial department, some people's communes and production brigades began to grow bamboo themselves. It was the "idea men" who helped them bring in the needed species and imparted to them the skills of cultivation and weaving. Today, Hanshou boasts more than 2,000 hectares of bamboo groves and a number of workshops making bamboo farm implements which basically meet its own needs.

Hanshou has reaped rich grain and cotton harvests for years running. Since 1972, its income from diversified economy has grown by 20 per cent per annum on the average. This owes much to the effective support of the commercial department. The development of production has in turn promoted the growth of commerce. The county's total volume of purchases and sales in 1975 was 3.02 times that of 1966, the year when the Great Cultural Revolution began.

### Promote Industrial Development

With only several small plants processing food grains, making textiles and cigarettes and repairing machines before liberation, Changsha, the capital of Hunan Province, could not even produce nails. Now it has built up its own iron and steel, machinery, non-ferrous metal, radio, building material, chemical and light industries. Since the beginning of the Great Cultural Revolution, industry has developed apace and industrial output almost quadrupled.

As is the case with agriculture, commerce has helped spur the development of industry. The Changsha Hardware and Electrical Appliances Company has won the praise of the people for its work in this respect. This company has four wholesale departments and three general retail shops with nine retail outlets under them. Its staff members often make fact-finding trips to the factories and mines, help them sell their products and advise them on the consumers' demands. Their efforts have resulted in a constant increase in the variety of industrial products and hence the development of industry as a whole. Basing themselves on their findings, the company staff also help many factories exchange among themselves their surplus raw and other materials for what they have run out of. For instance, when the company failed to supply the Changsha Auto Electrical Appliances Plant with a large amount of potassium pyrophosphate for use in nontoxic electroplating, it found out that a lighters plant in the city had an overstock of this, so it made arrangements for the auto electrical appliances plant to get this much-needed chemical and for the lighters plant to dispose of it. In the first eight months of 1975 alone, the company helped 201 plants adjust the supply of materials among themselves involving 121 tons and 128 items.

This company also gave unstinting support to small factories run by suburban communes and production brigades to produce petty hardware and chemicals. As a result, in a matter of years, the number of these factories increased 11 times compared with 1965 and the variety of products rose from 12 to 97. At the start, these plants were short of equipment. This was solved with the help of the company which, through its wide contacts with other units, also supplied them

with technical information, samples and blueprints. When they ran short of funds, the company procured raw materials for them to process and bought up their products later.

The total amount of the products purchased by the company from commune- or brigade-run plants in 1975 was valued at 4.35 million yuan. While part of these products were used to better meet the city's needs, part of them were shipped to other provinces. Thanks to the efforts made by the company, the communes and production brigades were able to increase their accumulation funds, expand their collective economy, build up a contingent of peasant-technicians and speed up the mechanization of agriculture. For example, the Ting-kung District in Changsha County with a population of more than 46,000 has set up 49 such plants. Its industrial output value in 1975 made up 39.7 per cent of the aggregate industrial and agricultural output value in the district. Using the funds accumulated by the enterprises of the communes and production brigades, it has bought 45 tractors, 3 motor vehicles and over 2,000 kinds of farm machines and implements. This has substantially boosted agricultural production.

As a Chinese saying goes: "Even a clever housewife cannot prepare a meal when rice is not available." Similarly, one cannot expect commerce to flourish when industry and agriculture make no progress. Hunan's total industrial output value in 1975 went up 28 times as against 1949, the year of liberation, and its grain output increased 2.82 times. Its total volume of commodities purchased and sold in 1975 swelled 8.2 times that of 1950, or 2.4 times that of 1965, the year before the start of the Great Cultural Revolution. This has basically ensured supplies for the more than 40 million people in the cities and countryside in the province.

### Deeper Understanding of the Policy

Since the beginning of 1975, the commercial workers of Hunan Province, like the people throughout the country, have launched the movement to study the theory of the dictatorship of the proletariat according to Chairman Mao's instruction. This study has reinforced their determination to implement Chairman Mao's revolutionary line and deepened their understanding of the importance of adhering to the policy of "developing the economy and ensuring supplies." In our interview with them, many commercial workers talked about what they had learnt in their studies. A shop assistant said: "There is a saying among us commercial workers: 'All is not quiet at the counter; and a struggle is going on in the routine of buying and selling.'" Why? "Our job," he said, "requires us to



Staff members of the Changsha Hardware and Electrical Appliances Company at a water conservancy construction-site to find out what they can do to help.

deal with commodities and money day in and day out. We must have a clear understanding of what these things are. In our socialist society, there are ownership by the whole people such as the state factories and collective ownership by working people such as the rural people's communes. Since products in our country are not so abundant as to apply the principle of distribution 'to each according to his need,' the commodity system and exchange through money are bound to exist and continue operating. At present, the commodities in our country, far from being overabundant, are not plentiful enough. However, our industry and agriculture have kept developing, the supply of commodities is on the increase and commodity circulation is flourishing with each passing day."

"After studying Chairman Mao's instructions," he continued, "we have come to understand that commodity production, exchange through money and distribution according to work are leftovers of the old society which provide the soil engendering capitalism. All such things can only be restricted under the dictatorship of the proletariat. Otherwise, a small number of people will acquire increasing amounts of commodities and money through certain legal channels and numerous illegal ones; the bourgeois ideas of making money to get rich and scrambling for personal fame and gain will spread unchecked; phenomena like turning public property into private property, speculation, graft and corruption, theft and bribery will arise; the capitalist principle of commodity exchange will make its way into political life and even into Party life, undermine the socialist planned economy and give rise to capitalist exploitation through converting commodities and money into capital and labour power into a commodity. The upshot will be the emergence of new bourgeois elements and upstarts. Their political agents will then usurp state power and openly restore and develop the capitalist system. Such is the case with the Soviet Union.

"Our state exercises leadership over the production and exchange of commodities according to a unified plan. Not only is the production of state industry carried out in accordance with the national economic

plan, agricultural production in the people's communes — what and how much they are to grow — is also by and large carried out according to plan. This has greatly curbed the capitalist tendency of going after profits in production. Since the principal means of production turned out by socialist industry are not commodities, which cannot be bought and sold freely but are handled by the state under a unified plan, there is no room for the illegal act of exploiting the working people by using the means of production bought with money. With respect to the supply of consumer goods, the purchasing and selling of commodities and the fixing of prices in all shops are put under unified planning and management and trade at rural fairs (which is now very negligible in the nation's commercial activities) is also put under rigid control. This is an effective way of restricting speculation by old and new bourgeois elements through reselling or shipping goods to distant places for high profits."

"When we say there is struggle at the counter," the shop assistant added, "we are referring to the fact that if socialism does not prevail in commerce, then capitalism certainly will. Therefore, we must never bury ourselves in receiving and paying out money. If we are to carry out the policy of 'developing the economy and ensuring supplies,' we must take class struggle as the key link and continuously criticize revisionism and capitalism. Only thus can we ensure that our commerce moves forward along the socialist road."

These remarks were thought-provoking. In our country, it is by enhancing the people's political consciousness that the effective implementation of the Party's principles and policies is ensured. If and when there is something wrong or improper on the commercial front, be it as serious as the prosecution of the revisionist line by leading personnel who hanker after profits in disregard of the state plan, or as trivial as a shop assistant being rude to a worker or peasant customer, it will be opposed and criticized by one and all.

Commerce in Hunan is making further progress in the course of struggle.