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9 APRIL 1987

China Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

RED FLAG

No. 2, 16 JANUARY 1987

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CHINA REPORT

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No. 2, 16 JANUARY 1987

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

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UPHOLD THE FOUR CARDINAL PRINCIPLES, OPPOSE BOURGEOIS LIBERALIZATION

Beijing RED FLAG in Chinese No 2, 16 Jan 87 p 2

["Forum"]

[Text] The experiences obtained since the 3d Plenary Session of the 11th CPC Central Committee have repeatedly proved that in order to sustainably maintain the political situation of stability and unity and accelerate the progress of socialist modernization, we must unequivocally uphold the four cardinal principles and oppose bourgeois liberalization. The four cardinal principles are the basis of our country and the political cornerstone of uniting the people of all nationalities in the country to jointly build socialism. If we do not take a clear-cut stand in and a determined attitude toward upholding the four cardinal principles but let the ideological stand of bourgeois liberalization spread unchecked, serious consequences would surely ensue. The recent incident of a small number of students in some cities taking to the streets is evidence. Our socialist construction must be carried out in an orderly way with strong leadership under conditions of stability and unity. If liberalization is pursued, further turmoil will occur. Thus, the situation of stability and unity would be disrupted; the people would be in a state of disunity; the country would fall apart; the reform and opening up to the outside world would not be carried out; and the goal of building a strong socialist country with a high degree of civilization and democracy would be missed.

Without the leadership of the Communist Party and socialism, China will not have a future. This truth has already been proved by history and will also be proved in the future. In engaging in bourgeois liberalization and breaking away from the leadership of the party, the 1 billion people would lose their cohesive force and fighting capacity. Therefore, the construction and reform would not be successful. Engaging in bourgeois liberalization, negating the socialist system, advocating the capitalist system, and guiding the current policies of our country onto the road of capitalism, China could not possibly change rapidly its state of poverty and backwardness. Our four modernizations are socialist modernizations. Our enforcing the policy of opening up to the outside world, learning foreign technologies and making use of foreign capital are only supplements to socialist construction, and these must not be carried out in deviation from the socialist road. We should develop the social productive forces and the system of ownership by

the whole people and increase the income of all the people. By allowing some regions and people to get rich first, we strive to ultimately realize common prosperity rather than polarization. In carrying out economic structural reform as well as political structural reform, we must uphold the leadership of the party as well as the direction of socialism. Without the leadership of the party and in deviation from the socialist road, the Chinese people would become hopeless. This is resolutely opposed by the vast numbers of the people.

Recently, there have really been a small number of people who have disseminated many remarks opposing the four cardinal principles, advocated bourgeois liberalization, and proposed "wholesale Westernization." As a matter of fact, what they propose is the capitalist road. Poisoning the minds of young people, they have caused ideological confusion and a very bad influence in society. We should not tolerate this state of affairs any longer. The party Central Committee has repeatedly pointed out that on the ideological front we should uphold the four cardinal principles and oppose bourgeois liberalization. Nevertheless, some of our comrades turn a deaf ear to this and adopt an apathetic, feeble, and even laissez-faire attitude toward liberalization. We must effectively change this state of affairs and make up our minds to consolidate the ideological and cultural fronts. In particular, we just cannot let those people who confuse right and wrong, mix up black and white, and continue rumormongering and mudslinging under the signboard of reform to run amok to stir up trouble among the masses. Opposing bourgeois liberalization is a long-term task. To take the socialist road, we just cannot tolerate the ideological trend of bourgeois liberalization running wild. We must clearly understand that the current struggle against bourgeois liberalization has a bearing on the fate of our party, the future of socialism, and the success or failure of the overall reform and opening up to the outside world. Therefore, we must take a clear-cut and firm stand. Meanwhile, we must also employ appropriate methods and should not be simplistic. We should strengthen the propaganda of Marxism and achieve what Lenin said: "We should use our truth to oppose the 'truth' of the bourgeoisie to make people recognize our truth."

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SEVERAL QUESTIONS CONCERNING THE GUIDING IDEOLOGY FOR BUILDING SOCIALIST SPIRITUAL CIVILIZATION

Beijing RED FLAG in Chinese No 2, 16 Jan 87 pp 3-7

[Article by Peng Zhen [1756 4176]--the gist of a speech by Chairman Peng Zhen delivered at a discussion attended by members of the NPC Standing Committee and members of the NPC's various special committees to study the "Resolution of the CPC Central Committee on the Guiding Principles for Building Socialist Spiritual Civilization" on 28 October 1986; capitalized passages published in boldface]

[Text] We have held five discussions, and all of you have expressed very good views. In light of the main issues, the issue concerning the guiding ideology in particular, decided and reiterated by the resolution, I will summarize some of your viewpoints, and wish to talk about the following points in order to exchange views with you so that we can unify our understanding, and specifically implement and apply the resolution in our work in the future.

1. AS FAR AS THE NATURE OF THE BUILDING OF SPIRITUAL CIVILIZATION IS CONCERNED, IT IS SOCIALIST, JUST LIKE THE NATURE OF THE BUILDING OF OUR MATERIAL CIVILIZATION. IT IS NOT OF A CAPITALIST OR BOURGEOIS NATURE, STILL LESS OF A FEUDAL NATURE.

The two civilizations are of a socialist nature. This is the unanimous view of the party Central Committee, which is repeatedly stressed in the resolution. The title of the resolution is the "Resolution of the CPC Central Committee on the Guiding Principles for Building Socialist Spiritual Civilization." The full text of the resolution is permeated with this spirit. The adjective "socialist" is applied in so many places in the preface and in part one of the resolution when talking about the issue of spiritual civilization. The resolution repeatedly stresses this. It shows that the essence of our spiritual civilization must not be neglected, and is not vague at all. This is also the point which many of our comrades have enthusiastically supported in their speeches.

The fact that the resolution emphasizes the socialist nature of our spiritual civilization is not shooting without a target. Things are always developing amid contradictions. Whether you admit it or not, since there is socialist

spiritual civilization, there must be something else which is different from or conflicts with it. How should we deal with the issue? The resolution says that we must "forcefully resist the decadent bourgeois and feudal ideologies and avoid the danger of deviating from the right direction." (The remaining quotations in this article are taken from the "Resolution," unless otherwise noted.) We must "resolutely cast aside the capitalist ideological and social system which upholds exploitation and oppression, and all ugly and decadent things of capitalism." With regard to this problem of principle, there is no mistaking what the resolution aims at. We must on no account take a vague and vacillating attitude.

Such being the case, must we still implement a policy of opening up to the outside world? Of course, we must stick to opening up. The resolution says: "Opening up to the outside world as a basic national policy is applicable not only to the building of material civilization, but also to the building of spiritual civilization." It also says: We must "do our utmost to learn from all countries, including the developed capitalist countries, to acquire advanced science and technology, universally applicable expertise in economic management and administrative work, and other useful knowledge, and to verify and develop in practice what we have learned." "Verifying and development" as mentioned here means absorbing and digesting in a critical and analytical way. A long time ago, Marx said: The process of capitalist production "is a process of the social labor of manufacturing products on the one hand, and a process of the proliferation of the value of capital on the other." ("Complete Works of Marx and Engels," Vol 23, p 369) Capitalist management, like the process of production governed by capitalism, has a dual nature. Therefore, we must make an analysis of the management experience of capitalism. We should learn and use "universally applicable" experience which reflects socialized mass production. We must not learn the experience which reflects capitalists' extortion of surplus value, and oppression and exploitation of workers. The aim of our socialist production is to satisfy the increasing material and cultural demands of the people. It is essentially different from the aim of capitalist production of seeking surplus value. In other words, the results of production of enterprises of a capitalist nature, in the final analysis, belong to the capitalists, whereas the results of our production belong to the laborers. In the meantime, the management of capitalist enterprises is actually the autocracy of the capitalists and their agents, whereas our enterprises under ownership by the whole people implement a factory director responsibility system in addition to "democratic management through representative assemblies of workers and staff members." (Article 16 of the "Constitution of the PRC")

The fundamental task in carrying out socialist spiritual civilization is, the resolution says, "to meet the needs of socialist modernization." Obviously, it is not to meet the needs of capitalist development. If that is the case, what we are building is not socialist spiritual civilization. The resolution says: "Bourgeois liberalization negates the socialist system and advocates the capitalist system. This runs fundamentally counter to the interests of the people and the trend of history. The people are resolutely opposed to it." Here the resolution explains the essence of the issue very explicitly. It is very clear-cut on matters of principle.

"In conclusion, the strategic position of our socialist spiritual civilization determines that it must be a spiritual civilization that pushes forward socialist modernization, a spiritual civilization that promotes overall reforms and the implementation of the policy of opening up to the world, and a spiritual civilization that adheres to the four cardinal principles." On this point, we have all expressed our agreement. With the approval of the plenary session of our Standing Committee, this will become the "basic guiding principle" of the NPC Standing Committee in its work to strengthen the building of spiritual civilization. We can also say that this basic guiding principle serves as an X-ray machine examining everyone's deeds and words. Our comrades should use it to check their own words and deeds as well as those of others, persist in whatever is right and correct whatever is wrong. In this way, we can avoid going astray and getting into trouble in our work.

2. THE RESOLUTION REITERATES: "THE LOFTIEST IDEAL OF OUR PARTY IS TO BUILD A COMMUNIST SOCIETY IN WHICH THE PRINCIPLE OF FROM EACH ACCORDING TO HIS ABILITY AND TO EACH ACCORDING TO HIS NEED IS APPLIED. THIS LOFTIEST IDEAL WAS, IS, AND WILL BE THE SOURCE OF STRENGTH AND THE SPIRITUAL PILLAR OF COMMUNISTS AND ADVANCED ELEMENTS." Accomplishing this loftiest ideal covers a long historical period. We must proceed from our actual conditions step by step. "Whereas building socialism with Chinese characteristics is an indispensable stage in accomplishing this loftiest idea...building socialism with Chinese characteristics and building China into a modern socialist country with a high degree of civilization and a high degree of democracy is the common ideal of the people of various nationalities throughout the country in the present stage."

Now "China is in the preliminary stage of socialism," that is, the preliminary stage of the elementary stage of communism. Under this objective condition, "not only is it necessary to exercise distribution according to work and to develop socialist commodity economy and competition, it is also important, for a long historical period to come, to develop a diversified economy under the prerequisite of taking public ownership as the main body and to encourage some people to become well-off with a view to achieving common prosperity." We should push forward the economy to achieve common prosperity. This is the objective law of building socialism with Chinese characteristics.

In "Critique of the Gotha Program," Marx divided communism into two stages, the elementary and the advanced. The elementary stage he referred to is only a form of ownership under which there are no commodities. According to the inevitability of historical development, he arrived at a scientific conclusion, pointing out that socialist society built on the basis of highly developed social productive forces is a typical, mature socialist society. None of the socialist countries in the world today, including ours, has developed to such a degree. Not only the economy under ownership by the whole people, but the economy under collective ownership by the laboring masses has also existed for a long time in our country. The individual economy is also a supplementary factor for the economy under socialist public ownership. This, in the final analysis, is determined by the comparatively low level of the social productive forces in our country. The

economy under ownership by the whole people, the economy under collective ownership, and the individual economy have their own strong points in certain spheres. They are all indispensable, although they are different from each other in position and role. Following the development of economic structural reform, enterprises under ownership by the whole people are now legally entitled to economic management and operational autonomy. Such being the case, exchanges of products and labor between different economic forms or different units in the same economic form are accomplished through the exchange of commodities, as is obtaining the means of subsistence from society. Therefore, commodities are necessary and commodity economy should be developed. The difference is that our commodity economy has a socialist nature. It is different from capitalist commodity economy.

Is there a danger in developing a diversified economy and commodity economy? There is no danger. We adhere to the four cardinal principles, persist in taking public ownership as the main body, and hold firm to the fundamental principle of achieving common prosperity. So long as we uphold these principles and policies, we can say with certainty that there is no danger.

3. THE RESOLUTION STRESSES: "TO CARRY OUT CHINA'S SOCIALIST MODERNIZATION PROGRAM AND THE BUILDING OF SOCIALIST SPIRITUAL CIVILIZATION, IT IS ESSENTIAL FOR US TO ADHERE TO MARXISM-LENINISM-MAO ZEDONG THOUGHT AS OUR FUNDAMENTAL GUIDING THEORY. As the scientific world outlook of the working class and one of the great achievements in the history of human spiritual civilization, Marxism is the theoretical basis of socialism and of the leadership given by the party. It is the most important component of socialist ideology and will serve as a guide in all our work to build spiritual civilization. In all our efforts to encourage high ideals and standards of conduct, to raise our cultural level, and to publicize democratic principles and the importance of legality, we have to depend on Marxism as our guiding theory and make new progress in Marxist research."

The resolution also says: "Instead of using fossilized concepts to interpret life, we must proceed from reality, make practice the sole criterion for verifying truth, and jettison all those judgments and conclusions that have proved wrong in actual practice or out of keeping with changing realities. That is the only way to ensure that Marxism will keep abreast of social change and serve to guide it. That is the way both to uphold Marxism and to develop it, the two being integrated in our practice of revolution and construction. It would be impossible to uphold Marxism if we rejected the overriding importance of practice and the need to observe reality from a developmental perspective and to bring forth new ideas. It is wrong to regard Marxism as a rigid dogma. It is also wrong to negate its basic tenets, to view it as an 'outmoded' theory, and to blindly worship some bourgeois philosophies and social doctrines."

In the preface to the 1872 German edition of the "Communist Party Manifesto," Marx and Engels clearly pointed out: "The general principles laid down in this 'Manifesto' are, on the whole, as correct today as ever." As for "the practical application of these principles," it "will depend, everywhere and at all times, on the historical conditions existing for the time being."

("Selected Works of Marx and Engels," Vol 1, p 228) This is our correct attitude toward Marxism. It is wrong to regard the basic tenets of Marxism as dogma and to rest upon them, to view them as a panacea that can cure all diseases, and not to apply and develop them, everywhere and at all times, in practice in a creative way and in the light of the historical conditions at a given time. The argument that negates the correctness of the basic tenets of Marxism and asserts that Marxism is "outmoded" cannot solve any practical problems we encounter. Is this not a bit better than dogmatism? Not in the least, as I see it. This is because if this is the case, there will be a question of what will replace Marxism. This is all the more erroneous. Of course people with this wrong idea do not all necessarily have evil intentions. Some of them misunderstand or have an inadequate, systematic understanding of Marxism. No matter how, on no account must we adopt an equivocal attitude toward, and even waver on, the fundamental question of upholding Marxism and adhering to the four cardinal principles.

Currently, some people abroad who have an inadequate understanding of China's national condition or who lack common sense have voiced improper speculations, and others with ulterior motives have deliberately created confusion, dividing our party into the reformers and the conservatives and alleging that reform means "abandonment of Marxism-Leninism" and that those who uphold Marxism-Leninism are opposed to reform. Are there people at home who have this view? I am afraid we can hardly say no. This view is wrong. Adhering to reform and upholding Marxism-Leninism are completely identical. Marxism maintains that the productive forces determine the relations of production and the economic base determines the superstructure. With the development of society's productive forces, it is necessary to change the aspects of the relations of production and of the superstructure incongruous with the development of the productive forces. This means reform. It can thus be seen that our reform is nothing but a reform carried out under the guidance of Marxism, the result of the integration of the basic tenets of Marxism and the concrete practice of China's socialist modernization program, and "the self-improvement and self-development of the socialist system." How can this be called "abandonment of Marxism-Leninism"?

4. THE RESOLUTION POINTS OUT THAT "BUILDING A HIGH DEGREE OF DEMOCRACY IS ONE OF THE GREAT OBJECTIVES OF SOCIALISM AND IS ALSO AN IMPORTANT DEMONSTRATION OF SOCIALIST SPIRITUAL CIVILIZATION IN THE STATE AND IN SOCIAL LIFE." China's Constitution also stipulates that "all powers of the PRC belong to the people." In our country, the people enjoy the broad democratic rights that do not exist under the social system of man exploiting man. There is only one restriction. That is, "when exercising freedom and rights, PRC citizens cannot harm the interests of the state, society, and the collective and the legitimate freedom and rights of other citizens." Without this restriction, the democratic rights and fundamental interests of most people will not be effectively guaranteed. The resolution says that "democracy cannot be separated from the legal system and discipline. The socialist legal system represents the will of the people, guarantees the people's legitimate rights and interests, regulates people's relations, standardizes and conditions people's conduct, and deals blows at various illegal actions that harm our society. A legal system which does not include socialist

democracy is not a socialist legal system; and democracy without the socialist system is not socialist democracy." The resolution also points out: "The people's democratic dictatorship is an effective and powerful weapon for protecting the people and defending the four modernizations. It is necessary to deal blows at all hostile elements who sabotage our socialist system in accordance with our law." This is completely in line with the stipulations of China's Constitution. The preamble of China's Constitution clearly points out: "The people's democratic dictatorship, which is under the leadership of the working class and is based on the worker-peasant alliance, is in essence a proletarian dictatorship." "The Chinese people must fight against those forces and elements, both at home and abroad, that are hostile to China's socialist system and try to undermine it." Democracy for the people and dictatorship over the hostile forces and elements that try to undermine the socialist system are the two closely related aspects of the people's democratic dictatorship. Without resolutely dealing blows at the hostile forces and elements that try to undermine the socialist system, the people's democracy will be undermined.

Developing socialist democracy and perfecting the socialist legal system is the major strategic policy decision made by the 3d Plenary Session of the 11th CPC Central Committee. The third plenary session summed up the positive and negative experiences of our party since the founding of the People's Republic, especially during the "Cultural Revolution." In light of the objective regularity of historical development, the meeting decided to shift the focus of the work of the party and the state to socialist modernization centered on economic construction. At the same time, the meeting emphasized: "In order to guarantee the people's democracy, it is necessary to strengthen the socialist legal system, to codify democracy into law, and to maintain the continuity, stability, and authority of such system and law, and punish those who violate the law." Since then, our party central leadership has constantly adhered to this principle and has made great efforts to realize it. This time, the resolution once again points out: "Since the 3d Plenary Session of the 11th CPC Central Committee, our party has constantly held that there can be no socialist modernization without democracy, that democracy must be institutionalized and codified into law, and that the party must conduct its activities within the limits permitted by the Constitution and the laws of the state. The party has taken effective measures to further democratize its political life, the political life of the state, economic management, and the life of the entire society. In urging reform of the political structure, the Central Committee aims--always while upholding the leadership of the party and the people's democratic dictatorship--to reform and perfect the party and state leadership systems and to take a step further in extending socialist democracy and improving the socialist legal system, all for the purpose of facilitating socialist modernization."

This includes the solemn demands on the work of people's congresses and their standing committees at all levels, which are state power organs. We must cherish the highly responsible spirit and enthusiasm for work, must work in an earnest way to seriously fulfill the sacred duties prescribed by the Constitution, and must often examine our work in the light of high standards. In recent years, the NPC and its Standing Committee have done a great deal of

work in light of the principle of democratic centralism. They collectively exercise power and collectively make decisions. This includes the formulation of many laws. A socialist legal system with Chinese characteristics is taking shape. However, we should also notice that our work is still far from meeting the needs of the objective situation. We have yet to formulate many laws concerning the building of socialist material and spiritual civilization, and our task is still rather arduous.

In perfecting the socialist legal system, it is necessary to have laws to go by and to act according to the laws. None of them can be dispensed with. If the laws enacted are not observed, it is tantamount to having no laws at all. The resolution says: "Among the measures to perfect socialist democracy and legal system, the most important is education." This is a crucial point. Marx said: Once theory is grasped by the masses, it will also turn into a material force. Mao Zedong said: Once the correct ideas characteristic of the advanced class are grasped by the masses, these ideas turn into a material force which changes society and changes the world. Likewise, so long as the masses are familiar with and grasp our laws, cultivate the idea and habit of acting according to the laws, learn to apply them as a weapon in safeguarding the common cause of socialism and the legitimate rights and interests of the citizens, and struggle against acts that violate the Constitution and the laws of the state and undermine the socialist legal system, our laws will be able to turn into a great material force, preventing a repetition of all sorts of disasters, such as the "Great Cultural Revolution," and maintaining a long period of political stability in our country.

5. THE RESOLUTION REITERATES: "THE WORKING CLASS IS THE LEADING CLASS IN OUR COUNTRY. AS ITS VANGUARD, THE CPC IS THE FORCE AT THE CORE LEADING CHINA'S SOCIALIST MODERNIZATION PROGRAM."

The building of socialist material and spiritual civilization and socialist democracy and legal system cannot depart from the leadership of the CPC. This has been proven by history.

In China's modern history, at least since the May 4th Movement, there has always been a debate on China's future and destiny. The point at issue is: Who should exercise leadership? Who should we rely on? What road should we take? Finally, history has reached the conclusion and the people have made their choice: Without the Communist Party there would be no new China, and only socialism can save China.

What is most fundamental and important in party leadership is ideological and political leadership. It consists in the correctness of the party's line, principles, and policies; in the infinite loyalty of party members, and particularly party cadres, to the communist cause and their wholehearted service to the people; and in the close link between the party and the people and the mass line "from the masses, to the masses," so that the party's policies can genuinely reflect the fundamental interests of the great majority of the people and thus win the support of the people of all nationalities. The resolution points out: "In building spiritual civilization, the duty of party organizations at all levels and of the large number

of party organizations at all levels and of the large numbers of party members is, first, to try to raise their own ideological level and, in particular, to improve the work style of the party, and second, to work hard and set a good example, thus helping to mobilize the people and advance the society-wide effort to build spiritual civilization." I would like to stress here that, in raising its own ideological level, it is absolutely necessary for the party to set demands on party members according to the party Constitution and that it should not reduce the requirements for party members to the level of those for ordinary people. The party Constitution is a common, fundamental guiding principle for all party members. A precondition for membership of the Communist Party is to "accept the party's program and Constitution." If a person should fail to accept the party's program and Constitution and to fulfill his pledge when joining the party, does he not in fact negate his qualifications as a party member? A party member naturally should obey the party Constitution. Moreover, he should obey the state Constitution because he is also a citizen and because the party Constitution explicitly stipulated long ago that "the party must conduct its activities within the limits permitted by the Constitution and the laws of the state." On this principle the stipulation of the party Constitution is in keeping with that of the state Constitution.

The position of the party's key leading role and the correctness of its leadership are not proclaimed by itself and should be recognized by the people through the test of practice. Through a long historical test, this was generally acknowledged by the people of all our nationalities long ago and the conclusion has gone down in our Constitution. Of course, in talking of adherence to party leadership, we do not mean that the party is unlikely to commit mistakes. In the past, our party committed many mistakes, major and minor, including the serious mistake of launching the "Cultural Revolution." Who corrected these mistakes? The party itself did. Since the mistakes were corrected, new and greater progress has been made in the revolutionary cause and socialist construction. Socialist modernization is a completely new and great undertaking. The party and the people explore new possibilities while going forward, and it will be impossible for them not to make one mistake or another in the course of advance. To make fewer mistakes, and especially major ones, party organizations at various levels and its members, as well as our government and state functionaries, should persist in working for socialism and serving the people wholeheartedly. At the same time, they should, of their own accord, accept supervision by the people and strengthen the sense of legality. All citizens should abide by the state Constitution and law and all party members should abide by the party Constitution too. In this way, all of us will be able to promptly sum up experiences, both positive and negative, in practice, uphold the truth, and correct mistakes at all times.

Under the leadership of the CPC, the valiant, industrious, and wise Chinese people will certainly continue to develop the spirit of creativeness and the fine tradition of hard work, and by upholding the four cardinal principles, they will progressively carry forward the all-round reform and the drive for socialist modernization.

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UPHOLD THE PEOPLE'S DEMOCRATIC DICTATORSHIP

Beijing RED FLAG in Chinese No 2, 16 Jan 87 pp 8-9

[Article by RED FLAG commentator]

[Text] Our country is a socialist state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants. The people's democratic dictatorship enables the working people to act as masters and eliminate all exploiting classes and systems. In capitalist countries, even those with the most perfect democratic systems, the bourgeoisie is master, and the exploiting system is maintained. It is in this sense that Lenin believed that the proletarian democracy is a million times more democratic than any bourgeois democracy.

Now some people who advocate bourgeois liberalization publicize the advantage of bourgeois democracy and even want to implement a three-power government. However, instead of talking about the difference in essence between socialist democracy and bourgeois democracy, they are using pure democracy as a signboard to hoodwink some young people who are not quite familiar with the Marxist state theory. We should never let this ideological trend spread unchecked.

As a matter of fact, bourgeois democracy and a bourgeois republic were tried out in modern Chinese history, but both were failures. On the eve of the founding of the People's Republic, Mao Zedong, in his article "On the People's Democratic Dictatorship," reviewed the experience of failure of some progressive Chinese in pursuing the doctrines of bourgeois democracy and a bourgeois republic in the wake of the failure of the Opium War. One of the major reasons for the victory of the Chinese revolution was precisely the plan to replace bourgeois democracy with people's democracy and the bourgeois republic with a people's republic. In summing up our party's 28-year experience in its democratic revolutionary struggle, Mao Zedong said: "To sum up our experience and focus it on one point, the people's democratic dictatorship under the leadership of the working class (through the Communist Party) and based upon the alliance of workers and peasants is essential."

The people's democratic dictatorship is a vital part of the four cardinal principles and is included in the Constitution. The people's democratic dictatorship maintains and guarantees our upholding of the party leadership,

the socialist way, and Marxism-Leninism-Mao Zedong Thought. For some time, however, we have not explained this point enough and some localities have not forcefully used the means of the people's democratic dictatorship. The people's democratic dictatorship is the manifestation of the essence of the superiority of the socialist system. It enables the masses to acquire real democracy and enjoy the freedom of being the masters of their own country. The democracy of the people is guaranteed by exercising dictatorship over the small hostile forces and the small number of hostile elements that undermine our country's socialist system, and by imposing sanctions against acts that violate the Constitution and the law. There will be no stability and security for people's democracy if there is no dictatorship over the hostile forces and elements or if there is no sanction against acts that violate the Constitution and the law. People's democracy with no stability and security runs counter to people's interests. Where there is strong people's democratic dictatorship, there is stability and sanctity of the Constitution and the law; where there is stability and sanctity of the Constitution and the law, there is democracy, freedom, and peace for the majority of the people. This is an issue of principle. "Total Westernization" and the attempt to transplant the Western way of political life to replace the people's democratic dictatorship run radically counter to the people's interests.

Some time ago certain comrades were weak or even took a noninterfering attitude toward the ideological trend of bourgeois liberalization. The result was that good people received no support while bad people ran wild. A few individuals' erroneous and even reactionary statements had the vicious effect of instigating the students' unrest. This was a serious lesson.

To oppose the ideological trend of bourgeois liberalization, we need first of all ideological firmness on the part of party members and respect for party discipline. As party members, we should take a clear-cut stand to uphold the four cardinal principles and justly and forcefully refute and struggle against erroneous statements. Only by so doing can we uphold the party's principles. Some Communist Party members engage in bourgeois liberalization and refuse to change. They disqualify themselves as Communist Party members by their own actions, and therefore will have to leave the party. Second, we should use the forceful weapon of the people's democratic dictatorship to crack down on the small minority of people who break the law. Those who put up "big-character posters" and "small-character posters" here and there, who print and distribute leaflets, and who make speeches against the four cardinal principles and offend the criminal law should be sanctioned according to the relevant provisions in the criminal law. Processions and demonstrations against the Constitution and other laws should be resolutely dealt with. Those people who form illegal associations and organize counterrevolutionary groups should be punished seriously according to law. Only by doing this can we really protect the people's democracy and surely win people's support.

Will the prestige of our party and our state be hurt and will our country's international reputation and image be damaged if we exercise dictatorship over a few class enemies and punish those who violate our Constitution and other laws? Such misgivings are unnecessary. It is well known to everyone that the people's democratic dictatorship is our state system selected by the

Chinese people through a long process. If we dare not use the dictatorship as our weapon to deal with those hostile elements who are sabotaging the socialist system, and instead let them do what they wish to trample underfoot the four cardinal principles, our party will be unable to lead the people in undertaking socialist modernization, our country will inevitably be split up again, and the socialist achievements made by the people after fighting bloody battles for several decades will be irrevocably lost. Then what will our country's reputation and image be? Our party and state have prestige because they represent the people's fundamental interest, the party and the state will be unable to win the people's trust, and the party's image and prestige in the people's eyes will inevitably be marred. To punish according to law a handful of hostile elements who adopt a hostile attitude toward and sabotage China's socialist system, and to punish all those who violate our Constitution and other laws is precisely the way to fulfill the people's aspirations and protect their interests. For this reason, only by upholding the people's democratic dictatorship and striking at the elements who jeopardize the people's interest can our party enhance its prestige in the people's eyes and win the support of most people. Since the 3d Plenary Session of the 11th CPC Central Committee, our country has exercised dictatorship over a few hostile elements who adopted a hostile attitude toward and sabotaged the socialist system. Because of this, we have suffered all sorts of criticism and slander from abroad, but our international image has not been marred. On the contrary, we have won praise from people of insight throughout the world.

Will our emphasis on the people's democratic dictatorship today restore past "leftist" practices? Such worry is unnecessary. We have completely abandoned the practice of "taking class struggle as the key link," we have restored the ideological line of seeking truth from facts, and we have established a correct political line. We also have the correct leadership of the party Central Committee. Therefore, we are completely capable of correctly using the people's democratic dictatorship as a weapon. We must not do as some people have mistakenly done and liken upholding of the people's democratic dictatorship to the past "leftist" practices. On the contrary, we uphold the people's democratic dictatorship in order to establish a high level of socialist democracy with Chinese characteristics. Of course, the fact that some people advocate bourgeois liberalization and oppose the four cardinal principles will not make us abandon use of the people's democratic dictatorship as an effective weapon to protect the people and strike at the enemy either.

Our exercise of the people's democratic dictatorship is entirely constitutional. We should strictly distinguish between the two types of contradictions of different character. Those who violate law should be dealt with according to law. However, we should never use the dictatorship method to solve questions of ideological understanding. We must use education and persuasion and do meticulous work to identify the thinking of most youth with the four cardinal principles, and let youth give full play to their talents and ability and work together to build China into a modern and powerful socialist country.

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AN APPRAISAL OF CHINA'S TRADITIONAL PHILOSOPHY AND ITS HISTORICAL DESTINY

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[Text]

I

China is an ancient, civilized nation and traditional culture has had an extremely deep influence on China's society in the modern period. This has resulted in a regular phenomenon in the modern period, namely, each time society enters a new period of abrupt change, there is always great introspection in traditional culture. Also, the traditional philosophies (such as Confucianism, Buddhism, and Daoism, but mainly Confucianism) which are the core of traditional culture are subject to judgment. Over the last century or more, heated arguments have come and gone and understanding has gradually deepened, but it has not been possible to achieve a uniform conclusion. During the May 4th period, the feudal ethical code and the latter period Confucian idealist philosophy were criticized. The direction of this criticism was correct and it played a great role in liberating ideals. However, the ideological methods lacked a dialectical nature. Added to this was the fact that the state could not take the lead and that saving the nation was of foremost importance. Thus there were no strength and no time to complete the task of scientifically summarizing the legacy of historical culture. After the PRC was established, reflection on traditional philosophy by academic circles was often subject to various interferences from political movements. It appeared that their critical attitude was very resolute. However, they did not touch much on the pernicious feudal legacies which actually existed in society, and instead they negated many valuable theories. The movement to appraise legalism and criticize Confucianism during the "Cultural Revolution" even further confused right and wrong, retaining the dross while getting rid of the fine essence. The humanism [ren wu zhu yi 0086 2429 0031 5030] contained in the study of benevolence and the unity of opposites contained in the study of the golden mean were considered feudal dross and were subject to merciless blows. At the same time, the concept of cultural autocracy, the view of truth whereby one person's idea of right and wrong was taken as right and wrong for the world, and other such feudal concepts were promoted and made popular under the name of "socialism." Compared

to the May 4th Movement, it can be said to have been a retrogression. In theory, they said that everything was critically inherited, but actually there was much simple negation and little true inheritance. This resulted in the following situation: Those superior achievements which should have been inherited could not be spread and those outdated ideas which should have been gotten rid of could not be eliminated.

The tradition in traditional culture and philosophy engendered by the present modernization and reforms is the beginning of a new self-examination by the Chinese nation. The conditions under which this self-examination is to be carried out are far different from those in the past. It is a self-examination which will draw lessons from the bitter experiences of the calamity of the "Cultural Revolution"; it is a self-examination to be carried out from the high plane of development strategies for overall culture in a situation of carrying out modernization; it is a self-examination in which more people have a more thorough grasp of the scientific essence of Marxist philosophy and dare to think independently; it is a self-examination in a situation where the West is paying more attention to Eastern culture and China is gradually entering international society. Thus, it can be a more systematic and deeper self-examination than those in the past and it can be of a more scientific nature. However, our preparatory work for this self-examination is far from sufficient. In ideology, the mistaken idea of seeing Marxism as a closed system is still very influential. Also, single-minded ideas still exist in blindly worshipping the West and looking down on the motherland's culture, or in blindly worshipping Chinese ideas and frowning upon Western culture. In terms of knowledge, the many years of closing ourselves off have resulted in most people lacking a systematic and deep understanding of China's traditional philosophies and also a lacking of knowledge of Western philosophies. The sorting out of science and research work can be said to have only just begun, while thoroughgoing self-examination requires a solid research base. The legacy of China's traditional philosophies is incomparably rich and our present examination and digestion abilities are not completed suitably. At this time, it is very difficult to make a scientific assessment of it and discussions on the macro-level can only be initial explorations in broadening our vision. With respect to this great spiritual legacy, we certainly cannot be impulsively and wildly arrogant about it, nor arbitrarily belittle it. China's traditional philosophy is very deep in what it has accumulated and what it contains, and it is extremely naive to think that with a few highly impassioned "official announcements" one is about to transcend it.

It is a pity that often in the newspapers and magazines there are articles which lack deep thought and which totally negate traditional culture and philosophy. Or else they say that they only have negative aspects, such as being closed, blurry, subjective perceptual and so on. They do not indicate that they have any positive aspects. Or else they say that Chinese people's thought patterns have long remained in the subjective primitive thought stage. Or else they say that China's ancient concepts of knowledge have resulted in Chinese people being unable to correctly recognize the objective world, that because of this science and technology have, since ancient times, never been advanced and that therefore now we must get rid of this concept of knowledge.

Or else they blame Confucian and Daoist ideologies for the fact that Chinese intellectuals have lacked an individual character and all along been the tools of the rulers in historical times. In brief, they hold that Chinese traditional culture and philosophy in their entirety constitute obstacles to modernization, and they need to be completely cast aside. The newest calls are: "Engage in overall battle against tradition" and "ensure that there are no successors to carry on traditional culture." Some people suggest that the only avenue for the development of China's culture is complete Westernization. Modernization for them equates with Westernization and not only philosophy but also culture must emulate the West. It seems as if for them that only in this way can conceptual changes be thoroughgoing. This idea, because the words are intense and fervent, can easily be wrongly considered the most revolutionary. However, in fact, it has really nothing to do with real modern consciousness. As far as the mode of thought displayed it is the same as the "formalist negation" long ago criticized by Hegel and the metaphysical ideas popular in China in the past where "if it was good, it was entirely good, while if it was bad, it was entirely bad." These ideas are not only arbitrary and unreasonable, but damage the self-confidence and dignity of the Chinese nation.

Modernization needs modern concepts. One of the modern concepts is openness and tolerance in ideology and culture. The revival of culture requires the breaking down of unitariness and the development of diverse cultural channels, the critical adoption of both ancient and modern, Chinese and foreign ideas and the elimination of those aspects of Chinese traditional culture and philosophy which do not accord with the demands of modern consciousness. Another modern concept is a scientific analytical attitude. In conducting a sober overall introspection of our ancient philosophical legacy, completely rejecting it is not a scientific attitude and is not beneficial in making our academic research more scientific. Traditional philosophy, which has had a great influence on the development of the national spirit, cannot be done away with using crude and simple methods. Furthermore, outstanding national culture and philosophy is the intrinsic basis on which the Chinese nation has existed and developed till today. If the spiritual and cultural traditions of the nation are completely done away with, we and our descendants will become superficial people with no national qualities. How then will we be able to shoulder the task of revitalizing the Chinese people? We cannot again take the disastrous road of cultural nihilism.

II

In assessing the good and bad points of traditional philosophy, we should use historical facts as the objective standards, not subjective and arbitrary judgments. Two incontestable facts lay before us. The first is that China has several thousand years of brilliant ancient civilization. Its politics, military, economics, philosophy, morality, literature, art, and sciences have all reached quite thriving levels. Although over time there have been frequent disasters and uprisings and external problems, the Chinese nation, this great joint body, has had very great self-renewal abilities and has always been able to overcome the crises and continually revive, maintain the general unity of the nation, and maintain the nation's leading position in the

world. The philosophy which has developed over thousands of years is a theoretical crystallization of ancient civilization, deep and vast. The ideological contents are numerous, the schools manifold, the outstanding persons magnificent and the literature extremely rich. It has inspired national wisdom and given brilliance to Eastern culture. People often say that the Chinese nation is a greatly wise and intelligent nation, a nation with a lofty spirit, fine moral character and that the essence of traditional philosophy is the highest manifestation of the wisdom and national character of our nation as a whole. The other fact is that over the last 200 years China has gradually lagged behind the West. This has been especially so since the middle of the Qing Dynasty when the closing of the country, the obstinate following of old ways and the lack of attempts to progress meant that popular morale was exhausted, the nation's strengths ebbed away, "ten thousand horses stood mute" and there was absolutely no vigor. It even resulted in China sinking into a semicolony of the Western big powers. Later there were repeated struggles but it was not until after the May 4th Movement that this tendency of decline could be reversed and there was a turn for the better. It was only when new China was formed that the people truly stood up. There are many reasons for modern China's sinking and slow recovery and the internal defects of traditional culture (including traditional philosophy) was one of the negative factors. If we base ourselves on historical facts in conducting an overall examination, then it is inevitable that we recognize that traditional philosophy has its outstanding achievements and superiorities and also has its drawbacks and restrictions.

According to my superficial ideas, traditional philosophy has at least the following superiorities:

1) It has a strong social practicality. In the philosophies of the Confucians, regardless of whether we speak of Confucius, Zengzi, Mengzi, and Xunzi from the Warring States Period of the philosophy involving the study of the Confucian classics in the Han Dynasty, or even the Confucian idealist philosophy of the Song and Ming Dynasties, their main aspect was a means of regulating the state. They were all intended for running the country and reforming the people. Rulers were encouraged to spend their time maintaining everything in harmony while respecting the spirits but keeping them at a distance. The profound ideas and deep thoughts of philosophy were all usable in regulating human relationships. What was referred to as "manifesting the spiritual in ruling" and "regulating the masses and ruling in peace" both required the use of internal ideas to foster external influence by which to regulate the nation and correct people's habits. The philosophy of the Daoists appears mystifying, but the heart of its concern was human matters. Laozi pursued the heavenly way, but in order to use it in correcting the people's way. Inaction was the purpose of achieving better action. Zhongzi plagiarized the Confucians, but rejected benevolence and righteousness, indicating that he was tired of social politics. However, this was open-mindedness rather than emptiness as he felt that the great way was everywhere. The Han Dynasty Daoists absorbed large amounts of Confucian ideologies with the purpose of using them for regulating the state. The mystical philosophical sects of the Wei and Jin Dynasties revered nature. The major schools used nature to support the Confucian ethical code and tried to use nihilist

principles to regulate irregular social relationships. Buddhist philosophy was originally a religious philosophy of world renunciation, but through the influence of Chinese culture, it became a worldly philosophy involving secular aspects. In this philosophy, essence and application were the same and all had the same course. Under this spiritual influence political philosophy and the philosophy of life saw great development while materialism and atheism formed a powerful tradition.

2) It has a vast systematic outlook. The basic goal of traditional philosophy was the final achievement of harmony between man and man and between man and nature. "Man and all things in heaven and earth form a unity" and "all within the four seas are brothers" are its major slogans. The Confucians used "benevolence" to regulate the relationships between people and this extended to all things. This was what was referred to as "putting oneself in the place of others" and "loving all men and all things." The Daoists used the Way to regulate the relationship between people and the environment and this extended to society. This was what was meant by "the Way imitates that which is natural" and "acting in accordance with one's nature to find oneself." They did not negate the general contradictions which existed between man and nature and man and man, but they felt that the ideal situation was for the two sides in the contradiction to achieve a harmony. There are a large number of differences between the many things in the world, but they are all closely linked to forming a network system with mutual reliance as its characteristics. Artificially isolating things and setting them in opposition could damage the overall harmony which was not beneficial for other things and which was harmful to oneself. Thus, China's traditional philosophies devoted themselves to demonstrating the necessity and rationality of unifying the subjective and the objective, trying to again straighten out the order of the world. At that time, this was not possible and ideological methods had biases. However, they contained deep philosophical theories. Especially in today's world, where the relationships between people are strained and ecology is seriously disrupted, we should realize even more the value of the above-mentioned strategic ideas. How the relationships between man and man is to be one of competition rather than confrontation and how the relationship between man and nature is to be one of transformation rather than destruction are important problems which mankind is urgently waiting to resolve.

3) It has a fresh principal consciousness. Traditional philosophy saw man as the greatest living thing. The Confucians saw heaven, earth, and man as the "three powers," while the Daoists saw the Way, heaven, earth, and man as the "four elements." Both mentioned man together with heaven and earth and placed great importance on the position of man. They believed that only if man fully brought his own natural qualities and abilities into play, could he support heaven and earth's benevolent influence and assist all things in nature. The Confucians stressed man's principal nature and self-reflection both in reason and on the moral level and believed that man differed from animals in that he had morality, that a moral character could be perfected through one's own efforts, and there was no need to seek assistance from the emperor or the spirits. Confucius said: "Benevolence starts with oneself" and proposed the idea of "developing oneself," believing that "people can

follow the great way" and that "through study they will reach a higher level." Mengzi said: "People can become like Yao and Shun." The "Doctrine of the Mean" put forward the five ideas of "wide study," "inquiry," "careful thought," "clear discrimination," and "sincere actions" and advocated the combining of "respect for morality" with "inquiry into the truth" to produce the character of a gentleman. After becoming a "complete person" one further progressed to a "perfect thing" becoming coordinated with heaven and earth and fully realizing the social value of the individual. For the Confucians, becoming a "complete person" involved a process of seeking knowledge and a process of realization and practice. On both the subjective and objective levels there had to be sympathetic response and interflow and thereby external knowledge was materialized internally. Confucius said: "Those who know something are not equal to those who cultivate interest in it, and those who cultivate interest in it are not equal to those who find enjoyment in it." Xunzi said: "Studying the classics is for the purpose of improving oneself" and "a gentleman in studying first listens, manifests the sentiments in his heart, extends this to his limbs, and expresses them in his conduct." Wang Gen proposed the "philosophy of enjoyment." This was a unity of speculation and understanding through personal experience, a unity of understanding rationality and experiencing feelings, a unity of knowledge and practice. The Confucians', Buddhists and Daoists' philosophies of life did not stop with the limited lives of individuals, but sought to explore a greater value of the flesh-and-blood "self." The Confucians saw the establishment of one's virtue, the establishment of one's merit, and the establishment of one's words as the three imperishable features of man, while the Daoists saw the self-realization of one's return to nature as realizing the common way, and through becoming an immortal one could extend one's life forever. The Buddhists sought to achieve the all-knowingness of Nirvana. The theories they believed in were different but they were the same in wanting to overcome the self and achieve a greater value for life. The three philosophies had great faith in man's ability for self-perfection and self-surmounting. They stressed that people should have affection for themselves, self-respect, stand on their own two feet, examine themselves, and reflect upon themselves. They should mainly regulate their spiritual selves. Their heart should not be the servant of forms, and their spirit should not be the pursuer of material things. Traditional philosophy provided deep elucidation as to man's initiative and ability to think for himself. In this sense, it was a typical study of man rather than a theology.

4) It has a high degree of dialectical thought. Ancient philosophers often used the idea of contradictions in their examination of things and through contradistinction grasped the linkage and transformation between the two sides. This formed two great dialectical systems, one which esteemed firmness, activity, and action, as represented by the "Book of Changes" and the other esteemed softness, passivity, and inaction, as represented by the "Laozi." The "Book of Changes" saw the universe as vital and vigorous, with a natural course of onward development. "Vitality is called changes" and "the great energy of heaven and earth is referred to as vitality." "When heaven's actions are vigorous, the gentleman will continually improve himself." What is advocated was firmness and positiveness. The "Laozi" clearly saw the complications and repetition in the development of things. "Reversal

is the activity of the Way" while "crookedness is perfection, upright is horizontal, lacking is abundance, worn-out is new, losing is getting, and having much is having difficulties." It proposed opening up the mind, fostering people's tenacity and flexibility. In doing things, people must look at the positive and negative sides of a matter to ensure that the development of things had a strong capacity for sustainment. The "Book of Changes" and the "Laozi" supplemented each other, resulting in Chinese people having both a firm and strong progressive spirit and a calm and deep nature. The concept of unifying opposites and reflecting this as a theoretical principle was the way of the Doctrine of the Mean. It avoided extremities and traveled the middle road. In the relationship between heaven and man this was reflected as a unity with both heaven and man relying on each other. In sociopolitical life, it was manifested as "being in harmony, but different" and "being complete, but not the same." It proposed the expression of divergent opinions and following the superior road selected. In its sociocultural view, it held that "different roads return to the same place" and "diverse thoughts all have a unity" and proposed the use of a tolerant and liberal attitude in adopting both the ideas of the various schools and philosophers while drawing in external culture. It was reflected in military ideology in that there is correct understanding and flexible handling of the two sides of the contradictions in political and military affairs such as them and us, attack and defense, orthodox and unorthodox, powerful and weak, false and real, and so on. Buddhism had a quite polished and profound dialectical theoretical system which fused one and many, action and inaction. In the study of historical experiences, the ancient philosophers advocated mastering deep "reasons" through historical remnants. Namely, those things with patterns were to be taken and flexibly applied in the new social conditions. They opposed both adherence to old ways and the praising of the past, while negating the present. Some of the above-mentioned dialectical thought achievements provided by traditional philosophy have been misused through misunderstanding them and some have been criticized and swept away. However, real life has shown that they correctly reflect objective dialectical movement and they have a staunch vitality.

The negative and mistaken components in traditional philosophy are also very clear. For example, Confucian philosophy which forms the backbone of traditional philosophy, after the Han Dynasty became a part of the study of the classics and it could only develop within the framework of the study of the classics. It could not surmount this. The Confucian philosophy greatly respected the age and men of virtue, and blindly worshipped the six classics. Confucius' and Mengzi's words held together heaven and earth and as they contained all truths, all that was necessary was to write out the phrases, correctly annotate them, and they could resolve all problems. In the development of the study of the texts, the spirit of philosophical development and the spirit of being oriented toward reality were restricted and even smothered, resulting in many philosophical theories which originally had quite some vigor gradually changing into worn-out and ossified dogma. This resulted in a mentality of ingrained reliance simply on books and sages. Also, philosophy in the feudal period was, in the end, a theoretical proof for the patriarchal clan system and other systems, and it could not be separated from the axis of the "three cardinal guides." Thus, it could not but

play down the people's individuality and respect for individuals. It one-sidedly stressed the narrow interests of families and the state. This could not be avoided in the past, but in recent times, now that the social system has undergone basic changes, the original philosophical forms have inevitably been obstacles to social progress. Also in traditional philosophy, idealist systems and mysticism played a large part and the ideas of destiny and the spirits also had quite a large influence. For example, they overly stressed harmony and consistency between things and did not understand that new harmony could only be continually achieved through necessary struggle and competition. The study of logic in the pre-Han period declined after the Han Dynasty began, resulting in traditional philosophy's theoretical systems lacking conceptual analysis and logical deduction. Many illusory connections and arbitrary conclusions resulted from this. There are many other examples. These weaknesses influenced culture, politics, and economics and obstructed China's advancement.

In looking at the weakness of the ideological models of traditional philosophy we should not totally negate them. For example, the perceptual nature of thought and the indistinct nature of concepts can either result in knowledge becoming mysterious and the divisions between concepts becoming unclear, or can ensure that knowledge does not become stylized or concepts solidified. This is always related to the ideas implicit in thought and the flexibility of thought. Many important classic philosophical texts are collections of quotations or else annotated commentaries or collections of questions and answers. They thus appear to lack a strict logical sequence or appear fragmented. In fact they are terse but very comprehensive and provide wide latitude for pondering and mental association.

Passing through over 100 years of semifeudal, semicolonial society produced in our country's society a deep feudal consciousness and a colonial consciousness, a conservative mentality, and a sense of national inferiority. These two types of consciousness and two mentalities must be overcome. The recognition of the strong points of traditional philosophy will strengthen national self-confidence and recognition of the weak points will help avoid blind worship of the past. If we compare the good points and the weak points we will see that there are more of the former. We should also recognize that there is both consistency and differences between philosophy and social politics. Philosophy is far from the superstructure of the social economic base and philosophers are often idealists who would like to form a beautiful and perfect ideal state and make the best plans for society and people's lives. Thus, they often put forward theoretical criticisms of existing abuses. China's ancient philosophers thought a little further and deeper than other people of their times. They were often representatives of tides of social criticism and often clashed with feudal political groups. Thus, we must differentiate between politics and thought. We cannot place the blame for the dark and corrupt phenomena which existed in feudal society on the philosophers. That would not be just. The way of Confucius and Mengzi which was continually elucidated by the Confucians was an ideal depicting that if a ruler for a society could, to a certain degree, seriously be implemented it would be sure to have times of feudal peace and prosperity and if any person could, to a certain degree, seriously be pragmatical he would certainly be a

benevolent and lofty person in feudal times. Those who were disruptive of the way of Confucius and Mengzi were foremost the feudal rulers themselves. They were extravagant and extreme and muddle-headed and corrupt, which resulted in Confucianism changing into hypocritical preaching. A popular proverb said: "They spoke of benevolence, righteousness, and morality, but actually they used men as bandits and women as prostitutes." This could not be tolerated by the Confucian philosophies or by the philosophers. As to wanting ancient thinkers to take the blame for today's problems, that is even more preposterous. Clearly within traditional philosophy there all along existed a struggle between the correct and the mistaken, the innovative and the conservative, and orthodoxy and heterodoxy and we cannot speak of all in the same breath. As far as the superior traditions of ancient philosophy go, they deepened people's understanding, exercised people's thought, purified people's hearts, and made an undeniable historical contribution to the formation of the great spirit and qualities of the Chinese nation. Today, it is still a great spiritual wealth for us and its value should not be underestimated.

III

The future fate of traditional philosophy depends on its indelible qualities and the ability of both ourselves and our descendants to elucidate, discriminate, and apply it. First, only if it has value will it be worth our while to explore it. Second, if we lack the abilities of discernment and digestion of it, its value will be neglected. In general, its negative components are clearly discernible and easily inherited through the force of habit. Its fine essence is deeply stored and needs to be consciously discovered. Only when this is then refined, elucidated, and propagated will it be understood and adopted by more people and will it play a positive role in social life. If it is blindly extended, its negative characteristics will be strengthened. The higher the consciousness in its discovery and elucidation, the clearer the positive characteristics will be. Following the expansion of people's vision and the raising of levels of understanding many values which in the past were looked lightly upon have now received attention and ancient philosophical theories have been able to emit new brilliance. Thus, the condition of our subjective comprehension abilities is of the utmost importance.

If we are to do well in the critical inheritance of China's traditional philosophy, there is a need to resolve well the following three problems of comprehension.

1. We should clearly recognize the relationship between the time nature, national nature and human nature of philosophy. Different social forms have different philosophies. China's traditional philosophy is basically a product of the feudal period. It could only be a part of the Chinese feudal patriarchal clan system and serve it. This is its time nature. The difference between Chinese traditional philosophy and modern Western philosophy are first, differences of philosophies developed in different stages of social development. However, in comparable stages of historical development, for example in the Middle Ages, there were also great differences between

Chinese and Western philosophical forms. At that time, Europe was enveloped in a shroud of Christian theology, and philosophy and science were both the slaves of theology. In China, from the hundred schools of thought contending in the Warring States Period, to the rivalry between Confucianism and Daoism in the Han Dynasty, and then to the Wei and Jin Dynasties when Confucianism was the center--but Confucianism, Buddhism and Daoism formed a tripod with each influencing the others--philosophy was quite developed, the humanistic [ren wen 0086 2429] spirit was very strong and theology was an adjunct to philosophy. This is the national and regional nature of philosophy. China did not pass through the stage of ancient Greek and Roman philosophy and then enter Middle Ages philosophy and Europe did not pass through the stage of China's ancient philosophy and enter modern philosophy. Each nation has its own special social history and thus each has its own special ideological and cultural traditions. Those parts of these ideological and cultural traditions which permeate national character have great stability, and when social forms are renewed, they are not easily changed. Of course, there are both good and bad aspects of national character and there is a need to transform and improve it. Changing social traditions is a gradual and long-term thing, but national character must be maintained. Philosophy also has a human characteristic, an aspect which has universal significance for all mankind. "People" as a "category" have common natures and needs, and face some common problems in social life. For example, the vast majority of people yearn for a true, good and beautiful realm, all face the tasks of understanding and transforming nature and society and all explore the meaning and value of life. Although their understandings are different, their general progress is the same. In the philosophies of all nations at all times there are inevitably aspects interlinked with other philosophies and aspects which other philosophies can understand and accommodate. This is why the famous works of ancient philosophers and those from other places can move the hearts of people today and why there can be interflow and convergence between ideas and cultures throughout the world. But there are similarities in differences and differences in similarities, and the philosophies of all nations use their own special ways to add grains of truth to mankind's spiritual treasury. The interflow between the philosophers of different nations is made possible by interlinked aspects, while their differences make interflow significant. This sort of interflow is not that whereby similarities are adopted and differences discarded, but the seeking of differences through similarities, the seeking of strong points to supplement weak points. This is mutual study. Thus, the more national character that philosophy has, the more international significance it has. Based on the above understanding, in looking at China's traditional philosophy we should discard outdated time aspects, transform and spread the superior national aspects, and fully reveal and clarify the universal human aspects to give it a new spirit of the times. Thereby it can enrich our nation's modern philosophy and enable it to move toward the world.

2. We must treat the relationship between Marxist philosophy, modern Western philosophy, and Chinese traditional philosophy in a correct way. China's traditional philosophy only needs to be sorted out, analyzed and profoundly reflected upon and we will be able to eliminate the dirt and bring forth new life. This work can only be fully completed under the guidance of Marxist

philosophy. This is because Marxist philosophy represents the highest level of human thought development up to now. Its scientific nature, dialectical nature, and profundity are far beyond those of other philosophical schools. Marxist philosophy is not a system which is self-contained. Its vigor lies in the fact that it has never claimed that it has the complete truth, and that it is continually opening up roads to truth. It can also fully absorb all the accumulated achievements of mankind's theoretical thought. In China, Marxist philosophy not only should, but can be joined up with China's outstanding traditional philosophy. This joining up will produce a new modern Chinese philosophy which will become an important spiritual prop of the Chinese people. In the past, because there was no time to make a systematic summary of several thousand years of traditional philosophy, and also because during the period of the "Cultural Revolution," people held unavoidably extreme attitudes, people spoke little about and did little about linking the two up. However, they said much and wrote much about the antagonism of the two. Now we have entered a period of serious research and sober thought, and in terms of theories, we have changed from mainly destroying to mainly establishing. We should also pay attention to developing traditional philosophy. We should establish those good aspects of it, raise them to a new higher plane of the times and have them serve the building of socialist spiritual civilization.

China has always had a tradition of absorbing foreign philosophies. The absorption of Buddhism after the Han and Wei Dynasties is an example of this. This tradition must be developed and we must continue to open up the great doors of philosophy toward the world so that all advanced, superior ideas can be relayed inside at any time, and assist our nation to renew outdated concepts, and consciousness. Western philosophy before the birth of Marx had good traditions. After Marx was born they did not all turn into preposterous reactionary theories. There are still many strong points worthy of our attention and at least these need serious study. Its schools are numerous, and changes are swift and undoubtedly all have the deep impression of bourgeois society. However, its natural philosophy, its logical analysis theory, its humanism [ren ben zhu yi 0086 2609 0031 5030] all contain many aspects of scientific understanding, and they need to be critically absorbed. This sort of study can supplement the shortfalls of Chinese traditional philosophy in terms of modes of thought. The use of foreign philosophy as reference and the inheritance of ancient philosophy must be considered together so that they can supplement each other and bring out the best in each other. But both must take "I" as the main part, select what is good and use it, and reject what is bad. In the end, it is still "using the past for the present" and "taking foreign things for China's use." In ideology we certainly cannot be slaves of the ancients nor slaves of foreigners. Only if we have the spirit of always taking the Chinese nation as the most important thing, developing a spirit of national self-strengthening, a spirit of creation, and a noble and correct spirit, will we be able to absorb all things of value whether they are ancient or modern, Chinese or foreign.

It is my understanding that China's future philosophical sphere should use Marxist philosophy as the guiding theory, have Chinese national characteristics

and be a place where the world's outstanding achievements in thought are gathered together. Its specific contents will inevitably be manifold, multi-leveled and of great variety. Thus it will inevitably be a vital field of intellect where a hundred schools of thought contend. In the period when the "Communist Manifesto" was produced, it was already "common property from the spiritual products of all nations." In today's world with developed information and regular contacts, not only are new spiritual products relayed very quickly, but the ancient civilizations of all nations are becoming, in their application, the common wealth of all mankind. China's study of the West, like the West's study of China is not a diversion or an enjoyable pastime. Rather, it is a serious study in an overall situation of accelerated ideological and cultural exchange. It is a linking of the souls of mankind. China's traditional philosophy is both China's and the world's, and its future will be decided not only by Chinese people, but also by the progressive people of the whole world.

3. We must correctly understand the role of philosophy. If we look at China's traditional philosophy from the narrow angle of practical application, then one may feel that it does not have much value today. It contains no modernization theories and no reform programs and it provides no ready-made answers to the problems existing today. However, we should not understand the role of philosophy in this way. In normal situations, philosophy cannot directly help people to resolve specific questions, but philosophy can help people to establish a correct world outlook, correct ideological methods and attitudes to life. Thereby its specific inapplicability becomes something of great basic value. I believe that every deep philosophy has as its main roles, in enlightening wisdom, raising the plane attained, calling forth vitality and readjusting relationships. Thereby, society and individuals can gain various basic ideological principles which can through social practice, be transformed into various concrete achievements of material civilization and spiritual civilization. I divide those parts of China's traditional philosophy which have real value into three categories: All those things which play a role in helping us to deepen our knowledge and exercise our minds, which I call intellectual value; all those things which play a role in helping us mold our temperaments, strengthen our morale, and improve social habits, which I call moral value; all those things which play a role in helping us to improve our aesthetic abilities, enrich our spiritual life and stimulate artistic inspiration, which I refer to as aesthetic value. Of course, literature, history and art all have this sort of real value, but the value provided by philosophy has a basic nature. The materialist viewpoint and dialectical ideas of the world view, epistemology and historical outlook in ancient philosophy, all have an intellectual value. For example, the dialectical ideas in "Sun Zi's Ways of Warfare" were absorbed into military theory during the democratic revolution. Many of the ideas on human nature, ideas on life, value concepts and ideas on life and death of ancient philosophy are relevant to being a person and living in the world, and have moral value. Take for example the firm mettle spoken of by Mengzi whereby "riches and honors will not make one dissipated, poverty and mean condition will not make one swerve from principle, and power and force will not make one bend." Also, Fan Zhongyan spoke of the noble moral qualities of "being the first of all to worry and the last of all to enjoy oneself"

and Gu Yanwu said: "Every man has a share of responsibility for the fate of his country." These long ago became healthy tendencies in society, and important spiritual strengths in opposing unhealthy tendencies. Comrade Liu Shaoqi in "On Self-Cultivation by Communist Party Members" utilized the words of Confucian philosophers and linked up the ancients' efforts in moral cultivation, self-examination, and the maintenance of propriety even when alone, as well as their moral character of concerning themselves with all under heaven and looking on death as a return home, with the communist cause. In society, this played a very good role. Today, with money worship quite in vogue, there is still no lack of persons with integrity who apply high moral principles to their own conduct, who see morality and ideals as more important than money and material things, and who live unblemished lives. This is very closely related to the influence of outstanding traditions. The views on nature, on man, on music, on literature, on painting and calligraphy in ancient philosophy contain rich aesthetic values. Tao Qian's poetry manifested the beauty of the harmony between man and nature. Li Bai's poetry reflected the majestic beauty of the motherland's rivers and mountains. The idea put forward in the mystical schools of the Wei and Jin Dynasties that words did not fully convey meaning and the meaning was external to words had a deep influence on literary creation and national painting and calligraphic arts.

An ancient saying held that someone who is good at studying follows the idea, not the words and does not let words impair the meaning. In studying ancient philosophy we should also use this attitude, adopt the essence and use it, rather than being restricted by words and phrases. In this way, we can obtain many valuable things from the ancient sages.

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UPHOLD AND DEVELOP THE MARXIST THEORY OF LITERATURE AND ART THROUGH NEW PRACTICE

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[Article by Li Zhun [2621 0402] and Ding Zhenhai [0002 2182 3189]--written in October 1986]

[Text]

I

The emergence of a Marxist theory of literature and art, a scientific achievement in applying the fundamental tenets of Marxism to the domain of literature and art, was a revolution in the ideological history of literature and art of mankind. Over the past century and more, this theory has formed a scientific system on the basis of a series of important tenets: Literature and art are ideological contents in the realm of the super-structure; art is a special way for the people to master the world; social life is the one and only source of literature and art; writers must plunge into the thick of life; there are dialectical relations between world outlook and creation, and the principles of typification and individualism; it is imperative to inherit in a critical way national legacy and cultural heritage; it is imperative to make use of cultures throughout the world in a critical way; art must serve a great number of people; the criterion for judging works of literature and art is social effect; and freedom of literary and artistic creation and academic freedom are important guarantees for realizing flourishing literature and art. As a result, the Marxist theory of literature and art has truly become a scientific study and has guided socialist and progressive literary and art workers to add most illustrious chapters to the annals of literature and art of mankind. As far as the development of China's socialist literary and art undertakings is concerned, the leading role played by the Marxist theory of literature and art in the literary and art ideology is irreplaceable.

Just like other Marxist theories, the inherent quality of the Marxist theory of literature and art means that it must develop in line with the development of the times and this theory's destiny is characterized by continuous debates and by constantly blazing new trails. For more than a century, this theory has constantly faced challenges from two sides: It has been doubted and negated due to erroneous ideological trends; it has received new questions and new demands raised and set by new practices. Actively responding to

challenges, actively studying new questions raised by new practices in the new era, and creating new things on the basis of new facts are lively manifestations of the theory's inherent quality and are also the roads the theory must follow in developing itself. In fact, since the day it was born, all stages of the development of the Marxist theory of literature and art were realized through making active responses to new challenges of the times and in practice.

Today, China is in a new historical period for great change and reform, and the scale and speed of historical changes in the world are quite amazing. Therefore, under the new situation of reform and opening up, the Marxist theory of literature and art is facing unprecedented challenges. On the one hand, newly emerged ideological trends of every hue are challenging the leading position held by the Marxist theory of literature and art and are vying with one another in playing the leading role on the Chinese ideological stage of literature and art for the new period. On the other hand, new literary and art practices and social practices in China and throughout the world have raised and set a series of unprecedented questions and demands on the Marxist theory of literature and art.

First, the four modernizations and reform are quickly and deeply changing all aspects of social life in China. China is facing deep changes in the form of labor, the mode of material production, and the way of life. Moreover, the Chinese people's spiritual life style, "man" himself, and human relations are all being changed deeply. As far as the whole world is concerned, people's living conditions and behavioral patterns have either been greatly changed or are being greatly changed. Since there have been constant changes in the sources of literature and art and in the targets of literary and art works, how can we continue sticking to the original conclusion on the concept of literature and art? What kind of relevant inferences should be drawn by the theory?

Second, following the founding of the theory of relativity and quantum mechanics at the beginning of this century and the development of systems science and molecular biology in the middle of this century, and with the emergence of modern sciences such as the theory of quantum field, big-bang cosmology, and dissipation structure, the field of people's vision has been greatly widened, people's understanding of the material world and of biological phenomena has been deepened, and material dialectics had been enriched in the sense of having a methodology characterized by varied branches of learning, thus offering a new tool of cognition to people. Studies of all branches of social sciences are using this new knowledge and this new tool to open up new fields and new ways. What should be done in carrying out research on Marxist theory of literature and art?

Third, the latest experimental achievements in modern neurophysiology and psychology and the development of the modern science of thinking have made noticeable progress in exposing all kinds of secrets such as the complicated mechanisms regarding the processes of thinking activities and psychological processes of mankind. How are we to apply this kind of progress to the Marxist theory of literature and art and to further expound the law governing the development of literature and art?

Fourth, judging from literary and art practice itself, we can see that in today's China, numerous and complicated new categories, new methods, new factors, and new trends are emerging and changing quickly in the field of literary and art creation, and there are many new problems posed by new situations and questions regarding Sino-foreign literary and art exchanges, by new contradictions within the field of artistic circulation, by the complicated management of the whole mammoth socialist cause of literature and art, and by the reform of the literary and art system. Such development and changes in the literary and art phenomena throughout the world never existed in the days of Marx and Lenin. If we just rely on classics on literature and art, how can we convincingly generalize in terms of theory and expound such issues?

Fifth, with the improvement in material life, the increase in spiritual needs, and the rise in cultural quality, there have been new breakthroughs in and new development of the aesthetic standards of readers and viewers, and things now tend to be multilayered and varied. How are we to adapt ourselves to and guide these new changes? These are also new problems facing the Marxist theory of literature and art.

This challenging situation is doubtlessly grim. A Marxist attitude toward the unprecedented challenges does not mean being panic-stricken nor does it mean being in a state of inertia. Moreover, the practice of sticking to conventions and the practice of standing still and refusing to make progress also run counter to the inherent quality of Marxist theory of literature and art. The only correct attitude and way of doing things is: Actively deal with the challenges posed by the times and practice, conscientiously study new conditions and answer new questions, be bold and adept in making innovations, use new ways and new scientific judgments to consolidate and strengthen the leading position of Marxist theory of literature and art, and greatly promote the Marxist theory of literature and art and China's entire theory of literature and art. Only by doing so can we be most effective in eliminating doubts about and negative mood for the Marxist theory of literature and art and only by doing so can we clear ideological confusion in the field of literature and art.

How are we to make theoretical explorations and innovations for the purpose of responding to the current challenges posed by the times and practice? In other words, how are we to promote the Marxist theory of literature and art? Our tentative ideas are:

First, we should make explorations and innovations on the basis of the fact that art is a special way to master the world and that dialectical relations between creative subject and creative object are complicated. For example, on the basis of a number of important theses including the thesis that literature and art reflect life and that life reflected in works of art and literature is more typical and ideal than real life, and the thesis that a writer's objective sense is dynamic and that this dynamic role brings about results that are different in nature, we should use new experiences and new methods to further expound the following questions in relation to art as a special way to master the world: What are those specific

stipulations? How are we to describe different levels and structures? What are those specific ways and forms through which the dynamic role of a writer's consciousness of subject can be brought into play and to what extent can this be realized? Regarding subject-object relations under the modern conditions, what are those developments in the interaction, and mutual infiltration and transformation within such relations? In connection with such relations, what is the extent of the relative independence of creative methods? And what is the significance of a variety of creative methods to the development of literature and art?

Second, we should bring to light the laws governing the activities of thinking and psychological processes during the creation and appreciation of works of art and literature, and open up new levels and orders. On the basis of a number of important original theses including the thesis on the unity of contradictions between the perceptual and the rational and between ideology and emotion, and the thesis on the trinity of knowledge, utility, and appreciation of the beautiful, we should analyze new contradictions, use new scientific achievements to open up new levels and develop in depth the theory regarding three orders; and make special and orderly judgments on the following questions: What is the role played by subconsciousness in the creation and appreciation of works of art and literature? What is the law governing the change from subconsciousness to dominant consciousness? What are the physiological and social factors that condition the activities of thinking and psychological processes? And what are the systematic mechanisms and modern trends of such factors?

Third, we should establish a systematic theory on the essential characteristics of socialist literature and art and on the law governing the development of socialist literature and art. Although authors of classics did express many important views on special stipulations for socialist literature and art, they did not make any systematic and special exposition in this regard due to restricted conditions. Although researchers at home and abroad have conducted systematic theoretical researches on creative methods for "socialist realism," they also have not yet made any clear and all-round expositions on socialist literature and art. Today, under the new historical conditions, we must and can make clear and all-round judgments and establish a new systematic theory in response to the following questions: What are the essential characteristics of socialist literature and art? What is the law governing the development of socialist literature and art? What position and role do socialist literature and art hold in the multilayered cultural life of the masses of a socialist country? And how are we to establish socialist literature and art with Chinese characteristics?

Fourth, we should establish a course in Marxist management of literature and art. Management is also a science. Regarding the management of literature and art, authors of classics mainly discussed some guiding principles and major policies and very few researchers of the older generation have treated it as a theoretical question for study. At present, since we are faced with urgent needs and new conditions, we must use multidisciplinary methods and particularly methods based on systems science to treat the following matters as parts of an open system and to conduct an overall research on the

interrelations among the following matters: the general and specific policies on literature and art in socialist countries; the literary and art leadership systems and the working systems of literary and art organizations in socialist countries; the overall arrangements for all types of art departments, and the relations between the regular patterns and requirements of art and the requirements of economic management in socialist countries; the building of the ranks of writers and artists and the legislation for literature and art in socialist countries, and cultural exchanges with foreign countries. Through this overall research, we should try to find the most effective ways to provide a systematic theoretical basis for the promotion of a scientific management of literature and art.

Fifth, we should carry out a "cultural study" of literature and art. On the basis of a series of important principles of the Marxist theory of literature and art and particularly the principle on the ideological nature of literature and art in the realm of the superstructure, we must enhance our consciousness of studying literature and art in the light of the people's behavioral patterns which are created by the major civilizations, namely, the material and spiritual civilizations, carry out an all-round study of the two-way relations between the psychological structure of national cultures and the development of literature and art, expound the effects of literature and art on the development of national psychology and the proper position of literature and art during the building of the two civilizations, and forecast the prospects and requirements for literary and art development from the high plane of the whole cultural development strategy.

A challenge is a test and an opportunity as well. With active responses to the challenges mentioned above, we shall certainly bring about an entirely new development of the Marxist theory of literature and art. Some sober Chinese researchers engaged in the study of the Marxist theory of literature and art have already taken vigorous action to greet this situation and have begun to score gratifying achievements. Of course, this is only a beginning and there will be more arduous work later.

II

The Marxist theory of literature and art plays an irreplaceable role in guiding China's socialist literary and art undertakings. As a crystallization of the integration of Marxism and the actual conditions of literature and art, this theory itself is under the guidance of basic Marxist principles and methods. Today, to respond to challenges posed by the present times and new practice and to realize an epoch-making overall development of Marxist literature and art, we must also be under the guidance of the dialectical and historical materialist world outlook and methodology. Overall, the transformation of the concept of literature and art and the whole theoretical development of literature and art for the new period in our country also cannot be separated from this guidance.

Due to the influence of the trend of the times over the past few years, people have been stressing that theoretical research requires creative thinking and that an open theoretical system must be established. This is

undoubtedly right. However, what is "creative thinking"? What is an "open theoretical system"? In our opinion, judging from the highest plane, namely, the world outlook and the methodology that is directly connected with the world outlook, we can say that dialectical and historical materialism is the most thoroughgoing creative thinking and the greatest open system as well. We have persisted in proceeding in all cases from reality, laid stress on studying all aspects, relations, and mediums of things, emphasized that only practice can be the criterion of truth and that knowledge means a perpetual ideological approach to object, and stressed that progress made in life must be followed by unceasing theoretical creation, innovation, and development. Are all these practices not showing the most thoroughgoing creative thinking? We have clearly declared that we have not embraced all truths and that it is imperative to constantly open up through practice new ways to understand truths. Is this declaration not showing the greatest open system? The fast advancement of modern science and technology and the development of the social practice of mankind not only have not repudiated the fundamental tenets of Marxism but have given new proofs of Marxist world outlook and methodology and further enriched and developed dialectical and historical materialism. It is completely wrong to negate the guiding role played by Marxist world outlook and methodology and to declare dialectical and historical materialism "obsolete" on the ground of developing modern science and technology and social practice. Further innovation and development of our theory of literature and art depend on upholding this overall guidance, which should not and cannot be replaced by any other world outlooks, methodologies, and theoretical systems.

Regarding all kinds of modern Western ideological trends of literature, art, and philosophy that have flooded in along with advanced science, technology, and management experience, we, of course, should not sweepingly negate and repel them, but should conscientiously study them, differentiate between various different factors and conditions, and critically assimilate all their valuable aspects that are useful to us. These practices are requirements for developing Marxist theories including the Marxist theory of literature and art, which are part of the open system. This is because "Marxism absolutely does not contain things resembling 'sectarianism'; Marxism assimilates all achievements in the civilization of mankind for enriching and developing itself." ("Collected Works of Lenin," Vol 19, p 1) Another important point is this: We must not indiscriminately copy all those theoretical systems that contain rational things nor must we use such theoretical systems to replace the basic principles and methods of Marxism, which constitute the overall guiding ideology for the development of the theory of literature and art during the new period of China. The following are some examples:

Sigmund Freud's theory of psychoanalysis stresses the special importance of the unconscious, discusses its tripartite division of the mind into "id," "ego," and "superego," and analyzes human nature, society, and art on the basis of the inhibited sexual instinct's innate need of satisfaction. The core of this theory is a doctrine of general sexual desire. We should admit that this theory has expanded the domain of psychological researches, deepened the psychoanalytic levels of creative works, lashed at the old concepts that

obscured sexual problems, and expressed original views on sexual consciousness within art. These are the points that we can make use of. However, this theory fundamentally excludes social analysis, and confuses cause and effect by describing the unconscious and instinctive sexual impulse as the most profound innate character of mankind and as the motive force of all creations. This theory is an out-and-out philosophical system of idealism. If this theory is used as the overall guidance, it will bring about the divorce of literature and art from social life. This theory describes artistic creation as the distillation of instinctive sexual impulse and repudiates all the moral concepts and norms of sex. If this theory is used as the overall guidance, it will bring non-rationalism into creative works and lead to sexual indulgence in people's behavior, thus completely running counter to the requirements for building our socialist spiritual civilization.

Carl Gustav Jung advanced the concepts of "archetypes and the collective unconscious." Jung was once a follower of Sigmund Freud and later broke with Freud and established his own school of thought. According to Jung's theory, cases of unconsciousness are not necessarily relative to sexual instinct; the zone of unconsciousness can be divided into "the individual unconscious" and "the collective unconscious"; the collective unconscious is a universal spirit preserved through inheritance; the collective unconscious restricts the whole human life, creates history, and is also the source of artistic creation. The value of this theory lies in its expansion of the contents of unconsciousness and subconsciousness and also lies in its indication that the collective unconscious is accumulated by the human race and history, thus providing valuable enlightenment for researches on the psychological accumulation and precipitation [ji dian 4480 3244] of national cultures and on primitive cultures. However, on the whole, this theoretical system eliminates the decisive role played by the movement of basic social contradictions in the development of history and negates that real social life is the true source of artistic creation. As a theoretical system of historical idealism, this system's "ideas about archetypes and the collective unconscious" are ideas shrouded in mystery. These ideas also negate rational thinking within artistic creation, thus going against the law governing the development of art.

Abraham H. Maslow advanced the theory of modern humanist psychology. Proceeding from human needs and motives, this theory studies the natural instincts and subjective world of mankind and suggests the existence of a hierarchy of human needs. In its formulation, the so-called physiological needs are at the bottom of the hierarchy. Above them are the needs for safety and higher still are needs for belongingness and love; needs for esteem come next. At the top of the hierarchy are needs for self-actualization, which means the actualization of human latent energy, ability, and talent. This theory opposes the behaviorist attempt to promote depersonification and depersonalization of men, brings to light the richness of subjective world, opposes the theory of restoration, and stresses the importance of promoting men's self-knowledge and healthy development and the importance of bringing human latent energy into full play in society. In studying the consciousness of subject as shown by writers and critics, we

should conscientiously make use of this theory of positive significance. This theory's fatal weakness lies in idealism which is its philosophical basis. This theory observes and studies men's innate character and men's consciousness of subject while deviating from social relations and social existence, thus opening the gates wide to the abstract concept of human nature and the concept of "self-actualization," a concept based on wishful thinking. On the premise of not changing the capitalist system, this theory cherishes a fancy that the improvement in human nature and the promotion of self-actualization can be realized by relying on education and by advocating mutual respect. Moreover, this theory negates the necessity and importance of making social revolutions and conducting social reforms. If this theoretical system is used as our guidance, this will only bring about a retrogression of the theory of literature and art in China.

According to Jean-Paul Sartre's existentialist philosophy, the existence of an individual ("self") is the most basic noumenon; individual experience is the basis of all knowledges; the existence of man endows the world with significance; existence precedes essence; every individual enjoys absolute freedom of choice of individual essence; and life is a kind of free choice. We should admit that the following points of Sartre's theoretical system are of certain positive significance: The system stresses subjective initiative and freedom of choice, attaches importance to man's destiny and value, protests against human alienation created by capitalism, and maintains that artists should be bold in exposing real contradictions and conflicts. However, Sartre's system also states: The existence of an individual means irrational instinctive activities, emotions, and will. This point shows that the philosophical system of Sartre belongs to the realm of subjective idealism. While stressing the freedom of choice and protesting against capitalism, this system disregards all objective laws and moral norms, and maintains that the whole world is absurd, and that "another person is hell." These points show that its social concept is characterized by anarchism and ultra-individualism. Moreover, it regards depiction of human solitude and despair and depiction of human life's sense of "being homeless" as the general artistic requirements, thus showing pessimistic coloring. How can we indiscriminately apply this kind of system?

The theory of social biology advanced by Edmund Beecher Wilson emerged in the 1970's. Just as the theory of social evolution applies the viewpoints and methods of the theory of biological evolution to the domain of social researches, the theory of social biology uses the viewpoints and methods of molecular biology and the theory of animal behaviors to study men's social activities, and maintains that the basic unit of choice is hereditary gene, and that gene determines human nature, human behavior, and social development. Although this kind of approach plays a certain role in the study of interactive effects on men's natural attribute, biological character and social disposition, and is conducive to the study of primitive men's socialist behaviors, this theory fundamentally denies the difference between man and animal, and maintains that selfishness is the nature of gene, and that the innate character and common psychology of mankind are therefore characterized by selfishness. It is completely wrong for this system to use these points to interpret the spiritual crisis of modern capitalism, the

degeneration of human nature, and all social behaviors. This kind of interpretation is specially aimed at speaking in defense of all kinds of decadent and retrogressive social behaviors. Some people have advocated using this system as the overall guidance for reforming the Chinese concept of literature and art. If this advocacy is really realized, the consequences would be too ghastly to contemplate.

In addition, regarding logical positivism, phenomenism, personalism, structuralism, semiotics, and all other kinds of modern Western ideological trends of philosophy, literature and art, we must conscientiously study them to broaden our horizons, and make use of them as far as possible. However, we must not move any whole ideological system onto the throne of our overall guiding ideology nor must we replace Marxism by any ideological system.

Of course, having theoretical system as our guiding ideology cannot depend on call alone but must depend on the power of the theory itself. In the past, people conscientiously chose the basic principles and methods of Marxism as the overall guidance for developing the Chinese theory of literature and art. This is because Marxism is the only scientific theoretical system that fundamentally brings to light the law governing the development of nature, society, and thinking. From now on, as long as we promote on Chinese soil and in the socialist direction the concept of literature and art and the whole theory of literature and art, people will conscientiously continue making the same choice.

III

While actively responding to challenges posed by the present times and new practice and while further promoting Marxist theory of literature and art and the whole Chinese theory of literature and art, we must uphold dialectical and historical materialism during the promotion of innovation and development. These two aspects are inseparable aspects of one issue. These two aspects should be unified during the practice of developing socialist literature and art for the new period and also during the practice of building the two civilizations.

First, it is imperative to use new practice as the basis and to proceed from reality in making theoretical explorations. This is because proceeding in all cases from reality is the basic requirement for dialectical materialism and is also the only way to understand truth and develop the theory. If we deviate from this fundamental foothold, disregard rudimentary facts, and proceed from personal subjective desires and from certain needs in putting forward "new" theories, there will be no way of upholding or developing anything. For example, after the 10-year upheaval, although a number of creative works such as "Factory Director Qiao Assumes Office," "Man at Middle Age," and "Wreaths at the Foot of a Mountain" have profound social and political contents, are of relatively great aesthetic value, have strong repercussions among the masses, and represent the major trend of the development of literary and art creation during the new period of China, some comrades have "disdained" to pay any attention to this basic fact and have also put forward a "new" proposition, saying: Works that devote themselves to

depicting political and social issues are antiquated "non-literary" works, and only those works that pursue "pure aesthetics" (meaning works that do not depict historical, real, and social issues) can be described as "returning to the domain of literature" and as representing the orientation of the development of literature and art. The following is another example: When people throughout China were firmly supporting the Chinese Government in its strong measures against criminals committing serious economic crimes and in inflicting severe punishments on criminals and enemy agents engaged in vainly attempting to subvert the people's democratic dictatorship; and when righteous personages throughout the world were vigorously calling for applying severe sanctions against South Africa's racists engaged in daily cruel armed suppression of the black masses; against the Vietnamese aggressor troops engaged in using guns to butcher Cambodian people in Cambodia; and against those terrorists engaged in hijacking planes, detonating bombs, and assassinations in various places throughout the world; some comrades disregarded all these things, and put forward a "new" theory, stating: As far as consciousness of subject is concerned, writers and artists must show Madonna-type love and love all kinds of people. Apparently, this kind of loud and empty talk deviates from social practice, has nothing to do with upholding and developing Marxism, does not contain any really new idea about literature and art, and attempts to turn some old things (such as the West's views based on aestheticism, abstract humanism, and Christianity's "somniaquoby of love") into a "shortcut" to a theoretical leap. Of course, without the foundation of practice, a theoretical leap can only be a wishful thinking. Just as Pavlov said: "Without air, a bird with perfect wings cannot fly. Facts are air to science. Without facts, you will never be able to fly swiftly upward. Without facts, your 'theory' just means scheming without avail."

Another important point is that it is imperative to use practice as the sole criterion for judging success or failure of theoretical explorations. Practice is the basis of knowledge and is also the sole criterion for judging whether knowledge is in the nature of truth. Marxism is not afraid of being tested by practice and all new concepts that accord with the demands on the development of history are not afraid of being tested by practice. Anything that is afraid of being tested by practice is falsehood. When a theory is put forward by its author who is subjectively making a serious study of new issues and who also wants to promote reform of the concept of literature and art along the Marxist orbit, it is still necessary to test the theory by practice. Only by doing so can we ascertain in a fundamental way whether this theory has correctly responded to challenges of the times under the guidance of dialectical and historical materialism, whether it has truly added new contents to the Marxist theory of literature and art, and whether it has promoted reform of the concept of literature and art and the development of the whole literary and art theory. If we use the author's own feelings and certain public opinions as the criterion for forming judgments, we may possibly confuse right and wrong and things may go contrary to our wishes. For example, after breaking through the past underestimation of the study of subconsciousness and the past practice of mystifying the consciousness of sex, some comrades put forward this viewpoint: Within the complicated structures of the inner world of people (including writers and artists), social and

political consciousness is just the surface layer, and subconsciousness and consciousness of sex belong to the deepest layer; sexual instinct is the symbol of creative power; the deepest motives of people's action and artistic creation should be found within their subconsciousness and sexual psychology; this is the application of the viewpoint of most thoroughgoing materialism and also means the opening up of new paths for China's theory of literature and art. This theory has truly been praised by many people and was once a very popular theory. After this theory was tested in practice, people had serious doubts about it. First, it cannot stand the test of contrasting it with the practice of social development of mankind: After man's separation from the animal world, every strengthening of man's social, political, and philosophical consciousness means further fall of the subordinate status for things subconscious and instinctive and also means an enhancement of man's status; society also develops from a lower level to a higher level. If subconsciousness and sexual instinct are regarded as the deepest layer and social and political consciousness is regarded as the surface layer of human consciousness, do they not mean that the social history of mankind is a retrogressive and shallow history? Second, it cannot stand the test of China's new social, literary and art practices. More and more facts have proved that only by further enhancing the people's cultural quality and their sense of social responsibility, can they shoulder heavy responsibilities for reform and the four modernizations; if we have to find motive power within subconsciousness and sexual instinct, how are we to build modern civilization and socialism with Chinese characteristics? Facts have also proved that to do a better job of experiencing, understanding, and depicting real life, writers and artists must strengthen their self-cultivation and master modern social consciousness. If everybody tries to find creative impulse within sexual psychology, what kind of influence will this have on our whole literary and art creation? The following is another theory put forward by some comrades: In a socialist country, the law and requirements for art completely conform with box-office value; therefore, just like material production, artistic production should be managed as commodity production; with the rise in economic income, there will naturally be rises in artistic quality and social benefits. However, practices over the past few years have proved that in our socialist society, there are both conformity and disparity between the requirements for artistic law and the requirements for economic returns. Under the present conditions, the disparity between the two has been sharpened and still exists quite extensively. Due to the fact that some literary and art production units have given first place to economic returns, large numbers of much-needed outstanding creative works and theoretical works cannot be published, and many scripts of relatively high artistic value cannot be filmed and staged, but bookstalls, theaters, and movie houses are full of things with really vulgar styles! If all literary and art units regarded the aforementioned theories as their guiding ideology, there would be greater negative consequences.

Practice is the fairest way to test a theory. This kind of test will not stifle or abandon any real theoretical creation nor will it laud any non-creative formulation that pretends to be theoretical creation. Although a theoretical creation, that is really based on social practice, that has correctly responded to challenges of the times under the guidance of Marxism,

and that has truly added a new scientific thesis to China's theory of literature and art, might be artificially given the cold shoulder for a period of time and within a certain scope, its value will eventually be proved during the process of practice. On the contrary, a "new" system, that separates itself from socialist literary and art practice and from the practice of the two civilizations, that merely relies on copying modern Western theoretical terms and concepts, that is structured on the basis of subjective assumption, and no matter how exciting such a self-styled "new trend" has been, is bound to be eliminated through the tide of practice in the end.

"Of course, we must not forget that the criterion of practice can never, in the nature of things, either confirm or refute any human ideas completely. This criterion also is sufficiently 'indefinite' not to allow human knowledge to become 'absolute,' but at the same time it is sufficiently definite to wage a ruthless fight against all varieties of idealism and agnosticism."

("Selected Works of Lenin," Vol 2, p 142) Within a specific period of time and a specific scope, having practice as the criterion for testing knowledge is definite and allows of no doubt. To deny this point is to degenerate into the quagmire of idealism and agnosticism. Judging from the long process of historical development of mankind, we can see that every past test by concrete practice (including the criterion of practice itself) was restricted by historical conditions at that time, and was of the nature of relativity. With the advancement of history, there have been changes in the practice used as the criterion for conducting tests. As a result, theories that had been tested in the past have to be tested again. Therefore, testing the criterion of practice is also an unceasing process.

Ancient Greek philosopher Heraclitus put it well: "The sun changes with each passing day," "we cannot wade across the same river twice." Mother Nature is infinite! Changes in the development of Mother Nature and human society have been unceasing and will be limitless. For this reason, to persist in studying new conditions and new issues and in promoting the reform of literary and art concepts and the development of the whole literary and art theory under the guidance of the basic Marxist principles and methods requires that we unceasingly take new steps and constantly score new achievements.

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EARNESTLY PROMOTE THE TECHNOLOGICAL PROGRESS OF ENTERPRISES

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[Article by Zhu Rongji [2612 3579 1015]; capitalized passages published in boldface]

[Text] The integration of advanced science and technology with production practice will certainly become strong social productive forces. In 1982, at the 12th party congress, Comrade Hu Yaobang mainly stressed the question of science and technology. Comrade Zhao Ziyang has also repeatedly stressed that the realization of the four modernizations should depend on technical progress. As far as the reality of our country is concerned, to accelerate the technological transformation of existing enterprises is of great strategic significance.

The Achievements in the Work of Technological Progress of Enterprises During the Sixth 5-Year Plan

During the Sixth 5-Year Plan, our country did a lot of work in promoting the technological progress of enterprises and created an unprecedentedly new situation. The main achievements can be seen in the following four aspects:

FIRST, THE PATTERN FOR PROMOTING THE WORK OF OVERALL TECHNOLOGICAL PROGRESS WAS FORMED. For over 20 years before the 3d Plenary Session of the 11th CPC Central Committee, we concentrated our economic construction efforts on the large-scale capital construction, the construction of new projects, and the expanded reproduction by extension. As a result, the development speed and the accumulation rate of our economic construction were relatively high while the economic results were relatively low. Since the 3d Plenary Session of the 11th CPC Central Committee, fundamental changes have taken place in the guiding ideology of our country's economic construction. Such a new idea has been put forward: To take the new road of developing our country's economy by relying on our country's existing enterprises and carrying out the technological transformation of existing enterprises in a selected and planned way so as to put due stress on technological transformation work. Along with the deepening of the reform of the economic structure, the meaning and form of technological progress of enterprises have further developed, and the work of technological progress of enterprises has become more extensive and profound. As far as the contents are concerned, the work

of technological progress of enterprises consists of technological development, the tackling of major technical problems, the importation of advanced foreign technologies, the updating and transformation of technologies, the popularization of technologies, the administration and inspection of product quality, and the work of technological standard, measurement, patent, information and so on; as far as the fund channels are concerned, the stress has been shifted from the state appropriations and bank loans to the enterprises' officially owned funds, bank loans, socially accumulated funds, and foreign funds; as far as the administrative measures are concerned, the central departments' direct control over projects has been gradually turned into the indirect control exercised by the central departments mainly through the formulation of general and specific policies, the making of plans for various trades, the organizational coordination, the use of economic levers, the information consultation, and the legal measures; as far as the organizational forms are concerned, the sole dependence on the technical personnel of enterprises, departments, and regions has developed into the lateral combination among the scientific research and designing institutions, universities and colleges, and departments of defense industry, the importation of advanced foreign technologies, and the employment of foreign experts. It is true that our country's industrial construction has begun to enter the track stressing technological progress.

SECOND, THE TECHNOLOGICAL TRANSFORMATION OF ENTERPRISES WAS ACCELERATED, THE ECONOMIC STRENGTH OF THE COUNTRY WAS RAISED, AND THE DEVELOPMENT OF PRODUCTION WAS PROMOTED. During the Sixth 5-Year Plan, the units under the system of ownership by the whole people undertook a total of 0.2 million projects of technological transformation and invested a total of 147.7 billion yuan in these projects, an increase of 75 percent over the Fifth 5-Year Plan. Approximately, over 60 percent of the newly increased industrial output value in the Sixth 5-Year Plan was realized through technological progress and strengthened administration. For example, the iron and steel industry produced nearly 10 million more tons of steel thanks to the technological transformation.

THIRD, WHILE ACCELERATING TECHNOLOGICAL DEVELOPMENT AND RESEARCH ON KEY EQUIPMENT, EFFORTS WERE MADE TO IMPORT ADVANCED FOREIGN TECHNOLOGY AND TO FIND A SHORTCUT FOR RAISING THE TECHNOLOGICAL STANDARD OF OUR COUNTRY'S INDUSTRY. During the Sixth 5-Year Plan, by importing and digesting advanced foreign technology, quite a number of enterprises improved their technologies and raised the technological standard of their products in a "jumping way," thus greatly narrowing the gap between those in the advanced countries and themselves. For example, the proportion of the products of mechanical and electronic industries, which had reached the international standard of the late 1970's and early 1980's, grew from 10 percent to 26-30 percent. All trades and professions also accelerated the process of updating products so that a lot of large and complicated equipment and high-grade products which could not have been produced before could now be mass produced.

FOURTH, THE INDUSTRIAL STRUCTURE AND PRODUCT MIX WERE FURTHER RATIONALIZED AND THE COMPETITIVENESS OF EXPORT ORIENTED PRODUCTS WAS ALSO STRENGTHENED. During the Sixth 5-Year Plan, the implementation of the policy of giving

priority to light industry, textile industry, and supplementary raw and semifinished material industry rationalized the proportional relationship between the light industry and the heavy industry, increased the production of quality and brand-name products, enriched both the urban and rural markets, and at the same time, consolidated and expanded the position of our country's traditional products on the international market. In 1985, the export volume of the light and textile industries increased by 60 percent compared with that in 1982.

A Few Experiences in the Work of Technological Progress of Enterprises

Over the past few years, our country's enterprises have achieved rapid progress in their technological progress. THE MAIN REASONS FOR SUCH RAPID TECHNOLOGICAL PROGRESS ARE THAT WE HAVE CHANGED OUR IDEOLOGY, FULLY UNDERSTOOD THE IMPORTANCE OF PROMOTING TECHNOLOGICAL PROGRESS, AND ESTABLISHED THE CONCEPT OF EXPANDED REPRODUCTION BY INTENTION. All these are of great importance to the building of the four modernizations in our country. Historically speaking, all the countries needed to build a large number of new enterprises at the initial stage of industrialization. However, when the basis of industrialization was basically established, the stress in the economic work should be gradually shifted to the technological transformation of the existing enterprises. Although the proportion of the investment in technological innovation and transformation in the total investment in our country's fixed assets has increased since the end of the 1970's, it only reached 28.7 percent during the Sixth 5-Year Plan. Such a percentage was really low. This is one of the important reasons for our country's slow technological progress and relatively low standard of economic development. Comrade Zhao Ziyang pointed out that during the Seventh 5-Year Plan, we should divert more funds to the technological transformation of the existing enterprises and the extension and innovation projects. Because the mentality of stressing capital construction rather than technological transformation, like the mentality of stressing speed rather than economic results, has deep historical roots and is also closely linked with the old administrative structure, old management structure, and old management methods, so it is still difficult to really change people's concept, and the situation of ignoring the importance of technological progress still exists in our country at present. Especially, when there is a shortage of funds, some comrades still forget to rely on the existing enterprises and only want to build new projects, and even use the already limited amount of funds earmarked for technological transformation to carry out new construction. If this situation cannot be fundamentally changed, it will be difficult for us to further carry out the work of technological progress of enterprises, and the existing enterprises, especially some big and medium-sized enterprises, will not be able to update their backward equipment, and we will also lack a solid foundation to realize the Seventh 5-Year Plan and realize our goal of revitalizing our country's economy in the 1990's.

WE SHOULD ALSO FURTHER CARRY OUT REFORM, STRENGTHEN THE ENTERPRISES' ABILITY TO CARRY OUT SELF-TRANSFORMATION AND SELF-DEVELOPMENT, AND GRADUALLY SET UP THE INVESTMENT MECHANISM INTEGRATING EFFICIENT MACROSCOPIC REGULATION AND READJUSTMENT AND MICROSCOPIC SELF-RESTRICTION. To enhance the vitality of

big and medium-sized enterprises is the central link in the reform of the urban economic structure. To enable the enterprises to become the principal body of investment is the basic orientation of the reform of the structure of the investment in fixed assets. We should give more decisionmaking power to enterprises, mobilize the enthusiasm of enterprises, and enable the enterprises which lacked the capability of carrying out technological transformation or were ordered to carry out technological transformation in the past to be turned into enterprises with real strength and the ability to consciously and independently carry out technological transformation and self-development at present. Over the past few years, our country has adopted a series of policies and regulations to invigorate enterprises in this respect: 1) Allow the petrochemical department, petroleum department, nonferrous metal department, coal department, railroad department, post and telecommunications department, civil aviation department and some other departments to implement input and output contract system and profit distribution measures. 2) Promulgate the regulations on expanding the operational and managerial decisionmaking power of enterprises, promoting technological progress of enterprises, further invigorating big and medium-sized enterprises, encouraging comprehensive utilization of resources, encouraging lateral economic combinations of enterprises, and so on. 3) Raise enterprises' rate of depreciation and retain all the depreciation funds for enterprises. This year, all the public transport enterprises will implement the method of depreciation according to the different categories. 4) Reduce 500 million yuan of enterprise regulatory tax during the Sixth 5-Year Plan and use the money on technological transformation. 5) The state will support the technological transformation of enterprises through bank loans. These measures have increased the vitality of enterprises and have been beneficial to the increase of the economic results of technological transformation and the self-restraint of enterprise investment. However, these policies and measures have not yet been fully implemented by now. Although enterprises can now retain more profits than before, in the meantime, the burden and other types of apportions on the enterprises have also increased. And most of the enterprises are still not able to accumulate technological transformation and development by themselves.

As far as the administrative measures regarding the work of technological progress, during the Sixth 5-Year Plan, the state began to change its past method of examination and approval level by level of the projects of technological progress in an effort to meet the demands of the development of the socialist commodity economy. The state adopted five main measures to regulate and control the projects of technological progress: To strengthen macroscopic administration with state plans, carry out flexible regulation with economic methods, carry out consultation and guidance by providing information, carry out coordination and arbitration through administrative methods, and carry out supervision and investigation with legal methods. In the future, we will still go on with the reform and establish a self-restraint mechanism capable of carrying out efficient macroscopic regulation and control and microscopic invigoration so as to improve our administration on the work of technological progress.

THIRD, WE SHOULD PROMOTE THE TECHNOLOGICAL PROGRESS OF ENTERPRISES BY CONCENTRATING OUR EFFORTS ON IMPROVING PRODUCT QUALITY AND ON REDUCING MATERIAL CONSUMPTION. For a long time, the low economic results of our country's industrial production have been mainly manifested by poor product quality and function and high consumption of raw and semifinished materials. Therefore, the work of technological progress should concentrate on quality and consumption, which are the two central links.

The problem of poor product quality has been a "long-standing problem." This is because the total social demand has long exceeded the total social supply, thus forming the seller's market. No matter whether their quality is good or bad, some products have always been in great demand, thus forming the situation that "when cooking a radish in a hurry, the mud is sometimes not washed off of the radish"; what is more, for quite a long time, we have overstressed output value and speed, but ignored the quality and economic results and relaxed our administration and supervision over product quality. In order to solve the problem of poor product quality, we should first unify our understanding on the question, our guiding ideology on the economic work should stress the increase of economic results, and we should establish the concept of quality first. At the same time, we must adopt economic, technological, legal, administrative and various other measures to tackle the problem of poor product quality in a comprehensive way. Over the past few years, we have adopted a series of macroscopic and microscopic measures: The first is to actively implement international standards. It is estimated that by the end of the Seventh 5-Year Plan, 40 percent of the industrial products will have reached the international standards of the late 1970's and early 1980's. The second is to strengthen the technological basis of enterprises, replenish measurement, examination, and inspection methods, formulate measures to determine the measurement, examination, and inspection capabilities of enterprises according to "different standards," establish the state-standard-product examination and inspection centers in batches in the whole country. The third is to strengthen the overall control over product quality. During the Sixth 5-Year Plan, over 500 enterprises in the whole country were awarded quality-product prizes by the state, departments, provinces, and cities. Beginning from 1985, efforts were made to strengthen the overall control over product quality in the big and medium-sized enterprises. The fourth is to formulate the rules and regulations governing product quality. The state formulated the "Measurement Law," "The Regulations of Responsibility System for Industrial Product Quality" and some other important rules and regulations as well as some detailed and specific rules and regulations for the implementation of these important rules and regulations. The fifth is to implement the policy of higher price for better quality so as to enlarge the price difference between products of poor quality and products of good quality. Thanks to the efforts we made during the Sixth 5-Year Plan, the quality of our country's major industrial products has shown a steady improvement. However, the quality of some of our country's industrial products has been unstable. As far as the overall situation is concerned, the problem of product quality is far from being solved. So, in the future, we must continue to try our best to solve it.

During the Sixth 5-Year Plan, we also did a lot of work in supporting energy-saving technological transformation, awarding those enterprises which were economical, perfecting the administration over material consumption quotas, especially awarding those enterprises which save energy and raw and semifinished materials, thus greatly mobilizing the enthusiasm of the staff and workers. However, this method is still one of "whipping the fast ox," and we need to study and formulate more rewarding methods according to different quotas and standards and expand the scope of individual rewards.

FOURTH, WE SHOULD CONTINUE TO OPEN UP TO THE OUTSIDE WORLD, AND ACTIVELY IMPORT AND DIGEST FOREIGN TECHNOLOGY. The large-scale importation of advanced foreign technology was an outstanding characteristic of the work concerning enterprises' technological progress during the Sixth 5-Year Plan. Comrade Deng Xiaoping has repeatedly pointed out that advanced foreign technology "should be imported in large amounts." Comrade Zhao Ziyang pointed out: "Policies should be properly relaxed, the power of examination and approval should also be properly delegated, and the procedures should be made as simple as possible." In September of 1982, the relevant department of the State Economic Commission formulated a plan for importing 3,000 items of advanced foreign technology during the first 3 years of the Sixth 5-Year Plan in order to carry out the technological transformation of the existing enterprises, and formulated a series of policies for encouraging the importation of advanced foreign technology. The State Council also approved Shanghai, Tianjin, Dalian, Qingdao, Chongqing and other cities to carry out experiments on delegating more decisionmaking power to the enterprises. By the end of 1985, the work of signing contracts for the plan of "importing 3,000 items of technology" had already been overfulfilled. The contracts on importation of more than 3,900 items of advanced foreign technology were signed within 3 years, involving a business volume of \$3.7 billion. Most of the foreign technologies to be imported were of the international standard of the late 1970's and early 1980's. By the end of last year, nearly 60 percent of the projects had been completed and gone into operation. At the same time, the various departments and localities imported a total of 10,000 items of advanced foreign technologies, key equipment, and production lines, with a business volume of over \$10 billion, by using the foreign exchange retained by themselves, the loans in foreign exchange from the Bank of China, and the foreign funds. In 1986, with a view to putting an end to the duplicate importation of advanced foreign technology, we strengthened our macroscopic administration, established an information and consultation system for the importation of advanced foreign technology, and made a series of policies on encouraging the importation of advanced foreign technology, digesting and absorbing advanced foreign technology, and building projects which produce export-oriented products and are capable of earning foreign exchange.

FIFTH, WE SHOULD USE THE METHOD OF "BIG-SCALE CHAIN-LIKE COORDINATION" TO MOBILIZE THE FORCES OF ALL SIDES SO AS TO ACCELERATE THE PROCESS OF TECHNOLOGICAL PROGRESS IN THE ENTERPRISES. The work method of "big-scale chain-like coordination" means to take products as the head, technology as the basis, and the improvement of product quality and reduction of consumption as the center so as to grasp the following three aspects of work in a

comprehensive and coordinated way: The first is the integration of scientific and technological innovation, technological development, the importation of advanced foreign technology, and the technological transformation; the second is the integration of major products, raw and semifinished materials, components, supplementary materials, technological cooperation, and so on; the third is the organization of experts in such fields as scientific research, designing, production, standard, measurement, patent, information, consultation, economy, law, and other fields. This work method manifests the superiority of the big socialist cooperation. According to objective law, this work method integrates science and technology with economy, combines all the links of the social production together, and organizes the experts of various fields together, thus changing the past situation of disintegration. We must stick to this work method and accelerate the pace of the technological progress of enterprises.

Further Grasp the Work of Enterprises' Technological Progress

Although our country's enterprises have updated their technology to a certain extent, as far as the overall situation is concerned, the technology and economic situation of our country's enterprises is still backward. One of our arduous tasks at present is to further modernize production, accelerate technological progress, and transform backward enterprises. The CPC Central Committee has proposed the goal of quadrupling the total annual industrial and agricultural output value by the end of this century and enabling our country's economy to approach the economic standard of the advanced countries in the world within 30 to 50 years in order to enable our people to live a relatively prosperous life. The key to the realization of this grand goal is the acceleration of the technological progress of our country's enterprises.

What is the focal point of the work concerning the technological progress of our country's enterprises during the Seventh 5-Year Plan?

TO TACKLE PROBLEMS IN AN OVERALL AND COMPREHENSIVE WAY AND TO FURTHER IMPROVE PRODUCT QUALITY. This is a task of primary importance. At present, the most important thing we should do is to strengthen the control over product quality and do well such basic work as product standard, measurement, supervision, inspection, examination and trial, technological discipline, and so on. We must strengthen the quality-control system to guarantee the product quality from the time when raw and processed materials, spare parts, and components enter the enterprises to the time when products are designed and trial-produced, and materials are collected, assembled, and finally products are produced. We must resolutely implement the product-quality-negation system, which is the decisive link in the implementation of the economic responsibility system in the enterprises. We must not be "soft-hearted." We must also strictly establish a product quality responsibility system at all levels from the factory director to the ordinary workers and link the product quality responsibility system with the economic responsibility system. We must establish a system according to which quality products are commended and poor-quality products are punished. We must continue to carry out quality product appraisal activities and stick to the

system of rewarding the state product quality administration prizes to selected quality products. We should further enlarge the price differences between quality products and poor-quality products and implement the policy of encouraging the production of quality products through finance, credit, revenue, and other aspects. We should pay more attention to the training of the staff and workers so as to improve their political quality, enhance their quality concept, and raise their technological standard. This is the guarantee for the improvement of product quality. Fundamentally speaking, the improvement of product quality relies on renewing and updating products. For this reason, all the enterprises should well estimate the situations on both the domestic and international markets, formulate correct strategical policies for their own operations, accelerate the development and importation of new products, new technologies, and new techniques.

TO CONSCIENTIOUSLY PROMOTE THE TECHNOLOGICAL TRANSFORMATION OF BIG AND MEDIUM-SIZED ENTERPRISES. We must first concentrate our efforts on the 1,600 enterprises covered by the first-phase plans and decide the goals for technological progress on the basis of feasibility studies. Then, the state should implement a series of policies and measures on delegating powers, reducing taxes, and demanding less profit from the enterprises so as to enable these key enterprises to "recover their youth" as soon as possible. Besides making plans and giving guidance, the state should make more use of such economic levers as price, revenue, interest rate, discount, and so on to regulate and guide the operation of enterprises, and also establish an information system to follow and supervise the operation of enterprises so as to immediately study and solve the problems of the enterprises.

TO PAY CLOSE ATTENTION TO EARNING FOREIGN EXCHANGE THROUGH EXPORT AND THE PRODUCTION OF SUBSTITUTES FOR IMPORTS IN ORDER TO PROMOTE THE BENIGN CYCLE IN THE NATIONAL ECONOMY. Since our country is a developing country and is presently building the four modernizations, so the lack of funds and foreign exchange will continue to be a problem for years to come in the future. Only by taking the road of "importing technology--digesting and absorbing technology--earning foreign exchange through export--re-importing technology" will we be able to continue to push forward with technological progress and guarantee the sustained growth of the national economy. This is also the successful experience of some countries. The light and textile industries are the departments which are presently enabling our country to rapidly increase the foreign exchange earnings through export. Therefore, in the near future, the focal point of our work of technological progress is to accelerate the technological transformation of the light and textile industries in the coastal areas and improve the quality, grade, and processing of export-oriented products so as to meet the needs of the international market. We have already decided on 22 types of light and textile industrial products which are in great demand on the international market and are capable of producing good economic results. By estimate, by the end of the Seventh 5-Year Plan, our country's light and textile industrial products' capability of earning foreign exchange through export will have been greatly developed, with the foreign exchange earnings gained from the export of the light and textile industrial products accounting for 45 percent of the total foreign exchange earnings of our country. Therefore, the enterprises of the light and textile industries

must carry out the following two types of transformation as quickly as possible: The transformation from the main primary products to the main export-oriented manufactured products; the transformation from the main roughly-manufactured export-oriented products to the main export-oriented manufactured products. We must waste no time in raising the technological standard, improving the product quality, and increasing the product varieties and designs for the enterprises in the coastal areas through the importation of technology, technological transformation, processing of supplied materials, cooperative production, and so on. From a long-term point of view, we must greatly improve home-made machinery and electrical appliances, raw and semi-finished materials, and components' capability of earning foreign exchange through export and substituting imports. We have already made a good beginning in this respect, and should make more efforts toward this end in the future.

TO PRACTICALLY REALIZE THE THREE TYPES OF "TRANSFORMATION" IN THE WORK OF IMPORTING TECHNOLOGY. They are: The transformation from the importation of mainly the production lines and key equipment to the importation of mainly the software technology and necessary key equipment so as to strictly control the importation of the machinery and electrical appliances which can be made at home; the transformation from the importation carried out mainly by enterprises to the importation carried out mainly by scientific research units and production units together so as to raise the standard of the importation of technology; the transformation from mainly the production and use of imported technology to mainly the digestion and absorption of imported technology so as to accelerate the process of producing all the products at home. In order to realize the three types of transformation, we must make our efforts in the following three aspects: First, we must increase the proportion of the importation of software technology. In order to do this, we should import all the advanced foreign technologies urgently needed by our country through the integration of the importation of technology with the foreign trade, the Sino-foreign cooperative production, the Sino-foreign joint management, the enterprise diagnosis, the importation of intellect, and some other methods and channels. Second, we must make great efforts to digest and absorb the imported technology and produce more products which can substitute for imports, especially the technology, equipment, and raw and semifinished materials which are badly needed by our country and can produce good economic results. The relevant departments of various trades should be responsible for making plans for the production of the products which can substitute imports, strengthening the organizational coordination and information administration, and encouraging enterprises, scientific research and designing institutes, and universities and colleges to jointly do the work of digestion and absorption. Moreover, the state should provide proper preferential treatment to the relevant units in terms of funds and revenue. Third, we must further integrate the importation of technology with the protection of our national industries. We should stop importing those products which can be produced at home and whose quality is almost the same as those produced at home. We should also concentrate on the production of those products whose quality is a bit inferior to that of comparable products on the international market and try our best to improve the function and quality of the products made at home.

TO ACTIVELY PROMOTE THE INTEGRATION BETWEEN THE PRODUCTION ENTERPRISES AND THE SCIENTIFIC AND DESIGNING UNITS SO AS TO STRENGTHEN THE ENTERPRISES' ABILITY TO CARRY OUT TECHNOLOGICAL DEVELOPMENT. In order to implement such integration and increase the economic results, the funds needed by the scientific research units which can be turned into productive forces should be "earmarked for such purpose" and allocated to these enterprises. The enterprises will then use such funds to pay the scientific research units or universities and colleges which cooperate with them through inviting tenders and signing contracts. The enterprises with good conditions should establish and strengthen their own scientific research development institutions. Such scientific research institutions should carry out independent business accounting, implement the economic and technological contract systems, and be able to contract projects in other regions and departments. In order to promote the integration between scientific research units and production units, the State Economic Commission, the State Education Commission, and the Chinese Academy of Sciences have jointly selected 200 projects which are of great importance to the economic construction of our country, and organized over 100 key enterprises, research academies and institutions, and universities and colleges to form a "state contingent" to jointly carry out technological cooperation and development and tackle technical problems. In a word, to extensively carry out various types of cooperation and integration and mobilize a "mighty force" to do the work of technological progress will surely and greatly raise the technological standard of our country's industrial production.

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A TENTATIVE STUDY ON THE REFORM OF ENTERPRISES UNDER THE SYSTEM OF OWNERSHIP
BY THE WHOLE PEOPLE

Beijing RED FLAG in Chinese No 2, 16 Jan 87 pp 29-33

[Article by Zuo Mu [0146 3668]]

[Text] The relationship between the state and the enterprises under the system of ownership by the whole people [called people-owned enterprises for short hereafter] has two aspects: One is the relationship of the governor and the governed between the government and the enterprise and this belongs to the category of management system and the other is the relationship of the owner and the operator and this is a form of ownership relation. Reforms should be conducted simultaneously in the economic management system and the relationship of ownership of the means of production and the two should be given equal attention instead of being isolated from each other. As I see it, the relationship of the government and the enterprise acting as an economic legal person can be classified into three different structures of leadership and management. In the meantime, appropriate reforms should be introduced in the relationship of ownership.

I

For quite a long time in the past, China has emphatically developed the economy under the system of ownership by the whole people. By the end of 1985, in China there were over 372,000 people-owned enterprises with independent business accounting, spreading throughout almost all sectors of the national economy. Banks, railroads, even small bathrooms, snack counters, and salvage stations were all "state-owned" or "state-run." These enterprises are vastly different in nature and scope and also quite different in the degree of independent management and of assuming sole responsibility for their profits and losses. This being the case, one and the same reform measure can produce different effects. Some enterprises feel it is not sufficient and others think it has the defect of being too loose. This makes people deeply feel that it is highly necessary to explore the feasibility of the practice of classified management. According to my tentative ideas, in line with the requirements of developing the socialist commodity economy, it is advisable to separately establish three different enterprise management and control structures, direct, semi-direct, and indirect according to the enterprises' nature, scope, and role and their connections with the

planning and market systems and to introduce appropriate reforms in the planning, personnel, labor and wage, price, and tax systems.

One important objective of the economic structural reform is to turn enterprises into economic entities with independent management capable of assuming sole responsibility for their profits and losses and into independent commodity producers and handlers. This great objective must be taken as the direction of the reform of the enterprise management system.

The CPC Central Committee's "Proposals for the Formulation of the Seventh 5-Year Plan for National Economic and Social Development" points out: "With the exception of a small number of departments and trades with special conditions, central authorities, provinces, and autonomous regions will no longer directly manage enterprises." Most enterprises in China are ordinary ones. Under the old structure, central and local competent authorities at all levels put people-owned enterprises' human, financial, and material resources and supply, production, and marketing under unified management and imposed rigid controls over prices and wages. The structure denied the relatively independent economic responsibility and interests of enterprises and thus suppressed their initiative and enthusiasm. This is one of the direct reasons for the inefficiency, poor quality, and low wages of enterprises. Therefore, the fundamental way out is to practice a management system of "state ownership and independent management by enterprises" among these ordinary enterprises. The system has the following characteristics:

1. Enterprises are really able to carry out their operations independently. Instead of viewing the ordinary people-owned enterprises as units attached to it, the government indirectly manages them as economic legal persons. To enable enterprises to conduct economic activities under the guidance of state plans, the state should guide them in carrying out state plans mainly using economic means such as taxes and credit. Apart from a small number of cases, price controls imposed on these enterprises should be abolished step by step. With the exception of the principal leading cadres of an enterprise being assigned by the higher party committees and government departments in charge, the enterprises are the masters of their own affairs, including human, financial, and material resources and supply, production, and marketing.
2. Enterprises assume sole responsibility for their profits and losses. The accumulation functions should be delegated to enterprises so that they can improve and develop themselves. Enterprises are encouraged to form various industrial or trade groups through lateral economic associations. The state will regulate enterprise income through a progressive income tax and impose policy control over or support the enterprises through taxes and credit but will no longer handle their profits and losses in a unified way. We should close down loss-making enterprises which are beyond rescue in an orderly manner and no longer practice the policy of the state taking care of everything toward these enterprises.
3. Enterprises are independent distribution units. The distribution of enterprises' after-tax profits should be subject to the guidance of

government planning and regulation by policy. However, enterprises must have the right to decide their wage standards independently in the light of society's general levels and the results of their operations and to decide their wage forms in the light of the characteristics of their trades. The state can levy an upper-bracket progressive wage tax on large amounts of income in excess of society's general levels but should no longer impose any ceilings on wages. Financial departments at various levels will no longer ensure the basic wages of the loss-making and closed enterprises.

If the three things mentioned above are done, the ordinary people-owned enterprises can be considered to have really become economic entities with independent management capable of assuming sole responsibility for their profits and losses and completed the transition from direct control to indirect control on the whole.

II

In addition to the ordinary enterprises, of the people-owned enterprises in China, a certain number of enterprises are highly socialized and have a great impact on the national economy and the people's livelihood. To ensure the planned and steady growth of the national economy, these enterprises' decisionmaking power on major operation issues (such as bank interest rates and railroad transport fees) should remain in the hands of the state. Enterprises can only be relatively independent commodity producers and handlers. The main manifestations of the relativity of enterprises' independent status are as follows:

--Enterprises should organize production and carry out operation activities basically within the framework of the state's mandatory planning and follow on the whole the prices of products set by the state in a unified way and therefore, they can only enjoy limited decisionmaking power and assume limited responsibility for their operations.

--Being unable to fully enjoy the power to decide policy decisions for themselves, enterprises can only assume certain responsibility for their profits and losses. For example, if some enterprises gain huge profits from their monopolized businesses, financial departments can take appropriately more from them. If enterprises suffer losses from implementation of mandatory planning, they are entitled to ask the state for subsidies. The funding of major projects involved in technological transformation and capital construction projects still needs to be put under mandatory planning.

--Being unable to fully enjoy the power to make policy decisions by themselves and to assume sole responsibility for their profits and losses, enterprises can hardly be independent distribution units. Their after-tax profits have to be decided by the state.

--Since these enterprises are of a monopolistic nature to a certain extent and assume a special responsibility in stabilizing the economy and moreover, they should put social benefit before the objectives of their operations, then obviously, the payment for the labor of employees cannot be decided by

the economic results of enterprises but instead, it must be decided by the integral economic results on a broader scale and by society's general levels. Thus all state enterprises are objectively required to implement the principle of equal pay for an equal amount of labor among themselves and to ensure equal pay for equal work on the whole. Therefore, it is necessary for them to carry out the state-set unified wage standards, the united subsidy system, and the regulations concerning the ceilings of bonuses. In implementing the system of basic wages plus rewards, there should be a certain ratio between bonuses and basic wages and a difference in the ceilings of bonuses between different departments and enterprises. The enterprises whose bonuses are in excess of the ceilings should pay a bonus tax.

Above is my conception on the patterns of direct control. It is necessary to emphatically point out that this conception does on no account necessarily mean following the management system practiced for quite some time in the past but rather on the contrary, fundamental reforms should be introduced in the system of leadership of these enterprises by the state and in the organizational structures of the internal departments of enterprises, because the old system exerted a greater binding force to these enterprises than to ordinary enterprises.

First, while enterprises are given greater decisionmaking power, it is necessary to institute an operations responsibility system in an extensive way. When seen from the practice of expanding the decisionmaking power of enterprises over the last few years, the various forms of responsibility system introduced in every administrative level, the contract responsibility system in operation, in particular, are a relatively good form of managing these enterprises. As mentioned above, since ordinary enterprises are expected to run their operations independently and to assume sole responsibility for their profits and losses, therefore, it is not necessary for them to adopt the form of contracted responsibility in operation. However, things are different with the case of these enterprises. As relatively independent economic entities, these enterprises have very limited decision-making power. Therefore, the restrictions on their financial budgets have to be elastic rather than rigid. This will lead to the phenomena of bargaining, mutual reliance, mutual shifting of responsibility, and even irresponsibility between the government departments in charge and enterprises and between the higher and lower levels of the internal departments of enterprises. Since the various forms of economic responsibility system, the contract responsibility system in operation, in particular, are quite elastic and since the enterprises which fulfill or overfulfill the contracts under the responsibility system can bring in material awards and increase the material interests of the enterprises and their employees and those which fail to fulfill the contracts will be punished, this will ensure that there are both firmness and gentleness and that many of enterprises' soft targets will become hard ones. The responsibility system in operation has produced good results in enhancing the enterprises' sense of responsibility and boosting employees' enthusiasm. In the course of reform, it is feasible to popularize the various forms of responsibility system currently implemented in some organizations engaged in certain industries and enterprises to other organizations and enterprises in a selective way and the

popularization work should be implemented down to every administrative level, with enterprises as the main body and with responsibility, authority, and benefit being closely integrated.

Second, most enterprises of this type are larger-sized key enterprises, of which many are all-round factories set up in the 1950's. All the factories and even entire trades and organizations have been in a semiclosed state for quite some time. The jurisdiction of an enterprise lies in the general factory or company. Although many subfactories and workshops have several thousand and even more than 10,000 employees and their products are used mainly as supplements by other trades in society, they do not have any power of operation and in reality, they are in no position to form lateral economic relations with other units independently. This "large and comprehensive" enterprise organizational structure has seriously hindered the development of productive forces and therefore must be reformed. Beginning in 1984, Liaoning Province tried experiments to make small units the basis of cost accounting. A small number of enterprises divided those subfactories with the conditions to practice independent business accounting and to assume sole responsibility for their profits and losses into independent economic entities, in other words, a factory was separated and built into many smaller factories. Consequently, their product quality, output, and economic results were significantly improved. This Liaoning experience merits our great attention. As I see it, all subfactories and workshops where conditions are ripe must be built into independent economic entities or contracting units and the ordinary enterprises in the special departments or trades (such as motor vehicle repair shops of the organizations engaged in the civil aviation industry) and the ordinary enterprises formed out of the enterprises which are highly socialized and have a great impact on the national economy and the people's livelihood must be reformed into independent economic entities capable of running their operations independently and assuming sole responsibility for their profits and losses. There is no question that this reform will further liberate the productive forces of large-sized enterprises.

Third, efforts should be made to create a necessary competition environment for these enterprises, to put an end to the practice of monopolized management as far as possible, to change society's ownership structure, and to allow the collectives and even the individual business people to enter some areas where only people-owned enterprises were supposed to be the only operators in the past. For example, the collectives and individual business people should be allowed to enter the wholesale markets for small commodities and farm and sideline products, to set up collective financial institutions, to develop credit cooperatives, and to run post and telecommunications centers. In addition, several people-owned enterprises should be allowed to coexist only in the areas where such enterprises are fit for carrying out operations, such as civil aviation and insurance industries, to compete with and promote one another to prevent any enterprise from monopolizing the industries and confining itself to old conventions and refusing to change.

Although these enterprises are small in number in our country, they use large amounts of fixed assets and yield considerable output value. Handicapped by the old economic structure, the potentials of these enterprises are far from

being tapped. Through the reform in the three areas mentioned above, although the proportion of these enterprises in society's ownership structure has dropped considerably, their economic results are bound to increase remarkably and their product and service quality to improve considerably. They will set an example in managing socialist enterprises well.

There is another kind of enterprises between ordinary enterprises and enterprises which are highly socialized and have a great impact on the national economy and the people's livelihood. Because some of them are large, so far, these enterprises, such as large-sized iron and steel complexes, chemical combined enterprises, and wholesale institutions, have not yet had conditions to run their operations independently and to assume sole responsibility for their profits and losses. Because some of them are of a social welfare character (such as large-sized bookstores and drugstores) and want to put social benefit above enterprises' objectives, these enterprises may not necessarily be able to practice independent management and to assume sole responsibility for their profits and losses in the foreseeable future. With their specific characteristics, these enterprises have broad connections with the market. Therefore, they should not be treated as either ordinary enterprises or enterprises which are highly socialized and have a great impact on the national economy and the people's livelihood. As far as the guidelines of operation are concerned, enterprises should subject themselves to the guidance of central and local government and they cannot fix prices for themselves. Nevertheless, they need to have greater decision-making power and practice independent management and assume sole responsibility for their profits and losses to a certain extent. It is likewise suitable for these enterprises to adopt the responsibility system of state ownership and contracted management by the enterprises and the method of linking up the total amount of wages with certain efficiency targets and letting them float from time to time. Since the linked targets and coefficient are still verified by the government departments in charge enterprise by enterprise, therefore, this is a pattern of semi-direct control.

In addition to the three kinds of people-owned enterprises mentioned above, a considerable number of such small enterprises have been sold or leased out to the collectives or individual business people. This practice has in general produced marked results. Continued and fresh efforts should be made in the reform in this respect.

III

Apart from the relationship of ownership of the means of production, the system of ownership of the means of production embraces the forms of exercising and realizing proprietary rights. There is a difference between people's possession of the means of production and that of the means of subsistence. The purpose of owning the means of production is to use them to provide society with more commodities, to increase output value, and to improve the economic results of enterprises and society. In the course of reproduction, enterprises are bound to turn a portion of accumulation into new means of production. With the increased value of the means of production, will there be any ownership change? This is an important problem in the urban economic structural reform that should be resolved.

Under the old economic structure, the owner directly managed the enterprises and handled their profits and losses in a unified way, thus suppressing their initiative and enthusiasm and therefore it must be changed. Beginning in 1983, we replaced profits delivery with tax payments step by step. Payment of profits by people-owned enterprises to the state gave way to payment of income and regulatory taxes. All enterprises are liable to pay an income tax. Therefore, regulatory tax alone is the indicator of the difference between people-owned enterprises and collectively-owned enterprises and therefore, it becomes the main form of realizing the ownership of people-owned enterprises. However, regulatory tax varies from factory to factory. Strictly speaking, it is a transitional form of profit delivery to the state rather than a tax. This being the case, in my opinion, regulatory tax should be abolished gradually in favor of delivery of fund usage fees by enterprises or a usage tax. The standards of fund usage fees of the same trade should be unified. This can encourage enterprises that are advanced and spur those that are backward, enhance enterprises' sense of responsibility, and boost their creativity.

Let us have a further look at this issue. Since there is a wide difference in the returns from the use of funds by enterprises in different trades, as I see it, the rational limit of fund usage fees should not exceed the interest rates of bank loans. As the owner of enterprises, the state should continue to take care of the ups and downs of enterprises and not drain the pond to get all the fish. Obviously, people-owned enterprises take limited risks in their operations. Those who take the final risks and the biggest responsibility for enterprises' operation failures are none other than their owner or the state. Therefore, the fund usage fees currently under discussion cannot be viewed as the only economic form to realize the ownership by the whole people. The funds derived from the portion of profits retained by enterprises under a profit-sharing scheme to be used in reproduction are still owned by the whole people or the state which represents the entire people. Some people proposed that all the profits retained by enterprises under a profit-sharing scheme go to the enterprises. In reality, this proposal is correct when people-owned enterprises are turned into collectively-owned enterprises or enterprises operated under a leasing scheme. If enterprises are owned by the whole people, the funds derived from the portion of profits retained by the enterprises under a profit-sharing scheme to be used in reproduction should go to the whole people.

With the replacement of profits delivery with payment of fund usage fees in the economic form of realizing ownership, a portion of profits should be left at the disposal of enterprises so that they can use the funds to improve and develop themselves. Not only will this invigorate the enterprises but in the course of reproduction, enterprises will have an increasing amount of profits to be used in collective welfare services and distributed as bonuses. This reform will undoubtedly arouse the enthusiasm of enterprises and their employees.

In forming economic combinations all localities stressed one thing, that is, "no change of ownership." If we make an analysis in line with the above-mentioned method, we will notice that in the intensive economic combinations,

the ownership of funds remains unchanged but the form of realizing ownership has changed. The enterprises formerly managed separately or directly by different departments and regions have been delegated and put under the independent management of stock integrated enterprises or other economic combinations and their profits are to be shared among the participating units of the combinations according to the amount of capital invested. This change of the form of realizing ownership reduces the direct intervention by the owner in enterprises' decisionmaking in operation. It is precisely because of this that we say: "Economic integration is conducive to removing barriers between different departments and regions."

The nature of enterprises under direct state management being owned by the whole people has not changed but the form of realizing their ownership has changed. Under the old structure, enterprises were directly managed by their owner--the state and their profits went to the state. Under the new structure, enterprises are contracted to the enterprises themselves for management and operations and apart from the amount of profits to be delivered to the state as prescribed by their contracts, they are entitled to use the remaining profits in expanded reproduction, collective welfare, and bonus distribution proportionally as prescribed by their contracts. The decisionmaking power in such areas as personnel and labor and wages should be further expanded. The reform will enable enterprises to give play to their creativity and initiative and will enhance the sense of responsibility of employees as the masters of the country and boost their enthusiasm.

Expansion of the decisionmaking power of enterprises will help enterprises become economic entities capable of carrying out their operations independently and assuming sole responsibility for their profits and losses and help change people's status and role in the course of production and interpersonal relationships. Among other things, with enterprises becoming independent or relatively independent economic entities, managerial personnel will be able to give full play to their talents on a wider scale. We believe that in not too long a time in the future, a massive contingent of managers well versed in modern management and management strategy is bound to emerge gradually in our country and the contingent will occupy an important position in our economic life. The personal careers of these managers will be closely linked with the fate of their enterprises and they will stand together through thick and thin with their enterprises, sharing profits and losses together. Apart from the payment of their work as enterprise leaders, they are also entitled to get credits and treatment commensurate with their posts. Hence, it is out of the question that a manager or factory director concentrates on the well-being and bonuses of his employees to the neglect of the development of his enterprise. In the last few years, some enterprises used a greater amount of their retained profits in the well-being and bonus distribution of their employees and thus failed to reserve an adequate amount of profits for development use. We must make an analysis of this state of affairs. As I see it, enterprises' lack of financial resources is the main cause for the problem. Considerable amounts of outstanding accounts in the expenses on the livelihood of employees, price rises, and mutual competition for higher income presented some pressure on enterprises and as a result, their development funds were used for other

than development purposes. Therefore, this is a transient phenomenon and also a problem to be solved in the course of reform. We should not blame our enterprise cadres in a sweeping fashion. After the reform, the employees and managers will reform no less well than enterprise employees and cadres of the government departments in charge under the old structure in terms of their concern about their own enterprises, to say the least.

Meanwhile, with the introduction of classified management, the influence of the owner on enterprises' decisionmaking on microeconomic affairs will be significantly reduced. The owner has, on the whole, not directly interfered in the process of production of the enterprises not under state direct control. Apart from continuing to play its role in conditioning the development strategy of enterprises, ownership of the means of production has simply become the right to obtain profits. If the right lies in the hands of the state, this will bring benefit to the entire people. If it lies in the hands of a small number of people, there is no denying that there will emerge a social stratum of usurers. It can thus be seen that the already accumulated means of production worth several hundred billion yuan owned by the whole people are the most valuable material foundation for guaranteeing the policy of socialism in our country. With the exception of a certain number of small people-owned enterprises whose ownership of the means of production has been temporarily or permanently transferred to the collectives and the individuals by means of leasing or sale, most people-owned enterprises, large- and medium-sized key enterprises, in particular, should reform the form of realizing ownership and the enterprise management system while their ownership remains unchanged. This is where the priorities of the reform of the system of ownership by the whole people lie. If we do otherwise and shift the priorities of the reform to changing the ownership of people-owned enterprises' means of production and even advocate completely replacing public ownership with private ownership, we will obviously have taken a wrong direction.

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BE GOOD AT EDUCATING THE MASSES ON ATHEISM

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[Article by Shi Youxin [2457 0645 2946]]

[Text] On the occasion of the new year Spring Festival, we should all pay greater attention to the work of removing superstition and changing the customs and habits of the times. Previously, it was absolutely necessary for us to follow the law in prohibiting the resurgence of feudalist and superstitious organizations and the restorationist activities of patriarchal forces as well as to punish those illegal elements guilty of fanning superstitious sentiments and thereby cheating other people out of their money and harming people. But, in the long-term view, what has been done so far has not been sufficient. We must educate the masses and especially the peasants on historical materialism and dialectical materialism, being particularly good at teaching propaganda on the ideas of atheism.

Developing propaganda education on atheism and breaking feudalist and superstitious ideas are the important issues in socialist spiritual civilization. Socialist spiritual civilization is scientific and progressive; it cannot rest on a foundation of ignorance and backwardness. The "Decision of the CPC Central Committee on the Guidelines for the Establishment of a Socialist Spiritual Civilization" has clearly pointed out: "In the vast urban and rural areas, it is necessary to actively change the prevailing habits and customs, advocate a civilized, healthy and scientific lifestyle, and overcome the ignorant and backward ways that still exist in their customs and habits. All undesirable practices in marriage ceremonies and burial services must be reformed and feudalism and superstition be demolished." The ignorant and backward practices in social customs and habits such as performing Buddhist or Taoist rites to save the souls of the dead, finding out if the "eight characters" of the male and female suit each other in becoming husband and wife, worshipping the sky and earth, listening to the words of fortune-tellers, seeking advice from the deities, and believing in feng-shui and yin-yang doctrines, and so forth, are all directly or indirectly related to the concepts of theocracy deeply embedded in the minds of the people by the old society. All superstitious activities may be traced to the spreading of ideas and concepts about the existence of demons and deities. In certain localities, illegal elements can stir up the masses to contribute funds for superstitious activities and thousands upon thousands of people will not

be grudge traveling long distances to far-off places to pay homage to the deities, while heresies can easily spread rumors of common people becoming gods and deities overnight. Witches and sorcerers, relying on their sermons and talking about gods and demons, can make a comfortable living by deceiving people. All this is because in the minds of people there forever exists a supernatural being, a deity who is above all. It can thus be seen that if we do not pay great attention to propagating atheism among the masses and do not help people to get rid of the concepts of gods and deities and the bondage of superstitious ideas, then not only will superstitious activities not be suppressed and the development of a spiritual civilization be impeded, but also normal production, life and social order will be hampered.

Some people may think that since we are committed to the policy of freedom in religious beliefs, and must employ common ideas to mobilize and unite people of various races, including the believers in religion, then we should not spread atheism propaganda among the masses. Some other people may contend that carrying out this type of propaganda education will inevitably hamper the enforcement of the policy of religious freedom and impede the union with the believers in religion. These views are incorrect. This is because the education on atheism mentioned here is a sort of ideological-political work and is social education carried out among the masses through various kinds of propaganda and public opinion under the party's leadership and through the system of party, political, industrial and public organs and women's federations for the purposes of guiding the masses to study science and not superstition and to depend on the party's leadership and the masses' own strength to create material and spiritual civilization of a high caliber without placing hopes on deities and demons. We have no intention of preaching atheism in religious places or debating with the religious people whether deities exist, or to interfere with normal religious activities, or to force religious people to give up their beliefs. This kind of education demands that superstitious activities be differentiated from normal religious activities and certainly cannot mistake religious activities which are permitted by policy and laws for superstitious activities to be criticized and opposed. Naturally, we cannot mistake superstitious activities for normal religious activities and duly protect them. This kind of education does not hamper, but is beneficial to the correct enforcement of the policy of religious freedom and to strengthening political union with those who hold religious beliefs.

In carrying out propaganda and education on atheism we cannot repeat the former erroneous method of "opening wide the road of great criticism." Nor can we hope to achieve results through calling large report meetings or opening classes to air certain philosophical principles. Rather, we must depend on finding ways and means such as those which the people can readily accept for their guidance, according to the experiences gained in certain areas: First, uniting with policy education through changes in propagating and enforcing the party's guidelines and policies and helping the masses to give up their superstitious ideas. Peasants in some localities, when they are well off, go to temples to worship deities, thanking them for their blessings. When they are not yet well off they go to temples just the same to worship the gods, seeking their blessings to effect a change in their

fortunes. This situation well illustrates the need to break superstitious habits through policy propagation and to implement policy through the demolition of superstition. Our party members and cadres should become the lecturers and propagandists in this regard, just like Comrade Mao Zedong did when he led the peasants' movement, personally convincing the peasants to rely on agricultural unions and not on gods, talking with feeling and reason and making people glad to accept and believe.

Second, uniting with scientific and general education. When illegal elements fan superstition, deceive people and cheat them out of their money, they invariably take advantage of the weak points of those in the masses who have no culture and do not understand science. A newspaper reported a case in which a witch undertook to "drive out the demons and heal the malady of a sick person." She pretended to have caught the soul of the demon responsible for causing the illness and allegedly placed it inside a paper doll prepared beforehand. She then thrust a knife into the paper doll which immediately displayed blood stains. In reality, the paper doll had been painted with a certain Chinese herb which, upon contact with the knife, which had been painted with a salty ingredient, caused a chemical reaction producing stains the color of blood. Regarding illegal elements of this kind, we should not only deal with them according to law but also make known to people the trickery involved. By so doing, the circle of people believing in ghosts and demons will shrink while people who believe in science and like to study science will increase in number.

Third, uniting with and enriching the cultural and recreational life of the masses. In many localities, there is a sizable shortage of various kinds of cultural facilities such as cultural halls, libraries, entertainment places, and sports or recreational grounds; and cultural and recreational life of a popular nature is exceedingly rare. This has caused a number of youths, lacking the necessary spiritual enchantment, to turn to playing fortune-telling games or seeking advice from the deities to find satisfaction and fun from feudalist practices of this kind. They have even gone to churches and temples to quench their thirst for knowledge of the unknown. This will require our party and political organs to pay close attention to the building of a spiritual civilization and to earnestly perform certain deeds which can help to break superstition and change customs and habits.

Last, uniting with the party style on rectification and concern with the illness of the masses. It has been found that in places where superstition has been running amok for a long time and has successfully resisted suppression it is solely related to the existence of improper party styles. Often, because cadres in localities have waywardly used their power to seek private gains and nobody cares for the people's sufferings and illnesses, and because a situation of this kind has persisted for a long time and the people fear that there is no human remedy for their sufferings, no place of refuge against the disasters, and nothing to rely on in the event of natural or man-made disasters, people have been forced to turn to the gods for help. Or, there may be certain grass-roots level party members and cadres taking the lead in believing in demons and gods, even going to the extent of forming superstitious cliques to make private gains. It is true that there have been

few instances of this kind, but their adverse effects have already been numerous and great. Problems of this kind need to be dealt with sternly according to the circumstances in **the party** rectification at the grass-roots level this time. First, we must educate party members on atheism, particularly party members in rural areas. At the same time, the masses must be educated so that the vast urban and rural areas will get rid of superstition and so that activities aimed at changing customs and habits will not drift into being efforts in name only so they will produce truly factual effects.

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A SURVEY ON RURAL PARTY RECTIFICATION IN HEBEI

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[Article by Luo Shugang [7170 1885 0474]]

[Text] The party rectification work in rural villages in Hebei Province began in October 1985, has since continued developing, and is now basically completed. The broad masses comment on this rural rectification as follows: The party style has noticeably turned for the better; many difficult problems have now been solved.

Prevalent Problems in the Party and Among Party Members Before Party Rectification

After enforcing the production responsibility system in rural villages and following the changes in production and operational forms in rural areas and the development of the commodity economy, the need has arisen to change the organizational pattern of party subcommittees and party subgroups originally demarcated according to production teams. Hebei Province has over 1.5 million party members. Of them, one-third hold jobs as workers or merchants outside the province. Some of those working outside the province take part in collective economic organs, some go into partnership with others to form joint economic ventures, and some run their own individual businesses. Of them, the first group occupies a relatively large proportion while those who run their own individual businesses make up about 3 percent of the total number of party members. The activities of party members are scattered throughout the whole country. Before party rectification, the great majority of the collective economic bodies which operated outside the province did not set up any party organizations. As for those party members who have left the province and taken up individual pursuits, they have been in even less contact with party organizations of any kind and the whereabouts of some of them are not even known to their relatives. Even among those party members in the home province who have engaged in farming or in industrial pursuits, the great majority have sideline jobs or take part in small buying and selling business. This state of party members moving about to places or being scattered has brought on great difficulties for party's activities. For example, at Haocheng County party organ activities about only 50 percent of the members have attended. In Xiliu village in Boxiang County, following the enforcement of the contracted responsibilities system on a household

basis, with payment linked to output, over the past few years party members have not taken part in any party activities or paid any party membership fees. In Xiaotunqiao village in Shahe County, during the past few years, some 66 enterprises engaging in mining, cement-making, quarrying, and so forth have been established and have absorbed nearly the whole labor force of the village. The party members of a small production team have been scattered among the different enterprises. Because of the differences in their working hours and in the nature of their pursuits, there has been very little contact between them. As a result, the original party subgroup could not carry out its activities and at the same time was unable to form a new structure based on the greatly changed conditions. Thus, the party organ's activities have long been in a suspended state.

In the course of developing a commodity economy and ridding the bondages of old concepts and old traditions, rural party members, particularly party cadres, have displayed signs of confusion in ideology and signs of being unadjusted to realities. This has affected party construction in rural areas and is detrimental to the construction of the two civilizations.

First, party cadres have generally believed they have been "cheated or ill-treated." Rural cadres are mostly "people of talents" in the villages. A cadre earns a subsidy of only several hundred yuan a year whereas an ordinary individual, in a year's time, can earn several thousand yuan. Of the five subcommittee members of the party subcommittee in Xiaotunqiao village of Shahe County, outside of the one female subcommittee member, the four others, if they give up their cadre jobs and take up, say, a transport job, can earn in the vicinity of 6,000 to 7,000 yuan a year. This means that because they serve as subcommittee cadres, their annual income has been decreased by 4,000 to 5,000 yuan a year. According to statistics compiled in the Shijiazhuang district, nearly one-third of rural party cadres believe they are being "ill-treated" and that "busily engaged now day and night, if they take up a job elsewhere they can make more money."

Second, party cadres lack the idea of service. Since enforcing the production responsibility system, peasants have met with various problems in tilling farmland, watering fields, getting power supply, purchasing chemical fertilizer, meeting government's grain purchases, developing industry and commerce, and so forth. Village cadres have generally been urged by the masses to organize well the various kinds of work such as rendering services before production, in the midst of production, and after production and also to arrange well fringe benefits for the populace. Unfortunately, some of the party cadres "just accepted their pay but refused to do any work." The party subcommittee secretary of Dongshandi village in Lincheng County simply disregarded village affairs and spent his time doing a driver's job. Although the underground water level could be reached at only a little over 10 meters, nobody took up the job of opening wells and the water needed by the populace had to be carried from one village to another, both of which might be several li apart. And some of the cadres simply refused to do any work for you if you did not send them a gift beforehand. The village people have thus been accustomed to saying: If you want them to do something for you, "two bottles of wine or one carton of cigarettes will be needed."

Third, party cadres have generally lacked the idea of leading the populace to become well off through diligence and hard work. Before party rectification, an old party member in Xiaotunqiao village in Shahe County had all along erroneously believed that the party's current rural policy called for breaking up the two extremes--the poor and the rich. Some party members and cadres, though having made a good start in leading the populace to become well off through hard work, are afraid of possible policy changes. They have generally restrained themselves, daring not to enlarge their operations. Some party members and cadres, while they themselves have become well off, lack the idea of leading the populace jointly to take the road to affluence for all.

Fourth, among party members and cadres, some have committed many vile and improper practices. Generally speaking, there have been mainly six gusts of ill wind: 1) Greedy appropriation, such as taking away, or borrowing, properties that belong to the collectives. 2) Taking more than their share, such as seizing more than their share of land for their residences. 3) Taking advantage of their power and authority to become shareholders in an enterprise that makes money, and thereby sharing in the dividends. This practice is commonly known as "influential investment" of an authoritative nature. For example, without putting out a single cent or shedding a single drop of sweat, the secretary and six members of a village party subcommittee in Shahe County received 4,200 yuan of dividends from a village-run iron mine. 4) Intentionally lowering the basic figure for contracts and subsequently taking up the contracts themselves. For example, party members and cadres of Dinggaoshi village in Mancheng County contracted the village fruit orchard at the low base figure of 400 yuan when the contract price could have been as high as 4,870 yuan if an open tender had been taken. Thirty-six party members in the county have, in one way or another, taken over contracts on the strength of their position or authority. 5) Violation of family planning regulations. 6) Spending public funds lavishly, feasting and giving parties.

Appearance of a New Countenance Following Rural Party Rectification

Hebei Province originally had over 5,700 villages with serious and long-standing problems and all three categories of party subcommittees had been found there. After rectification, the great majority of them have undergone varying degrees of change. Of them, the changes in some 3,300 villages have been especially striking.

First, many party members and cadres have overcome the idea of having been ill-treated and now show a great willingness to serve the populace. For example, party members and cadres in Xiaotunqiao village in Shahe County, Quanhui village and Dongshandi village in Lincheng County, Houtun village in Mancheng County, and Jinjiabao village in Ba County have all heightened their understanding through the party rectification. They believe now that although as cadres they receive several thousand yuan less a year, they can still make the village people increase their aggregate income by several hundred thousand, or even several million yuan a year. As Communist Party members, they should show more concern for the bigger issues at stake. Meanwhile, party rectification has rectified many improper deeds. For example, in the rectification,

party members were found to have borrowed from public funds and incurred unpaid balances of 38.35 million yuan. Of this amount, 26.83 million yuan were subsequently recovered. The area of land wrongfully occupied by party members for their housing construction was 7,067 mu, of which 4,698 mu were subsequently returned and, in addition, 1.185 million yuan of fines were collected. Some 4,669 people were found to have misused their authority to take up contracting jobs or to hold the so-called "influential" or "power and authority" shares. Of them, 4,381 people have duly rectified their errors. Some 36,647 party members, found to have violated regulations on family planning or birth control, have been duly dealt with.

Second, the role of party members in acting as vanguard models has become all the more prominent. In the course of party rectification, party members of various villages have universally done commendable jobs for the populace and/or have helped them to solve knotty problems. Party members in the whole province have voluntarily and without compensation repaired some 43,867 km of roads; planted some 42.6 million trees; repaired over 8.6 million ditches; dug and repaired 31,475 wells; repaired 6,132 bridges; and generally done over 970,000 commendable jobs on behalf of the populace. Qiyu village in Lincheng County is located in a mountainous region. For a long time, it was closed to vehicular traffic and there was no way to deliver its abundant native products, thus greatly hampering its economic development. During the period of party rectification, the village party subcommittee leadership led party members in building a road along the mountains. This greatly moved the populace and everybody soon enthusiastically took part in the project. In 15 days' time, a 1,500-meter-long mountain road traversible by trucks was opened to traffic. In Xiaotunqiao village in Shahe County, the village party subcommittee secretary and six other party members contributed a sum of 25,000 yuan to help seven destitute peasant families in the locality to buy a tractor and to organize joint transport. Party member Chai Zhiguang, noting that 15 poverty-stricken households had been unable to take part in commodity production, of his own accord led them to contract for the management of 60 mu of vegetable farmland.

Third, in accordance with the new conditions various systems inside the party have been improved and perfected. The party subcommittee of Jinjiabao village in Ba County, following the enforcement of the production responsibility system, proceeded to look into the forms of activities of the party organs under the new situation. Twice in succession they have reformed the party structure and installations, establishing party subcommittees over industries and trades, and party subunits in enterprises. They chose the 27th to the 30th of each month as the dates for "scheduled sessions," and have adhered to this system in the past several years. In the course of party rectification their experiences were rapidly put into operation in the neighboring townships and villages. The educational system of party members has also been improved and perfected. By means of this party rectification, rural party members have generally been given systematic party education and they have felt strongly about having this education taught on a long-term basis. Complying with party members' demands, both Yuet County and Haocheng County have universally established township and town party schools. The party subcommittees of these two counties believe that township and town

party schools should not have any permanent teachers but that the county and township leaderships should take over the jobs concurrently. The schools do not hold classes throughout the year. Classes are held only during the slack-farming season. The forms are flexible, the school hours are flexible, and the schools are not incorporated as permanent units in the organizational structure, they are generally suited to the special features of rural party members. The plan calls for the training and education of the whole body of rural party members at least once a year. They have set up a supervision and management system for cadres. For example, in Shahe County 280 party subcommittees have all signed responsibility documents, designating various targets for fulfillment during their terms of office. In the meantime, systems for assessing the cadres' performances have also been formulated.

Fourth, villages have transformed their work style. Simultaneously with party rectification, the rural villages in Hebei have thoroughly liquidated and solved the various problems that have emerged since the enforcement of the responsibility system. The financial system, the land requisition system for residence building and the family planning system have all been rigidly implemented. This has effectively stopped such practices among the masses as the random acquisition of land for building projects, violating the birth control policy, making loans from public funds and delaying their repayment, engaging in superstitious activities, gambling, theft and robbery, feuds and fighting, extravagant feasting, and other symptoms of improper behavior and ill-wind. Reports from Haocheng and Yuet Counties indicated that the practices of extravagant spending on feasts and special occasions had been extremely prevalent in those localities in recent years. In some households a funeral service would provide the occasion for inviting numerous guests to dine and feast for several days in succession. Sometimes special cinema shows were given and singers and songsters were invited to give exhibitions to please the large number of mourners. At present, many villages have set up special committees to take charge of wedding ceremonies and funeral services. With the villages being watchful and wielding the big stick, extravagant spendings have been prevented, much to the masses' satisfaction. Concurrently with party rectification various categories of service structures have been set up, removing the worries of the masses and solving many of their disputes. In Xiaotunqiao village in Shahe County and in Quanhu village, following the enforcement of the production responsibility system, many civilian disputes have surfaced on various farming matters such as watering the fields, tilling the land, and so forth. Occasionally, they have resulted in armed fights between the parties involved. In the party rectification, the village party subcommittees have come out and offered their help in forming agricultural service companies, electricity service companies, industrial and commercial transport service companies, agricultural technological service companies, and so forth. As a result, production life in the villages has been put in meticulous order.

Several Major Experiences in Rural Party Rectification

Acting in accordance with the four demands on rural party rectification made by the Central Party Rectification Guidance Committee, the Hebei Provincial CPC Committee has earnestly grasped rural party rectification work. Its main experiences are as follows:

First, taking the promotion of economic development as the main point in rural party rectification. The Hebei Provincial CPC Committee has demanded that each and every branch committee should, through party rectification, find out the further potential strong points and the practicable road to affluence in the economic development of the village in which it is located and should formulate an economic development plan suited to the realities of the village. Hence, it should: 1) Clearly differentiate between the necessary business contacts and improper practices. Village-run enterprises should obtain their own raw materials, do their own marketing of products, and secure the needed technological personnel by themselves. Conditions like this will require village-run enterprises to come into contact with the outside and will therefore incur some social and entertainment expenses. These inevitable social contacts should not be treated as a sort of improper act. The Ba County party committee has made a ruling allowing village-run enterprises in their business dealings to take part in some kind of inevitable entertaining work but forbids feasting and drinking in nonbusiness contacts. The Datong village party subcommittee of Haocheng County differentiated between business contacts and improper acts by examining the object and purposes of the entertaining and gift-giving. Gifts and dinner parties are entirely acceptable if the party entertained has come definitely for the purpose of helping the plant solve technological difficulties, or selling the plant's products or assisting the plant in buying raw materials. Still, if the amount of expenditures incurred exceeds a set limit or if the money spent is for the purpose of entertaining a higher-level officer or personnel, then this should be classified as an improper act. 2) Party members who have become well off ahead of others should be correctly treated. Among rural party members, a number of them have been able, through hard work, to earn a larger income and to attain a higher living standard than other party members and the average people and have thus become well off earlier than the populace. Does this violate the party's aims? This worried certain party members at the start of the party rectification. When party rectification first started, in the two townships of Xincheng and Baita in Shehe County, 14 party members and cadres withdrew their shares in the business combines. In Xincheng village in Zan Zien township, the party subcommittee secretary and his two sons used to be carpenters in trade. After party rectification started, he stopped doing any more carpentry work and also forbade his two sons from taking outside jobs. Against conditions of this kind, the Hebei Provincial CPC Committee paid special regard to propagating the party's rural policy to this portion of party members, gave them tacit approval for the way these people had managed to become well off before others, encouraged and protected their enthusiasm, and at the same time led them to guide the masses to become jointly affluent.

Second, adopting new organizational forms to carry out party rectification work. In order to facilitate studying the learning of party rectification, in Hebei's rural villages, the party subcommittees and party subgroups originally formed on the basis of production teams have been universally reorganized and new demarcations of party subcommittees and party subgroups have been made. The Haocheng County party committee has stipulated that forming a party organ should generally be made on the basis of the party members' place of residence and the location of the organ should follow the

nature of the industry or trade and its whereabouts. If the party members change their place of residence or their business or profession, the party subcommittee or subgroup should be promptly readjusted. Party members in economic combination bodies, regardless of what villages they have come from, are all grouped into a party organ. Party members working in collective enterprises outside the villages are grouped in separate party units. Party members doing work at home belong to party units of their particular industry or trade, such as breeding trade subgroup, commerce and processing trade subgroup, plantation trade subgroup, and so on. Following the readjustment, party organs can now be ensured that party members have the same time for work and leisure and therefore can be centralized for party rectification. Production activities and organizational activities will not be dislocated from each other and it is possible to emphasize and carry out learning work in party rectification. In order to ensure the learning and studying of party rectification by party members who have gone outside the villages to work, Hebei's rural villages have devised many flexible and practical forms, such as mailing materials for learning and prescribing that party members must return from time-to-time to the village and report for the learning sessions; utilizing the Spring Festival holidays to give the outside party members supplementary lessons; fixing a definite date each month for the party members to return to the village to take up studying; or periodically dispatching persons to the places where the outside party members are located to supplementary teaching and processing lessons. Facilitating peasant party members to carry out sideline jobs, party rectification is usually held on dates not otherwise scheduled for country fairs. In the busy farming season such as the planting and harvesting of wheat, care is taken that party rectification will not take up too much of the production time. These organizational forms have ensured that over 90 percent of the party members can take part in party rectification.

Third, firmly insisting on the party rectification methods of self-education and direct education. At the start of party rectification, rural village cadres still shuddered to think of the methods used in past movements and campaigns by the working teams in rectifying the former village party subcommittees. Many people entertained fears of possible sufferings in the course of rectification. In some extreme cases, the secretaries of party subcommittees actually ordered their families to have their traveling bags ready just in case they should be assigned to live again in the "cowsheds." From beginning to end, the Hebei Provincial CPC Committee has paid close attention to guiding the party members to grasp the new methods in party rectification and firmly insisted on the party members carrying out self-education and direct education. For example, in order to avoid the "leftist" methods of mishandling party rectification, the Mancheng County CPC Committee fixed four principles and seven disciplinary codes, namely, firm insistence on self-education; firm insistence on seeking truth from facts; firm insistence on cultivating an atmosphere of unity; and firm insistence on the party rectification policy. The seven prohibitions were: Forcing people to confess to crimes or believing in faulty reports; calling struggle meetings; magnifying the issues; attacking people sideways; playing up issues at random; attacking or retaliating; and making false accusations. Of the some 40,000 rural party branch organs, in only 14 villages were irregularities

found when party rectification first started and they were all subsequently rectified. In the great majority of the villages party rectification work has proceeded smoothly and in a healthy manner.

In grasping direct education in rural party rectification in Hebei Province, major emphasis has been paid on five specialized educational topics, namely, education on the party's aims; education on the current situation and the party's policies; ideological education; education on organization and discipline; and education on thoroughly negating the "Great Cultural Revolution." Following investigation and research, the provincial party committee has compiled the "Common Talks on Rural Party Rectification" to serve as basic materials for party rectification. Out of consideration of the rather low cultural level of the rural party members, some 60,000 cadres have been chosen from the province for transfer to the rural villages to serve as coaches and instructors in party lessons. These cadres stay in the homes of peasants, have their meals there by arrangement and thus have a first-hand knowledge of the conditions in many villages. Hence, in party learning classes there is close contact with the real conditions. An instructor in a party class in Mancheng County, in the course of investigation, found to his dismay that in the primary school classrooms in Mancheng, the tables and chairs were all made of cement. In the winter months many of the children attending the classes suffered pains in their joints because of the cold. He invited the village's party members to attend a session on the party's aims in the classrooms. After only one class, the party members found that they could hardly stand the severe cold. He then said to them: "You sat here for only a short while and for only one session; imagine how the children have to suffer sitting here all day long!" The next day, the village party subcommittee organized the party members to dismantle the cement chairs and tables and replace them with wooden ones. All the party members agreed that they had attended a very fruitful class. In carrying out direct education on party rectification in Hebei's rural villages, "studying, discussing, investigating, and revising" are joined together. Rectifying improper acts is made on the basis of education and, conversely, rectifying improper acts intensifies education. In rectifying the improper acts, first of all the village cadres' improper acts must be earnestly rectified. The Lincheng party committee has advocated that in the event of improper acts in the team, the secretary of the party subcommittee should take the lead in rectifying; if improper acts are found among party members, cadres should take the lead in rectifying; and in case improper acts are found among the masses, party members should take the lead in rectifying. For the sake of helping party members and cadres to rectify improper acts, massive aid is sought from the masses to locate the problems and for them to serve as superintendents, such as calling different kinds of group discussion meetings of the masses, installing "opinion boxes," and so forth. The provincial party committee has sent a special notice to leadership organs at various levels asking them to highly regard visits and letters from the masses to fully utilize this channel to perform well the job of party rectification. In Qiyu village in Lincheng County, party members and cadres took the lead in repaying loans to the public funds and settling overdue accounts. In only 10 days' time, other party members and the populace cleared the whole amount of overdue accounts amounting to 14,870 yuan. Party members guilty

of the serious crime of using power and position to seek private gains have been summarily dealt with. The secretary of the original party subcommittee of the Daceying village in Mancheng County was generally known as a man "not to be bothered with." In the course of party rectification he attempted to cover up the problem of having on his own extended the contract period for a fruit orchard and a flour mill causing a loss of 28,000 yuan to the collective. The county committee ordered his suspension from duty pending further investigations. In a day's time, 24 party members and cadres returned extra land originally appropriated for their residences. And in a week's time, the village financial accounts were put in order.

Fourth, using a new form to do a good job in readjusting the leadership team. In this party rectification, the village party subcommittee does the leadership work in rectification and at the same time constitutes an important party to the required consolidation work. If the leadership team is not well adjusted party rectification cannot proceed. Before the start of the party rectification, the Hebei provincial party committee had already made a readjustment of some 9,800 party subcommittees found not to have been equal to the tasks of playing the leadership role in the rectification work in their respective localities. This constituted 20.6 percent of the total number of village party subcommittees. While rectification was progressing, readjustment was also made on an additional number of village party subcommittees. In readjusting leadership teams, the major tasks were to do a good job in selecting a secretary and an assistant secretary for the party subcommittee. In Hebei's rural villages, there are several different ways to select party subcommittee secretaries and assistant secretaries for the rural villages, as follows: 1) From party members who have demonstrated their talents in organization and management by successfully organizing combination bodies or contracting for certain outstanding production projects and who have won the confidence of the masses. 2) Inviting persons who have done professional work outside or have served in temporary important jobs or as contract employees and who have a correct work style and a definite prestige to serve as cadres. These kinds of people have vast knowledge, possess experiences in commodity production, and can readily open up prospects in a given situation. 3) Transferring from organs in districts, cities, counties and townships a number of young and capable party members to certain regressive villages to act for or to temporarily serve as party subcommittee secretaries or assistant secretaries. Their pay and fringe benefits remain as they were. They are given a time limit to change the countenance of the localities to which they have been assigned. Those who perform well will be promoted to higher posts. In Yingtai district alone 1,000 cadres have been transferred to rural villages. 4) Regarding those villages the leadership teams of which have been in a prolonged paralyzed state, on the one hand, a party member is designated to watch and control the activities of the party members. On the other hand, from among the nonparty masses a number of persons with good conduct and virtues and with strong capabilities are chosen to form a team for the village committee. They go through training work simultaneously as they take up actual practices in their assignments. When the conditions are deemed ripe they will be promptly inducted into the party and form a team for the party subcommittees. By means of these measures the province as a whole has selected over 10,000 cadres.

The development of party rectification work in Hebei's rural villages is in a rather unbalanced state. Some villages have done better while other villages have performed rather poorly, or, in fact, are found to have just gone through the motions. In some cases after party rectification certain villages have begun to show symptoms of the reappearance of improper acts. The provincial party committee has now decided that during the slack farming season in winter last year and spring this year emphasis will be laid on repeating the lessons in party rectification in villages that have performed rather poorly.

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ENTHUSIASTICALLY ENCOURAGE YOUNG PEOPLE TO STUDY MARXIST THEORY

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[Article by Song Defu [1345 1795 4395], CYL Central Committee first secretary]

[Text] The "Resolution of the CPC Central Committee on the Guiding Principles for Building Socialist Spiritual Civilization" points out, it is necessary to enthusiastically encourage the masses, young people in particular, to study Marxism. Why has our party repeatedly proposed that young comrades should study Marxism? This is worth pondering by leadership at all levels as well as young comrades.

From an overall point of view, the study of and belief in Marxism and progress under Marxist guidance has been the basic orientation of China's youth movement since the May 4th Movement. Contemporary young people should likewise march along this orientation. However, it is undeniable that some young people are really doubtful about Marxism. Regarding this phenomenon, specific analysis should be made.

First, in the 30-odd years since the founding of the PRC, the cause of socialist construction has gone through some zigzags, with the emergence of mistakes of an overall nature during the "Great Cultural Revolution" in particular, because of deviations in guiding ideas; moreover, the perverted and fanatical sabotage done by Lin Biao and the "gang of four" led to grave setbacks for the socialist cause, widened the gap between China and some capitalist countries in economic development, and gravely injured the reputation of socialism and Marxism. Since the 3d Plenary Session of the 11th CPC Central Committee, China has taken the correct track of vigorous development, and the prestige of the party as well as the reputation of socialism and Marxism have continued to grow. However, the aftermath of the "Great Cultural Revolution" and its ideological effects on people are not completely eliminated, and there are still all kinds of seamy social phenomena. It is not difficult to understand that young people growing up in such an environment are doubtful about Marxism.

Second, the shortcomings of dogmatism and formalism have existed in our propaganda and education in Marxism for some time past; this has led to misunderstanding of Marxism among some young people, who take some erroneous things as Marxism. Under such circumstances, some young people show

indifference and doubt about Marxism, while others even try to find a way out in some bourgeois doctrines. Such a practice is of course not desirable, but in a certain sense, it has shown that the dogmatism and formalism in propaganda and education divorced from practice in the past got nowhere.

Third, with expansion of foreign economic and cultural exchanges since the implementation of reform and opening up, ideological trends of all sorts from the West in philosophy and science have come into China one after another, and it is inevitable that certain young people will make some wrong choices, taking the decadent as the miraculous, when they are facing many things new and strange to them. On the other hand, our economic structural reform has now developed to a new period of the coexistence of new and old structures, and the transformation from the old to the new. The profound changes in social life cannot but bring about changes in people's concepts and psychology, and some concepts which had been regarded as Marxist are proved to be non-Marxist by practice. For some young comrades who were not mentally prepared, while we have failed to promptly do a good job in providing guidance, such changes in notions of right and wrong will inevitably result in ideological confusion, and they would hold the view that Marxism has failed to explain realities, and that it no longer works.

In short, the fact that some young people hold an attitude of doubt regarding Marxism has its historical and realistic reasons, and we should do a good job in providing appropriate guidance. So long as we do a good job in guiding them carefully with patience, the problem can be solved. Facts have also proved that in recent years, young people in general have grown firmer and firmer in their faith in Marxism, and their enthusiasm in studying Marxist theory has gradually heightened because our party has adhered to and developed Marxism in theory and in practice, and because socialist modernization is developing vigorously with new accomplishments scored continuously. We should hold the view that even certain young comrades who hold an attitude of doubt regarding Marxism will change their original attitude through exploration, comparison, and selection. In other words, while guiding young people to study Marxism, it is necessary to adopt a scientific attitude regarding Marxism, and it is likewise necessary to adopt a scientific attitude in handling young people.

Marxism is a scientific world outlook and methodology. Marxism truthfully and correctly reflects the laws governing the development of the objective world, and provides people with a powerful scientific method to initially understand and transform the world. This has been proved by the historical experiences of revolution and construction in China. However, young people lack personal experience in this respect; if we try to let them master the scientific principles of Marxism through books only, it will certainly be very difficult and even impossible. We should guide young people to study, master, apply, and develop Marxism in practice.

Socialist modernization requires us to adhere to and to simultaneously develop Marxism on the basis of practice. Reform and opening up are brand-new undertakings, with no ready patterns to follow or mature experiences to copy, and we can only conduct unprecedented arduous exploration under the

guidance of basic Marxist tenets, on the basis of earnestly summing up successes and failures and experiences and lessons of the past. Numerous topics in theory and practice are pressing for our exploration in the development of our all-round reforms and socialist planned commodity economy, and our construction in ideology and ethics, science and culture, and in democracy and the legal system. At the same time, many problems arising among the cadres and the masses, young people in particular, are pressing for a scientific explanation. Just as Comrade Deng Xiaoping pointed out: "We are now building socialism with Chinese characteristics; now that the times and tasks are different, much new knowledge has to be learned; this requires us to master the basic Marxist tenets by doing our best to link up with the new conditions." ("Speech Delivered at the CPC National Conference of Delegates," 23 September 1985) If we should fail to study Marxism, and if we should fail to become familiar with and to master the basic Marxist tenets and basic approach, adherence to Marxism will be out of the question, as will the development of Marxism. We can say that the strengthening of the study of Marxism is the need of the building of Marxist theory in the new period, as well as of the building of the two socialist civilizations. The study of Marxism is of universal significance to our cause, but it has a peculiar significance regarding young people.

First, the historical mission of the young people requires them to study Marxism. To build socialism with Chinese characteristics, contemporary young people are endowed by the times with the historical responsibility and mission to carry forward the revolutionary cause and forge ahead into the future. We are engaged in the great cause of socialist revolution and construction, with Marxism as our guiding ideology and guide to action, whether in the past, the present, or the future. Comrade Hu Yaobang hopes that contemporary young intellectuals "will work hard to closely link basic Marxist tenets and modern science and culture with the actual conditions of China's socialist modernization." ("The Road of Growth for Contemporary Young Intellectuals," carried in RENMIN RIBAO, 12 August 1985) If young people should fail to study and master Marxism in order to solve China's practical problems, it will be impossible for them to succeed the older generation, and to push forward our socialist cause. The future of the motherland and the nation lies in the young people. We hope the young people will become a generation with great accomplishments, capable of studying and applying the Marxist stand, viewpoint, and approach to solve the practical problems of China. The times have endowed young people with a great task, and the younger generation will shoulder heavy responsibilities.

Second, mastery of Marxism will help young people correctly understand reform, consciously support reform, and plunge themselves into reform in the present. Reform is a long-term task. Just as Comrade Deng Xiaoping said: Not only our generation but the next will be engaged in reform. (RENMIN RIBAO, 13 December 1986) This is a revolution to transform the economic, political, and cultural structure. A lot of questions need to be studied and resolved. If we are unfamiliar with basic Marxist tenets, it will be impossible for us to adhere to and to develop Marxism in practice, nor will it be possible for us to solve new problems emerging in reform. Generally speaking, young people find it comparatively easier to accept new things, and they are characterized

by their sensitivity and their aspirations for a better future. Just as Lenin pointed out, young people are generally willing to make progress in the footsteps of the reformists. Realities have also shown that young people are enthusiastic in supporting reform, and have actively plunged themselves into reform. On the other hand, because young people lack personal experiences, under very complicated conditions it will be very difficult for them to accurately judge the whole situation, and to grasp the direction of progress. To solve this problem, an important channel is to strengthen attainment in Marxist theory, as well as continuously accumulating experiences in practice.

Third, Marxism is the basis for young people to form a correct world outlook and outlook on life. Youth is a person's most crucial period, when his world outlook and outlook on life take shape, as well as the golden age for him to receive education. The ideological influences in this period are beyond doubt very important to his growth and development in the future. Marxism as a scientific world outlook and methodology, and as a science continuously enriched and developed in the progress of history and science, plays a very important guiding role in shaping young people's own world outlook and outlook on life. When Marxism first spread to China early this century, it was precisely under the guidance of Marxism that many young people grew up to be excellent talented people in China's revolution and construction through long-term tempering in practice. Facts have proved that their thinking, faith, and viewpoint can be correct and scientific only when they are based on Marxism. The study of Marxism is an indispensable condition for guaranteeing the healthy growth of young people, ensuring that they will become people with lofty ideals, moral integrity, cultural accomplishments, and discipline. Of course, we should see that the environment of the 1980's is really different. Young people long to develop themselves, and to become useful talented people; such enthusiasm should be affirmed and protected. We should criticize such erroneous ideas nullifying individuality. However, we must also see that the illusion of relying purely on personal struggle, in isolation from social groups, the masses in China, and China's actual conditions can accomplish nothing.

Fourth, regarding young cadres, the study of Marxism has yet another important significance, namely, it will help strengthen the sense of principle, the sense of system, foresight, and originality in analyzing and solving problems in their work and life. An important aspect of Marxism lies in the fact that it observes things with the systematic view of mutual links, and reflects the universal ties between things; it is the scientific methodology that reveals the laws governing the development and the developing trends of things. It helps us to have an all-round view of the entirety of a matter, to understand the relations between one thing and another, and guides us to master the laws governing development and the developing trends of things based on their present conditions. Marxism should not and cannot take the place of all branches of specific sciences and professional knowledge; however, as a scientific methodology, it plays an important guiding role in all items of our work; this is beyond doubt. What is worth mentioning is that we should clarify the confused idea of setting the study of Marxism against the study of other theories and knowledge of science. We should encourage young people to link the study of Marxism closely with other knowledge of

science and culture. We should allow and enthusiastically guide young people to draw comparisons and to make distinctions between Marxist theory and all kinds of contemporary theories in the world, including some bourgeois social doctrines. Marxism is scientific truth, and truth **will be proved** and developed precisely through comparison. It is **precisely by summing up** the ideological and cultural heritage of mankind and **drawing from non-Marxist** ideological materials that Marxism itself is created. It has inherited progressive human ideas, and absorbed widely valuable things in human knowledge. Away from the road of human cultural development, the birth and development of Marxism would have been impossible. Only on the basis of absorbing all kinds of scientific knowledge, and going through repeated comparisons and distinctions, will it be possible for young people to grasp Marxism in a more profound and solid way.

We should guide young people to study Marxism by applying the viewpoints of practice and development. The viewpoints of practice and development are the basic ones of Marxism. It is precisely through practice that Marxist theory is tested and continues to develop and to become complete and perfect. Marxist theory needs to be enriched with the practice and experiences of the new times and the new historical period, so that it may continue to be pushed forward in progress. Just as the "Resolution of the CPC Central Committee on the Guiding Principles for Building Socialist Spiritual Civilization" pointed out: "Marxism is a science continuously enriched and developed in the progress of history and science; it has not concluded truth, but continuously opens up the road to understanding truth in practice. China and the world have undergone, and are undergoing, tremendous changes. This, on the one hand, has proved the great vitality of Marxism; on the other, it requires us to apply the basic Marxist tenets and approach to solve new problems in a creative way." It is necessary for us to train young people in establishing the scientific scholarly style of linking theory with practice, to uphold and to encourage independent thinking among young people. When we encourage young people to study Marxism, it does not mean promising them that Marxism has already prepared readymade answers for all kinds of questions, but that young people should study, master, and find the scientific principles and approach for the answers to these questions. Therefore, it is very important to train people in cultivating the ability of independent thinking, and in learning the skill to analyze and solve problems by applying the basic Marxist tenets and approach. Many important principles and policies of the party are developments of Marxist theory in the new period. Young people should link the study of basic Marxist tenets with important party principles and policies.

At present, the smooth development of reform requires us to continuously improve the ideological and moral qualities, as well as the qualities of science and culture, of the entire nation. Young people are the future of the state, and the hope of the nation. We should attach attention to improving not only the qualities of young people in science, culture, mind, and health, but also their qualities in Marxist theory, and strengthen their ability in understanding and transforming both the subjective and objective world by applying Marxism in modern social life. It is necessary

for us to train specialists in every field needed by the times and, at the same time, to bring up activists among young people to become young and mature Marxists. This is of far-reaching significance for realizing the common ideal and the supreme ideal at the present stage.

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WHY DO WE SAY THAT EGALITARIANISM IS NOT A SOCIALIST MORAL CODE?

Beijing RED FLAG in Chinese No 2, 16 Jan 87 pp 44-46

[Article by Cheng Xiusheng [4453 4423 3932]]

[Text] Egalitarianism is an ideology of absolute equality born of the foundation of small production. In feudal societies, small producers were incapable of fighting the brutal exploitation by landlords and usurious businessmen. Their economic status was extremely unstable and their basic livelihood was not guaranteed. Out of an instinctive and spontaneous resistance to the class inequalities, they demanded the equitable distribution of lands and properties of the landlord class and dreamed of establishing an "ideal" society with absolute equality in all areas. For instance, the slogans put forth by the Taiping Heavenly Kingdom of "sharing the fields for cultivation, food to eat, clothes to wear, money to spend, even distribution in all areas and food and clothing for all everywhere" summed up and reflected the consciousness and demands of egalitarianism. These beliefs and demands played a definite progressive role toward destruction of the feudalistic exploitative system as well as pushing forth social development. However, the egalitarian proposal of eliminating all differences and the demand for absolute equality in people's working and living conditions, in material distribution, and personal needs could only be wishful thinking that could not be realized. With a more than 2,000-year history as a feudal society, our country was once a vast sea of small production, and the ideological influences of small production are wide and profound. During the long period of revolutionary war, owing to constraints in material supplies, the revolutionary base areas and the People's Army once implemented a large-scale egalitarian supply system. This was dictated by the struggling circumstances at the time, and played an important role in ensuring the victory of the revolution. Following the establishment of the socialist system, the principle of distribution according to work was widely implemented in the distribution of consumption commodities, and thus provided favorable social economic conditions for the transformation and abandonment of the egalitarian concept. However, since egalitarianism had deep influences, and since the practice of large-scale egalitarian distribution during the revolutionary war period left profound impressions on many cadres and people, some comrades were consciously or unconsciously led to regard egalitarianism as a socialist moral code. They wrongly believed that since socialism practices public ownership of the means of production, and since all working people are

masters of the state, it is necessary to practice even distribution of personal consumption commodities and that otherwise, it would be unequal.

Equality as a kind of moral concept does not divert from the abstract scope of historical development, and its connotation changes endlessly along with transformations in social economic foundations. The socialist concept of equality and egalitarianism are basically different. Socialist equality primarily refers to people sharing the same social positions in politics and enjoying the same rights. In this context, socialist equality is the elimination of classes. Just as Engels pointed out in criticizing the egalitarian thoughts and demands for equality transcending class of the opportunist factions of Proudhomme, Bakunin, and La Salle: "The actual content of the proletarian demand for equality is the demand for the elimination of classes. Any demands for equality surpassing this scope are necessarily plain absurdity." ("Selected Works of Marx and Engels," Vol 3, p 146) Only by eliminating classes can the exploitative system of using private ownership of the means of production to take without remuneration the fruits of labor of others be fundamentally eradicated. The working people could then be emancipated from the shackles of exploitation and slavery, gain equal rights in the ownership of the means of production, and thus implement the principle of distribution of the means of production according to work.

The principle of "from each according to his ability, to each according to his work" is the direct reflection of the socialist concept of equality. First of all, in accordance with this principle, each member of society has an "equal" obligation to do his best in creative labor--this is the prerequisite for implementation of rational distribution. This kind of equal obligation condenses the socialist moral code of pride in labor and shame in reaping without sowing. On the other hand, egalitarianism focuses only on equitable distribution of social wealth and disregards its creation. It focuses only on an individual's demands and acquisitions from society and ignores his obligations and responsibilities thereto. Hence, if egalitarianism became the moral code, the result would naturally be few givers and numerous takers, causing our society to become "scarce and impoverished." Second, socialist equality remains equality with difference. It admits that members of society have equal rights to receive corresponding remuneration based on the volume and results of labor. Here, equality is manifested in using labor as the sole yardstick for distribution and equating labor with remuneration. Owing to differences in social distribution of work and to differences in degrees of physical capabilities, intelligence, and proficiency of the workers, the use of labor as the yardstick for determining distribution would naturally lead to differences in people's income. However, such differences are decided by the development level of productive forces and could not be eliminated by good intentions or by administrative measures. It is precisely these differences that link labor with the material interests of the laborer and become a major step for bringing into full play people's initiative in labor as well as for raising the productivity of social labor. Denial of the necessity for and rationality of using labor as the yardstick for distribution, the unilateral demand for absolute equality in distribution, the belief that if income from work of a portion of members

of society is greater, and consequently greater differences result, is inequality--this is the polarization of the egalitarian ideology, and does not concord with the scientific socialist theory of Marxism.

Our country is now still in the preliminary stage of socialism, and it is necessary to strive to develop planned commodity economy and competition. In the distribution of material benefits, it is imperative to implement the principle of distribution according to work and, under the goal of common prosperity, to encourage a portion of people to prosper before others. Socialist morality opposes all thoughts and acts that benefit oneself at the expense of others or the state, that put money above everything else, that usurp power for personal interests, as well as all thoughts and acts of deception and bribery. It certainly does not negate distribution according to work nor commodity economy. It does not deny the rational differences in distribution among people. History's lessons tell us that egalitarianism is a degenerating agent that rewards idleness at the expense of industry, as well as a serious obstacle to implementation of the principle of distribution according to work. The proliferation of egalitarianism will inevitably dampen the people's initiative in labor and enthusiasm for creation. It will corrode the economic foundation of socialism and hamper the development of social productive forces. Since the 3d Plenary Session of the 11th CPC Central Committee, in order to eliminate the influences of egalitarian ideology, corrections have been made of the existing egalitarian tendencies in economic work, notably in the area of distribution, to embody fully the principle of rewarding industry and punishing idleness, rewarding excellence and punishing mediocrity, and greater gain for greater labor. The party and government have undertaken enormous work and adopted various measures, such as developing diversified economic sectors and operational patterns in order to open up new income channels, reforming the wage system by enlarging wage differences within enterprises and widening employee's ratings altering the condition of income from mental labor being generally low, and reforming the award system by gradually linking the income of enterprises' employees with improvement of enterprises' economic efficiency. These policies and measures vigorously enhance the enthusiasm of the people and promote the development of productive forces. In order to develop social productive forces more rapidly and to promote socialist commodity economy, a major issue is to further determine ideologically that egalitarianism is not a socialist moral code and to firmly resist egalitarian influences in practical work so that the principle of distribution according to work can be better implemented.

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CORE STUDY GROUPS AT VARIOUS LEVELS IN JILIN PROVINCE ACHIEVE INITIAL SUCCESS IN THEORETICAL STUDIES

Beijing RED FLAG in Chinese No 2, 16 Jan 87 p 46

[Report by the Jilin Provincial CPC Committee Propaganda Department Theoretical Work Office]

[Text] In January 1986, the Jilin Provincial CPC Committee issued a "Circular on Restoring and Setting Up Core Groups for Theoretical Studies in Organizations at the County Level and Above." By the end of March, core groups had been set up by all party committee organizations in all areas, cities, prefectures, and counties in the province. A total of 72 core groups were formed, with a total enrollment of 1,663 members. Over the past 6 months or more, in fulfilling the requirements of the "Circular," various core groups have finished studying the first set topic, "Strive To Master the Basic Tenets of Marxist Theory in Light of the Current New Situation," and the second set topic, "Socialist Modernization and the Economic System Reform." With their studies centering around these topics, cadres at all levels conscientiously studied books, boldly explored, and stressed application. In the province there are now a number of leading cadres who have achieved relatively good results in applying theory to guide practice, and thus in creatively implementing the party's line, guiding principles, and policies. The specific methods are:

1. Grasping cognition and strengthening the cadres' sense of urgency in studying Marxist theory to cope with the current new period. A considerable proportion of cadres lacked a sense of urgency in studying Marxist theory to cope with the new period. Some regarded professional work as hard tasks and theoretical study as an easy task which could be perfunctorily accomplished. Others stressed that work and tight schedules left no time for theoretical studies. In light of this situation, the "Circular" requires the core groups to fully understand that studying Marxist theory is an objective demand of the new period. Through study all have come to realize that, in the face of the current realities of the economic system reform, unless one studies theory, knows that commodities, markets, and competitions are, and understands the laws of economic construction, one will not only perform one's work badly, but may even find it difficult to move a single step forward. In some counties party committee secretaries and propaganda chiefs have developed the habit of reading books in the morning and evening at their

offices, and have written a great deal of book notes. Everyone has been encouraged and motivated by the leading cadres' example in taking the lead in studying.

2. Grasping relevant measures and vigorously persisting in good methods of study. In accordance with the requirements of the "Circular" and in light of the real local conditions, various localities have instituted systems of studies which have been continually revised and perfected with the in-depth development of study. Local core groups in various localities have adopted the method of integrating self-study with collective discussion; collective discussions are held 1 to 3 days per month. Many comrades in charge of area or city party committees have inspected work of lower levels, paying great attention to the intensification of core groups' studies. In some localities core group members have been examined, and in certain localities meetings for presenting study reports have been held. To some extent these measures can ensure the progress of study.

3. Effectualness is stressed, and the cadres' ability to use the Marxist stand, viewpoints, and methods to solve basic political, economic, cultural, and social programs are continually enhanced. First, attention is paid to key points in study in connection with problems encountered in work. For example, members of the core group of the Fusong County party committee encountered problems like: How should the development of specialist households and the transport of goods to distant places for sale be viewed? Does party members' employment of hired workers violate set policies? And so on. They were not certain about what is correct and were afraid to answer the questions. Through study they gradually acquired a clear understanding of those and many other practical questions. Second, basic theories are taken as a guide in the formulation of local economic development strategies. Having studied theories of the socialist commodity economy and Comrade Zhao Ziyang's "Report on the Seventh 5-Year Plan," many comrades in charge of various areas, cities, and counties can now analyze the local industrial structure by consciously applying the strategic viewpoint of developing the socialist commodity economy and launching the comprehensive development of primary, secondary, and tertiary industries. Third, basing themselves on investigation and study, core group members have enthusiastically written treatises that integrate theory with practice. In many localities, after studying the topic "Socialist Modernization and the Economic System Reform," group members were required to write a commentary each and to speak at local meetings to present study reports or at economic development strategy seminars.

4. The role of study secretaries is fully developed. Study secretaries provide advice and service to leading cadres at all levels in studying. In many localities great importance has been attached to their role.

Core groups in Jilin have achieved initial success in their studies mainly because: 1) The provincial party committee attaches importance to it; 2) the provincial party committee Propaganda Department Theoretical Work Office provides satisfactory service to core study groups at various levels in a down-to-earth manner; and 3) the study inspection system is adhered to and supervision is opportunely carried out.

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MY HUMBLE OPINION ON 'INERTIA'

Beijing RED FLAG in Chinese No 2, 16 Jan 87 p 47

[Article by Sun Shijie [1327 1102 2638]]

[Text] In the summer of 1984, I attended a literary workers' meeting in Pingshan County in Hebei and heard the local comrades tell the following story of how tap water was made available for the first time in the remote mountain village of Pingshan, an old liberated area, and the generations-old problem of a shortage of potable water was thus solved. All villagers greatly rejoiced, but an old peasant would rather continue to arduously climb mountains and wade across streams to fetch water and carry it home in buckets hung on a shoulder pole, because tap water "tastes bad." The audience, including me, laughed at hearing the old peasant's folly. Now, more than 2 years later, I mention this story here not to ridicule the old peasant, but to ridicule my own superficiality.

When society advances but one's conception lags behind, this is a kind of "inertia" or force of habit. Although the old peasant's refusal to use tap water for drinking is an uncommon example, this reflects the same "inertia." Actually, "inertia" affects not only that old peasant in real life; similar examples are rather common.

Several years ago, whether transporting goods to distant places for sale was a "socialist" or "capitalist" act was a hotly debated topic in society. Today, the undertaking of developing the socialist commodity economy has not only been endorsed in the documents of the CPC Central Committee, but is even cherished by the whole nation. Anyone interested can send goods from the southern provinces to the northern borders and freely do business according to the law. It cannot be denied, however, that even today many people think "traders" are undignified. Why? The only reason is that people have not yet freed themselves from the quagmire of the natural economy ideology characterized by stressing agriculture at the expense of commerce. This is probably an instance of "inertia." This ready example can help people arrive at the general conclusion that "inertia" is a common social phenomenon and every one of us is usually affected to a certain extent by "inertia."

Life remains unchanged like stagnant water and "inertia" seems to customarily persist. Frequent conflicts with "inertia" are precisely signs of vigorous development in reform. However, people often customarily and thoughtlessly make moral judgments on "inertia" in life and are content with making only moral judgments; they denounce it with adjectives like conservative, sentimental about things of the past, ignorant, and uncivilized, or simply laugh it off with contempt. The crucial question is that "inertia" arises naturally from certain social and historical causes. It is difficult to understand and even more so to change "inertia." Conservatism in viewing "inertia" is naturally undesirable, but mere regret or scoffing is also useless. In viewing "inertia" with a reformer's insight, we must extend the sensors of our thinking beyond intuition, deep into the more profound realm of rationality.

A look at our predecessors' views can help us think more deeply about this question. Lenin included both "customs" and "habits" in "culture" and held that changing these things is very difficult. He said with a heavy heart: "The force of the habits of tens of millions of people is the most formidable force." Lu Xun highly appreciated Lenin's view, praising him as a "true revolutionary," and said with deep insight: "Those intent on pursuing reform must deeply know what is in the people's minds and try to channel the relevant forces into desired uses and make improvements. Otherwise, even their most brilliant treatises or most elegant arguments, maybe adorned with romanticism or classicism, will mean nothing to the people." He hoped that reformers could "bravely and persistently" look squarely at old customs and habits. Both Lenin and Lu Xun deeply analyzed the historical causes of "inertia" instead of simplistically taking them at face value. This reflects the two great men's originality in thinking.

Thus, I realize that in changing the "inertia" of tradition, though the media plays an indispensable part in promotion, it is most important to develop the economy, raise the standards of education, science, and culture, and rely on the actual success achieved in reform. The work of the media involves a question of correctness. I think one must pay attention to at least two points in order to be correct: First, one must skillfully provide guidance and make really convincing and enlightening arguments. Second, one must be sufficiently tolerant and patient and must never force one's views on others. For example, one should permit those who dislike "tap water" to continue to drink "well water" or "river water." Moreover, one must never forget to try all means to improve the "tap water" already loved by many, making it purer and taste better. If our reform can genuinely benefit the masses the "inertia" handed down by history will eventually come to an end.

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ODE TO STRENGTH--APPRECIATION AND ANALYSIS OF TRADITIONAL CHINESE PAINTING
'THE HUANG HE ROARS ON'

Beijing RED FLAG in Chinese No 2, 16 Jan 87 p 48.

[Article by Shen Peng [3088 7720]; a photograph of "The Huang He Roars On" appears on the inside front cover of this issue; a photograph of the painting "The Iron Walls of the Taihang Mountains" was published on the inside front cover of the No 5, 1985 issue of this magazine]

[Text] "The Huang He Roars On" by Yang Lizhou and Wang Yingchun is an artistic crystallization of the artists' affirmation of man's intrinsic value and strength. It was created by them out of great zeal and in light of their own experiences in life and interpretations of life. Inspired by many years of past experience (for they grew up on the banks of the Huang He and frequently crossed the river), and driven by a strong creative desire, they returned to the banks of the Huang He after graduating from their post-graduate class at the Central Art Institute. There they worked out the composition through careful deliberation and finally completed the three-piece set of paintings featuring the Huang He. It has been pointed out by some people that the two lateral paintings of the set, entitled "Thoughts on the Huang He" and "The Huang He's Indignation" have the shortcoming of being overly conceptual. The central piece, "The Huang He Roars On," however, is highly successful. From a bird's-eye view, the artists depict the Huang He boatmen's struggle against the terrifying waves. This leads one to feel that the artists, perching on the high plane of the times, are looking down at the course of our nation's arduous struggle. The Chinese nation, beset with numerous hardships and setbacks, will finally overcome numerous obstacles and perils and reach the other bank in triumph. Naturally, this profound and extensive connotation leads one's thoughts beyond the specific historical period reflected in the works. Although the historical background depicted on the painting is the war of resistance against Japan, and the main melody of Xian Xinghai's "The Huang He Cantata" is virtually deeply embedded in the painting, this work which was created after the 3d Plenary Session of the 11th CPC Central Committee has a detectable profound inherent relationship with memories of the decade of upheaval. Was not that decade precisely a difficult time when our nation was struggling in terrible turmoil against terrifying waves? Displayed before our eyes is "The Huang He Roars On," with its depiction of people, the river, labor, history, and reality. Like many famous works with tremendous generalizing power it has many

resplendent facets, so that people can appreciate and interpret it in different ways. It can be viewed either as a genre or a historical picture; in its latter capacity, however, it is strongly connected with the current reality. The artists' understanding of the reality underwent distillation during the creation process when it was geared to a specific theme. Therefore, the appraisal of "The Huang He Roars On" can, and indeed should, transcend the historical subject itself.

Stressing expression at the expense of reproduction and stressing the pursuit of loftiness are the two artists' characteristics in creation which are reflected in the composition of "The Huang He Roars On" and "The Iron Walls of the Taihang Mountains." In the latter, the heroes fighting against Japan are merged with the magnificent Taihang Mountains. The stylistic novelty gives people a pleasant surprise and makes people gasp with admiration. In art, the relation between the subject and the object is frequently discussed. Actually, the two are basically unified by an artist's own life and practice of creation. If the two artists had not harbored deep feelings and intense emotions about the revolutionary struggle in the Taihang Mountains the marriage of subject and object in the aesthetic appreciation process would not have a solid base. If the artists had not gained rich experience in life over many years, if they had not made new discoveries and achieved in-depth development in cognition, their works would not have attained such a high standard. The artists explained that once when they were sketching from nature in the Taihang Mountains the rays of the setting sun highlighted the magnificence and beauty of the mountains. Thereupon the image of the Taihang Mountains merged with the heroes fighting against Japan flashed into their minds. This emergence of inspiration and success in creation most clearly illustrates the close relation between creation and life.

The exploration of techniques in creating "The Huang He Roars On" has also been a success. Comrade Ye Qianyu said that the success of this painting depends crucially on the satisfactory depiction of the turbulent river water. Ma Yuan's "Picture of Water" could furnish reference but could not replace creation. Even the rapid current in the "Picture of Boats of Sichuan Sailing Down the Gorges" painted in the Song Dynasty could only furnish reference. The artists had to invent an unprecedented method. The rich feeling conveyed in their painting of the quality and power of water more efficiently sets off the greatness of man's conquest of nature. This breaks through the old formulas which I think have a dual nature. Formulas arise from life; but when life undergoes revolutionary changes and formulas remain unchanged, when artists cannot break through the "set modes of thinking," then formulas will become conventions that hamper the further development of art. Artists of a highly creative caliber can skillfully make use of predecessors' achievements. They can also boldly open up unique paths, discard ossified and lifeless things in tradition, and develop those factors which are full of vitality and are still useful today. Generally speaking, today we still lack systematic and fully developed experience in changing traditional art into modern art and applying the experience of the West to our advantage. However, because the art of our times is developing in variety and is being extensively subjected to exploration, any positive effort in exploration will be advantageous to the development of art. The sincere labor of Yang Lizhou and Wang Yingchun and their strong sense of historical responsibility and mission have actually been applauded and rewarded by society.

'CONTEMPORARY MANAGEMENT PSYCHOLOGY,' A BOOK WITH CHINESE CHARACTERISTICS

Beijing RED FLAG in Chinese No 2, 16 Jan 87 inside back cover

[Article by Niu Pu [3662 2613]]

[Text] "Contemporary Management Psychology," written by Comrade Wang Jisheng and published by Hongqi Publishing House, was appraised as an outstanding best-seller in China in 1986. Having heard about this, I bought the book through someone else. After reading carefully through it, I thought deeply about it and realized that it really deserves to be called an outstanding best-seller. Being a best-seller means it is appreciated by a vast number of readers. Moreover, I think it is called outstanding because of the following several characteristics:

First, it conducts a useful exploration of management psychology with Chinese characteristics. Being a branch of psychology, management psychology appeared in the 1950's in the United States. In the early 1970's, the Soviet Union began to study management psychology. In China, the study of management psychology started at the turn of this decade and is currently still undergoing the process of establishment. The author conducted studies in connection with the actual situation of management in China and expounds the system of management psychology in 17 chapters on personality and management; needs, motives, and incentives; attitude and management; interpersonal relations; leadership psychology; and so on. Because China is vigorously launching an all-round reform, the author wrote a chapter on reform-related psychology, analyzing psychological obstacles to reform and suggesting countermeasures based on psychology for promoting reform. Moreover, a chapter discusses the psychology of ideological-political work. This is a feature of management psychology with Chinese characteristics.

Second, its contents include something not covered by other books of its kind. Currently several books on management psychology have been published. Although each has its own features, this book has the unique characteristic of paying great attention to expounding psychological questions related to issues of great concern to people. For example, in the intellectual circles people show great concern about the academic arena. This book discusses psychological questions related to academic matters, like the psychology of academic cooperation, discussion, competition, thinking, and so on. Over the past several years, large numbers of old cadres and old workers have left office

or resigned. Studying their psychological changes is of great importance to developing their remaining energies and helping them spend their remaining years in happiness. This book contains a chapter on the psychology of old comrades who have left office or resigned, including their psychological health, responses, and characteristics. These questions are seldom, if ever, discussed by other books of its kind.

Third, the book is closely geared to reality and stresses application. The author not only analyzes the psychological conditions of various types of people, but provides those doing management work with some new methods. For example, it introduces the use of numerical charts and the calculation of points to assess staffers' work; it discusses the psychological health of youths and the middle-aged to help ensure people's mental and physical health; it introduces methods for improving interpersonal relations; it proposes psychological countermeasures useful for promoting reform; it discusses the psychological principles governing ideological and political work to help strengthen this work; and so on. These methods can be used easily in management work and can yield rather satisfactory results.

Of course, this book has some shortcomings, the principal one is that the analysis of problems is not sufficiently thorough; there is relatively little discussion of how to control and reorient existing abnormal psychological traits. However, the defects are dwarfed by the merits. Since it is a good book, it has been included in the teaching materials of many management studies institutes and party schools in China.

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