

CRITICISM OF SUN YEH-FANG'S "THEORY OF PUTTING PROFIT IN COMMAND"  
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[From an article by Tung-fang Wei (2639 2455 1550).]

Sun Yeh-fang, former director of the Economics Institute of the Chinese Academy of Sciences, is an anti-party, anti-socialist black banner in economic circles. For many years he has been maliciously attacking the socialist system and the party's economic policies, persistently selling his whole set of a revisionist economic program, and fanatically advocating putting profit in command.

How a socialist enterprise should treat profit is first of all a political question — an important question as to whom the enterprise should serve and in what direction it should develop...

All these questions reflect a struggle between two classes, two roads. and practice shows that in order to operate a socialist enterprise successfully, it is absolutely necessary to put politics in command, with class struggle and the struggle between the two roads as the mainstay. An enterprise which departs from politics and pursues exclusively profit will inevitably change from a socialist enterprise into a capitalist enterprise...

The primary task of our industrial factories is to foster and train proletarian, revolutionary workers with the thought of Mao Tse-tung. Our factories must be operated as a big school of the thought of Mao Tse-tung. Whether an enterprise is run well or not is determined first of all by man — by the revolutionization of his thought.

Sun Yeh-fang, on the other hand, thinks that an enterprise is only a tool for turning out products and making money, and that whether it is well run or not depends on the amount of money it makes. He says: "The size of profit should be the most sensitive indicator of the technical advance and the good or poor operation and management of an enterprise." From his point

of view an enterprise which makes much money is an advanced enterprise, one which makes little money is a backward enterprise, and one which makes no money at all must be scrapped...

Sun Yeh-fang holds that the direction of state investment should depend on the amount of profit made. He says, "It is necessary to make an economic comparison before the state decides on which investment plan to adopt and how much capital to allocate, that is, it has to consider the average rate of profit on capital outlay." He wants the State to invest money where profit can be made, to invest more money where more profit is made and less where less profit is made, and not to invest money in sectors which lose money, even though these may be urgently needed by the State.

It is not difficult to see that he opposes the allocation of capital on the basis of the needs of revolution and construction and advocates letting the amount of profit made decide the direction of investment, that he opposes planned adjustment for the national economy, but favors the use of the rate of profit on capital and production price as the automatic adjustor for state investment...

Since Sun Yeh-fang regards an enterprise as an instrument for making money, it is natural that he should lay emphasis on material incentives and use profit as a bait to stimulate the "activism" of the enterprise and its workers. No wonder he says: "Profit is the essential means for developing production... The amount of profit to be delivered to the state should be determined by the amount of capital invested," so that business enterprises may show adequate concern for profit. And, "part of the profit in excess of the social average level should be allotted according to a certain ratio to the enterprises as reward," so as to stimulate the activism of industrial workers. Thus he regards profit as a motive force that would spur the enterprises and the workers "forward and forward again."...

In running business enterprises, we run them according to the thought of Mao Tse-tung, implement the party's general line for socialist construction, persevere in bringing politics to the fore with class struggle and struggle between the two roads as the key, firmly stick to the socialist direction and the system of planned economy, follow the socialist road, avoid revisionism, prevent any restoration of capitalism, and insure a gradual transition into communism...

If Sun Yeh-fang's "theory of putting profit in command" is put into effect, then the socialist system of ownership will surely fall apart, the socialist system of planned economy will surely be undermined, bourgeois ideas will surely prevail, bourgeois privileged classes will surely crop up everywhere, and the political power of the proletariat will surely be usurped...