

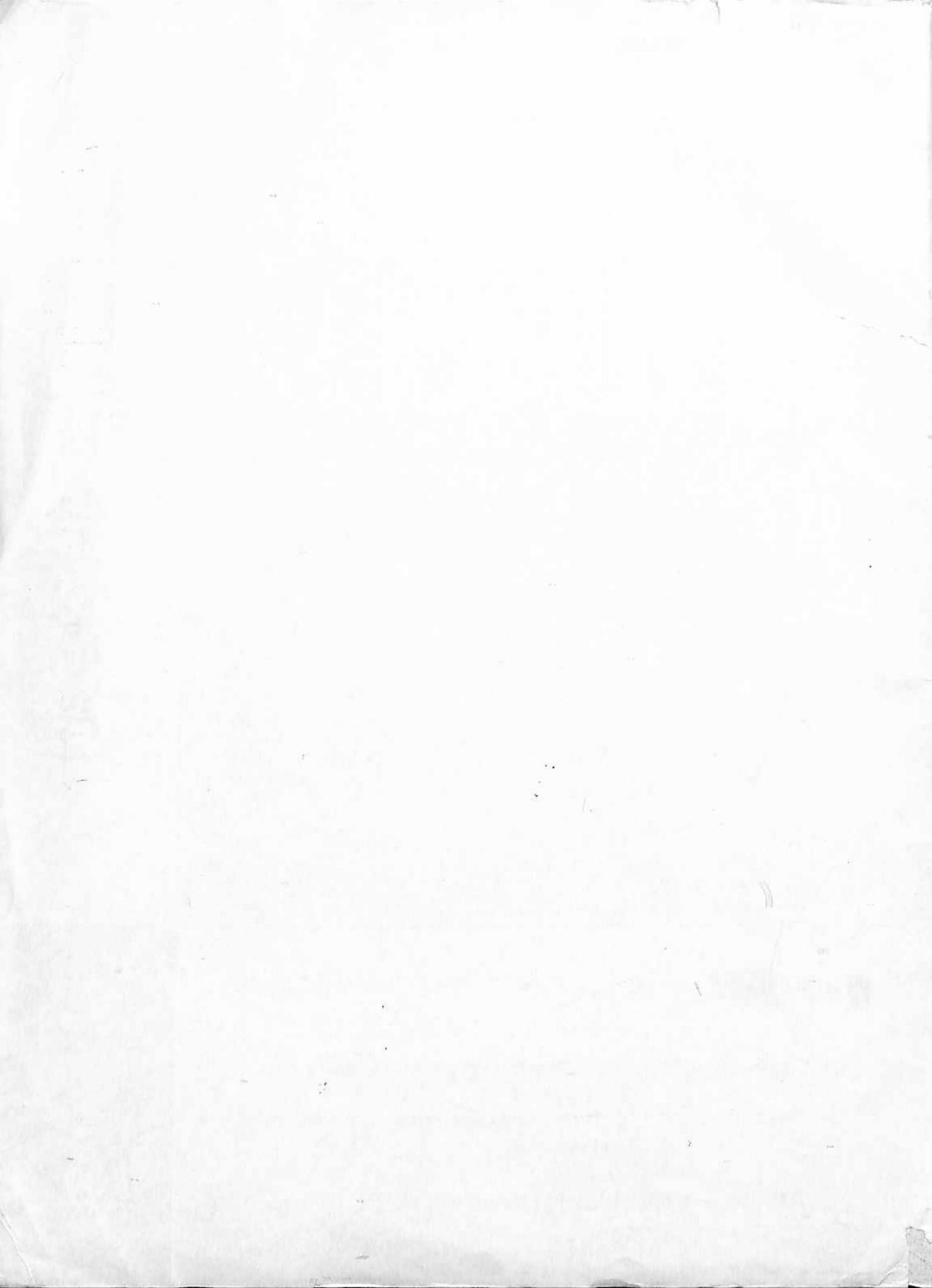
# SOCIAL SCIENCES in CHINA

中国社会科学

- **Agrarian Revolution: CPC Policies from 1927-37**  
*Guo Dehong*
- **Some Problems Concerning Pricing** *Huang Da*
- **China's Landlord Economy and the Sprouts of  
Capitalism in Agriculture** *Li Wenzhi*
- **Aesthetic Criteria for Literary Criticism**  
*Liu Zaifu*

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## SOCIAL SCIENCES IN CHINA

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## CURRENT IDEAS

A regular column on the latest thinking  
of Chinese philosophers and social scientists

### **What Is the Aim of Socialist Production (AOSP)?**

During the past two years, this theoretical question has aroused heated discussions among Chinese economists. The debate was initiated in July 1979 when the National Planning Commission's Economic Research Center organized several forums in Beijing for theoretical economists. Three months later, on October 20, *Renmin Ribao (People's Daily)* published an article entitled "The Aim of Socialist Production Must Be Clearly Defined," which evoked strong repercussions throughout the country.

During the following year, as economists began to more fully understand the significance of economic readjustment, discussions went deeper. In early December 1980, the *Political Economy Editorial Group (Section on Socialism)* under the Chinese Academy of Social Sciences together with the National Society of Political Economy (branch on socialism) jointly sponsored a nationwide academic forum. Yu Guangyuan, a prominent economist and vice-president of the CASS, and other leading figures attended. Economists at the symposium agreed unanimously that clarification of the AOSP is vital for economic readjustment and reform of the economic structure. The following is a report on the problems raised and the various views put forward at the symposium.

#### **What Do We Mean by "Needs of the People"?**

There was general agreement as to how the AOSP should be formulated: "to meet the continually growing material and cultural needs of the people." However, there was a wide range of opinion on how to interpret these "needs."

One group argued that "needs" should not be construed as social needs in the general sense, but should be stated explicitly: socialist production aims at a happy life for all the people and the free, all-around and full development of human potential. This group, the "Narrow School," believes that "needs"

should include the material and cultural needs of the people, both individual and collective. They consider it incorrect to incorporate within the AOSP other social needs such as requirements for expanding reproduction, government administration, national defense, and foreign aid. The "Narrow School" offered four basic reasons for limiting the AOSP in this way:

(1) By stretching the AOSP to include these other social needs, the specific aim of socialist production loses its distinguishing feature. Requirements for government administration, national defense, and foreign aid have existed in all societies ever since the emergence of classes. These requirements serve the ruling class by creating the political conditions for realization of its aim of production (AOP). To subsume these requirements under the AOSP blurs the distinction between the AOSP on the one hand and the requirements of the state in carrying out its function and the specific production tasks assigned by planning organizations on the other. This, in turn, might lead to the notion that, as far as administrative bodies and their expenditures are concerned, the bigger, the better. Furthermore, if the AOSP departs from the material and cultural needs of the people to include the various requirements of the superstructure, there exists the danger that careerists and conspirators could camouflage their political and economic ambitions under the cover of "social needs." They could include expenses incurred in carrying out their criminal schemes as a part of the expenditures for meeting the needs of society and fulfilling the AOSP.

(2) The expansion of reproduction is a means to realize the AOP, but it is not the aim itself. To list it as part of the AOSP would blur the distinction between the two: it would, in fact, be tantamount to saying that the purpose of production is production, winding into the blind alley of "production for production's sake," where unlimited expansion of accumulation and capital construction is considered a good thing, making it easy to squeeze out the material and cultural needs of the people.

(3) To include these other requirements within the AOSP would obscure the distinction between the AOSP and the distribution of the diversified total social product. Production and distribution are related, but they are not the same thing. The satisfaction of diverse needs is a question of correct distribution of the national income, which should take as its basic principle the realization of the AOSP, i.e., to the greatest possible extent, satisfy the people's material and cultural needs.

(4) Our experience in building up the economy over the past thirty years offers an important lesson. It was precisely because all the various social needs were subsumed under the AOSP that we over-expanded reproduction, spent too much on foreign aid, and so on, all without regard to our actual economic capability. This resulted in lopsided development and serious disproportions in the economy. It also held back improvements in the people's standard of living and thus harmed the prestige of socialism as a social system.

To sum up, the "Narrow School" held that these needs — expansion of reproduction, state administration, national defense and foreign aid — are not the AOSP prescribed by socialist relations of production; to include them in the AOSP plays right into the hands of "Left" line theory which ignores the people's economic interests and their needs in daily life.

The "Broad School," on the other hand, argues that the aim of socialist production is none other than the satisfaction of social needs in general. Specifically, the AOSP includes: requirements for the people's livelihood, expansion of reproduction, government administration and national defense, and foreign aid. The "Broad School" put forth the following arguments:

(1) From the angle of an isolated production process, the products or commodities which remain after deducting compensation for the means of production, i.e., the newly-created product or value ( $v + s$ ), belong to the sphere of production. While only a portion of these products or value can be used to meet the needs of the people, the other social needs are just as essential to the people and must be included within the AOSP.

(2) The needs of the people cannot be understood in a narrow sense. These needs are both direct and indirect, personal and public. Public needs can be divided into requirements for collective welfare, government administration, national defense, and foreign aid. All of these public needs are indispensable to the people's immediate and long-term interests. The expansion of reproduction, while indirect as a need, is where the people's long-range interests lie. If it is not included within the AOSP, it would be impossible to correctly handle the relationship between immediate and long-term interests, and therefore it would not be possible to guarantee continual improvements in the people's living standards.

During the discussions, many comrades from both "Schools" expressed the opinion that it wasn't enough to simply clarify the AOSP; the economic categories which are used to express the AOSP must also be defined. They emphasized the need for a formulation which is both qualitatively and quantitatively definitive, and which can accurately reflect the AOP as demanded by objective economic movement. They pointed out that the phrase "the ever-growing material and cultural needs" lacks a material form and fails to show theoretically the essential connections in the process of socialist reproduction. The introduction of the concept into the category of the relations of production can easily lead to the misunderstanding that socialist production is something indefinite and variable. Hence the "material" aspect of the AOSP should be clearly formulated. Many comrades felt that such a formulation was not only essential to realization of the four modernizations, but also an indispensable foundation for setting up a theoretical system for the political economy of socialism.

What then is the category? To very briefly summarize the discussions on this question, the "material" aspect of the AOSP assumes three forms. The first

is the form of material object. Some comrades said that the AOSP is to provide the "means of subsistence" as a guarantee of the people's welfare and their all-around physical and intellectual development. Others said that socialist production pursues "the increase of necessary product and surplus product," that the AOSP is to produce "final products," "final use value," "final consumer goods," "net products," "surplus product," etc. The second form is value. Some comrades held that the AOSP is to produce "necessary value," or newly-increased value, which means the value crystallized from the workers' labor in the socialist society as a commodity economy. The third form incorporates both material object and value. Some comrades said that what socialist production pursues is the "socially necessary product," that is, commodities which can be realized and which satisfy social needs.

There wasn't enough time at the forum to go into detailed discussion of all the views on this question. However, it was generally agreed that the problem is an important one and deserves further study.

### **On the Starting Point of Research into Realization of the AOSP**

There was clearly a wide range of opinion on the formulation of economic categories to express the AOSP. This was in large part due to the diversity of approaches. Should we base our research on the ideal socialist society, or on the realities of the present moment in China? Should we take into consideration both public ownership and commodity economy, or only the former?

According to one viewpoint, in discussing the aim of production, we are not concerned with the general aim, but with the specific AOSP at the present stage. These comrades pointed out that satisfaction of the people's material and cultural needs is the general aim of production under socialism, and even under communism, but it is not the specific aim of production at the present stage. If analysis is to begin from present realities, we must fully acknowledge the existence of commodity economy, which dictates that the AOP can only be realized through the form of commodities. Thus, to understand the AOSP at the present stage, we must proceed from the specific nature of commodity economy.

These comrades supported their views with the following reasons: Public ownership at the present stage does not take the form of society's direct possession of the means of production. Rather, it assumes the form of decentralized ownership by socialist enterprises with relatively independent economic interests. Accordingly, the worker cannot directly possess or allocate the means of production by virtue of his status as their master, nor can he directly take possession of the consumer goods which he has produced. He must first receive the value (wage) corresponding to his labor and only then can he obtain the

social products to meet his needs. Under these economic conditions, realization of the AOSP has specific economic implications:

(1) The needs constituting the AOSP are needs with purchasing power. Under the conditions of commodity economy, the level of social needs with purchasing power is the level of social consumption conditioned by a given level of productive forces. Products which satisfy needs are those whose value can be realized, therefore, the level of needs is the level of actual social purchasing power. The needs which actual production strives to meet are those needs expressed in constantly increasing purchasing power.

(2) The needs constituting the AOSP are the unity of production and consumption, i.e., only those needs which have entered consumption are real needs. In other words, only those commodities which, having been produced, pass through circulation and enter consumption can be considered needs-satisfying products.

(3) The needs constituting the AOSP are the unity of value and use value. Socialist production must not only guarantee the satisfaction of people's needs in terms of use values, it must also ensure the economic interests of society's members in terms of value. We cannot afford to limit our attention to the production of use value and ignore value, nor place socialist commodity economy in opposition to public ownership. In a commodity economy, the AOSP is to produce more new value ( $v + s$ ). In this way, the production aims of the individual, the enterprise and the state can be organically integrated.

Other comrades argued that research into the AOSP should be based not on commodity economy, but on public ownership. The AOSP, as a theoretical category, is a reflection of the essential attributes of socialist relations of production. At the present stage, ours is a planned commodity economy based on public ownership. However, it is the public ownership, not the commodity economy, that determines its particular socialist nature. Since the qualitative aspect of the AOP is determined by the form in which the means of production and labor are combined, and its quantitative aspect by the level of productive forces, the AOSP can only include economic goals which are determined by socialist public ownership, and should not include the requirements raised by the laws of commodity economy, that is, the law of value. These comrades argued that the commodity economy approach would lead to the conclusion that profit is the purpose, or at least one of the purposes, of socialist production. This group felt that such a conclusion would cause a lot of confusion in theory and a lot of harm in practice.

### **The Macro and Micro Approach**

The variety of approaches to the AOSP also led to different ideas on the macro-AOP (the AOP as seen from the angle of society's reproduction as a whole)

and the micro-AOP (that of the individual socialist enterprise). The first group argued for recognition of the multiplicity of AOPs. Some comrades held that since there are basically three different economic interests, namely, that of the state, that of the collective and that of the individual, there are correspondingly three different AOP's: the general AOP of the society, the specific aim of the production unit, and the direct aim of the individual taking part in production. Other comrades held that the multiplicity of AOPs stems from the different systems of ownership of the means of production.

The second view was that there is only one macro- and one micro-AOP, the two being different and essentially contradictory. While the AOP of society, or the macro-AOP, is to satisfy the needs of all the people, that of the production unit, or the micro-AOP is commodity value, or profit. Why profit? 1) This stems from the very nature of commodity economy in which the producer aims not at use value but at value; he is concerned with whether his commodity can be transformed from material form into monetary form. 2) This is determined by the way in which the producer's material interest is realized. The enterprise's material interest lies in keeping a part of the profit, yet profit is realized only after the sale of the commodity. The enterprise meets the needs of society through its pursuit of profit. The comrades maintaining this view considered it impractical to talk only about the AOSP being to meet the material and cultural needs of the people and yet ignore the concrete form in which this AOSP is fulfilled. By so doing, they pointed out, the AOP is turned into a kind of theoretical abstraction, castles in the air. The difference and contradiction between the macro- and micro-AOP's exist objectively. If we are able to recognize and accept this fact it will be possible to correctly solve some of the structural problems in the economy, e.g., the integration of centralization and decentralization, of planning and market mechanisms, of economic means and administrative means, and so on.

The third view confirmed the existence of both the macro- and micro-AOP, but regarded them as consistent and constituting a dialectical unity. They argued that both AOP's are determined by public ownership of the means of production; they are not only common in their objectivity, but are also consistent in content. The macro-economy is composed of micro-economies and the macro-AOP of micro-AOP's. The social AOP as a whole loses its foundation if separated from the AOP of the enterprises. The AOP of both the enterprise and the society is to produce the articles of consumption needed by the people. Profit is the enterprise's means to realize its production aim, not the aim itself. This group pointed out that the quantity of profit is not entirely determined by the quality of management or the work of employees; it is also conditioned by such factors as price, facilities, supply of materials, regional economic conditions, etc. Furthermore, the lion's share of profit is paid into the state treasury, and even the portion retained by the enterprise, through distribution by

the state, is used for welfare or bonuses to increase the workers' purchasing power. Hence the consistency between the enterprise's AOP and that of the society, or between the macro- and micro-AOP's.

There was also a wide range of opinion on the AOP of the enterprise, or the micro-AOP: to produce the means of subsistence required by the people; to provide commodities in growing quantities; to create use value; to produce more new value ( $v + s$ ); or, simply to make profits. One group held that the AOP of socialist enterprises is dual in nature. It is to meet the growing needs of the people on one hand, and to produce more profit both for the state and the enterprise itself on the other. They pointed out that under socialism profit is no longer the transformation of surplus value, but the monetary expression of a part of the surplus product created by the worker. It belongs to the people and the enterprise and embodies the relations of production under socialism.

### Realization of the AOSP

For a considerable part of the past thirty-year period, things did not go well with fulfilment of the AOSP. Why, and how do we go about setting the situation right? These questions call for research which doesn't merely study general principles and methods in the abstract, but searches for the proper economic mechanism necessary for realization of the AOSP at the present stage. Four specific questions were raised at the symposium:

(1) Why have we had such trouble in realizing the AOP? It was generally agreed that the crux lies in the influence of the "Left" line and the drawbacks inherent in the economic structure. The fundamental cause is that the relations of production became divorced from the level of development of the productive forces; and the direct cause is the imbalance of proportion in the national economy.

(2) What is the economic essence of the failure to realize the AOP? For a long time, China adhered to a policy of high accumulation, low efficiency and low consumption, with the result that there was neither speedy development of production nor sufficient improvement in the people's livelihood. This means an encroachment upon the worker's necessary labor. The AOSP is to meet the people's needs for basic consumption. If the workers have expended large quantities of labor and these needs are still not satisfied, it means that their necessary labor has been taken from them gratis. As defined by the AOSP, the quantity of necessary labor is not limited to the means of subsistence necessary for maintaining the reproduction of labor; it must also include the means of development and enjoyment. The AOSP finds full expression only when the quantitative limits of the worker's necessary labor is determined in accordance with all of these needs. The policies of "accumula-

tion before consumption" and "deductions before distribution" have squeezed out the working people's consumption. Inroads upon their necessary labor became inevitable. There has been little improvement in their material lives, and culture and education have been neglected as well.

(3) What are the special features involved in realizing the AOSP in China at the present stage? A study must be made of China's particular characteristics as determined by the level of productive forces and the nature of the different systems of ownership. First, owing to the coexistence of various systems of ownership and to the relative independence of enterprises, the qualitative determinants of the AOSP differ in enterprises with different systems of ownership. Second, owing to the uneven development of the productive forces, the quantitative determinants of the AOSP also vary from enterprise to enterprise. Specifically, when the level of productive forces are still quite low, generally it is only possible to guarantee the satisfaction of the people's needs for the basic means of subsistence. We cannot make vague and sweeping promises that, at the present stage, socialist production is already capable of meeting to the greatest extent the ever-growing material and cultural needs of all the people. Third, under the conditions of commodity economy, people satisfy their material and cultural needs mainly by purchasing them with the wages or workpoints which they receive as remuneration for their work. These needs are thus needs expressed in purchasing power. The implication is that not all the needs are met; those without purchasing power are simply ignored by society. Therefore, it is of utmost importance to increase the purchasing power of the people. Fourth, because of the existence of commodity economy, the AOSP is realized through the market, so we must pay attention to balancing the national economic plan through the market mechanism. Fifth, the relative independence of state-owned enterprises must be protected so as to make it possible for them to become dynamic economic cells in the body of society.

(4) Through what means are we to realize the AOSP? Some economists believe that the answer lies in the "higher technology" referred to by Stalin. Many other comrades felt that, although important, technology cannot be considered the only means, nor should we conclude that only with a higher level of technology can the AOSP be realized. These economists argued that the means used to realize the AOSP should be studied by proceeding from the unity of the production and circulation processes.

Suggestions as to the best means for realizing the AOSP covered a wide range. They can be summarized as follows:

(1) The fundamental means is to carry out proportionate development of the national economy. The crux lies in whether the national economic plan is correct. We must have a plan, and that plan must reflect reality. Bad planning is one of the major factors leading to disproportions and the failure

to realize the AOSP. To formulate a correct plan, it is necessary to first make a plan of the working people's consumption, draw up a list of products according to priorities in the material and cultural lives of the people, and then structure the national economy accordingly. These economists believe that this is the only way to ensure realization of the AOSP.

(2) The key in realizing the AOSP lies in a proper ratio between accumulation and consumption. This ratio has an important bearing on whether the national economic structure is rational, and is directly expressive of the guiding principle of socialist economic construction. If it is unbalanced, the AOSP cannot be realized.

(3) Because the AOSP is realized through the market, price is an important means. Prices have a substantial impact on market changes, the working people's purchasing power, the enthusiasm of enterprises and the level of state revenues. In other words, prices directly affect the degree to which the AOSP can be realized.

(4) Realization of genuine socialist democracy is the fundamental political precondition to realization of the AOSP. If democracy is lacking, the abuses of bureaucracy and privilege are bound to run rampant. Under such political conditions, waste and the appropriation of other's labor — either public property or the property of private persons — would inevitably become widespread. This would cause disintegration of socialist production relations from within, hinder the growth of productive forces, set obstacles to rational exploitation of the advantages of the socialist economic system and, as a result, slow down the development of socialist economy and make it impossible to realize the AOSP.

(5) Still other comrades regarded fiscal balance and a stable currency as important prerequisites to realization of the AOSP.

Winding up the symposium, the economists agreed unanimously that all of these questions and views require further study. Research into the AOSP should continue with a view to eliminating the influence of "Left" ideology both in theory and in practice and to effecting readjustment of the national economy and economic reform. Analysis of the problem should not be limited to theorists, but should also be carried out by comrades who are in charge of the various economic departments or engaged in practical economic work.

— *Written by Wang Yongjiang*  
*Translated by Feng Shize*

## IN THIS ISSUE

**THE DEVELOPMENT OF THE LAND POLICY OF THE CHINESE COMMUNIST PARTY DURING THE SECOND REVOLUTIONARY CIVIL WAR PERIOD (1927-37)**, by Guo Dehong, discusses the evolution of the Party's line and policies for agrarian revolution in the revolutionary base areas. Using extensive data, the author analyzes the successes and failures of the Party's agrarian policy during this crucial period of the revolution. (pp. 17-54)

**CRITERIA FOR LAND DISTRIBUTION DURING THE SECOND REVOLUTIONARY CIVIL WAR PERIOD (1927-37)**, by Jin Dequn, analyzes the facts behind the controversy within the Party over the question of criteria for land distribution. Which criterion was most beneficial to the revolution and to the development of production — distribution on a per capita basis or according to labor power? The author believes that per capita distribution was the correct method and gives a detailed explanation of his views. (pp. 55-67)

**CHINA'S LANDLORD ECONOMY AND THE SPROUTS OF CAPITALISM IN AGRICULTURE**, by Li Wenzhi, analyzes the interrelationship between China's landlord economy and the seeds of capitalism in agriculture. Although capitalism appeared early in Chinese agriculture, it developed very slowly, according to this writer, because of the nature of the landlord system. (pp. 68-89)

**THE TENANT-SERVANT SYSTEM IN HUIZHOU PREFECTURE, ANHUI**, by Ye Xian'en, presents fresh materials and new views on the tenant-servant system on the basis of first-hand investigations. The writer affirms tenancy as the prerequisite for the formation of the tenant-servant system. The status of tenant-servants is described as that of serfs tinged with the nature of clan serfs. The author analyzes the interdependence between the tenant-servant system, the manorial system and the corvée system. (pp. 90-119)

**REFORM OF THE ECONOMIC STRUCTURE REQUIRES INDUSTRIAL PRICING BASED ON PRODUCTION PRICE**, by He Jianzhang, Kuang Ri'an and Zhang Zhuoyuan, presents another view on price formation under socialism. The authors propose a shift from the unilaterally planned pricing system to a system which combines planned prices, floating prices and prices agreed upon

through negotiations between producers and buyers. They argue that this shift will require taking production price as the basis in setting prices for industrial products. The authors believe that reform of the price structure is a prerequisite for reform of the whole economic structure. (pp. 120-35)

**SOME PROBLEMS CONCERNING PRICING**, by Huang Da, reflects still another viewpoint in Chinese academic circles on the question of pricing. The author argues that irrational price ratios must be adjusted, but that these adjustments more often than not will entail increases in the general price level. Therefore, in a process of alternately stable and rising prices, the general price level will show a tendency to rise gradually. This will not impede socialist economic development if we are able to control price increases within the limits dictated by absolutely necessary changes. Conversely, if we tenaciously maintain stationary prices over a long period, not only will the contradictions inherent in irrational price ratios multiply, but the state will also be forced to take on a heavy fiscal burden. (pp. 136-56)

**A FURTHER STEP IN EXPANDING THE AUTONOMY OF STATE-OWNED ENTERPRISES**, by Tang Fengyi, gives a detailed report on the most recent developments in China's reform of enterprise management. In 1980, several state-owned enterprises in Shanghai and Sichuan Province and other places began to shift from the profit-sharing system to a new taxation system which forces enterprises to assume full responsibility for profits and losses. The author discusses the advantages and disadvantages of the two systems and raises questions about improving the system of financial responsibility at the enterprise level. (pp. 157-68)

**LOKAYATA AND ITS INFLUENCE IN CHINA**, by Huang Xinchuan, sketches the basic features of Lokayata, an ancient school of Indian materialism which was introduced to China more than a thousand years ago. The author holds that Lokayata exercised an influence on ancient Chinese thought. During the Northern and Southern dynasties and Sui and Tang dynasties the Buddhists often regarded the Lokayatikas as fellow-travellers of the Confucian and the Taoist Schools and launched an attack on them because of their materialistic views. The paper also shows that Lokayata exerted an influence on Buddhist literature, sculpture and painting in ancient China. (pp. 169-86)

**AESTHETIC CRITERIA FOR LITERARY AND ART CRITICISM**, by Liu Zaifu, proposes that art criticism, as a kind of aesthetic evaluation, be conducted within the realm of aesthetics. He suggests three criteria: authenticity — whether a work reflects the reality of social life during a certain period; social utility — whether it is beneficial to the progress of mankind; beauty —

whether it possesses such aesthetic qualities as vividness, emotion, and originality. The critic should begin with his direct appreciation of a work and proceed with an approach that both distinguishes and connects these three criteria. (pp. 187-219)

A LETTER ON THINKING IN IMAGES, by Qian Xuesen is a response to a request by Shen Dade and Wu Tingjia for his comments on their article *Thinking in Images and Abstract Thinking — a Pair of Categories in Dialectical Logic*. Qian Xuesen raises some provocative views regarding the laws governing thinking. (pp. 220-21)

AN EVALUATION OF THREE BASIC TEXTBOOKS ON POLITICAL ECONOMY (SECTION ON SOCIALISM), by Wu Shuqing and Wei Xinghua, reviews three new textbooks on political economy published in 1979 and 1980. The authors point out the strengths and shortcomings of these textbooks and put forward their own views on some problems concerning theory and methodology in compiling basic political economy textbooks. (pp. 222-35)

# The Development of the Land Policy of the Chinese Communist Party During the Second Revolutionary Civil War Period (1927-37)

*Guo Dehong*

Agrarian revolution was the main feature of the Second Revolutionary Civil War Period. A clear understanding of the evolution of the Party's land policy is fundamental to the study of this ten-year period of Chinese history. The evolution of the Party's land policy during this period basically can be divided into four stages: 1. from the Nanchang Uprising of August 1, 1927 to the eve of the First Plenary Session of the Sixth National Party Congress (July 1928); 2. from the First Plenary Session to the Fourth Plenary Session (January 1931) of the Sixth National Party Congress; 3. from the Fourth Plenary Session to the eve of the Wayaobao Conference (December 1935); 4. from the eve of the Wayaobao Conference to the outbreak of the War of Resistance Against Japan (July 1937).

## I

The stage from the Nanchang Uprising of August 1, 1927 to the eve of the Sixth National Party Congress in July 1928 was the initial exploratory period of our Party's land policy.

During the First Revolutionary Civil War Period (1924-27) following the successful launching of the Northern Expeditionary War, the peasants' demand for land became stronger and stronger. In fact, some areas were already carrying out land distribution. Due to the influence of Chen Duxiu's Rightist ideas and other causes, however, the Party was not able to put the agrarian revolution on its agenda in time. At the Fifth National Party Congress, held in April 1927, a resolution to confiscate the land of the big landlords was passed. However, the necessary corresponding concrete policies and methods were not discussed, with the result that this resolution was not implemented

in practice. Therefore, during the early stages of the Second Revolutionary Civil War Period, in carrying out agrarian revolution and formulating land policy, the Party lacked experience.

The purpose of the Nanchang Uprising was to carry out agrarian revolution. This fact has too often been neglected in the past. *A Declaration by the Members of the Central Committee*, issued by the Headquarters of the Uprising in the name of some members of the Kuomintang Central Committee, stated that this uprising would "continue to fight against imperialism and to solve the land question."<sup>1</sup> *The Circular Letter of the Concurrently Acting Commander-in-Chief of the Second Front Army, He Long, to All the Officers and Men*, issued soon afterwards, stated: This revolutionary action of ours "strives to carry out an agrarian revolution and solve the peasant question." Comrade Yun Daiying also said, "This August First Revolution is to bring about an agrarian revolution, so we have laid down the political program on land which will be implemented on our march." Several discussions were held in the uprising headquarters to lay down the political program on land. At Jiujiang, Comrades Li Lisan and Yun Daiying recommended confiscation of the land of the big landlords, but Tan Pingshan did not agree. After arriving at Nanchang, the *Ordinance Regarding the Peasants' Liberation*, set forth by the Peasants' and Workers' Committee, proposed to "confiscate the land of the big landlords who owned more than 200 *mu*<sup>2</sup> of land." When the uprising troops reached Ruijin, the conference of the Front Committee decided to abolish the area limitation for land confiscation and, in accordance with public opinion, changed the policy into "confiscate the land." Later, at Shanghang in Fujian Province, the policy was changed into "confiscate the land of landlords who own more than 50 *mu* of land," on the basis of a political program handed in by the Guangdong Provincial Committee.<sup>3</sup>

The August 7 Conference of 1927, presided over by Comrade Qu Qiubai, was of great historical significance: The Party corrected Chen Duxiu's Right opportunist mistakes, laid down general principles for agrarian revolution and armed struggle and enacted provisions for land policy:

First, "confiscate the land of the big and middle landlords and redistribute it among tenants and peasants who have no land" and "reduce land rents of small land-owners, with the reduction rate being decided by the peasant association." The conference pointed out: In recent uprisings, "the Party did not raise the slogan of confiscating the land of the small land-owners in order to make the majority of the small private property owners in the cities and

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<sup>1</sup> From the *Republic Daily* of Nanchang, August 1, 1927.

<sup>2</sup> One *mu* is equal to 1/15 hectare, or 0.164 acre.

<sup>3</sup> See *The Nanchang Uprising*, edited by Xiao Ke, People's Publishing House, 1979, pp. 42-44.

countryside stand neutral.”<sup>1</sup> This provision was enacted after the failure of the Great Revolution and helped to converge attacks against the big and middle landlord class.

Second, “confiscate all public land belonging to ancestral halls or temples and redistribute it among the peasants who have no land.”<sup>2</sup> The confiscation and redistribution of public land thereafter became Party policy.

Third, “the main force of the peasant movement is the poor peasants.”<sup>3</sup>

Fourth, “at present, to solve the land question, mainly employ ‘mass-type’ revolutionary methods.”<sup>4</sup> In other words, fully arouse the masses and redistribute the land from below.

Fifth, “the peasant associations shall nullify the usurious debts of the poor, harsh leases and exploitive contracts.”<sup>5</sup> It was correct to abolish only usurious debts but not other debts.

In discussing the *Proposal and Resolution on the Present Peasant Struggles*, Comrade Mao Zedong made four suggestions at the conference held on August 7, 1927: 1. “Criteria for classification of big and middle landlords must be laid down.” 2. “Certain methods for dealing with the small landlords must be adopted.” 3. “The owner-peasants, rich peasants and middle peasants have different ownership of land. Now the peasants are going to attack the rich peasants, so our target must be set.” 4. “Correct tactics should be employed to deal with secret societies and bandits.” As the conference lasted only one day, there was no time to discuss these important suggestions. Furthermore, representatives of the Communist International refused to discuss them.

The main drawbacks of this conference were the following: first, it failed to propose unity with the middle peasants and to raise the question of the treatment of the rich peasants; second, it called for the “nationalization of land,” a directive which, in fact, came from the Communist International.<sup>6</sup> Although the “nationalization of land” was to be the final goal of agrarian revolution, it was not a correct policy at that stage, as it did not encourage the initiative of the peasants in carrying out the democratic revolution. Indeed, Lenin had made this point clear in his *The Agrarian Program of Russian*

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<sup>1</sup> *Proposal and Resolution on the Present Peasant Struggles*.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> *Circular Letter of the August 7 Conference of the Chinese Communist Party to All Its Members*.

<sup>5</sup> *Proposal and Resolution on the Present Peasant Struggles*.

<sup>6</sup> See *Resolution on China by the Seventh Enlarged Meeting of the Executive Committee of the Communist International*, November 1926; *Resolution on the Situation in China by the Seventh Enlarged Plenary Session of the Executive Committee of the Communist International*, December 16, 1926; and *Resolution on China by the Eighth Plenary Session of the Executive Committee of the Communist International*, May 30, 1927.

*Social-Democracy.* Even so, the fact that agrarian revolution was put forward as a major proposal at the August 7 Conference is of great significance.

According to the decision of the August 7 Conference, Comrades Mao Zedong, Dong Biwu, Fang Zhimin and Zhang Tailei went separately to lead the autumn harvest uprisings in Hunan, Hubei, Jiangxi and Guangdong provinces. Back in Hunan, on August 18, 1927, Comrade Mao Zedong convened the first meeting of the reorganized Provincial Party Committee to discuss policies concerning the agrarian revolution. Comrade Yi Lirong argued that only the land of the big landlords should be confiscated, but Comrade Xia Minghan insisted on confiscation and nationalization of all land. Comrade Mao Zedong held that confiscation of only the land of the big landlords would not satisfy the demands of the peasants; he argued that land had to be confiscated from all the landlords, but that appropriate arrangements should be made for the landlords. In accordance with the spirit of the August 7 Conference and Comrade Mao Zedong's suggestions, the meeting proposed: 1. "Confiscate the land of the big landlords and give it to the peasants. In places where a revolutionary force has developed, we should not interfere with the confiscation of small landlords' land which has been initiated by the peasants themselves." This, in fact, was consistent with the policy to confiscate the land of all the landlords. 2. "The Party's policy towards the peasants in the agrarian revolution should be that the poor peasants lead the middle peasants, control the rich peasants and then overthrow the whole landlord system." Here we can see the class policy of the agrarian revolution in its earliest shape. 3. If those landlords whose land has been confiscated are "able to do farm work, they should be given the same amount of land as the peasants to live on, so that the landlord class can be eliminated." Here the policy improved on that of the August 7 Conference by giving the landlords a chance to earn their own living.

However, the meeting was held immediately after the failure of the Great Revolution and during the White terror in which the Kuomintang reactionaries were ruthlessly suppressing the Communists and the workers and peasants who had supported the revolution. As a result, there was considerable revolutionary indignation and a desire for revenge, which caused participants at the meeting to raise some erroneous slogans, such as "Burn down the villages where the local bullies, evil gentry and big landlords are living," "Rise in rebellion to kill all the local bullies and evil gentry," and others.<sup>1</sup>

The Enlarged Meeting of the Provisional Political Bureau of the Central Committee was held in November of the same year (1927). A significant achievement of this meeting was to approve the *Draft Program on Land Questions of the Chinese Communist Party*, the first in the Party's history, which,

<sup>1</sup> Peng Gongda, *Report on the Hunan Autumn Harvest Uprising*.

to some extent, promoted the development of the agrarian revolution. However, at this meeting the "Left" putschist line headed by Qu Qiubai began to appear. Some wrong decisions on land policy were passed:

First, the decision to confiscate all the land. The meeting passed a resolution to "completely confiscate the land of all landlords and make the Peasants' Representative Conference responsible for allocating the land among the poor peasants for cultivation. Land belongs to the tillers."<sup>1</sup> The *Draft Program* stated that "all privately-owned land is to be redistributed for public ownership by the working people who form the Soviet" and "the right to use all confiscated land belongs to the peasants."<sup>2</sup> In *The Chinese Revolution and Communist Party*, a report to the Sixth National Party Congress of April 1928, Comrade Qu Qiubai recalls that this Enlarged Meeting passed three new decisions, one of which was to "confiscate all land and leave it to the Peasants' Representative Conference to allocate the land for tilling by the peasants." This shows that the decision to confiscate all land was, in fact, made by the Enlarged Meeting of the Provisional Political Bureau of the Central Committee. This policy was closely related to the nationalization of land, which was not appropriate to China's real situation at the time and was simply an imitation of the Soviet Union.

Second, the erroneous policy of burning and killing. It was understandable that, after the failure of the Great Revolution and the counter-revolutionary massacre by the Kuomintang, people should call for revenge, but it was not correct to put such a policy forward as a formal decision of the Party Central Committee.

Influenced by the "Left" putschist line of the Central Committee, ultra-Left policies were implemented successively in different areas. For instance, the Haifeng-Lufeng Soviet in Guangdong, during its second uprising of August, correctly stated: "confiscate all the property of the local bullies, gentry and landlords. Confiscate all their land and redistribute it among the peasants who till the land." However, after its third uprising in November 1927, it changed its slogan into "confiscate not only the land of the big and middle landlords but also the land of the small landlords, even of the owner-peasants."<sup>3</sup> Due to these ultra-Left policies, the uprising only lasted for a few months because it had made too many enemies and had isolated itself. The Liling Area of Hunan, after its uprising (also in November), went as far as to implement the ultra-Left policy of "farming together and consuming together." They "destroyed the system of private ownership, confiscated all the land" and

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<sup>1</sup> *The Resolution on the Present Situation in China and the Tasks of the Communist Party.*

<sup>2</sup> From *The Bolsheviks*, No. 6.

<sup>3</sup> "The Haifeng-Lufeng Movement of 1927," *The Bolsheviks*, No. 8.

"gathered all the oxen, manure, plows and pigs for public use." — "'Yours is mine and mine is yours' indeed."<sup>1</sup> It could not be expected that equalitarianism would work at that time, and so the uprising in Liling failed in March 1928. The Guangzhou Uprising of December 1927 also put forward some ultra-Left policies, such as the confiscation and nationalization of all land, the killing of all landlords, local bullies and gentry, the destruction of all documents pertaining to land, leases and debts, and the removal of all land boundaries.<sup>2</sup> The uprising in southern Hunan in early 1928 also advocated an ultra-Left policy of killing and burning, with the result that "the economy collapsed and the local bullies were exterminated," and the army "failed to raise a single cent since arriving at Laiyang in February."<sup>3</sup> The uprising soon failed under converging attacks by the enemy.

In October 1927, Comrade Mao Zedong led the army of the Autumn Harvest Uprising (in the Hunan-Jiangxi border area) up to the Jinggang Mountains to open up a revolutionary base area there. Ninggang started land distribution in February 1928 after a preparatory period of expropriation of local bullies and mobilization of the masses. The victory at Longyuankou brought about an all-round development of the agrarian revolution in the base area. Land distribution played an important part in arousing the support of the masses for the Red Army and in consolidating and developing the base area. However, the land policy here was also influenced by the ultra-Left policies of the Central Committee. Comrade Mao Zedong made an analysis of this in *The Struggle in the Jinggang Mountains*: First, "the land policy . . . is complete confiscation and thorough redistribution,"<sup>4</sup> with the result that the big and middle landlord class and the intermediate class were "both being attacked" and "the intermediate class deserted to the enemy as soon as the White terror struck."<sup>5</sup> Second, the policy towards the middle and small merchants and other member of the petty bourgeoisie was veering towards the ultra-Left. In fact, up to February of that year the policy towards them was applied fairly well. But in March the representative of the Southern Hunan Special Committee arrived in Ninggang and criticized the area "for having leaned to the Right, for having done too little burning and killing, and for having failed to

<sup>1</sup> Hu Yi, "The Peasant Uprising in Liling," *The Bolsheviks*, No. 26.

<sup>2</sup> See *The Significance and Lessons of the Guangzhou Uprising — A Resolution Passed by the Provisional Political Bureau of the Central Committee of the Communist Party of China*, January 3, 1928.

<sup>3</sup> A Report of the Military Committee of the Southwestern Hunan Special Committee of the CPC to the Hunan Provincial Committee of the CPC That the Fourth Red Army Should Stay at the Hunan-Jiangxi Border Area, July 4, 1928.

<sup>4</sup> See *Selected Works of Mao Zedong*, Eng. ed., Foreign Languages Press, Beijing, 1975, Vol. I, p. 87.

<sup>5</sup> *Ibid.*, p. 88.

carry out the so-called policy of 'turning the petty bourgeois into proletarians and then forcing them into the revolution.'" After the policy was changed, "there was still not much burning and killing, but the expropriation of the middle merchants in the towns and the collection of compulsory contributions from the small landlords and rich peasants in the countryside were rigorously enforced." "This ultra-Left policy of attacking the petty bourgeoisie drove most of them to the side of the landlords, with the result that they put on white ribbons and opposed us." This was one of the reasons why the base area had financial difficulties. Later, Comrade Mao Zedong gradually changed this policy and the situation steadily improved, particularly in Suichuan, Jiangxi Province where the policy won the full support of the peasants and small merchants. Third, the criterion for land distribution at the beginning was that "all the inhabitants — men and women, old and young — received equal shares." Later, "a change has been made in accordance with the Central Committee's plan whereby labor-power is taken as the criterion so that a person with labor-power is allotted twice as much land as one without." Experience proved that although the criterion for land distribution according to labor-power was good for promoting production, it was not conducive to winning over the masses because the families which had no labor-power received very little land. It was correct to distribute the land on a per capita basis, but equal distribution among all the inhabitants — men and women, old and young — was absolute equalitarianism. The equal distribution of land was welcomed by the poor peasants and farm laborers, but it often encroached on the land of the middle peasants. In some places which had better resources, the landlords and rich peasants also received an equal share on which they too could make a living, and the township was taken as the unit for land distribution. In hillier regions with less farm land, for instance, in the Xiaojiang District of Yongxin, Jiangxi Province, three or four townships were sometimes taken as the unit, but such cases were extremely rare. Because most of the base areas were in mountainous regions with scattered inhabitants and small villages, the township was taken as the unit for land distribution. This later became the consistent policy of the agrarian revolution.

In December 1928, Comrade Mao Zedong summed up the experience of the agrarian revolution in the previous year and presided over the formulation of *The Land Law of the Jinggang Mountains*.<sup>1</sup> The main provisions of this land law were as follows: 1. "Confiscate all land and hand it over to the Soviet government." Allotting the land to the individual peasant for tilling was the main method. One alternative was to allot the land to the peasants for joint

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<sup>1</sup> Because the spirit of the Sixth National Party Congress reached the Jinggang Mountains before the Fourth Red Army left there in January 1929, this land law was classified in the first period before the congress. This classification is also applied to the same cases in other areas.

tilling; it was also possible in special cases, or where the government was capable of handling the situation, to allow the Soviet government to organize the tilling by model farms. 2. "The purchase and sale of all land which has been confiscated and redistributed by the Soviet government is prohibited." 3. After land distribution, all inhabitants, except the old, children and sick people, were "forced to work." 4. "Equal distribution of land on a per capita basis among all the inhabitants — men and women, old and young" — is the main method. Alternatively, in special cases, "labor-power is to be taken as the criterion so that a person with labor-power is allotted twice as much land as one without." 5. "The township is to be taken as the unit for land distribution." In special circumstances several townships or districts could be taken as the unit for land distribution. 6. "Handicraftsmen in the countryside are to be allotted half as much land as peasants." 7. "Soldiers in the Red Army and the Red Guard and staff members in the government and other organizations are to be allotted land to be tilled by people hired by the Soviet governments."

This was the first land law in the revolutionary base areas, and was the first time that the peasants' rights concerning land distribution were defined in legal form. This was of great significance in promoting the agrarian revolution. However, Comrade Mao Zedong pointed out in an *Editor's Note* in 1941, "There were several mistakes in this land law": 1. Confiscation of all land instead of only the land of the landlords. 2. Ownership of land belonged to the government instead of to the peasants, who only had the right of use. 3. Prohibition of land purchases and sales. These were errors of principle which were all corrected later. It was declared that joint tilling and taking labor-power as the criterion for land distribution were no longer to be the main methods; they were replaced by individual tilling and distribution of land on a per capita basis. Although the former methods were not considered appropriate at that time, upon the insistence of many comrades, they were retained. Later, the latter methods became the only criteria for land distribution. Hiring people to till for Red Army personnel was also changed into calling up the peasants to till for them.<sup>1</sup>

The ultra-Left policies of the Central Committee at the time also influenced other base areas. In eastern Hubei, the Huang'an Peasant Government, founded after the Huangma Uprising of October 1927, issued an administrative program for implementing the agrarian revolution, in which it proposed to protect trade and commerce and the middle and small merchants. After the Second Huangma Uprising of 1928, struggles against the payment of rents, duties, taxes, debts and levies were widespread, side by side with the confiscation of the land and property of reactionary landlords. In the August harvest season, a policy that "the harvest belongs to the planters" was imple-

<sup>1</sup> *Rural Investigation*, East China Xinhua Book Store, 1948, pp. 110-13.

mented to solve the problem of ownership of the harvest that year. At the same time, the Eastern Hubei Special Committee held a meeting at Songshugang, at which the following decisions were passed: the land and property of reactionary landlords would be confiscated and redistributed among the poor peasants and hired hands on a per capita basis; the good land of the rich peasants would be confiscated, but the owner-peasants' (middle peasants) land would remain the same; any small landlords who were not reactionary would be allotted poor land which they could work but not own. The advantage of this policy was that, by not confiscating all land it was possible to avoid excessive attacks on the rich peasants and interference with the interests of the middle peasants. The drawbacks of this policy were: 1. In the struggle to eliminate the reactionary landlords, it equally stressed economic destruction, political struggle, military war and physical elimination and relinquished the possibility of winning over some small reactionaries.<sup>1</sup> 2. It did not clearly define the amount of land to be confiscated from the rich peasants, but only stated that their good land should be confiscated. Because the policy did not delimit the actual amount, and since most of the rich peasants' land was good, deviations could occur during implementation. 3. It was wrong to stipulate that the small landlords were only allotted poor land for use and had no ownership rights.

In August 1928, the Soviet government of Xi'nan District in Yongding County in Fujian Province, founded under the leadership of Comrades Deng Zihui and Zhang Dingcheng, issued a land law. After investigations, Comrade Deng Zihui put forward a policy and method for land confiscation and distribution: "The township is to be taken as the unit for equal distribution, that is, the ownership of the land which is tilled by the inhabitants of this township belongs to this township and the land is then equally distributed on a per capita basis. (Counter-revolutionaries are excluded.) In practice, the excess part of land is taken away from those whose land is above the average to supplement those whose land is below the average." An experiment was started at Jingsha Township first. They took a census of the population, registered all the land, worked out a fair and reasonable draft for land distribution which was issued publicly, and then called a rally to announce the individual ownership of the distributed land before the draft was approved by the rally. After this initial experiment they immediately started land distribution in the whole district, which consisted of a dozen townships and a population of 20,000.<sup>2</sup> The work was finished within a very short period of time. In distributing the land, the amount of land originally tilled by each individual was taken as the basis and

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<sup>1</sup>Dai Jiyong, *Revolutionary Movement in the Hubei-Henan-Anhui Area*, July 14, 1944.

<sup>2</sup>Zhang Dingcheng, *The Chinese Communist Party. Opens Up the Western Fujian Revolutionary Base Area*, 1943.

then the amounts were evened up by taking away excesses to make up deficiencies. In this way land distribution did not affect too many people and won the support of the majority. The method of equal distribution of the whole district's land on a per capita basis, however, was in fact equalitarianism. Taking away excesses and making up deficiencies was seeking equality in quantity and easily resulted in encroaching upon the interests of the middle peasants. In Western Fujian, because "eighty-five per cent of the land is in the hands of the rentiers, and the peasants only possess fifteen per cent of the land,"<sup>1</sup> the equal distribution of land affected the middle peasant less, as they were fewer in number.

In Northeastern Jiangxi, Comrade Fang Zhimin led uprisings in Yiyang and Hengfeng in November 1927 and convened a conference of local and neighboring county Party members. The conference passed a resolution declaring agrarian revolution to be their central task. Soon afterwards a preliminary distribution of land was carried out in those areas.

The Xinjiang Soviet government (founded in December 1928) laid down provisions for land distribution: 1. The village was to be taken as the unit for the equal distribution of land. 2. All those who did not oppose the Soviet have the right to obtain land. 3. The plot of land originally tilled by each individual was to be taken as the basis for land distribution and excess land was to be taken away from those whose land was above average in quantity and/or quality to supplement those whose land was below average.<sup>2</sup> In fact, they adopted the same method as that in Western Fujian.

In August 1928, Comrade He Long garrisoned his troops, the Fourth Army of the Workers' and Peasants' Revolutionary Army, at Shimen and Lixian in Western Hunan. There the army suppressed many local bullies, evil gentry, and members of the KMT's bandits suppression committee. The Red Army led the peasants in the struggle against the local bullies, burned leases and contracts, and aroused the peasants to redistribute the land.<sup>3</sup> Due to attacks from the enemy, however, land distribution was not carried out.

To summarize this first stage of the agrarian revolution, the Party defined the general policy, laid down the first draft of the land program, carried out land distribution in all base areas and, through practice, gradually worked out some correct policies. Valuable experience was accumulated for the coming agrarian revolution, notably through the successful practice of land distri-

<sup>1</sup> *The Political Resolution of the First Party Congress of Western Fujian*, July 1929.

<sup>2</sup> Shao Shiping, Wang Jingxiang, Hu Delan and others: *Party History in Fujian, Zhejiang, Anhui and Jiangxi*, March 1945.

<sup>3</sup> See He Long: *The Initial Revolutionary Struggles in the Hunan-Western Hubei Base Areas*.

bution in the Jinggang Mountains, Eastern Hubei, Western Fujian and North-eastern Jiangxi.

## II

The First Plenary Session of the Sixth National Party Congress held in July 1928 was a turning-point in the Party's land policy. The congress discussed the land question and laid down the following important provisions concerning policy and tactics.

1. The policy of confiscating all the land was changed to "confiscating all the land of the landlord class and distributing it among the peasants."<sup>1</sup>

2. Since "the main force of the proletariat in the countryside is the poor peasants,"<sup>2</sup> "it is necessary to consolidate the ideological and organizational leadership rights of the poor peasants and hired hands in the peasant organizations."<sup>3</sup>

3. "The middle peasants constitute a firm ally";<sup>4</sup> "uniting with the middle peasants is an important condition for guaranteeing the victory of the agrarian revolution." Therefore, "a united front of the peasant masses" "ranking from the hired hands to the middle peasants"<sup>5</sup> should be formed.

4. It emphasized the importance of correct treatment of the rich peasants, pointing out that they were "peasant bourgeoisie"<sup>6</sup> characterized by "capitalist and pre-capitalist semi-feudal exploitation." Although in the course of the development of the peasant movement they "often took an attitude of passive neutrality or hostility and in the end usually moved quickly into the counter-revolutionary camp,"<sup>7</sup> the class contradiction between the peasants and landlords was the principal contradiction and "the main enemies were the local bullies, evil gentry and landlords." Thus "it was not correct to deliberately intensify the attack against the rich peasants."<sup>8</sup> The Party proposed specific tactics to deal with the rich peasants: "In situations where rich peasants have not yet completely lost the potential for revolution, when they are still continuing their struggle against the oppression of the warlords and bureaucrats, the Communist Party should try to recruit the rich peasants into the peasant

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<sup>1</sup> *Political Resolution.*

<sup>2</sup> *Political Resolution.*

<sup>3</sup> *Resolution on the Peasant Questions.*

<sup>4</sup> *Political Resolution.*

<sup>5</sup> *Resolution on the Peasant Questions.*

<sup>6</sup> *Resolution on Land Questions.*

<sup>7</sup> *Resolution on Peasant Questions.*

<sup>8</sup> *Political Resolution.*

struggle against the warlords, landlords, local bullies and evil gentry. In situations where rich peasants are wavering between revolution and counter-revolution, if it doesn't interfere with the struggle of the poor peasants and hired hands, the Party should not deliberately intensify the struggle against the rich peasants, thereby causing them to quickly turn to the counter-revolutionary camp and become active enemies of the revolution. At present the Party's task is still to neutralize the rich peasants so as to reduce the enemy's forces."<sup>1</sup>

5. Although the Congress supported "equal distribution of land," it pointed out that the slogan was not entirely correct, and "should be criticized." "It represents an illusion of petty-bourgeois socialism"; the peasants should be made to fully understand that real equality would only be possible after the victory of the proletarian revolution. "In places where middle and small peasants with private ownership constitute the majority of the total peasant population, 'equal distribution of land' will inevitably encroach on the interests of the middle peasants and so it all the more cannot be forcibly implemented."<sup>2</sup>

The errors of this Congress in land policy were still mainly in its provisions for "the nationalization of land," "letting the peasant representative conference (Soviet) handle the confiscated land" and only giving the peasants the right of "use", not ownership.<sup>3</sup> Generally speaking, however, the provisions laid down by the Sixth National Party Congress were realistic, as they were based on Marxism-Leninism and the experiences of the agrarian revolution in the various base areas.

Following this Session of the Sixth National Party Congress, the agrarian revolution developed vigorously in the various base areas and the Party's land policy was further enriched and developed through practice.

On its march towards southern Jiangxi and western Fujian in early 1929, the Fourth Red Army issued among others the *Notice of the Fourth Red Army Headquarters*, the *Manifesto of the Communist Party*, and a *Circular to the Merchants and Intellectuals*. In April at Xingguo, Comrade Mao Zedong took charge of the formulation of *The Land Law of Xingguo*, and after the third capture of Longyan in June the *Notice of the Fourth Red Army Headquarters* was re-issued. In these notices the following concrete provisions on land policy were put forward: 1. The policy of confiscating all the land, as stated in *The Land Law of the Jinggang Mountains*, was changed to "confiscating all the public land and the land of the landlord class."<sup>4</sup> In his note to *The Land Law of Xingguo* in 1941, Comrade Mao Zedong said: This "important change" was

<sup>1</sup> *Resolution of the Peasant Questions.*

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> *Land Law of Xingguo.*

“a correction of principle.”<sup>1</sup> 2. When cancelling all the debts of the peasants to the landlords, “the debts between the merchants, workers and peasants are not included,”<sup>2</sup> thus avoiding the indiscriminate cancellation of all debts. 3. It repeated that “wanton burning and killing are strictly forbidden.”<sup>3</sup>

The First Party Congress of Western Fujian, convened by Comrade Mao Zedong in July 1929, summed up the experience of the agrarian revolution in western Fujian in the previous stage. The Congress affirmed correct policies and laid down many new provisions, as stated in the *Political Resolution*: 1. The interests of the middle peasants were to be protected: “The owner-peasants’ land is not to be confiscated and their title deeds of land are not to be burnt”; “no losses are to be caused” to them. 2. “If demanded by the poor peasants, the surplus part of the rich peasants’ land, that which is beyond what is necessary for their survival, should be confiscated.” To avoid excessive attacks against the rich peasants, it clearly stated that, in the early stage of the revolution, “their land should not be confiscated, they are not to be fined, their title deeds of land are not to be burnt and their credits are not to be cancelled.” 3. “The land of the small landlords is to be confiscated and their credits are to be cancelled, but they are not to be fined or excessively attacked.” Differentiating between small landlords and big landlords helped to keep the former temporarily neutral while concentrating attacks on big landlords. 4. It formally stated that the method of land distribution should be to take the original amount of land tilled by each individual as the basis, and adjust the excesses and deficiencies accordingly. In the *Resolution on Land Questions*, it also stipulated that the dependants of local bullies and reactionary landlords who have committed no evil deeds “should be given a certain amount of land” if they had no other means of gaining a living. This policy was also to be applied to those who were working in factories, trade and commerce and schools in the rural areas, whose means were insufficient. This was favorable both to winning over the dependants of the reactionaries and to maintaining public order.

The main defect of the overall policy of the Congress was that the *Resolution on Land Questions* stated that the owner-peasants’ land was not to be confiscated, but at the same time, it also said that if they had surplus land beyond that required for their own living, the surplus could be confiscated if demanded by the majority of the local peasants and with the approval of the county or district government. This ambiguity could easily lead to encroachment upon the interests of the middle peasants. In addition, it did not provide that the landlords themselves also should be given land for making their

<sup>1</sup> *Rural Surveys*, p. 116.

<sup>2</sup> *Notice of the Political Department of the Fourth Red Army Headquarters.*

<sup>3</sup> *Notice of the Fourth Red Army Headquarters.*

own living; nor did it clearly provide that hired hands should be allotted land, other than an ambiguous statement that "they may or may not be given a certain amount of land." Generally speaking, however, the First Party Congress of Western Fujian was a very important meeting which enabled the Party to progress beyond the land policy of the Sixth National Party Congress. It was precisely because of these correct policies that the Western Fujian Base Areas soon had an excellent situation: "We have reclaimed part of the golden bowl and land is being shared out with a will."

In February 1930 at Beidou of Ji'an in Jiangxi, Comrade Mao Zedong convened a joint meeting of the Front Committee of the Fourth Red Army, the Western and Southern Jiangxi Special Committees and the Military Committees of the Fifth and Sixth Armies, also known as the "February 7 Beidou Meeting." It criticized Jiang Hanbo, an inspector on tour of Jiangxi, for not personally leading the land distribution and for his policy of "taking labor-power as the criterion for land distribution." The meeting also agreed to speed up the process of confiscating the land and allotting it to the peasants, in order to overcome the sluggishness with which the agrarian revolution was being carried out in this region. This was an important achievement of the "February 7 Beidou Meeting." However, this meeting also put forward some ultra-Left policies, such as "land confiscation is not limited to the local bullies, evil gentry and landlords; if demanded by the masses, the land of the owner-peasants should also be confiscated."<sup>1</sup> This policy was likely to lead to encroachments upon the interests of the middle peasants.

After the "February 7 Beidou Meeting," the Political Department of the Fourth Red Army worked out a land law, which stated that "taking away excesses and making up for deficiencies should be the principle for land distribution, and absolute equalitarianism in redistribution should not be allowed." This was the first time that opposition to absolute equalitarianism was clearly stated.

In December 1928, a representative of the Central Committee from the Hubei-Henan-Anhui Base Area, Cao Zhuangfu, went to eastern Hubei to relay the resolution of the Sixth National Party Congress Regarding Agrarian Revolution. In late May and early June 1929, the Northeastern Hubei Special Committee held the second joint meeting of the four County Party Committees of Huang'an, Macheng, Huangpi and Xiaogan and the Party Committee of the 31st Division of the Red Army. At this meeting a *Provisional Land Program* was laid down. The First Workers', Peasants' and Soldiers' Representative Conference in the Hubei-Henan Border Area, which was held in November that year, summed up experiences in the agrarian revolution

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<sup>1</sup> No. 1 Notice of the Front Committee — the Resolution of the Joint Meeting and the Declaration of the Founding of the Front Committee.

and passed the *Detailed Regulations for the Implementation of the Land Program of the Revolutionary Committee in the Hubei-Henan Border Area* which enacted concrete provisions for land policy. The main points of the *Program and Regulations* were:

1. All the land of the local bullies, evil gentry, landlords and counter-revolutionaries, and all public property and land should be confiscated and redistributed among the following: peasants who have little or no land; if willing to work the land, all hired hands, workers, pedlars, people of other trades and occupations, officers and men of the Red Army, professional revolutionaries and ex-soldiers, and dependants of the local bullies, evil gentry and reactionaries who were not suspected to be reactionary. All widows, widowers, the bereaved, disabled and those who are unable to do farm work also should be "given a certain amount of land."

2. "The criterion for land distribution is mainly based on the consumption of grain (an entire family's annual consumption of grain). If there is surplus land, the surplus should be distributed according to each family's farming capability." "The criterion for land distribution should not be the area of the land but the yield of the land."

3. "In confiscation and distribution, the interests of the middle peasants should not be encroached upon." "If a middle peasant has a piece of land in another township, it should be distributed by that township and he should be given this same amount of land in his own township. (If his own township has no land to spare, then the other township should not distribute his land.)"

4. The rich peasants are allowed to "own their land" and "have the right to till it freely." The drawback of the *Program and Regulations* was that they only proposed to "issue land papers certifying the right to use the land," but did not clarify the ownership of the redistributed land.

The First Party Congress of the Hubei-Henan Border Area, also held in November 1929, passed a *Resolution on the Mass Movement of the First Party Congress of the Hubei-Henan Border Area*. It emphasized "the correct application of the Party's tactics towards the rich peasants" and "the correct application of the tactics to unite with the middle peasants." As for the rich peasants, in places where the struggle was just beginning, the policy towards them was to be relaxed to a certain degree and in places where the struggle was in full swing (i.e. in the Soviet areas), the following points were to be observed: 1. "The surplus part of the rich peasants' land should be confiscated and redistributed; 2. reactionary rich peasants should be treated the same as the landlords; 3. the rich peasants who sympathized with the revolution should have the right to vote but not the right to stand for election." As for the middle peasants, the *Resolution* stated that "unity with the middle peasants is the guarantee for the victory of the agrarian revolution" and "various effective

measures should be adopted hereafter to prevent the possibility departing from principles and encroaching upon the interests of the middle peasants."

The provisions laid down in the Hubei-Henan-Anhui Base Area were basically correct. Particularly successful was the decision to allow the middle peasants to keep their land and to only confiscate the land of the landlords and counter-revolutionaries and the surplus part of the rich peasants' land. This policy served to oppose absolute equalitarianism, protect the interests of the middle peasants, and minimize the number of people who were actually affected. This base area not only correctly applied the spirit of the Sixth National Party Congress, but also further enriched and developed the land policy laid down by the Congress.

In western Hunan and Hubei, after receiving the resolution of the Sixth National Party Congress in early 1929, the Fourth Red Army became clearer about its program of action. After taking Haofeng City, it established worker-peasant democratic political power, sent people to arouse the masses, distributed the land and successfully combined armed struggle with agrarian revolution.<sup>1</sup> In December, the Western Hubei Special Committee convened the Second Congress which approved the *Resolution on Land Questions*, stipulating that "the confiscated land and property of the local bullies, evil gentry and landlord class should be handled by the peasant Soviet representative conference and redistributed among the peasants who have little or no land." In October 1930, the Second Workers', Peasants', Soldiers' and Common People's Representative Conference in western Hunan and Hubei passed a *Decree on the Agrarian Revolution*, which stated: "The land of the middle peasants should be left alone." "If there is a surplus after distribution, a portion may be given to the well-to-do middle peasants." As for the rich peasants, it only proposed confiscating their "rented land."<sup>2</sup> In northeastern Jiangxi, the Xinjiang Soviet government promulgated a provisional Land Law in December 1929. They redistributed half of the total land on a per capita basis and the other half according to labor-power. The hired hands, soldiers, government staff, handicraftsmen, the bereaved, old and disabled were all allotted land on a per capita basis.<sup>3</sup> At the First Workers', Peasants' and Soldiers' Representative Conference of Xinjiang in the winter of 1929, they supplemented the land law: "It is permissible to buy or sell, rent or mortgage redistributed land and to hire people to do the tilling."<sup>4</sup> In the Hunan-Jiangxi Border Area, land was once again redistributed. However, they adopted the method of confiscation and equal distribution of all the land, with the ownership of all the

<sup>1</sup> See He Long: *The Early Revolutionary Struggles in Western Hunan and Hubei*.

<sup>2</sup> From *Red Flag Weekly*, No. 14.

<sup>3</sup> See *Red Flag Daily*, Nos. 25-27.

<sup>4</sup> *Party History of Fujian, Zhejiang, Anhui and Jiangxi*.

land going to the Soviet government. Orphans, widows and Red Army soldiers who were away on duty were not allotted land. In some places where a correct policy was implemented, the reactionaries' dependants who did not actually oppose the revolution were also given land.<sup>1</sup> In the Youjiang area, the Political Department of the Seventh Red Army stated in its *Agrarian Revolution* in December 1929: "Confiscate all the land of the landlords," redistribute among the peasants part of the land on a per capita basis and part according to labor-power. Hired hands should be allotted land if they are willing to do the farming themselves." They also abolished usury in most of the area and redistributed the land in some places. The landlords and rich peasants who were able to farm were also given land.<sup>2</sup> The main drawback was the provision that the confiscated land should be "owned by the Soviet." In the Hunan-Hubei-Jiangxi Border Area and Dongjiang and Qiongya areas of Guangdong, the landlords' land was also confiscated and redistributed at that time. Dongjiang's land decree included the provision that "the land of the rich peasants who do not oppose the revolution is not to be confiscated."<sup>3</sup>

In general, guided by the spirit of the Sixth National Party Congress, the base areas during this period overcame some ultra-Left deviations, carried out a reasonably correct land policy, and were successful in developing the agrarian revolution. Very soon afterwards, however, there were to occur two enormous setbacks for the agrarian revolution: a change of policy towards the rich peasants and the emergence of the Li Lisan line.

After September 1929, the Party's policy towards the rich peasants underwent a major change. This was caused by the letter *On Peasant Questions* from the Executive Committee of the Communist International to the Central Committee of the CPC on June 7 of that year. The letter criticized the slogan raised at the Sixth National Party Congress, "Do not deliberately intensify the struggle against the rich peasants," and the subsequent slogan "Unite with the rich peasants," saying that "it is on this very question that the Chinese comrades have committed a grave error." The letter maintained that the rich peasants in China "are under most circumstances small landlords. They bind and exploit the basic masses of the Chinese peasants in a more cruel form"; "everywhere in the countryside, the rich peasant elements still openly side with the reactionary forces to oppose the revolutionary struggle of the peasant masses"; therefore the peasant masses should be aroused to oppose the rich peasants.<sup>4</sup> This letter was written by the Communist International

<sup>1</sup> See *Red Flag Post*, Nos. 77, 94, 95 and 96.

<sup>2</sup> See *Red Flag Post*, No. 71.

<sup>3</sup> Sheng: *The Guangdong Soviet and the Development of the Red Army*, from *Red Flag Post*, No. 112, June 21, 1930. Bo: *The Land Questions in the Soviet Area of the Hunan-Hubei-Jiangxi Border Area*, a record of the discussion in January 1930.

<sup>4</sup> From *The Bolsheviks*, No. 10, September 1, 1929.

according to the policy to eliminate the rich peasants which was used in the agricultural cooperative movement in the Soviet Union. It exaggerated the cruelty and reactionary character of the rich peasants in China and made them out to be even worse than the landlords. Many ultra-Left policies were thereafter formulated which had a deleterious effect on the Chinese agrarian revolution.

After receiving the letter from the Communist International, the Central Committee of the CPC immediately passed the *Resolution Accepting the Directives from the Communist International on Peasant Questions*, admitting that it had made "mistakes" on the rich peasant question. The *Resolution* held that the rich peasants "waver, compromise and even become counter-revolutionary in the course of the agrarian revolution. Therefore the Party should not employ the tactic of trying to unite the rich peasants within the front against the feudalist forces, but should resolutely oppose them."<sup>1</sup> On December 7, the Central Committee issued an "Announcement" which stated that "the leadership of the rich peasants has become a serious danger hindering the struggle, so we must resolutely fight against the rich peasants and eliminate their influence in the struggle."<sup>2</sup> The Party's press issued a series of articles which systematically expounded this concept, such as Mu Shi's (Wang Ming) "Two Problems in Peasant Mentality Which We Must Heed," Hong Zhong's "The Struggle Against the Rich Peasants in the Rural Areas" and Shao Yu's (Wang Ming) "More on the Question of Opposing the Rich Peasants."<sup>3</sup> From then on, the Party started advocating an ultra-Left policy against the rich peasants.

In June 1930, Comrade Li Lisan's "Left" opportunist line occupied a dominant position in the Party. Before then Comrade Li Lisan had already made some ultra-Left proposals at various meetings and in his writings. His "Leftist" ideas can be clearly seen in the *Provisional Land Law* which was approved by the National Congress of the Soviet Areas held in Shanghai in May, for example, "the prohibition of all land buying, selling, letting, renting and mortgaging"; proposals to "organize collective farms" and "carry out collective production"; and the policy stating that "it is not necessary to allot land" to the hired hands, but if they are allotted land, "they should be organized to form collective farms." In addition, it also stipulated that the non-agricultural population should not be allotted land and for those families who lacked labor-power (e.g. orphans and widows), "it is better to provide them with social relief," thereby depriving them of their right to obtain land.<sup>4</sup>

<sup>1</sup> *Ibid.*

<sup>2</sup> From *Red Flag Post*, No. 60.

<sup>3</sup> See *Red Flag Post*, Nos. 60, 62, 67 and 87.

<sup>4</sup> From *Red Flag Post*, No. 107.

In accordance with Li Lisan's proposals, the Hubei-Henan-Anhui Border Area and the Hunan-Jiangxi Border Area started to operate collective farms. The Hubei-Henan-Anhui Special Committee suggested that Huang'an run five farms, and that Macheng, Huangpi and Guangsan each run three. Huang'an took over land at Zhangchong and Qiliping, evacuated the residents and set up two collective farms. However, by the spring of 1931, when the sub-bureau of the Central Committee was established, the collective farms had been abolished.<sup>1</sup> In Jiangxi, the Second Plenary Session of the Southwestern Jiangxi Special Committee, held in August 1930, also implemented the ultra-Left policies of the Li Lisan line.<sup>2</sup>

However, the Party cadres and masses, with Comrade Mao Zedong as their representative, resisted the implementation of these ultra-Left land policies. The *Land Law of the Chinese Revolutionary Military Committee*, enacted in August 1930, affirmed the correct policies of the past, e.g. that hired hands and vagrants "should be allotted land"; that dependants of the local bullies, evil gentry, landlords and reactionaries, people of all trades and occupations in the rural areas "should be allotted a certain amount of land"; and unemployed workers and the urban poor "should be allotted a certain amount of land if condition permits." It also stated: "In order to satisfy the demands of the poor peasants, the Soviet should distribute all the confiscated land among them and keep none for itself," and "only under special circumstances can the land which remains after redistribution be temporarily rented out or used to set up model farms." This in fact negated the ultra-Left policies of the Li Lisan line. The main drawbacks of this *Land Law* were: 1. It confirmed the proposal to "confiscate all the private and public land, mountain forests, ponds and houses" including those belonging to the rich peasants, who were therefore excessively attacked. 2. It still stipulated that the confiscated property was "publicly owned by the Soviet," and the peasants only had the right to use it.

In November, Comrade Mao Zedong presided over a joint meeting of the General Front Committee and the Jiangxi Action Committee at Xiajiang. This meeting approved the *Resolution on Land Questions*, pointing out that "the main form of China's agricultural economy is small-scale peasant economy," "so economic conditions do not permit the agrarian revolution to immediately unite these discrete small economic units and start the production of socialist collective farms." However, while criticizing the Li Lisan method of distribution both on a per capita basis and according to labor-power, the meeting overemphasized the principles of complete and per capita redistribution.

During this period, Comrade Mao Zedong made surveys at Xingguo, Dongtang and other places in order to solve some problems in land distribu-

<sup>1</sup> See *The Consolidation and Development of the Hubei-Henan-Anhui Soviet Area*, from *Red Flag Weekly*, No. 25.

<sup>2</sup> See *The General Work Report of the Southwestern Jiangxi*, September 20, 1931.

tion. On February 27, 1931, in the name of the Chairman of the General Political Department of the Revolutionary Military Committee of the Central Committee, he wrote a letter to the Jiangxi Provincial Soviet Government entitled *The Private Ownership of Land in the Democratic Revolution*. To deal with the problem that very few people were actually doing any farm work, Mao wrote: "In the past, it was much too often the case that the ownership of land belonged to the Soviet and the peasants only had the right to use it. The repeated redistribution of land, sometimes four or five times, has made the peasants feel that the land is not their own and that they have no right to handle it. This is why the peasants are not happy at farming. This is a very bad situation. The Provincial Committee should order the governments at all levels in the various base areas to issue notices urging the peasants to do the farm work. The notice should make clear that the land which has been allotted to a peasant (according to the principle of taking land away from those households whose land is above average in quantity or quality to supplement those households whose land is below average) belongs to him, that is, he has . . . his newly allotted land. This land is his own private property, upon which no one has the right to encroach. From now on, a household's land and property will not be increased or decreased because of the birth or death of family members. The peasants have the right to let, rent, buy or sell land. After paying the land tax to the government, the peasant owns all the products of his field." This finally solved the problem of land ownership and corrected the slogan "nationalization of land" which did not conform to the objective situation. In line with Comrade Mao Zedong's instructions, the Jiangxi and Western Fujian Soviet governments soon issued notices and passed resolutions, stating clearly that after distribution the land belonged to the peasants. The settlement of land ownership greatly increased the enthusiasm of the peasants for production. Comrade Mao Zedong once said, "After a Red Area is established, farm output often declines in the first year or two. But it picks up again as the peasant masses work with greater enthusiasm after the land is redistributed and ownership is settled, and after we have given encouragement to production."<sup>1</sup>

In short, during this stage, the Party Central Committee and various base areas put forward a series of correct policies for the agrarian revolution and settled several important issues such as relying on the poor peasants, which land should be confiscated, the quantitative and regional criterion for land distribution, and the ownership of land. Thinking regarding treatment of the middle peasants was consistently clear. As to the treatment of the rich peasants, the spirit of the Sixth National Party Congress and the policies in the Hubei-Henan-Anhui and Western Fujian areas during the initial period

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<sup>1</sup> *Selected Works of Mao Zedong*, Eng. ed., Foreign Languages Press, Beijing, 1975, Vol. I, p. 142.

were correct. An even more valuable experience was the work in the Hubei-Henan-Anhui and Western Hunan-Jiangxi Border Areas where the land of the middle peasants was not touched and only the land of the landlords and the surplus land of the rich peasants was confiscated and redistributed among the poor peasants and hired hands. Therefore, we can say that the Party's line and policies concerning the agrarian revolution began to take shape during this stage. It should be noted, however, that some policies initially were quite good, but later changed, such as the policy towards the rich peasants. Some correct policies were passed as resolutions but were never actually carried out or were altered in the implementation process. Thus, by the end of this second stage of the agrarian revolution, the Party's policies had begun to take shape, but they were not yet mature. It was under these circumstances that the ultra-Left policy of the Wang Ming line came into being.

### III

The stage from the Fourth Plenary Session of the Sixth National Party Congress in January 1931 to the eve of the Wayaobao Conference in December 1935 saw the implementation of Wang Ming's "Left" opportunist line in land policy. This policy aimed at eliminating the landlords physically and the rich peasants economically: "No land is to be allotted to the landlords and rich peasants should only be given poor land." Wang Ming and his followers later worked out a *Draft Land Law*<sup>1</sup> for the First National Soviet Representative Conference. Its main contents were: 1. Landlords whose land has been confiscated "enjoy no right to have a share of land." 2. The land of the rich peasants "should be confiscated and redistributed as well"; rich peasants "may be allotted their share of poor land for working." 3. "Equal distribution of all land" can be carried out with the agreement and direct support of the peasant masses. 4. This law should be "implemented immediately" in the Soviet regions and the newly developed areas.

In mid-April 1931, the Central Committee, which at that point was dominated by the Wang Ming line, sent a delegation of the Fourth Plenary Session to the Central Base Area. The *Resolution to Accept the Letter of the Communist International and the Resolution of the Fourth Plenary Session* and the *Resolution on Land Questions* were passed at the first meeting convened by the delegation. Although, given the objective situation, they had to "agree that the past settlement of land questions was generally correct," they adopted the principle that land should not be allotted to the dependants of

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<sup>1</sup> From *Red Flag Weekly*, No. 1.

landlords.”<sup>1</sup> In June, the Western Fujian Soviet Government issued *Regulations Regarding the Redistribution of Land* which stipulated that “all the land of local bullies, evil gentry, landlords and their families should be completely checked out and confiscated”; “the land of the rich peasants should be confiscated as well” and they should be given land of poor quality (mountainous, arid or fringe land).

On August 21, the Central Bureau of the Soviet Areas passed the *Resolution on Land Questions* which formally stipulated: “In land distribution, the landlords, local bullies, evil gentry and their families have absolutely no right to obtain land” and “the rich peasants may be given their share of poor quality land.” Because the *Resolution* still affirmed certain prior practices, the Central Committee dominated by the Wang Ming line issued on November 10 *The Central Committee’s Letter on Land Questions to the Central Bureau of the Soviet Area of the CPC*<sup>2</sup> which severely criticized the *Resolution*: “It contains many viewpoints and methods which disregard the class line and which should be corrected immediately.” It also expounded in detail the ultra-Left policies of the Central Committee: 1. It reiterated that “the landlord class must be thoroughly eliminated and it is absolutely not permissible to allot or let out land to landlords and their families. All the land of the rich peasants should be confiscated and they may be allotted land of poor quality only if they do the farming themselves.” 2. It stressed that “good land must be given first to the poor peasants and hired hands.” “It is not correct to sacrifice the interests of the poor peasants and hired hands and yield to the middle peasants for the sake of consolidating an alliance with them.” “You always pay equal attention to the hired hands, poor peasants and the middle peasants, putting forward the principle of absolute equality. This in fact has taken the middle peasants as the center and created conditions in which the poor peasants and hired hands cannot possibly develop equally. This is a departure from the class viewpoint of the proletarian political party!” This *Letter* further systematized the ultra-Left policies of the Wang Ming line.

In November at Ruijing, the Central Bureau of the Soviet Areas held their First Party Congress. The Congress passed a *Political Resolution* which criticized the principle of “allotting land to everybody” saying that it had “confused the class struggle in the agrarian revolution” and was “an error of the ‘rich peasant line.’” The *Resolution* reaffirmed that “the rich peasants should only be allotted poor land.” This completely negated the correct line and policies represented by Comrade Mao Zedong. The First National Soviet Representative Conference held at Ruijing in November approved the *Land Law of*

<sup>1</sup>Ouyang Qin, *Report on the Central Soviet Area*, September 3, 1931 in Shanghai.

<sup>2</sup>From *Red Flag Weekly*, No. 26.

*the Soviet Republic of China*,<sup>1</sup> another product of the Wang Ming line. This *Land Law* was basically the same as the *Draft Land Law* issued in March. Although the opposition of the masses forced the revision of certain articles, in general the law maintained its original ultra-Left policies and emphasized that in the Soviet areas distributed land "should be redistributed if it is not in accordance with this law."

The ultra-Left policies of the Wang Ming line were also quickly carried out in other base areas. For instance, after Zhang Guotao came to the Hubei-Henan-Anhui Base Area in the spring of 1931, he called a Party members representative conference of the whole area at Xinji in late June. At the conference, a decision was made to arouse the masses to redistribute the land according to the new provisions and methods such as "allotting the landlords and rich peasants poor land," regardless of whether the land had already been redistributed in the area.<sup>2</sup> The *Propaganda Program on How to Redistribute Land*, issued by the General Political Department of the Hubei-Henan-Anhui Military Committee, made further provisions: "Equally distribute all the land; confiscate all the land of the landlord class and the rich peasants; do not allot any land to the landlords; and only allot the rich peasants their share of poor land for working."

After arriving at the Western Hunan-Hubei Border Area, administrators of the Wang Ming line immediately implemented the ultra-Left policies. The Sub-Bureau of the Central Committee in the Western Hunan-Hubei Border Area said in its *General Report to the Central Committee* on May 10, 1931: "After its founding, the Sub-Bureau immediately proposed to thoroughly and equally distribute all the land," "intensify the struggle against the rich peasants," and "confiscate at once the land of the rich peasants and allot them their share of poor land for working."

Zeng Hongyi went to Northeastern Jiangxi in April 1931 as a representative of the Central Committee. He called the policy which allotted land to the landlords and some good land to the rich peasants "a rich peasant line," and ordered a revision of the land law: "unconditionally withdraw the land which has been allotted to the landlords, drive away the landlord families . . . and withdraw the good land which has been allotted to the rich peasants." This made the landlords more reactionary, the rich peasants complain, and the middle peasants waver; the hired hands and poor peasants thus became isolated.<sup>3</sup> After the First National Soviet Representative Conference, the *Law on Land Distribution* which was revised and approved by the Second Execu-

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<sup>1</sup>From *Red Flag Weekly*, No. 47.

<sup>2</sup>See Zhang Guotao: *My Recollections*, Ming Bao Monthly Publishing House, Hong Kong, 1974, pp. 975-80.

<sup>3</sup>*Party History in Fujian, Zhejiang, Anhui and Jiangxi.*

tive Committee of the Provincial Soviet Government stipulated: "The land of the rich peasants should be confiscated as well and they are only to be allotted relatively poor land." "Land owners whose land has been confiscated have no right to obtain any land."<sup>1</sup>

In the Hunan-Jiangxi Border Area, the resolution which was passed by the Second Provincial Representative Conference in October 1931 also emphasized that "all land should be redistributed equally"; the *Draft Land Law* of the Wang Ming line should be resolutely carried out; and landlords should not be allotted any land and rich peasants are only to be allotted poor land. Some places even "took the middle peasants as rich peasants and treated as rich peasants those who owned a few *mu* of land or had let out a couple hundred catties of grain, thus making the middle peasants waver."<sup>2</sup>

When the Sichuan-Shaanxi Base Area was first established, they began by abolishing exorbitant taxes and miscellaneous fines and reducing land rents and interest instead of confiscating the land of the landlords. After the Central Committee cabled the area to immediately start land distribution, the leaders of the area, in accordance with the ultra-Left policies of the Wang Ming line, decided that the land of the rich peasants should be confiscated;<sup>3</sup> "the landlords should not be allotted land but forced to do hard labor, and the rich peasants are only to be allotted poor land for farming by themselves." It even stipulated that the wives and children of the rich peasants "should be allotted the worst land."<sup>4</sup>

However, implementation of the ultra-Left policies met resistance by Party cadres and the masses. For example, in Jiangxi, the policies of "not allotting land to the dependants of the local bullies, evil gentry and landlords, and only allotting poor land to the rich peasants" were "resolutely carried out" only after "the All-Soviet Conference issued the land law."<sup>5</sup> In the Western Hunan-Hubei Area, Comrade Xia Xi convened the Fourth Party Congress in January 1932, advocating the ultra-Left policies of the Wang Ming line. Due to the opposition of the majority of the delegates, his proposal was not approved and the congress had to be temporarily adjourned.<sup>6</sup> In the Honghu area, the land policy was revised after the Fourth Plenary Session, but was

<sup>1</sup> *The Law on Land Distribution of the Executive Committee of the Northeastern Provincial Soviet Government.*

<sup>2</sup> See *Red Flag Weekly*, No. 31.

<sup>3</sup> See the Sichuan-Shaanxi Provincial Soviet Government: *Public Notice on Land Reform.*

<sup>4</sup> The Political Department of the Fourth Front Army of the Chinese Workers' and Peasants' Red Army: *How to Distribute Land?*

<sup>5</sup> See *The Resolution on Land Questions* by the First Soviet Representative Conference of Jiangxi Province.

<sup>6</sup> See *Liu Zhixun*, Hunan People's Publishing House, 1979, p. 103.

“changed only slightly.”<sup>1</sup> In the Hunan-Jiangxi Border Area, “the Provincial Committee retained mixed criterion for land distribution, but the subordinate organizations failed to carry it out,”<sup>2</sup> and “some local authorities showed ‘suspicion’ and ‘hesitation’ about the withdrawal of distributed land from the landlord families.”<sup>3</sup> The Northern Shenxi Base Area led by Comrades Liu Zhidan and Xie Zichang never implemented the ultra-Left policies of the Wang Ming line because of the inconvenience of communication with the Central Committee.<sup>4</sup>

In June 1933, the Central Base Area began a campaign to Check-Up on Land Distribution. This campaign was also unfolded successively in the Hunan-Jiangxi, Hunan-Hubei-Jiangxi and Northeastern Jiangxi base areas. That spring, the Central Government carried out experiments in the Yeping Township of Ruijing, and on June 1 issued the *Instructions for the Check-Up on Land Distribution*. The next day, the Central Bureau of the Soviet Area issued the *Resolution for the Check-Up on Land Distribution*, which stated: “In many areas, the land question has not been thoroughly settled.” The *Resolution* required Party organizations “to inform against every hidden landlord and rich peasant who has been allotted good land, to confiscate all the land, houses and farm instruments of the landlords and to withdraw the good land which has been allotted to the rich peasants (if supported by the majority of the masses).” It also demanded the Party organizations to combine the Check-Up on Land Distribution with the campaign to expose and eliminate counter-revolutionaries, and “to comb out all the secret agents of the landlords and rich peasants who have sneaked into the Party and Soviet organizations.”<sup>5</sup> In June and July, the Central Government called a Conference of Responsible Soviet Government Workers from Eight Counties on the Land Distribution Check-Up, the Eight-County Poor Peasants’ Representative Conference and other meetings. After a thorough mobilization, the all-round check-up on land distribution was unfolded throughout the area.

When leading the Check-Up on Land Distribution, Comrade Mao Zedong did his best to resist and oppose the ultra-Left policies of the Wang Ming line. He warned against encroaching upon the interests of the middle peasants, saying, “we should not treat the middle peasants as rich peasants” and we should “compensate the middle peasants for their loss of land and property if they were wronged and have now been rehabilitated.” He emphasized “the

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<sup>1</sup> Li Liuru: *Land Questions in the Soviet Areas*, March 1944.

<sup>2</sup> *Red Flag Weekly*, No. 31.

<sup>3</sup> *The General Report of the Provincial Committee of the Hunan-Jiangxi Soviet Area*, October 26, 1931.

<sup>4</sup> See Li Liuru: *Land Questions in the Soviet Areas*.

<sup>5</sup> From *Red China*, No. 87.

difference between the rich peasants and landlords," demanding "not to regard the rich peasants as landlords" and saying that "the trend to eliminate the rich peasants is wrong." He clarified that "the Check-Up on Land Distribution is a check-up on classes, not a check-up on every single piece of land."<sup>1</sup> In order to direct the Check-Up on Land Distribution, Comrade Mao Zedong, in line with a scientific class analysis, wrote two documents: *How to Differentiate the Classes in the Rural Areas*<sup>2</sup> and *Decisions on Some Problems in the Agrarian Revolution*. These documents were passed in October 1933 by the Central Government and taken as the criteria for differentiating classes in the rural areas. These documents clearly stipulated how to classify landlords, rich peasants and well-to-do middle peasants, thus resolving a long-standing and important question of Party policy. At the Second National Soviet Representative Conference in January 1934 at Ruijing, Comrade Mao Zedong changed the slogan "oppose the rich peasants" into "restrict the rich peasants." He put forward a scientific class line: "Rely on the poor peasants, unite with the middle peasants, restrict the rich peasants and eliminate the landlords."

However, throughout the period when the Central Committee was dominated by the Wang Ming line, Comrade Mao Zedong was on the defensive and was not able to implement his correct land policies. Therefore, although the Check-Up on Land Distribution under the leadership of Comrade Mao Zedong did achieve some successes and to a certain extent reduced the serious damage caused by the Wang Ming line, many problems and mistakes still occurred.

In July, August and September after the campaign was unfolded, the Check-Up on Land Distribution remained on the "Leftist" track and many problems arose in various places. The campaign did not take a turn for the better until October when Mao Zedong's two documents were issued and local leaders began to correct the mistaken differentiation of class status. However, the People's Committee of the Central Government raised serious criticisms in its *On the Problem of Continuing the Check-Up on Land Distribution — No. 1 Order of the People's Committee* issued on March 15, 1934: "Even after *Decisions on Some Problems in the Agrarian Revolution* was issued, many serious problems occurred again during the Check-Up on Land Distribution in different places. Many local Soviet governments even stopped the campaign and were busily engaged in 'correcting' the ultra-Left mistakes which had been made during and even before the campaign, thus giving the landlords and rich peasants an opportunity to launch counter-attacks." The *Order* stated: "It is not permissible to reverse the cases of those landlords and rich peasants whose

<sup>1</sup> Report to the Conference on the Check-Up on Land Distribution in the Eight Counties, June 14, 1933.

<sup>2</sup> See *Selected Works of Mao Zedong*, Eng. ed., FLP, Beijing, Vol. I, pp. 137-39.

class status has been decided after the uprisings and before the Check-Up on Land Distribution even with evidence. For those whose cases have already been reversed, the reversals are nullified." "In continuing the Check-Up on Land Distribution, we must resolutely oppose the method of replacing investigating class status with calculating class status"; "we must oppose the method of substituting the calculation of percentages for class struggle." "We must hit hard at the Right opportunists who halted the Check-Up on Land Distribution on the pretext of correcting the past 'Leftist' tendency." The document emphasized that "right opportunism is the main danger at present."<sup>1</sup> Thus, another reversal in the Check-Up on Land Distribution.

The implementation of Wang Ming's ultra-Left policies had serious consequences.

First, it confused the class line-up and encroached upon the interests of the middle peasants. For instance, in the Central Soviet Area, "some middle peasants, who had only lent a few copper coins with interest, hired farm laborers for only a year or so, or collected rent of several hundred catties of grain, but lived mainly by their own hands, were treated as rich peasants. Some peasants, although they had never exploited others, because they had more level and hilly land which could produce hundreds of catties of grain and allow them to lead a well-to-do life, were also regarded as rich peasants." "In some places, handicraftsmen, merchants and 'vagabonds' were treated the same as the landlords and rich peasants," and even worse, "some workers, who had lent a little money with interest or collected some rent but mainly lived on their own wages, were also regarded as landlords."<sup>2</sup> In Ruijing city proper, "at the beginning, the check-up started from household to household on every piece of land, causing the middle peasants to panic. Some of them even went to the local Soviet requesting change of their class status from middle peasant to poor peasant, saying: 'It's too dangerous to be a middle peasant because it is only one step away from being a rich peasant. If I become a poor peasant, I'll be that much further away from being a rich peasant.'" Tating District "carried out the check-up by marking every piece of land so that some middle peasants were scared and fled into the mountains."<sup>3</sup> In the Hunan-Jiangxi Border Area, "some places labelled the rich peasants as landlords, the middle peasants as rich peasants and traced people's genealogy, going back two, three, or even four generations. Therefore, some poor peasants were regarded as bankrupt landlords, had their land and property confiscated, lost their jobs or were

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<sup>1</sup> From *Red China*, No. 164, March 20, 1934.

<sup>2</sup> Liu Shaoqi: *Summary of the Conference on the Check-Up on Land Distribution in Twelve Counties by the Agricultural Trade Union*, from *Struggle*, No. 34.

<sup>3</sup> Mao Zedong: *A Preliminary Summary of the Check-Up on Land Distribution*, 1933.

expelled from the Party."<sup>1</sup> Even worse, "after digging seven generations deep into a poor peasant's genealogy, he was classified as a landlord."<sup>2</sup>

Second, it drove the landlords and rich peasants into an impasse, increasing resistance against the revolution. As a result of not giving the landlords a chance to earn a living and the rich peasants a chance to make money, large numbers of landlords and rich peasants fled their homes. "Those who had run away became guides or vanguard forces for the White Army and those who stayed secretly sabotaged, leaked information, started rumors and sowed discord among the villagers, working hand in glove with those from outside . . . to organize political bandits."<sup>3</sup> This method played into the hands of the counter-revolutionaries and only increased our difficulties.

Third, it purged the Party of many cadres who came from landlord or rich peasant families or who had opposed the ultra-Left policies, thus affecting the enthusiasm of Party officials and harming the ranks of Party cadres. For example, in Northeastern Jiangxi Zeng Hongyi started "a large scale check-up on class status. Most of the Party members or officials who were of landlord or rich peasant origin or who were sons or brothers of landlords or rich peasants were unconditionally expelled from the Party, removed from their work and dealt 'merciless blows,' regardless of how long they had been in the revolution, how well they had done in their work, how good their relations were with the masses or how loyal they were towards the Party. They were all regarded as 'alien-class elements.'"<sup>4</sup> This situation was also very common in other base areas. In the Hunan-Jiangxi Border Area, for example, these so-called "alien-class elements" were "put in forced labor teams and even treated as counter-revolutionaries."<sup>5</sup> Even if a Party official had a good class origin, if he did not follow the ultra-Left policies of the Wang Ming line, he would also be purged. Huang Yanpan, head of the land department of Hukou District in Ninghua County, Jiangxi Province, for example, was labelled "the worst element" because he had opposed the ultra-Left policies in the Check-Up on Land Distribution and refused to admit his "mistake."<sup>6</sup> The result was that everybody was scared and the position of the Party and government was badly weakened.

<sup>1</sup> Li Liuru: *Land Questions in the Soviet Areas*.

<sup>2</sup> Wang Shoudao, Wang Zhen, Xiao Ke and others: *Recollections of the Revolutionary Struggles in the Hunan-Jiangxi Base Area*, October 1944.

<sup>3</sup> *Land Questions in the Soviet Areas*.

<sup>4</sup> *Party History in Fujian, Zhejiang, Anhui and Jiangxi*.

<sup>5</sup> Ren Bishi: *A Summary of the Discussions About the Work in the Hunan-Jiangxi Border Area*.

<sup>6</sup> *The Conclusion by the Conference of the Check-Up on Land Distribution in Eight Counties and Districts*, June 1933.

Fourth, it seriously affected the enthusiasm of the masses, undermined production and caused economic difficulties. Because "everybody was afraid of becoming a rich peasant or small landlord, they spent most of their money on food and clothing and didn't give much thought to expanding production," so "production decreased."<sup>1</sup> This policy definitely caused a shortage of grain. On February 26, 1934, the People's Committee of the Central Government passed the *Decision for a Concentrated Effort to Grow More Grain*. On June 2, the Central Committee of the CPC and the People's Committee of the Central Government issued *A Letter to the Party Departments and the Soviets at All Levels for Collecting 240,000 Piculs of Grain (about 12,000 tons — trans.) to Supply the Red Army*. *Red China* of June 9 carried an editorial entitled "The Red Army Is Waiting for Our Grain." On the 27th of that month, the Central Organizing Bureau and the People's Committee issued *An Urgent Order to Collect Grain — the Task Must Be Accomplished Before July 15*. A headline "Red Army Waiting for 12,000 Tons of Grain! Race Against Time! Only Five Days Left!" appeared in *Red China* on July 12.<sup>2</sup> This clearly proves the shortage of grain for the Red Army and the difficulty in collecting grain in the base areas. Apart from the errors of Wang Ming's military line, the failure of the Fifth Campaign Against "Encirclement and Suppression" was closely related to the ultra-Left land policies in the agrarian revolution.

After the failure of the Fifth Campaign Against "Encirclement and Suppression," the Red Army was forced to leave the revolutionary base areas. The vigorous agrarian revolution had to be brought to a temporary close, and the ultra-Left policies of the Wang Ming line came to an end in most of the base areas.

#### IV

The stage from the eve of the Wayaobao Conference in December 1935 to the outbreak of the War of Resistance Against Japan in July 1937 was a period of change in the Party's land policy.

After the September 18 Incident of 1931, the contradiction between China and Japan became the main contradiction and the struggle against Japanese aggression and for national salvation surged forward throughout the country. The new situation required the Party to formulate correct policies and organize people of all trades and professions into the front to resist Japan and oppose Chiang Kai-shek. However, the Central Committee which was then dominated by the Wang Ming line failed to correctly assess the situation and continued to advocate its ultra-Left policies in the agrarian revolution. The Zunyi Meet-

<sup>1</sup> *Land Questions in the Soviet Areas*.

<sup>2</sup> All see *Red China*, Nos. 157-213.

ing of the Political Bureau of the Central Committee, which was held on the Long March in January 1935, put an end to the domination of the Wang Ming line and established Comrade Mao Zedong's leadership in the Central Committee, providing the precondition for a change in Party policy.

After May 1935, the Japanese imperialists gradually occupied North China and intensified their aggression throughout the country, but the Kuomintang government headed by Chiang Kai-shek still continued its policy of non-resistance. At this critical moment, guided by the idea of establishing an anti-fascist united front which was advocated by the Seventh Congress of the Communist International, on August 1 the Central Committee issued an *Appeal to All Fellow Countrymen Concerning Resistance Against Japan and National Salvation*. This "August 1st Declaration" called for the establishment of a nationwide united front to resist Japan and the implementation of the ten principles concerning the resistance against Japan and the salvation of China. When the Red Army successfully reached northern Shenxi in October, it finally became possible to change the Party's land policy, and on December 16 the Central Committee issued the *Decision About the Change in Policy Towards the Rich Peasants*. This decision correctly analyzed the new political situation and pointed out that, in the emerging situation of national revolutionary war, "the rich peasants can also join in the revolution against imperialist aggression and against the local bullies, evil gentry, landlords, warlords and bureaucrats; or they may take a neutral attitude of sympathy and good will." The tactic to intensify the struggle against the rich peasants was therefore "no longer suitable." The *Decision* also summarized the experience in the agrarian revolution, saying: "In intensifying the struggle against the rich peasants, we often created a tendency to eliminate the rich peasants. This policy affected the middle peasants, making them very apprehensive and causing them to lose interest in expanding production." To correct this, the *Decision* stated: In the Kuomintang areas, "we should unite with the whole peasantry and form a broad united front. Deliberately keeping the rich peasants (even some of the landlords) out of the revolutionary struggle is wrong." In the revolutionary base areas, "we should only abolish the feudalist exploitation of the rich peasants, that is, confiscate their leased land and abolish usury. The land, property and trade managed by the rich peasants themselves (or by their hired hands) are not to be confiscated. The Soviet governments should ensure the freedom of the rich peasants to expand production (e.g., let land, open up wasteland and hire laborers) and to develop industry and commerce. . . . Other than the unified progressive tax, the local Soviet governments should not ask the rich peasants to contribute extra money or requisition manpower or resources from them." This change of policy laid a good foundation for winning the rich peasants over to the broad anti-Japanese national united front. However, the attitude towards landlords

was not changed in time and the policy remained: "As the agrarian revolution develops, we should concentrate all our forces to eliminate the landlord class." This was contrary to the situation in which the main contradiction had already changed.

In late December at Wayaobao, the Central Committee held a Political Bureau meeting of great historical significance. The meeting passed the *Resolution on the Present Political Situation and the Tasks of the Party*, which criticized "Left" closed-doorism and laid down a political line and a series of policies for the anti-Japanese national united front. This was a turning-point in the Party's history. After the meeting, the Central Committee actively developed the work of the anti-Japanese united front and changed the Party's tactics from "opposing Chiang and resisting Japan" into "forcing Chiang to resist Japan." To keep abreast with this change, on July 22, 1936 the Central Committee issued *Directives on Land Policy* which revised land policy in accordance with changes in the situation over the previous six months: After their land had been confiscated, the landlords "should be allotted their share of land, necessary farm instruments and means of livelihood." The land of "the small landlords who lead a poor life" is not to be confiscated. "The land of the anti-Japanese army men and of those who have devoted themselves to the anti-Japanese cause are not on the list to be confiscated." As for the rich peasants, "their land and surplus means of production (farm instruments and animals) are not to be confiscated." The drawback of this document was that it still stipulated that "all the land, grain, houses and other property of the landlords should be confiscated," and "the rich peasants' land should also be confiscated if the peasant masses demand an equal distribution of all the land." This did not conform with the new situation in which the main contradiction had changed. However, this document formally corrected Wang Ming's policies of "physically eliminating the landlords or not allotting them land. It gave the landlords a chance to earn their own living and showed consideration for the small landlords who led a poor life, the anti-Japanese army men, and those who had devoted themselves to the anti-Japanese cause. This policy aimed to encourage the landlord class to join in the resistance against Japan. As for the rich peasants, the policy was changed from confiscating their leased land to not confiscating their land.

The peaceful solution of the Xi'an Incident of December 1936 forced Chiang Kai-shek to end his civil war policy and a new situation began to develop. In order to maintain the initial internal peace and press the Kuomintang to turn against Japan, the Central Committee took some major steps. On February 10, 1937, the Central Committee issued its *Telegram to the Third Plenary Session of the Central Executive Committee of the Kuomintang*, in which the CPC announced its willingness to make four guarantees on

the condition that the Kuomintang abandon its policies of civil war, dictatorship and non-resistance and agree to establish an anti-Japanese national united front. The fourth guarantee was that "the policy of confiscating the land of the landlords will be discontinued and the common program of the anti-Japanese national united front resolutely carried out."<sup>1</sup> This pledge was a major conditional concession in principle made by the Party in order to establish an anti-Japanese national united front with the Kuomintang. Comrade Mao Zedong said: "For the sake of internal peace, democracy and armed resistance and for the sake of establishing the anti-Japanese national united front," it was "necessary as well as permissible"<sup>2</sup> for the Party to make these pledges. In reflecting that the main contradiction had changed, this policy fully conformed with objective realities and also fulfilled the requirements of establishing an anti-Japanese national united front. Therefore, it won the support of the people. Under the pressure of the Party's correct policy and the people's demand to resist Japan, Chiang Kai-shek, at the Third Plenary Session of the Central Executive Committee of the Kuomintang, was forced to accept the Party's proposal for an anti-Japanese national united front.

The July 7 and August 13 Incidents in 1937 caused the outbreak of the nationwide War of Resistance Against Japan. In order to correctly implement the Party's united front policy, in August the Central Committee held an enlarged meeting of the Political Bureau at Luochuan in northern Shaanxi. Also known as the "Luochuan Meeting," it passed the *Ten-Point Program for Resisting Japan and Saving the Nation* and formally issued the land policy to "reduce rents and interest." With this document, the Party officially completed the shift in land policy from the period of the agrarian revolution to the period of the War of Resistance Against Japan. This change was a correct decision made by the Central Committee headed by Comrade Mao Zedong and was an important guarantee for the victory of the War of Resistance Against Japan.

## V

In this final section I want to summarize the strengths and weaknesses, the successes and failures, of the Party's policies regarding the agrarian revolution during the period under examination.

In 1927, the Party's August 7 Conference defined the general task of the agrarian revolution. By November, the Enlarged Meeting of the Provisional Political Bureau of the Central Committee had formulated the first draft program on land questions. The Sixth National Party Congress in 1928 laid

<sup>1</sup> *Selected Works of Mao Zedong*, Eng. ed., FLP, Beijing, 1975, Vol. I, p. 282.

<sup>2</sup> *Ibid.*, p. 289.

down the policies of confiscating the land of the landlords, relying on the poor peasants, uniting with the middle peasants and not deliberately intensifying the struggle against the rich peasants. All of these decisions played an important role in promoting the national agrarian revolution.

Upon the instructions of the Central Committee, all of the revolutionary base areas successively carried out land redistribution and developed the provisions of the Central Committee according to their local conditions. Generally speaking, the agrarian revolution in the Jinggang Mountains and Central Soviet Base Area led by Comrade Mao Zedong developed better than in other places. Very early those regions formulated a comprehensive set of correct policies which exerted a positive influence on the other base areas. The other base areas also gained many good experiences, for instance, the policy in the Hubei-Henan-Anhui and Hunan-Western Hubei base areas of not confiscating the land of the middle peasants, only confiscating the land of the landlords and the surplus land of the rich peasants and distributing the land among the poor peasants and hired hands. These good experiences in turn influenced the agrarian revolution in the Central Soviet Base Area and played a very important role in the initial formulation of the Party's line and policies in the agrarian revolution.

However, during this ten-year period, the Party's land policies were not completely resolved, as demonstrated by the following problems:

First, the encroachment on the interests of the middle peasants. Uniting with the middle peasants was the key tactic in the agrarian revolution, because the middle peasants' attitude towards the agrarian revolution determined the fate of the revolution. The tactic of uniting with the middle peasants had been emphasized in all of the land decrees and documents issued by the Central Committee and different localities, but all along this problem lacked a real solution. For instance, no clear criterion was set for the classification of middle peasants, so that the well-to-do middle peasants or even regular middle peasants were often treated as rich peasants. The *Resolution on the Rich Peasant Question* of the Nanyang Conference was a typical example. Comrade Chen Yi said in 1931: "In the past it was common for some Party members to make the following differentiation: Those who work for others are hired hands; those who are short of food and clothing are poor peasants; those who have enough food and clothing are middle peasants; those who have a surplus are rich peasants; and those who have land to let are landlords. This differentiation is easy to understand, but it does have several drawbacks, for example, those who have some money, say, more than two dollars, or twenty or two hundred dollars, are now being attacked. . . ."<sup>1</sup> If "having surplus food and clothing" was the criterion for rich peasants, it was very possible to classify many well-to-do middle peasants or regular mid-

<sup>1</sup> Quoted from *Domestic News Weekly*, Vol. X, No. 31.

dle peasants as rich peasants. During land distribution, equal distribution of the land of the middle peasants meant encroachment upon their interests. When recalling the situation in 1932, Comrade Zhang Ruxin said: The equal distribution of land "encroached upon the land of the middle peasants; some of the middle peasants lost their land during land distribution. This was a serious error."<sup>1</sup> The method of mixing up all the land before equal distribution was, in particular, an obvious encroachment upon the interests of the middle peasants. Analyzing the errors in the agrarian revolution, the Jiangxi Provincial Committee said in 1931: "The most serious mistake was the 'Left' error of rejecting the middle peasants and the encroachment on their interests." For instance, the middle peasants were allotted poor land and were excluded from the land distribution and not allowed to be elected into the Soviet government.<sup>2</sup> In some places, excessive economic burdens were laid on the middle peasants for the sake of the interests of the poor peasants and hired hands. Excessive attacks against the rich peasants also caused a panic among the middle peasants. As Comrade Mao Zedong pointed out at the time: "The incorrect approach towards the rich peasants cannot but influence the middle peasants."<sup>3</sup>

Second, the excessive attacks against the rich peasants. In China even though the rich peasants had semi-feudal characteristics, most of them took part in farm work. So we can say that they were a part of the peasantry. Most of them would join in the peasant struggle against imperialism and would stand neutral in the struggle against the landlords in the agrarian revolution as well. For a certain period of time the rich peasants' production was beneficial to the revolution. Therefore, it was incorrect to regard the rich peasants as a class indistinct from the landlord class and adopt the policy of eliminating the rich peasants too early. The Sixth National Party Congress' policy towards the rich peasants was basically correct, but the policy towards them veered to the "Left" when the struggle against the rich peasants was intensified upon instructions from the Communist International. The rich peasants were more relentlessly attacked under the domination of the Wang Ming line. After excessive economic attacks, the economic condition of the rich peasants was worse than that of the middle peasants and sometimes even worse than that of the poor peasants and hired hands. Comrade Mao Zedong said in his *Survey of Chang-gang Township*: "In the past, the land, mountains, woods, houses, farm cattle and farm instruments of the rich peasants were all confiscated, but they were only allotted poor land and shabby houses with no share of the mountains. Now the rich peasants have to rent farm cattle and instruments from others. Some-

<sup>1</sup> *Resolutely Correct the Tendency of Opposing the Middle Peasants*, 1932.

<sup>2</sup> *Political Resolution of the Enlarged Meeting of the Jiangxi Provincial Committee of the CPC*, December 1931.

<sup>3</sup> *The Preliminary Summary of the Check-Up on Land Distribution*, 1933.

times in the past, and even now, they were 'fined' money, which in no way could be called 'donations.' The present economic condition of the rich peasants is worse than that of the hired hands." He pointed out: "The policy towards the rich peasants in Changgang Township is wrong."<sup>1</sup>

Even more severe than the economic attacks was the political blow dealt to them. In some places, the ordinary rich peasants were often treated as reactionary rich peasants and some were even driven away in the same way as family members of local bullies, evil gentry and landlords. As Comrade Mao Zedong once pointed out: The question of treating the rich peasants "in many places was rather confused."<sup>2</sup> On May 20, 1934, the People's Committee of the Central Government even formally issued an order to organize forced labor teams of landlords and rich peasants. It was decided that the rich peasants could be "put into the same forced labor teams"<sup>3</sup> as the landlords during military emergencies.

Third, physical elimination of the landlords. The landlord class was the target of the democratic revolution. As a class they were to be eliminated, but as individual landlords, they should have been given a chance to earn their own living. In many places, however, the landlords were not given their share of land for working after their land and other property had been confiscated. This policy was laid down during the period when the Wang Ming line predominated. Some places even drove the local bullies, evil gentry, landlords and their families out of their home districts. At the beginning of the Check-Up on Land Distribution, there was a proposal "to escort the proven local bullies, evil gentry and landlords to a central district and put them into a forced labor team."<sup>4</sup> The Central Government's order of May 20, 1934 formally declared: "The landlords should be put into permanent forced labor teams" and "in all war zones, the landlords and rich peasants who have taken part in counter-revolutionary activities should be executed on the spot; the landlords' property should be confiscated and their families should be driven out of the region or moved to other places."<sup>5</sup> This policy of physically eliminating the landlords could only harm the revolutionary cause.

It was because these problems were not solved during the Second Revolutionary Civil War Period that "Left" deviations recurred later when the campaign to reduce rents and interest developed into land reform during the Liberation War Period (1945-49). It was only after the meeting of the Central Committee in December 1947 that the question of the Party's land policy was

<sup>1</sup> *Rural Survey*, p. 132.

<sup>2</sup> *The Preliminary Summary of the Check-Up on Land Distribution*.

<sup>3</sup> From *Red China*, No. 192.

<sup>4</sup> From *Red China*, No. 94.

<sup>5</sup> From *Red China*, No. 192.

really resolved. Comrade Mao Zedong's *The Present Situation and Our Tasks*<sup>1</sup> and his *Speech at a Conference of Cadres in the Shanxi-Suiyuan Liberated Area*<sup>2</sup> and Comrade Ren Bishi's *Several Questions on Land Reform* were representative works of that period which proved that the Party's land policy had matured. Therefore, after 1948 and especially after the founding of the People's Republic of China, land reform was carried out quickly and correctly. Only upon the foundation of the correct policy of 1947 could this immensely complicated and difficult historical task be successfully accomplished within a short period of time.

Analysis of the evolution of land policy during the Second Revolutionary Civil War Period also reveals that throughout the whole process of the agrarian revolution, Right deviations were rare and short-lived when they did occur, whereas "Left" deviations were more frequent and common.

First, policies were not based on the real situation of land ownership in China and the specific characteristics of each class; instead they dogmatically copied the Soviet Union's experience and methods. This was the ideological source of the series of ultra-Left policies. Since the Party did not know how to carry out an agrarian revolution in the beginning, it was natural and inevitable to follow the Russian experience at that time. Instructions from the Communist International were valuable to the Chinese agrarian revolution, however, while learning from the experience of a foreign country or implementing the instructions from the Communist International, policies should have been integrated with the specific conditions in China. Blindly copying other's experience in disregard of the specific conditions at home was dogmatism and would inevitably endanger the revolution. Before the Sixth National Party Congress this dogmatism had already emerged. Thanks to the Congress, which summed up the experience of the agrarian revolution in different base areas, land policy developed quite normally and the agrarian revolution proceeded well thereafter. After the transmittal of the instructions on the question of the peasantry from the Communist International, dogmatism reappeared on the question of rich peasants. It developed to its extreme during the domination of the Wang Ming line. The process of the agrarian revolution proved that the victory of the revolution can only be won by acting according to realities and not "according to the book" or somebody's "instructions."

Second, petty-bourgeois ideology was the class source of the series of ultra-Left policies in the agrarian revolution. Due to its style of living and subjective one-sidedness in thinking, the petty-bourgeoisie was likely to waver politically and to be misled by ultra-Left revolutionary terminology and slogans. For instance, the ultra-Left policy towards the landlords was a reflec-

<sup>1</sup> See *Selected Works of Mao Zedong*, Eng. ed., FLP, Beijing, 1975, Vol. IV, pp. 157-76.

<sup>2</sup> *Ibid.*, pp. 227-39.

tion of this petty-bourgeois ideology. Another example was the principle of equal distribution of land among the middle peasants, poor peasants and hired hands. This policy had won the support of the masses, but the Central Committee dominated by the Wang Ming line criticized it, saying that "it in fact has put the middle peasants in the center" and "has lost the stand of a proletarian political party." They maintained that "good land must be first allotted to the poor peasants and hired hands" and the average land to the middle peasants. On the surface this policy showed consideration for the poor peasants and hired hands and seemed very "revolutionary," but in reality it dampened the enthusiasm of the middle peasants and hindered the smooth development of the agrarian revolution, with the interests of the poor peasants and hired hands affected most. Combining the Check-Up on Land Distribution with reform of the Soviets was a product of the theory that only class origin should be taken into account. Some people with "Left" ideas demanded purity of the cadre ranks and many good cadres, who had a bad class background but had betrayed their class and had been tempered in the struggle, were labelled "alien-class elements" and cleared out of the Soviets at all levels. This looked very "revolutionary," but in fact was very harmful to the revolution.

Another characteristic of the political tendency of the petty-bourgeoisie was that it was easy to become impetuous, attempting to overstep the historical stage of development, confusing the democratic revolution with the socialist revolution and trying to achieve socialism in one step. This was an important root-cause of the series of ultra-Left policies in the agrarian revolution. We believe in the theory of uninterrupted revolution, but at the same time we also believe in the theory of the development of revolution by stages. It was "Left" opportunism to try to immediately realize ideals which could only be realized in the future; this thinking was divorced from reality and the practice of the majority of the people. Comrade Li Lisan's proposals to "run collective farms" and "organize collective production," which ignored the war situation and the level of the peasants' consciousness also stemmed from this ideology.

Third, the backward small-scale production prevailing in China was the social basis for the formation of ultra-Left ideology. The major force in the agrarian revolution was the peasantry. As laborers, the peasants opposed feudalism; as small private property owners, they were selfish and backward. Equalitarianism was a reflection of the peasants' dual nature. This ideology was revolutionary in opposing feudalism, but without correct education and guidance, it would produce erroneous deviations. For instance, in Western Fujian, the policy of confiscating the land of the landlord class and the surplus part of the land of the rich peasants was not implemented because when the "poverty-stricken peasants saw that there was land to be distributed, they only wanted to get land" with the result that all the land was confiscated and equal-

ly distributed at the demand of the majority of the poor peasants.<sup>1</sup> In the Hunan-Jiangxi Border Area, although the Border Area Special Committee had proposed to confiscate only the land of the landlords,<sup>2</sup> all the land was confiscated and equally distributed at the demand of the peasants. In Northeastern Jiangxi, although the equal distribution of land "was not specifically stipulated in all the resolutions, in practice, all the land was equally distributed in most places."<sup>3</sup> Besides the idea of "the further Left, the more revolutionary," equalitarianism was another one of the major reasons why in some places the landlords and rich peasants were excessively attacked time and again. Comrade Mao Zedong talked about opposing absolute equalitarianism in his *Speech at a Conference of Cadres in the Shanxi-Suiyuan Liberated Area*: "One of the tasks in the land reform is to satisfy the demands of certain middle peasants. A section of the middle peasants must be allowed to keep some land over and above the average obtained by the poor peasants. We support the peasants' demand for equal distribution of land in order to help arouse the broad masses of peasants speedily to abolish the system of land ownership by the feudal landlord class, but we do not advocate absolute equalitarianism. Whoever advocates absolute equalitarianism is wrong. There is a kind of thinking now current in the countryside which undermines industry and commerce and advocates absolute equalitarianism in land distribution. Such thinking is reactionary, backward and retrogressive in nature. We must criticize it."<sup>4</sup>

China was a backward country; small-scale production was the main feature of the economy. The Party was not only surrounded by the class of petty producers, but also had a majority of its members coming from that class. Even Party members of working class origin could not avoid traces of the petty producer mentality. Therefore, absolute equalitarianism, the notion of "the further 'Left,' the more revolutionary," and "Left deviation is better and thus preferable to a Right one" were ideas which could easily grow and spread. Ultra-Left land policies caused the Party to suffer great losses in the agrarian revolution. This is a lesson of history which we must bear in mind.

—Translated by Xu Minqiang

<sup>1</sup> See *Red Flag Post*, No. 78.

<sup>2</sup> See *Red Flag Post*, No. 77.

<sup>3</sup> See *Red Flag Weekly*, No. 28.

<sup>4</sup> *Selected Works of Mao Zedong*, Eng. ed., FLP, Beijing, 1975, Vol. IV, pp. 235-36.

# Criteria for Land Distribution During the Second Revolutionary Civil War Period (1927-37)

*Jin Dequn*

During the Second Revolutionary Civil War Period, there was considerable controversy within the Party over the criteria for land distribution. Among the many proposals put forth, one group argued for equal distribution on a per capita basis; another group argued for taking labor power as the standard. Opinions further divided within these groups over the specific measures for implementation. One of the central issues in this controversy was which criterion would be most beneficial to the revolutionary civil war effort and to the development of production. Differences in views have continued up to the present among researchers of Chinese Communist Party history.

## I. Which Criterion Was Most Beneficial to the Development of Production?

Should land be distributed on a per capita basis or according to labor power? Which criterion would be most beneficial to the development of production? During this period, major differences and arguments over this issue arose within the Party at least five times.

The first controversy occurred during the Jinggang Mountains period. At that time, agrarian reform was moving forward tentatively under war conditions and views differed. In practice, land was usually distributed equally on a per capita basis, however, many comrades advocated taking labor power as the standard. This difference of opinion was reflected in *The Land Law of the Jinggang Mountains*, which was enacted in December 1928. The law stipulated that the primary method should be "distribution on a per capita basis: equal portions to each person — male or female, old or young." In another provision, the law stated: "In exceptional circumstances, . . . labor power may be taken

as the standard, doubling the portion to those capable of tilling the land." But, looking at the results of implementing this law, it is clear that equal distribution on a per capita basis won the support of the peasants in the Jinggang Mountains. Peasants who received a share of land burst forth with tremendous initiative and enthusiasm for increasing production. "In the autumn of 1928, the Jinggang Mountains Base Area reaped excellent harvests. Total grain output in Ninggang topped that of 1927 by 20 per cent. The production of tea oil was the highest it had been in over a decade. Unprecedentedly good harvests were also achieved in the counties of Yongxin, Lianhua, Suichuan, and so on."<sup>1</sup>

The second dispute arose at the "February 7th" Meeting in 1930. Before this meeting, the controversy between advocates of the two criteria had raged unabated. At the meeting, representatives severely criticized Jiang Hanbo, the specially appointed delegate of the Jiangxi Provincial Party Committee. He was attacked because, "while propagandizing agrarian revolution, he took no action to carry it out," and because he insisted upon "distribution according to labor power," which resulted in delaying land distribution in the southwestern part of the province. At the meeting it was emphasized that the land problem should be solved speedily and thoroughly, and representatives decided in favor of equal distribution on a per capita basis.<sup>2</sup> This decision gave great impetus to the agrarian revolution in southwestern Jiangxi.

The experience in Xunwu County, Jiangxi Province told the same story. Because "there were no established rules to follow" at the initial stage when land struggle was first set in motion, the County Revolutionary Committee proposed that the question of criterion for distribution (on a per capita basis, according to labor power, or according to differences in sources of income) should be discussed and decided at the district and township Soviet levels by calling meetings of representatives of the peasants. Consequently, completely equal distribution of the total acreage of land on a per capita basis, regardless of sex or age or capacity to work, proved to be "the most straightforward method and the one supported by the majority of the masses."<sup>3</sup>

A similar controversy arose for the third time in Western Fujian. In November 1929, at the First Enlarged Meeting of the Western Fujian Special Committee of the CPC, some comrades pointed out that, while equal distribution was "very significant as a strategy for winning over the peasants," this method also had a number of shortcomings. "The land becomes fragmented and

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<sup>1</sup> *Struggles on the Economic Front in the Jinggang Mountains Revolutionary Base Area*, People's Publishing House of Jiangxi, 1977, p. 38.

<sup>2</sup> *Circular No. 1 of the CPC Front Committee: Conclusions of the "February 7th" Meeting*, Feb. 16, 1930.

<sup>3</sup> Mao Zedong, *Investigations in Xunwu*, May 1930.

does not always fall into hands capable of cultivating it." "Objectively, it has hindered the development of production in the countryside."<sup>1</sup>

In the spring of 1930, a comrade using the pen name of Ding Long wrote an article entitled *The Agrarian Revolution in Western Fujian* which provides further details about the situation in that area:

"There are two possible criteria for land distribution in Western Fujian:

1. According to labor power. Land is only allotted to those who are able to cultivate it. Those who are not able to work the land, for lack of labor power, implements, or capital (fertilizer, etc.), are to be assigned some other kind of work; and

2. On a per capita basis. With the exception of evil gentry and landlords (but not their families), reactionaries, merchants, the disabled, and those who have a profession and can support themselves, land is allocated to everybody in equal portions.

At the beginning of land reform in western Fujian, the first criterion was adopted only to find that it was rejected at mass rallies by overwhelming majorities of over ninety per cent. In the end, they used the second criterion, equal distribution."

Nevertheless, the writer continued to believe that equal distribution had too many disadvantages and said it was "no good."<sup>2</sup> Another article, "The Past and Future of the Soviet in Western Fujian," expressed the same view: "It is necessary to switch over to the criterion of distribution according to labor power."<sup>3</sup> Both writers believed that equal distribution was detrimental to the development of production.

However, was that really the case? *The Red*, a local newspaper of that time, reported: "As recorded in previous issues, bumper crops are ripening in the early rice fields in Longyan, and the peasants are congratulating each other. . . . Our latest investigation shows that there are more than one hundred and eighty grains in each ear of rice as compared with one hundred and fifty grains per ear in past years, a clear indication of the richness of the harvests."<sup>4</sup> Again, according to the *Daily Report of the Second Party Congress of Western Fujian*, in 1930 early rice harvests surpassed those of past years by 20 per cent in Longyan and Liancheng, and by 10 per cent in Shanghang, Yongding and Changding. It was stated in the *Resolutions on Political Tasks Passed by the Second Party Congress of Western Fujian* that, contrary to expectations that agricultural production would be undermined by the fragmentation of land

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<sup>1</sup> *Circular No. 15 of the Western Fujian Special Committee of the CPC: Resolutions on the Land Question*, November 5, 1929.

<sup>2</sup> *The Red Flag Post*, No. 78, February 22, 1930.

<sup>3</sup> *Ibid.*, No. 87, March 26, 1930.

<sup>4</sup> "Bumper Harvests of Early Rice in Longyan," *The Red*, No. 42, July 22, 1930.

caused by equal distribution, bumper harvests exceeding those of the previous year (1929) by 20 per cent were brought in from early rice fields everywhere that year — the very year after the land was distributed equally. This was no accident. In fact the increase in production was a direct result of equal distribution.

In western Fujian, all of the fieldwork — plowing, fertilization, irrigation, etc. — was done by hand. Agricultural production was small peasant economy, in no way conducive to large-scale collective operations. On the other hand, the peasant had always been forced to work to survive. Now that each peasant had his own share of land, all of society's labor power turned out to work the fields and there was enough labor to meet all the tasks in the fields. Hence the tremendous increase in agricultural production that year. However, if land had been distributed according to labor power, because of the price scissors, those receiving large amounts of land might not have cultivated all of it. Consequently, part of the land would have lain fallow and production would have suffered. Thus, in Chinese society, a small peasant economy where poor peasants constitute the majority, equal distribution of land was the most correct political program in promoting production as well as winning over the broad masses of peasants.

The fourth dispute arose during the reign of the Li Lisan line. In May 1930, *The Provisional Law on Land* was enacted. In the name of developing production, this law juxtaposed distribution according to labor power with per capita distribution. Later, at the Second Plenary Session of the Special Committee of the CPC of Southwestern Jiangxi, Li Wenlin completely overruled the decision passed at the "February 7th" Meeting, condemning equal per capita distribution as a reflection of "peasant mentality." He insisted that "land should be redistributed according to labor power," and that "collective cultivation and collective consumption" should be practiced. Further, he dismissed Liu Shaoqi, who had resolutely applied the policy decision of the "February 7th" Meeting, from his post as Secretary of the Special Committee of the CPC of Southwestern Jiangxi.

Meanwhile, an inspector from the Central Committee of the CPC, on a tour of Southwestern Jiangxi, saw how the policy of equal per capita distribution was supported by both the peasants and the cadres. He was infuriated and started declaring wherever he went, "I don't agree with equal distribution. . . . It leads the peasants onto the road of Equalitarian Communism and various erroneous tendencies. . . . Distribution according to labor power is all right, but as I see it, it would be best to practice collective cultivation."<sup>1</sup> When this was discovered by Mao Zedong and other comrades, they quickly reconfirmed the

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<sup>1</sup> Liu Zuofu, *Comprehensive Report to the Central Committee of the CPC*, July 22, 1930.

principle of equal distribution in *The Land Law of the Revolutionary Military Committee of China*, promulgated in August 1930. This law explicitly stipulated: "To meet the demands of the majority, and to speed up the division of land among the peasants, distribution should be on a per capita basis — one share to each person, regardless of sex or age; labor power should not be used as the criterion for land distribution." The mistakes in *The Provisional Law on Land* were thus quickly corrected.

In March 1931, the controversy over this issue occurred for the fifth time at the First Enlarged Conference of the Central Bureau of the CPC of the Soviet Area. The work of the bureau was then under the direction of Comrade Xiang Ying, who had arrived at the Central Base Area at the beginning of that year. He was also against equal distribution, calling it a "petty bourgeois illusion." "To distribute land equally to every person, rich or poor, old or young, utterly confuses class consciousness and hinders the development of class struggle in the countryside." He stipulated that "labor power should be used as the criterion for land distribution (with each person of either sex from the ages of 14 to 50 taken as one unit of labor power); in cases where labor power is insufficient to maintain a living, the per capita criterion may be considered."<sup>1</sup> Thus, labor power became the number one criterion. Both the cadres and the peasants immediately protested this circular. In some places, it was never put into effect; in others where it was, many problems cropped up. In light of these problems, it was decided at a later enlarged session of the same conference on March 18, though not without another heated exchange of opinion, that land should be distributed equally among the population. This session declared its opposition to using labor power as the criterion in clear-cut terms, giving the following reasons: (1) In places where there is not enough land, distribution according to labor power means that many families will not have enough to eat; (2) Per capita distribution is easy and fast, while distribution according to labor power complicates things as it involves complex calculation, affording rich peasants the chance to plot against and delay distribution; furthermore, equal per capita distribution is the demand of the masses; (3) Given the bankrupt state of the countryside, poor peasant families were not necessarily small, whereas some rich peasant families had a lot of labor power; (4) Per capita distribution would benefit the poor and middle peasants in places where they accounted for more than 80 per cent of the population. Therefore the First Enlarged Conference of the Central Bureau of the CPC decided to continue to distribute land equally on a per capita basis.<sup>2</sup>

<sup>1</sup> Circular No. 9, Central Bureau of the CPC of the Soviet Area: *Land Problems and the Strategy Against the Rich Peasants*, February 8, 1931.

<sup>2</sup> Ouyang Qin, *Report on the Central Soviet Area*, September 3, 1931.

Looking back, one can see that, while time and again arguments over this issue arose in the leading organs of the Party, and although conflicting stipulations appeared in the successive land laws of that period, in fact, before 1931, land was distributed in the various base areas, "as if by prior agreement," on an "equal per capita basis."<sup>1</sup> There were very important reasons behind this.

First, equal per capita distribution was advantageous to winning over the peasants. According to investigations conducted in several counties in Southwestern Jiangxi, in the countryside "more than 75 per cent of the population is incapable of physical labor; that is to say, out of every four persons, there is only one able-bodied person to work the land, a serious situation for China."<sup>2</sup> To distribute land according to labor power would certainly alienate three-fourths of the population, particularly the aged, the young and the incapacitated. Denied of land and without social security they wouldn't be able to support themselves. On the other hand, rich peasant families, besides owning more draft animals, farm implements and funds, also usually had more able-bodied persons than the average. Distribution of land according to labor power would only benefit them.

In the second place, it helped to win time for the war effort. Equal distribution of land on a per capita basis was simpler in procedure and took less time. By speedily satisfying the peasants' demands for land, it quickly called forth their enthusiasm in supporting the revolutionary war with both manpower and resources, which was of great significance under the war conditions of that time. If labor power was adopted as the criterion, the procedure would be much more complex; a lot of time would have to be spent on tortuous discussions and actual distribution would be delayed. For example, in the Yanfu region, north of Ji'an, land was to be distributed using labor power as the criterion as insisted upon by Jiang Hanbo. Much time was lost in endless wrangling and nothing was accomplished. This was one of the major reasons why the broad masses of peasants opposed distribution according to labor power.

<sup>1</sup> Li Liuru, *Land Questions in the Soviet Areas*, March 1944.

<sup>2</sup> Mao Zedong, *Problems on Ownership of Young Crops and on Peasants Renting Out Land*, November 15, 1930. The article was included in the book *Rural Surveys*, both the *Preface and Postscript* of which appeared in *Selected Works of Mao Zedong*, English ed., Vol. III, pp. 11-16, FLP, Beijing, 1975.

A problem arose concerning the ownership of the green rice-shoots growing in the land under distribution: Should they remain the property of the original land-owner, i.e., the one who had raised them, or should they, together with the land, go to the new land-owner? And, in the latter case, should they be paid for or not? Of the three suggestions, the last one was the most popular among the peasants and the one Comrade Mao Zedong supported and put into practice.

Another problem was, should the peasants be allowed to rent out their newly received land? The "Left" theory insisting that "there should not be rent-collection within the Soviet area" was vetoed since otherwise the land of the aged, the young and the incapacitated would have been left uncultivated, and they would have been rendered helpless to support themselves.

Third, it was advantageous to the liberation of social productive forces and to the development of production. In the Chinese countryside, where there was a large population and yet little arable land, most farm land was in the hands of landlords and rich peasants. When land was distributed on a per capita basis, each member of the rural community got a more or less equal share, and was able to fully apply his labor power. This was what happened in Western Fujian: "In order to produce enough to eat, all family members went out and poured their labor into the land. No field was neglected. Instead, production developed, demonstrated by the fact that harvests in the area this year (1930) are 20 per cent greater than before the revolution."<sup>1</sup> The same conclusion was reached at the Nanyang Conference (Joint Meeting of the Front Committee of the Fourth Red Army and the Western Fujian Special Committee of CPC).

Then the Wang Ming line took over the leadership and it was stipulated that "land should be distributed according to the number of able-bodied persons in each family or, using a combination of criteria, it may also be distributed on a per capita basis."<sup>2</sup> This decision, which aimed at denying the rich peasants a way to make a living and breaking up original land-holdings for redistribution, was boycotted by the base areas. For example, the Central Soviet Base Area stated its position clearly: "It is hardly proper to have labor power as one criterion, and to have both labor power and per capita as another." They insisted upon upholding the principle of equal per capita distribution.<sup>3</sup> In the Hunan-Jiangxi Border Area, "the mixed standard advocated by the Provincial Committee failed to be faithfully carried out at the lower level"; "generally speaking, land was distributed on a per capita basis."<sup>4</sup> Therefore, *The Land Law of the Soviet Republic of China* which was adopted later had to include a supplementary article: "Land should be distributed to middle and poor peasants and hired hands on a per capita basis, and to rich peasants according to labor power."<sup>5</sup> This law should have proclaimed in a straightforward manner that land was to be distributed equally on a per capita basis, the only exceptions being "no land for the landlords" and "poor land for the rich peasants." History proves that "labor-power is not an appropriate criterion for land distribution. In the Red areas land was in fact redistributed equally on a per capita basis."<sup>6</sup>

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<sup>1</sup> *Resolutions on Land Problems*, adopted by the Joint Meeting of the General Front Committee of the First Red Army and the Action Committee of Jiangxi Province, October 19, 1930.

<sup>2</sup> *Draft Land Law*, *Red Flag Weekly*, No. 1, March 9, 1931.

<sup>3</sup> *Resolutions on Land Problems*, the Central Bureau of the CPC of the Soviet Area, August 21, 1931.

<sup>4</sup> *Red Flag Weekly*, No. 31.

<sup>5</sup> *Red Flag Weekly*, No. 47.

<sup>6</sup> Vide Note 17 to "The Struggle in the Jinggang Mountains," *Selected Works of Mao Zedong*, English ed., Vol. I, Foreign Languages Press, Beijing, 1975, p. 104.

## II. Does Equal Distribution on a Per Capita Basis Encroach upon the Interests of the Middle Peasants?

To answer this question, it is necessary to clarify the relationship between the percentage of middle peasants in the total population of the countryside and their proportionate ownership of land. Generally speaking, if their ratio of land ownership was greater than their ratio in the total population, and if the Party's policy was not properly carried out, encroachment upon their interests would occur. Below I am going to make an analysis of five places for which these statistics are available.

1. Boyang Township in Xiaoxijiang District, Yongxin County, Jiangxi Province, 1928: There were 275 households with 2,478 *mu* of land. Three landlords owned a total of 2,091 *mu*, and two rich peasants owned a total of 93 *mu*; the landlords and rich peasants combined made up less than 2 per cent of the population of the township and owned 79.4 per cent of the land. Ninety-three middle peasants, representing 33.8 per cent of the population, owned only 348 *mu*, or 12.7 per cent of the total land of the township. One hundred and seventy-seven poor peasants and hired hands, accounting for 64.3 per cent of the population, owned only 216 *mu* of land, or 7.9 per cent of the township's land.

2. Longyan, Yongding, Shanghang, Liancheng, Changding and Wuping counties in western Fujian Province, 1929: Landlords and rich peasants of the rentier class made up 8 per cent of the total population in the six counties and owned 85 per cent of the land. The middle and poor peasants made up 17 per cent and 75 per cent, respectively, of the population, and together owned only 15 per cent of the land.<sup>1</sup>

3. Yongfeng District, Xingguo County, Jiangxi Province, 1930: Landlords and rich peasants took up 6 per cent of the population and owned 80 per cent of the land; middle peasants, who took up 20 per cent, owned 15 per cent of the land. Poor peasants and hired hands made up 61 per cent of the population and owned only 5 per cent of the land. Handicraftsmen, small merchants and vagrants, who owned no land, took up 13 per cent of the population.<sup>2</sup>

4. Lishui County, Zhejiang Province, 1934: Landlords and rich peasants, who formed 10 per cent of the population, owned 55 per cent of the land. The middle peasants made up 28 per cent of the population and owned 20 per cent of the land. While forming 62 per cent of the population, poor peasants and hired hands owned only 25 per cent of the land.<sup>3</sup>

<sup>1</sup> See *The Political Resolution of the First Party Congress of the CPC of Western Fujian*.

<sup>2</sup> Mao Zedong, *Survey of Xingguo County*.

<sup>3</sup> *Rural Correspondence*, compiled by China's Society for Research on the Rural Economy, China Publishing House, Shanghai, 1935, p. 89.

5. The whole country (excluding northeast China), 1934: Landlords formed 4 per cent of the population and owned 50 per cent of the country's total land. Rich peasants formed 6 per cent of the population and owned 18 per cent of the land. The middle peasants formed 20 per cent of the population and owned 15 per cent of the land. Poor peasants and hired hands made up 70 per cent of the population and yet owned only 17 per cent of the land.<sup>1</sup>

Looking at the numbers, it is clear that the middle peasants' ratio of land ownership was less than their proportion in the population. Therefore, in general, in equal per capita distribution, middle peasants could receive a share of the land. Because 70-80 per cent of the country's total cultivated land was owned by a minority of landlords and rich peasants, the middle peasants' land was usually insufficient. Particularly in south China, many middle peasants had to rent land from landlords and rich peasants. But because they had more livestock, instruments and fertilizer, etc., and lived somewhat better than the poor peasants, they were called "tenant middle peasants."

A *Survey of Xingguo County* shows that in the Yongfeng District, middle peasants formed 20 per cent of the population and owned only 15 per cent of the land. The middle peasants approved of the principle of land distribution on a per capita basis, because not only could they retain their own land, most of them would get an additional share; among the middle peasants, those adversely affected by per capita distribution constituted a tiny minority.

This was also the case in Mukou Village, Eighth Township in Shuinan District, Jishui County, Jiangxi Province. Three government workers from middle peasant families all gained instead of losing land in the distribution.<sup>2</sup>

In the agrarian revolution in Jiulong Township, Huang'an County, Hubei Province, 85 hired hand families who had no land were altogether allotted 552 *mu* of land; 114 poor peasants who had an average of 1 *mu* per household received a total of 761.8 *mu*. Thus, for hired hands and poor peasants, the amount of land owned by each household increased to 6.5 *mu*. The total amount of land owned by middle peasants also increased from 432.6 to 598 *mu*; on a per capita basis, this represents an increase from 5.2 to 7 *mu* of land.<sup>3</sup> Therefore, in equal per capita distribution, ordinary middle peasants could get a share of land. These figures show that after equal per capita distribution, not only did the ordinary middle peasant increase his holding, the amount of his land even slightly exceeded that of both the hired hand and the poor peasant.

In the revolutionary base areas, equal per capita distribution was carried out by taking from those who had a surplus of land and giving to those who

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<sup>1</sup> Yan Zhongping and others: *Selected Statistical Data for Modern Chinese Economic History*, 1955, p. 271.

<sup>2</sup> Mao Zedong, *Investigation of Mukou Village*.

<sup>3</sup> Quoted from *Historical Data for Anhui Revolutionary History*, Vol. II, p. 22.

had a shortage, and taking from those who had better land and giving to those who had worse land. Using these principles, the middle peasants usually received additional land because their original land was generally just average in quality and less than average in quantity. Even in places where the middle peasants' percentage of land ownership was greater than their ratio in the population, in light of the Party's policy, under ordinary circumstances, the land of middle peasants was not touched. Some land laws stipulated that the average amount of land owned by the middle peasants could be slightly higher than that of poor peasants. For instance, in the Hubei-Henan-Anhui Border Area, the *Specific Measures for Implementation of the Land Program* stipulated that when confiscating all land from landlords and distributing it among the peasants, the interests of owner peasants should not be encroached upon. Similarly, *The Land Law of the Soviet Government of Southwestern Jiangxi* stipulated that land distribution was to be carried out on the basis of taking from those who had a surplus and giving to those who had a shortage. The law also warned against the practices of employing absolute equalitarianism and mixing up all the land and redistributing it. In the Hunan-Western Hubei Area, the *Decree of the Agrarian Revolution* clearly stipulated that the land of middle peasants should not be touched and that land could be allotted to well-to-do middle peasants if there was sufficient land for distribution. *The Law on Land Distribution of the Soviet Executive Committee of Northeastern Jiangxi Province* provided that the holdings of middle peasants should not be changed if they were not willing to give out their land for equal distribution. In the Sichuan-Shaanxi Area, *Instructions for Equal Distribution of Land* opposed encroachment upon the interests of middle peasants and stipulated that land should be allotted to middle peasants whose land was insufficient. In Northern Shaanxi, "in the equal distribution of land, the land of middle peasants should not be touched."<sup>1</sup>

The above shows that the Party did not advocate absolute equalitarianism, but paid attention to safeguarding the interests of the middle peasants. At the demand of the peasant masses, the land of some well-to-do middle peasants, who had far more and better land, was partly confiscated in order to make up for shortages. But these were exceptional cases, and we cannot consider them manifestations of absolute equalitarianism in per capita distribution of the land.

*The Land Law of the Soviet Republic of China* (October 1931) was adopted during the time when the Wang Ming "Left" line dominated the Party. Even this "Left" land law stipulated: "If the majority of middle peasants are not willing to join in the equal distribution of land, they are allowed to refuse."

<sup>1</sup>See Cai Shufan, *A Preliminary Study of the Land Problem in Suide and Mizhi Counties, Shaanxi Province*.

On December 24, 1931 the Party Central Committee wrote the *Resolution on Equal Distribution of All the Land*, which stated: "All Party members should familiarize themselves with the Central Committee's summary of the land distribution in the various base areas. During the process of equal distribution, in general, the land of the middle peasants should not be touched. We should launch severe and resolute attacks on any attempt to encroach upon the interests of middle peasants on the pretext of equal distribution of the land." This resolution required Party members to explain to hired hands and poor peasants: "They should enter into the closest alliance with the middle peasants; hired hands and poor peasants should not harm their interests and should allow them to benefit from the agrarian revolution as well. This means that the middle peasants should be allowed to have more land than hired hands and poor peasants."<sup>1</sup> We should acknowledge that these provisions were correct.

During this period, when the interests of the middle peasants were undermined, it was not a result of equal distribution on a per capita basis; it was caused by the "Left" policy of "no land for the landlords and poor land for the rich peasants." These "Left" policies sometimes affected the middle peasants when Party organizations at the grass-root level distorted the policy during implementation. For example, in some areas, land was distributed according to the principle "good land to poor peasants and ordinary land to middle peasants." Or in the differentiation of class status some middle peasants who had hired short-term laborers or lent money many years before were regarded as rich peasants and attacked as such. The Soviet governments and the Party at all levels made every effort to prevent the recurrence of such cases. So far I have not been able to find a single document which opposed unity with the middle peasants or which allowed encroachment upon the interests of the middle peasants.

A *Report by the Soviet Government of Jiangxi Province*, issued in November 1932, gives the results of an investigation into the distribution of land in that province. One of the important issues covered in this document is the problem of encroachment upon the interests of middle peasants. The report stated: "In the counties of Anyuan, Jianxian and Ningdu, we did not discover any middle peasants being given the worst land on the pretext of being rich peasants; in Yongfeng, Gonglue and Wantai counties there were also very few such cases, perhaps seven or eight at the most; in Xunwu and other counties, some of the middle peasants have been allotted poor land. There are many cases of encroachment upon the interests of middle peasants in Yudu County; in Xingguo County, there were some cases where the middle peasants were regarded as rich peasants and allotted the worst land, but they have been corrected and the poor land has been replaced by good land."<sup>2</sup> This report

<sup>1</sup> *Red Flag Weekly*, No. 28.

<sup>2</sup> See *Red China*, November 21, 1932.

proves that the Soviet Government of Jiangxi Province paid considerable attention to safeguarding the interests of middle peasants. The government corrected any encroachment upon discovery. Other provincial Soviet governments took the same attitude towards similar cases.

In 1933, during the Movement to Check-Up on Land Distribution, the Party's Central Committee specially issued two documents written by Mao Zedong: *How to Differentiate the Classes in the Rural Areas* and *Decision on Some Problems Regarding the Agrarian Struggle*. These two documents gave detailed explanations on how to differentiate landlords, rich peasants and middle peasants and how to calculate the duration and degree of exploitation, thus providing scientific criteria for the differentiation of classes in rural areas. They clearly stipulated: "The interests of well-to-do middle peasants together with those of middle peasants should be protected by the Soviet governments." "There are a number of well-to-do middle peasants in rural areas. It is incorrect to treat them as rich peasants in the movements of land distribution and Check-Up on Land Distribution. In some areas there are cases of encroaching upon the interests of middle peasants, usually well-to-do middle peasants. These should be corrected without delay."

On November 5, 1933, a Conference to Check-Up on Land Distribution in 12 Counties was convened by the Agricultural Trade Union of the Central Soviet Area. The conference aimed at helping peasants to grasp the Party's policies and to learn to differentiate classes. In his concluding speech, Comrade Liu Shaoqi, Chairman of the All-China Trade Union, urged "all trade unions to do their utmost to help the government reexamine classes which were designated by the government in the past. Incorrect decisions regarding the class status of trade union members should be rectified through appropriate procedures."<sup>1</sup> In January 1934, on behalf of the Party Central Committee, Comrade Mao Zedong made a speech to the Second National Representative Conference of the Soviet Republic of China, in which he stressed: "The erroneous tendency to encroach upon the middle peasants (mainly well-to-do middle peasants) and to eliminate rich peasants should be thoroughly repudiated." These steps effectively corrected errors in class differentiation in the rural areas caused by the Wang Ming "Left" line and helped to protect the interests of the middle peasants.

In conclusion, the distribution of land on a per capita basis was beneficial to the growth of production and did not involve encroachment upon the interests of the middle peasants. My reasons:

First, in general, the middle peasants were allotted land rather than having their land confiscated.

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<sup>1</sup>"A Summary of the Conference to Check-Up on Land Distribution in 12 Counties Convened by the Agricultural Trade Union," *Struggle*, No. 34.

Second, under special circumstances, the average amount of land owned by middle peasants was permitted to be above the average for hired hands and poor peasants.

Third, per capita distribution of land was carried out on the basis of each household's original holding, by taking from those who had a surplus and giving to those who had a shortage, and taking from those who had better land and giving to those who had worse land. This cannot be called an absolutely equalitarian method.

— *Translated by Feng Shize and Xie Zhenqing*

# China's Landlord Economy and the Sprouts of Capitalism in Agriculture

*Li Wenzhi*

## I. The Slackening of Feudal Land Relations

When we take up the problem of the sprouts of capitalism in agriculture, we must first consider the "matrix" from which it arises. We should consider all the special characteristics of a feudal land system which is based on a landlord economy: the lack of a strict hierarchical structure in land rights; free purchase and sale of land; relatively greater flexibility in farm management than in the classic feudal lord economy, and so on. All of these factors contribute to the growth of commodity economy. Thus, when feudal society reached its late period, i.e. during the Ming and Qing dynasties, and the commodity economy was more developed, feudal mores in the countryside began to change and the patriarchal land holding system gradually declined.

By "changes in feudal mores" I primarily mean changes in patriarchal relations. As early as the middle of the Ming Dynasty, the feudal hierarchy of "nobles" and "commoners," "high" and "low," and the patriarchal blood relationships between "superiors and inferiors," "seniors and juniors," as well as other feudal practices gradually changed with the development of a commodity and money economy. During the Wanli period (1573-1620), Guan Zhidao wrote: "The guiding principles have daily weakened since the founding of the state. . . . So among the people all kinds of irregularities come about such as the inferior threatening the superior, the youth ill-treating elders, the junior insulting the senior, and slaves revolting against their masters. All this has been happening for a long time."<sup>1</sup> The changes became even more pronounced after the great peasant uprising at the end of the Ming Dynasty, and the feudal patriarchal relationships binding land ownership loosened up. For instance, in Wuchang (Hubei), during the reigns of Kangxi (1662-1722) and Yongzheng (1723-35), "there was no discrimination between nobles and commoners, and no order

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<sup>1</sup>Guan Zhidao: *Posthumous Works by Sages of Taihu and Kunshan*, juan 2.

between seniors and juniors" (*Collection of Ancient and Contemporary Books*, juan 1120, "Wuchang"); and in Luzhou (Sichuan), during the reign of Kangxi, "ethics were lost and litigation became prevalent" (*Kangxi Luzhou Gazetteer*, juan 11, *Customs*).

During the period of China's feudal society, class relationships in the countryside were closely linked with patriarchal blood relations: feudalism and patriarchy were often mentioned together in the same breath. During the Ming-Qing period the form of exploitation which feudal landlords most commonly adopted was renting land out to tenants, next was the hiring of hands or use of slave servants to do the farming work. The feudal and patriarchal nature of the land system was mainly reflected in these tenancy and hired hand relationships. To the tenant farmers and hired laborers, the landlord was the embodiment of a feudal lord who practiced extra-economic compulsion and feudal exploitation of the peasants. All this was done within the framework of patriarchal rule, making it possible to impose the ethical chain of the "superior-inferior" and "senior-junior" concept on the laboring people and thus tighten the oppression of the peasant class. Owing to the lack of a strict hierarchical structure of land rights in China's landlord economy, patriarchal rule through "superior-inferior" and "senior-junior" relationships became a necessary supplement; it played a very important part in consolidating feudal land relationships. The slackening of feudal patriarchal relationships in the land system during the late feudal period found expression mainly in the changes in the feudal hierarchy and relationships of dependency involving tenancy and hired hands. During the Ming-Qing period, particularly in the early days of the Qing, changes in the distribution of land rights and in the status of the landlord and the development of land dealings, etc. all produced changes in tenancy and hiring relations.

In respect to the allocation of land rights, there were several great changes during the Ming and the Qing, i.e., moving from dispersion to concentration and from concentration back to dispersion again. At the beginning of the Ming Dynasty, the government adopted measures to promote land ownership by peasants. Earlier, during the great peasant uprising at the end of the Yuan Dynasty, the landlord class took a serious beating; the status and fortunes of many landlords plummeted. Cai Xuzhai of the Ming Dynasty was referring to this when he wrote: "It has been true since ancient times that in turbulent days it is the great families that get destroyed first." (*Cai Xuzhai: West Park Record of Personal Information*, juan 4, *Admonition*). Because of protracted war, many peasants, as well as landlords, fled their native places. When the war ended, these fugitives returned to their home villages. An imperial edict issued in the 5th year of Hongwu (1372) decreed that returnees "who don't have enough manpower for the land they owned in former days are not allowed to have the same lot of land as before restored to them. They can only have an amount

commensurate with their ability to cultivate." As for those whose manpower exceeded the requirements of their land, "the official in charge should examine the case and allocate a certain amount of nearby land for them to cultivate." The landlords that "dare to occupy extra land on the pretence that it was their old property should be punished according to law." (*Ming Decrees and Regulations*: Edict issued in the 5th month of the 5th year of Hongwu). The basic idea of this edict was to deny the old landlords their "original property rights" and to allot land according to the actual manpower of each household. Because of these government measures, land-owning peasants flourished throughout the country. But by the middle and late Ming Dynasty, with the development of an aristocratic official landlord class, land rights became highly concentrated again. Then towards the end of the Ming Dynasty, after an almost nation-wide peasant uprising, the landlord class was dealt another serious blow and lost much land. For reasons similar to those during the early Ming, the Qing government adopted measures to help the land-owning peasants.<sup>1</sup> In some regions there were even regulations specifying the number of *mu* (畝) to be allocated to the tillers.<sup>2</sup> Worth special mention is the fact that in order to encourage the reclamation of wasteland, the Qing government for a time abandoned its policy of maintaining the "original owner's property rights,"<sup>3</sup> so that land rights once again could be dispersed, enabling more peasants to become owners of a small amount of land. During the Ming-Qing period, this practice of owning small amounts of land according to one's labor capacity was

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<sup>1</sup> *General Investigation of Imperial Documents*, juan 3-4, *Land Taxes*; *Collected Institutions of Kangxi*, juan 24; *Veritable Records of Shunzhi*, juan 109. All the above quoted books carried official directives allowing people to own their reclaimed land as "permanent property."

<sup>2</sup> According to *General Investigation of Imperial Documents*, juan 3-4, "Land Taxes," it was decreed in the 6th year of Yongzheng that in Ningxia, wasteland cultivators were allowed one hundred *mu* per household; in Sichuan, thirty *mu* of paddy field or fifty *mu* of dry land per household. In the 6th year of Qianlong it was decreed that for wasteland cultivators in Shaanxi fifty *mu* of good field or one hundred *mu* of ridge or sandy land be allocated to each household.

<sup>3</sup> According to *Kangxi Collected Institutions of Great Qing*, juan 24, "Taxes and Corvée" 1, it was decreed in the 10th year of Shunzhi that fields with owners but lying fallow and on which no tax was paid should be taken by the government as official fields. Cultivators may be recruited to open up the land. According to *Veritable Records of Shunzhi*, juan 109, in the 4th month of the 14th year of Shunzhi, an order was issued that wastelands owned by imperial scholars and which the owners were unable to cultivate should be reclaimed by government recruited hands. Permits should be issued to such cultivators to ensure their "ownership of land as permanent property." From the 13th year of Shunzhi to the 20th year of Kangxi, the Qing government had adopted measures to encourage well-off families and country squires to contribute money for wasteland reclamation, thus providing landlords an opportunity to annex land. But under the historical conditions at that time, it was comparatively easy for peasants to acquire land rights.

not a feudal one. The development of small land ownership represented the weakening of feudal land relations.

The composition of the landlord class underwent a change from the aristocratic-official landlords who monopolized land in the late Ming to the growth of commoner landlords in the early years of the Qing.<sup>1</sup> Although China's landlord economy lacked a strict hierarchical structure governing land possession, there were different types of landlords, and within the landlord class there were also different grades. There were generally two categories of landlords: the noble-officials enjoying feudal privileges and the commoner landlords. Tenancy and hired hand relationships between commoner landlords and peasants were relatively free, while those between noble-official landlords and peasants were highly feudal. At that time, other than in the manorial fields and banner lands, where feudal patriarchy remained comparatively strong, the status of landlords was relatively weakened. The transition from the aristocratic-official landlords' monopoly of land to the greater importance of commoner landlords represented a great change in land relationships, implying a slackening of feudal patriarchal bonds.

However, to say that there were changes in the social status of landlords refers only to the general trend of development. During the Ming Dynasty when the aristocratic-official landlords were in the majority, there were also commoner landlords; and later when commoner landlords flourished during the Qing, official landlords were still numerous. Moreover, conversion from one to the other also occurred. It often happened that after commoner landlords acquired much land they pursued official rank, becoming official landlords. Nevertheless, for nearly two hundred years in the early Qing period, the percentage of commoner landlords was greater than during the Ming Dynasty.

During the Ming-Qing period, with the development of the commodity economy, land further took on the form of a commodity. This represented a major change in late feudal society. One of the main characteristics of China's landlord economy was the fact that land rights were not obtained chiefly by means of enfeoffment or grants, but mainly by purchase. Although the purchase or plunder of land increased and declined at different times, the general trend was towards increased commercialization of land. The sale of real estate had been well developed by the middle of the Ming Dynasty. In the late Ming period, following the growth of the power of the noble-official landlords, the process of transferring land rights regressed and was usually accompanied by force. The late Ming system of "making offers" and "seeking patronage" was in fact a covert form of pillage. After the great peasant uprising at the end of

<sup>1</sup> Vide Li Wenzhi "On Land-Holding Relations in the Early Qing Period," *Lishi Yanjiu (Historical Studies)*, No. 5, 1963.

the Ming, this retrogressive trend was reversed and a new stage of development began. At the beginning of the Qing Dynasty, although there was enclosure of manorial fields and banner lands for a time, more often the transfer of land rights was through transactions. In fact, this kind of transfer was becoming more frequent year after year. For example, in Qixia County, Shandong Province, "it so happened that land repeatedly changed hands" (*Kangxi Gazetteer of Qixia County*, "Preface"). In Shunde County, Guangdong Province, "land changed hands quite often" (*Qianlong Gazetteer of Shunde County*, juan 4). And in Anxi County, Fujian Province, land property "comes and goes time and again" (Li Guangpo: *Reply to Letter from Magistrate of Ding County Enquiring About the Equal Imposition of Grain-tax on Each Man*, vide *Essays on Statecraft in the Reigning Dynasty*, juan 3). Especially in the areas south of the Changjiang (Yangtze) River, land often "changed hands several times within a decade" (Qianlong: *Luyuan Miscellaneous Talks*, juan 4). The growth of land sales therefore challenged tenacious feudal patriarchal conventions such as the right of land redemption, preferential right of land purchase for kith and kin, and the like.<sup>1</sup>

All of the above factors e.g. changes in the distribution of land rights and in the status and position of landlords, and the rapid growth of a real estate market reflected a certain slackening of feudal patriarchal bonds within the land system. All of these developmental changes led to the implantation, within the landlord economy-based land relations, of the seeds of capitalism in agriculture.

## II. Development of Agricultural Productive Forces and Commercial Agriculture

✓ The development of agricultural productive forces is a prerequisite to the appearance of embryonic capitalism in agriculture. Only with the development of agricultural production and a higher rate of productivity is it possible to produce enough commodity grain for the market and have extra land for conversion to the growing of cash crops.

As commercial agriculture grew and the commodity economy permeated the country, the feudal economy continued to disintegrate with the peasant class becoming divided. Out of this division came embryonic free laborers and agricultural capitalists. Lenin said: "The growth of capitalism in agriculture ✓ consists above all in a transition from natural agriculture to commercial agricul- ✓"

<sup>1</sup> Vide Li Wenzhi, "On Land-Holding Relations in the Early Qing Period."

ture."<sup>1</sup> Free labor, as an indication of rising capitalist modes of production, was "applied at first to the cultivation of the commercial crop."<sup>2</sup>

The increase in agricultural production is closely connected with that of the entire productive forces of a society. Over the several hundred years from Ming to Qing (up to the Opium War), the growth in industrial production, particularly the handicraft industries which processed agricultural raw materials, e.g. silk spinning, cotton spinning and weaving, sugar extracting, cigarette making, wine brewing, tea making, and oil pressing, etc. had a direct effect on the growth of agriculture. On the other hand, the development of commercial agriculture was itself an important prerequisite to the further growth of handicrafts as a whole.

During the Ming-Qing period, through the industrious labor of the peasants, farming implements and production techniques were improved. Irrigation works, in particular, were considerably expanded. For instance, well-digging became widespread in the north while in the south, water-wheels were used to irrigate the fields. Descriptions in the local gazetteers of the counties of Pengxian, Zhongjiang, Chongqing, Xinfan, Yongshun and Qionglai of Sichuan Province, and counties of Zouping and Fanxian of Shandong Province testify to the tremendous increase in the total area under irrigation. Meanwhile, greater varieties of crops were grown: for example, paddy fields were expanded in the north, and food grains other than wheat and rice were planted in the south. What merits particular attention is the introduction and spread of high-yield varieties of maize and sweet potato, both introduced in the Ming Dynasty, the former being introduced in the reign of Jiajing, the latter in the reign of Wanli.<sup>3</sup> These two crops spread quickly in the early Qing, resulting in the expansion of the area under cultivation and increases in yield per unit area. This in turn had a far-reaching effect on China's agricultural production and social life, and played an extremely important role in the development of commercial agriculture.

During this period, the development of commercial agriculture was quite pronounced. Regional specializations in cotton, mulberry, sugarcane, tobacco, fruit trees, etc. led to a new regional division of labor. The output value of cash crops was high. During the reign of Jiajing in the districts under the Huzhou Prefecture, the planting cost for one *mu* of mulberry field was about two taels of silver, while "its profit doubled the amount" (*Historical Anecdotes of Wuxing*, juan 13, "Products"). In late Ming it was said that the output value of one *mu* of tobacco field was "worth ten *mu* of grain fields" (Yang Shicong:

<sup>1</sup> V. I. Lenin, "New Data on the Laws Governing the Development of Capitalism in Agriculture," *Collected Works*, Progress Publishers, Moscow, 1964, Vol. 22, p. 75.

<sup>2</sup> V. I. Lenin, "The Development of Capitalism in Russia," *Collected Works*, Progress Publishers, Moscow, 1960, Vol. 3, p. 217.

<sup>3</sup> Vide Chen Shuping: "The Spread of Maize and Sweet Potato in China," *Social Sciences in China*, No. 3, 1980.

*Miscellaneous Records Made in Yutang*, second part). Between the Ming and Qing dynasties in Yuncheng County of Shandong Province, the output value per *mu* of grains fields was "less than half the value" of cotton fields (*Collection of Ancient and Contemporary Books*, juan 230). In the early Qing, in the prefectures of Songjiang and Taicang of Jiangsu Province, cotton-planting "took less effort" yet "produced great profit" (Gao Jin: *A Memorial to the Throne Requesting Approval to Grow Both Cotton and Grains in the Coastal Regions*, vide *Memorials to the Imperial Qing Government*, juan 61). In Yongan County, Fujian Province, planting sugarcane and tobacco made "a profit double as much as planting rice" (*Yongzheng Gazetteer of Yongan County*, juan 9). In the eight counties under Tingzhou Prefecture, planting tobacco brought huge profits, "its gains several times as much as growing rice" (Wang Jian'an: *Record of Linting Investigations*, juan 6). In Renshou County, Sichuan Province, people grew indigo plant and made dye from it. The "profit was twice as much as growing rice" (*Daoguang Gazetteer of Renshou County*, juan 2). Allured by large profits, people preferred to grow cash crops instead of rice or grains: for instance, planters in Quanzhou Prefecture, Fujian Province, converted paddy fields into sugarcane fields;<sup>1</sup> and in Dayu and Xincheng counties of Jiangxi Province, Hejiang County of Sichuan, Baode Prefecture of Shanxi, and Jining Prefecture of Shandong, people one after the other turned their paddy fields into tobacco fields;<sup>2</sup> and everywhere in Fanou County of Guangdong Province paddy fields were found growing longan and litchi.<sup>3</sup>

The development of commercial agriculture further promoted intensive farming. For example, in Jining Prefecture, Shandong Province, tobacco-growing required the "same amount of labor as growing grains" (*Qianlong Gazetteer of Jining Zhi Li Prefecture*, juan 3). In Jiangsu Province the labor required for one *mu* of tobacco field was "equal to that of six *mu* of paddy field or four *mu* of dry land" (Bao Shichen: *The Four Records of Anwu*). In Xincheng County, Jiangxi Province, the labor required for tobacco field was several times that for rice field.<sup>4</sup> In Neijiang County, Sichuan Province, wealth accumulated by people engaged in sugarcane planting and processing was "ten times that of ordinary planters" (*Daoguang Synoptic Gazetteer of Neijiang*, juan 1). The tremendous significance of the development of commercial agriculture is that it usually brings about an expansion of the scale of operations and causes the growth of production and capitalism.

The development of commercial agriculture inevitably brought about certain changes which contributed to the emergence and growth of capitalist agri-

<sup>1</sup> Vide Chen Maoren: *Quan Nan Miscellaneous Records*, juan 1.

<sup>2</sup> Vide the Republican period *Gazetteer of Dayu County*, juan 2; *Tongzhi Gazetteer of Xincheng County*, juan 1; *Jiaqing General Gazetteer of Sichuan Province*, juan 75, Lu Yao: *Tobacco Manual*, *Qianlong Gazetteer of Jining Zhi Li Prefecture*, juan 3.

<sup>3</sup> Qu Dajun: *New Comments on Guangdong*, juan 25, "Plants".

<sup>4</sup> Vide *Tongzhi Gazetteer of Xincheng County*, juan 1.

culture. First, as the commodity economy penetrated the countryside, the feudal economy tended to disintegrate. The development of commercial agriculture created closer ties between agricultural managers and the market. In particular, the peasant petty producers, who in the past had only produced use values, now began to produce exchange value. This led to the disintegration of the natural economy. Since the natural economy was the basis of feudal relations, its disintegration inevitably produced a weakening of the patriarchal clan system. The development of commercial agriculture during the Ming-Qing period played just such a role. At that time, the slackening of patriarchal blood relations between the junior and the senior, the inferior and the superior, and the weakening of the relationships of feudal dependence between tenants and landlords were both related to the concurrent growth of commodity economy. Growth of the sprouts of capitalism in agriculture thus weakened the natural economy and feudal patriarchal clan relations.

Second, the development of commercial agriculture brought about class polarization. Lenin pointed out that "... commercial farming is the principal factor in the differentiation of the peasantry."<sup>1</sup> This is because when small commodity production in villages developed to a certain degree, capitalist production also emerged. This is exactly what happened from the middle of the Ming to the early Qing Dynasty. The peasants' economic position in China had not been stable for a long time. Under the oppression of a landlord economy, the break-up could occur at any time, and the development of a commodity economy only speeded up this polarization. The fortunes of the peasants growing cash crops were determined by market forces. Under the exploitation of commercial capital, many peasants suffered a decline in economic position, and were even reduced to selling their labor as hired hands in agriculture. They became an elementary kind of free worker. Some economically better-off peasants could afford to wait for a good price for their side-line farm produce and thus increase their earnings and enlarge the scale of their business. They were agricultural capitalists of a primitive kind. The rural class polarization which emerged was not a simple repetition of the previous inequalities in land ownership. Instead, as Lenin said, there appeared in agriculture "a commodity producer's class and an agricultural hired-labourer class."

### III. Decline of Feudal Dependent Relations Between Landlord and Tenant

During the Ming-Qing period, there were changes in the landlord-tenant relationship. Economically, this represented a decline in feudal dependent rela-

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<sup>1</sup> V. I. Lenin, "The Development of Capitalism in Russia," *Collected Works*, Progress Publishers, Moscow, 1960, Vol. 3, p. 276.

tions; legally, a transition from relations within a hierarchy to that among "ordinary persons."

During the Song and Yuan dynasties, the landlord and tenant were unequal before the law. Tenant-peasants were denied freedom to leave the land. In accordance with *Huang You Law* instituted in the reign of Huang You under the Emperor Ren Zong of Song (1049-53), tenants in Kuizhou district who had run away should "all be pursued and handed back to their old owners." In the reign of Yuan You under Emperor Zhe Zong (1086-94), it was decreed that punishment for landlords who beat their tenants to death should be reduced by one grade; later it was reduced by another grade. There were also orders forbidding tenants in the Huainan district to escape. Landlords, by right of the indentures they held, could "pursue and arrest" fugitive tenants themselves.<sup>1</sup> When the Yuan Dynasty was established, it inherited in the main the hierarchical legal rights between landlords and tenants of the Song Dynasty. If a landlord caused the death of a tenant through maltreatment, he was only subject to a fine of several taels of silver for cremation and burial expenses. During the Song-Yuan period, although restrictions placed on tenant's leaving the land were not implemented throughout the country,<sup>2</sup> it was quite a large area where tenant-peasants were not allowed to leave their land.

After the founding of the Ming Dynasty the obligatory duties of tenant-peasants were removed in law. Tenant-peasants were no longer bound to the land. Legally, they became equal with other people. In most cases, landlords ceased to possess permanent tenant-peasants, and the peasant was no longer attached to a certain landlord for life. Although it was so regulated at that time in the "countryside wine ceremony" that the tenant was to behave towards the landlord in the way that "a junior serves a senior," feudal rites, after all, were essentially different from personal dependence as ordained by law. This great change in legal rights governing relationships between the landlord and tenant undoubtedly reflected the actual slackening of their feudal dependent relations; and the legal change would in turn effect a further weakening of the feudal relationship between the two parties.

In this period the tenancy system and forms of rent were all undergoing changes. First, there was the growth of the emphyteusis system (permanent tenancy). Emphyteusis appeared early in Chinese history, developed further during the Ming Dynasty and became widespread during the Qing. In the early Qing, emphyteusis was practiced along the Huanghe (Yellow) River valley in Zhili, Henan and Shanxi, along the Changjiang River valley, in Jiangsu, Zhejiang, Anhui, Jiangxi and Hunan, and in the southern provinces of Guangdong,

<sup>1</sup> Vide Cai Meibiao and others, *General History of China*, Book 5, pp. 390-95.

<sup>2</sup> According to *Yuan Regulations*, juan 57, it was stated that "no such statutes were ever decreed by organs of the central government" that tenant-peasants should invariably go with the land.

Guangxi and Fujian. The growth of the emphyteusis system further separated the right of using the land from the right of ownership. These kinds of tenant rights were similar to the "right of occupation" in that landlords could not expropriate at will and peasants possessed relative independence; this enhanced the peasants' power in their struggle against landlords. Feudal scholars of that period repeatedly described situations in which the peasants held land "as their own property"; they wrote that the peasants "occupied the land haughtily" and that the landlords were helpless and "could do nothing to the peasants," etc. These descriptions reflect a change in the tenancy system and also show the objection of the landlord class to the emphyteusis system. It is obvious that the growth of the emphyteusis system was an important factor in bringing about the decline of patriarchal clan relations between landlord and tenant.

Changes in the form of rent, i.e., the transition from a percentage-drawing system to a fixed rent, played a similar role. The practice of fixing rents appeared very early. In the Ming and Qing dynasties, with the development of cash crops the fixed rent system made a further advance. In some areas money rent in an embryonic form began to appear. This kind of money rent first took the form of calculating rent in kind in terms of money. In the late years of the Ming Dynasty, there were written statements about rent conversion that occurred in the cotton-planting regions in the southern part of Jiangsu Province; for instance, cotton planters in Louxian County paid one tael of silver for the original rent of one picul of rice, and cotton planters in Taicang Prefecture had the original grain rent converted into money and paid with silver taels.<sup>1</sup> Judging from a great amount of official data relating to criminal archives in the early Qing period, we see that fixed rent had already become a primary form of rent payment at that time. Under the percentage-drawing system the outcome of peasants' work directly affected the amount of land rent. So landlords, for their own interest, often meddled in the productive affairs of the peasants, and consequently restricted the peasant's personal freedom. For example, in the early years of Guangxu, the "Regulations for Rent Collection" fixed by one landlord of Haifeng County, Shandong Province, stipulated that the peasants' daily work must "be inspected by stewards at all times" and that peasants should "obey stewards' direction."<sup>2</sup> If this was the situation even in the late Qing, things could not have been that different in the earlier periods of the Ming and Qing dynasties. However, under the fixed rent system, as long as peasants were able to pay the fixed amount of rent, they did not have to endure interference from the landlords in their productive activities. Those peasants were more independent. In short, the transition from percentage

<sup>1</sup> Vide Chongzhen *Gazetteer of Taicang Prefecture*, juan 40.

<sup>2</sup> Vide Li Wenzhi: *Historical Data of China's Modern Agriculture*, the first collection, pp. 295-96, Bao Zhen Tang *Tenancy Regulations*.

drawing to a fixed amount weakened the landlords' power over the peasants. Therefore, the change in rent forms was another important factor bringing about the decline of feudal patriarchal relations.

Owing to the change in the patriarchal relationship between landlords and tenants and the weakening of the extra-economic compulsory powers of the landlord class, the realization of rent payments all the more required economic assurance. Hence a rent deposit system arose and spread over almost all the country during the early stage of the Qing Dynasty. Growth of the rent deposit system was the result of the development of commodity and money economy; but what is more significant is that it was a reflection of the slackening patriarchal relations between the landlord and the tenant.<sup>1</sup>

Changes in the tenancy relation and the decline in the feudal dependent relationship between the landlord and the tenant was a prerequisite for the creation of rich tenant-peasants. Land rent for permanent tenancy was generally low. Under the fixed rent system, peasants, after paying a fixed amount of rent, could dispose of the balance by themselves. Therefore their enthusiasm for production was heightened. As agricultural production further developed, tenant-peasants, after paying land rent and expenses for maintaining reproduction and household living costs, found themselves with something left over for their own use in the expansion of reproduction. This was an important factor behind the emergence of rich tenant-peasants.

#### IV. Transition from Feudal to Free Employment

During the Ming-Qing period important changes occurred in relations of employment. The gradual transition from feudal to free employment was a fundamental symbol of rising capitalist production relations.

Engels, when analyzing the conditions basic to the formation of "capital," i.e., the formation of capitalist production relations, emphasized two things: the emergence of free labor and exploitation for the purpose of the production of commodities.<sup>2</sup> This means that the owners of the means of production employ free laborers to produce commodities and to exploit the hired workers' surplus labor for the expansion of reproduction.

"Exploitation for the production of commodities" is a relatively comprehensible concept. The nature of commodity production, whether it is feudal or capitalist, is determined by the nature of hired labor. What constitutes free labor? According to Marx, free labor should be free in two senses: "... that

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<sup>1</sup> Vide Jiang Taixin: "The Development of Rent Deposit System in the Early Period of the Qing Dynasty," *Lishi Yanjiu (Historical Studies)*, No. 3, 1980.

<sup>2</sup> Frederick Engels, *Anti-Dühring*, Foreign Languages Press, Beijing, 1976, pp. 266-67.

as a free man he can dispose of his labor-power as his own commodity, and that on the other hand he has no other commodity for sale, is short of everything necessary for the realization of his labor-power."<sup>1</sup> Obviously Marx was referring here to the free labor of the capitalist period. During the embryonic period of capitalism, free labor was not entirely the same. First, although laborers could sell their labor as a commodity, the form of bondage had only begun to change; the sale of labor, to a certain extent, was still feudal in nature. Second, many free laborers at the time had lost only a part of the means of production and were not yet rendered "free from possessions of their own." This was especially true of many farm hands who still owned a few *mu* of poor land. This was the case in China during the Ming-Qing period, and likewise true in many countries in Europe.

In respect to the dual sense of free labor under capitalism, the personal freedom of hired laborers requires special examination, because confusion can easily occur over this issue. In relations between the owner and the hired laborer, there should be freedom not only at the time when the two parties make the contract of employment, but equality in status should prevail during the whole period of employment. Only under these conditions could agricultural hired laborers be considered free workers; and it was only under these conditions that owners of the means of production engaged in exploitation for the production of commodities became agricultural capitalists at an elementary stage, with capitalist production relations arising as a result.

Different as the social conditions and the processes of the formation of free labor might have been in different countries, the fundamental conditions of free labor required by capitalist production relations were about the same. We should therefore make a concrete analysis of the specific features in each country. To study the sprouts of capitalism in China's agriculture, we should analyze feudal land relations taking the landlord economy as the main part. The process of formation of China's agricultural free labor was conditioned by the landlord economic system.

The word "employment" appeared early in Chinese history. If the Spring and Autumn Period (770-476 B.C.) and the Warring States (475-221 B.C.) are considered the beginning of Chinese feudal society, there were already records about "employment" at that time. In the Tang and Song dynasties we can find instances of exploitation by enterprising landlords engaged in the growing of cash crops for the production of commodities. But we cannot conclude from this that the sprouts of agricultural capitalism had already emerged in the Tang-Song period because what the classical writers called "free laborers" had not yet come into existence at that time. During the early Qing (or even the late Qing) period, we find a number of cases of hired farm-hands being tyrannized

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<sup>1</sup>Karl Marx, *Capital*, Foreign Languages Publishing House, Moscow, 1954, Vol. I, p. 169.

by landlords; but we should not use this as evidence to deny the existence of the sprouts of agricultural capitalism in the 17th and 18th centuries in China, for free labor had long made its appearance by then. In short, it is incorrect to infer the existence or lack of sprouts of capitalism without considering the change of social forms of the agricultural labor force and its transition from feudal to free employment.

During the Ming-Qing period a striking change in the agricultural wage labor system occurred with the enlargement of the ranks of hired laborers. This expansion was due to a change in the forms of agricultural management. With the development of agricultural productive forces and commercial agriculture, isolated, backward and conservative individual management was unable to meet the demands of the growth of agricultural production. As a result, some land-holders and people with capital began to engage in large-scale agricultural operations. Of course, the slowness of this developmental change did not stem from a lack of idle workers who were ready to sell their labor; this development was impeded by other historical factors. Even in the later period of the Qing Dynasty it was quite common that jobless peasants anxious to sell their labor failed in their attempt to find an employer.

The expansion of the ranks of hired laborers was shown in many sources. First, in the Ming Dynasty, there were plenty of records concerning long-term hired hands and casual laborers in the regional gazetteers south of the Changjiang River. For example, *Gazetteer of Wujiang County* for Hongzhi, *Gazetteer of Songjiang Prefecture* and *Gazetteer of Huating County* for Zhengde, *Gazetteer of Huzhou Prefecture* and *Gazetteer of Jiangyin County* for Jiajing, as well as gazetteers of other prefectures and counties such as Yangzhou, Jiaying, etc. in the Jiajing and Wanli periods all had these records; and by the early years of the Qing Dynasty, records about long-term hired hands and casual laborers were numerous. Second, after the middle of the Ming, "employment" was often mentioned together with "tenancy" in the works of feudal scholars, for instance, in books like *Jiajing Gazetteer of Changshu County*, *Jiajing Gazetteer of Wujiang County* and Huang Zuo's *In the Rural Area Around Taiquan*, etc. From these books we see that at that time the taking of employment came second only to tenancy as an important means for landless peasants or those with little land to earn a living. Third, in the middle and later periods of the Ming Dynasty, there were many records about non-local hired hands, like peasants from Gutian County, Fujian Province, being hired in other places;<sup>1</sup> peasants of Nanfeng County, Jiangxi Province going to Ningdu Prefecture taking up employment;<sup>2</sup> many peasants of Liaozhou, Shanxi Province leaving their home town "to work as hired hands in other places."<sup>3</sup> As hiring hands to do

<sup>1</sup> Vide Wanli *Gazetteer of Fuzhou Prefecture*, juan 7.

<sup>2</sup> Wei Xi: *Wei Shuzi Collection*, juan 7, *Letter to Zeng Wenting*.

<sup>3</sup> Vide *Collections of Ancient and Contemporary Books*, juan 361.

farm work became a common practice, and quite a number of these hired hands were not local, the governing of these farm workers to ensure social order was a matter of great concern for the local authorities. In the reign of Jiajing (1522-66) Huang Zuo drew up *The Xiangshan Census Record* in which there was a special column for "hired workers."<sup>1</sup> In the reign of Wanli, the Governor of Shanxi Province, Lu Kun, ordered that hired hands and tenant-peasants in each household should be governed by their respective landlords.<sup>2</sup>

Following the enlargement of the ranks of hired farm hands, markets appeared in some places where labor transactions were made. Judging from available records relating to agricultural hired workers, this kind of market probably started at the middle of the Ming Dynasty, and further expanded during the early years of the Qing. We find such records in the local chronicles of Qinzhou and Xinhui of Guangdong Province, Yanggao of Shanxi Province, and Kaiyuan County of Fengtian. Similar records are rarely found in the Tang and Song dynasties.

During the Ming-Qing period, the expansion of the ranks of hired laborers was caused by developments in agricultural production which brought about changes in forms of agricultural management. In addition to landlords, quite a number of rich peasants hired farm hands to do their work. This expansion in the number of hired hands, because of its connection to changes in labor's social form, started a transition from feudal employment to free labor. Casual laborers who were hired by the day easily formed a relationship of free employment with employers as far as economic obligation and legal rights were concerned. Early in the Wanli reign during the Ming Dynasty, the casual laborer was defined legally as an "ordinary person," and had long since enjoyed a free status.<sup>3</sup>

The transition from long-term hired hands to free employment had a long historical evolution. According to new statutes promulgated during the 16th year of Wanli reign (1588), long-term hired hands who had "drawn up a contract and agreed upon a term of years were to be treated as hired laborers" (*Veritable Records of Wanli*, juan 149). Hence the legal status of long-term farm hands who had no written contracts was not clearly fixed; it could be construed in two ways. In the 28th chapter of *Xing Shi Heng Yan*, the writer Feng Menglong of the late Ming Dynasty told a case about a farm hand named Niu Cheng beaten to death by gentry landlord Lu Nan of Xunxian County, Zhili. Magistrate Wang in his first judgement took the contract of employment pre-

<sup>1</sup> Vide Huang Zuo: *In the Rural Area Around Taizhou*, juan 6, *Bao Jia*.

<sup>2</sup> Lu Kun: *Countryside Regulations*.

<sup>3</sup> In a Memorial to the Throne submitted in the 15th year of Wanli by Imperial Censor Wu Shilai, it was stated: "Farm hands who are paid little and are hired only in terms of months or days should still be considered as ordinary persons." (Vide *Veritable Records of Wanli*, juan 191.)

sented by Lu Nan for a forged one, so he decided to arrest and imprison Lu Nan. Later Magistrate Wang was transferred to another place. His successor reheard the case and, after having affirmed Niu Cheng's status of being a "hired hand," released Lu Nan. This is a fictitious story, but it shows the difference in a legal case with or without a contract of employment. Over the long period from the late Ming to the early Qing, it gradually became general practice to give long-term farm hands without written contracts the status of "ordinary persons." Here we see that the practice in itself represented a form of transition from long-term farm hands towards free employment.

Changes in the status of long-term farm hands mainly occurred during the early part of the Qing Dynasty. This is demonstrated by several revisions of the statutes concerning hired laborers and judicial decisions carried in memorials submitted to the throne regarding criminal cases involving long-term farm hands. In the 51st year of the reign of Qianlong, most long-term farm hands were freed from legal obligations, and this decision was reflected in later statutes. We find 94 criminal cases involving hired laborers that occurred in the 50 years from Yongzheng to Qianlong, of which 7 were supported with written contracts of employment, 6 were void of names of landlords and laborers, 47 had no employment contracts and 34 were of dubious circumstances. In accordance with the general practice at that time, laborers who made written contracts with landlords naturally belonged to feudal employment and were bound by legal obligations to their masters, while those without contracts were gradually excluded from feudal hierarchical relations. That is to say, before the 51st year of Qianlong's reign, there had already emerged a number of long-term farm hands with the status of free labor. We can also see from the above examples that *de facto* changes in hiring relations preceded legal changes; the feudal ruler revised the relevant statutes in acceptance of a *fait accompli*.

The revised statutes published in the 51st year of Qianlong stipulated that hired laborers were to be freed from legal obligations under the following conditions:

A. The employers should be "ordinary persons," i.e., owner-peasants or commoner landlords, who had no special legal privileges. Here "gentry" were not included because they were of a privileged class in feudal society.

B. Hired hands should be those who "sit and eat at the same table" with their employers and "address one another as equals." Also, hired hands did not "wait upon" their employers.

Obviously, the long-term hired hands enslaved by gentry landlords were exempt, because they could by no means "address their employers as equals," or hardly "sit and eat at the same table" with them. The revised statutes made it quite clear that only those long-term farm hands who were being ex-

ploited by commoner landlords and rich peasants were freed from legal obligations. Those working for gentry landlords remained in bondage. What merits attention is that the primitive-capitalist landlords that developed in this period were mainly commoners. After the 52nd year of Qianlong, the proportion of long-term farm hands who still retained legal obligations was already negligible.

In brief, with the development of a commodity economy, long before it was reflected in the revision of statutes for hired laborers, tenancy relations formed with commoner landlords had already begun to change, thus creating the conditions for a subsequent change in the tenant's legal status. Following statute revisions, free tenancy relations developed further. This change in the tenant's legal rights provides an important clue to how the transition from feudal to free tenancy took place, reminding us to connect economic with legal change in our study of tenancy relations.

## V. The Process and Path of Development of Capitalist Sprouts in Chinese Agriculture

In feudal society owner-peasants were the most vigorous element within the peasant class. The existence of many small land owners was the precondition for the growth of well-to-do owner-peasants. Likewise, equality in legal rights between landlords and tenants and the strengthening of the economic independence of tenant-peasants led to the growth of well-to-do tenant-peasants. During the early Qing, the weakening of the landlords' privileged status, together with some restrictions imposed by the state upon official-gentry landlords, encouraged the growth of commoner landlords, just as the emergence of free labor marked the creation of capitalist economic relations. Therefore, we should examine the course of development of capitalist sprouts in agriculture in terms of the growth of well-to-do peasants and commoner landlords and the formation of a free tenantry.

The transition in tenancy relations and the formation of free labor first occurred in the economic operations of rich peasants. In the case of well-to-do owner-peasants, their ownership of small amounts of land was different from that of landlords. Although conditioned by the feudal system of ownership, it was not feudal in nature. The economic operations of well-to-do tenant-peasants were even more different. In a feudal society, while both well-to-do owner and tenant-peasants possessed more land and funds, they were still members of the peasant class and under feudal rule. They were opposed to privilege or oppression in whatever form because they had no political privileges themselves. Moreover, their class position and political standing determined their concept of political equality. Therefore the economic relationships between

these well-to-do owner and tenant-peasants and their long-term hired farm hands, despite the fact that these relationships were still legally bound by feudal hierarchical restrictions, in reality were comparatively equal and free. This created an opening for the transition from feudal to free tenancy. That is to say, as early as the mid-Ming Dynasty, around the 15th century, rich peasants who exploited hired hands for commodity production had already emerged on the historical stage in the form of embryonic agricultural capitalists.

Then two hundred years passed. Not until the early part of the Qing Dynasty, with the growth of commoner landlords, did agricultural capitalism sprout again — this time among managing landlords. Many commoner landlords arose out of the rich peasantry. Some were commercial and industrial businessmen who invested part of their capital in land. It was also in the nature of the landlord economy that, because of the possibility of conversion between gentry landlords and commoner landlords and the system of equal division of legacies among sons, some gentry landlord families broke up, descending to middle and small commoner landlords over the course of time.

During the early Qing, managing landlords were mostly commoners. This is shown both in the regional chronicles and the Qing government's archives relating to criminal cases. A survey made by Jing Su and Luo Lun of five families of landlords in the early Qing revealed that of the five families, one official landlord and one merchant landlord rented out their land while three commoner landlords who "built up family fortunes by farming," all hired laborers to do the work. Again, according to the statistics of the same authors for one hundred and thirty-one families of managing landlords in the late Qing, we find that eight were officials and the other one hundred and twenty-three families all made their fortunes in land-farming or commerce, and most were commoner landlords.<sup>1</sup> We may conclude that the growth of commoner landlords further promoted a change in forms of management.

Commoner landlords, particularly those who were originally rich peasants, were comparatively close to rich peasants as far as their social status was concerned and could easily form free tenancy relations with hired laborers. The growth of commoner landlords also brought about a series of changes in business management and administration. With the development of the commodity economy, production was not solely for self-sufficiency, but also for the production of commodities. In order to increase production, better management and administration were required. Improvement in production techniques likewise raised labor productivity. In other words, commoner landlords were unconsciously organizing production in line with capitalist economic principles. Unlike lessor-landlords, their squeeze of productive laborers was not entirely

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<sup>1</sup> Vide Jing Su, Luo Lun: *The Social Nature of Managing Landlords in Shandong Province During the Qing Dynasty*.

done by extra-economic compulsory means. In the course of transition from this type of tenancy relationship to a free relationship, the social nature of the commoner landlords' operations underwent a qualitative change. The surplus labor controlled by commoner landlords was converted into profit.

The increase of capitalist elements in agricultural enterprises made manifest by the transition of rich peasants of a capitalist nature during the middle from the Ming Dynasty to the managing commoner landlords by the early years of the Qing illustrates the character of the growth of sprouts of capitalism in Chinese agriculture. By distinguishing between the two different labor-hiring systems of farm management, we see the different stages of development in Chinese agricultural capitalism.

The development from rich peasants to managing landlords also illuminates the two different paths of development of sprouts of capitalism in Chinese agriculture. Whether rich owner-peasants or well-to-do tenant-peasants, they all split off from the petty-peasant producers. They were primitive agricultural capitalists who arose from within the peasant class, and were less feudal in character in comparison with managing landlords. In the case of managing landlords, in their transition from feudal landlords, they brought with them much stronger feudal traits as they switched to the use of hired laborers after forsaking their original practice of exploitation through renting out land. In his analysis of the primitive-capitalist landlords in Russia, Lenin stated: "Usually, on the landed estates the labor-service system is combined with the capitalist system."<sup>1</sup> This form of transition made it possible for feudal land relations to be adapted gradually to capitalism. The result was an economy in which different forms of capitalism and feudalism were interwoven and which was more feudalistic than a rich peasant's economy.

## **VI. Influence of Commodity Economy and Feudal Patriarchal Forces upon the Emergence and Development of Sprouts of Capitalism in Agriculture**

In studying the sprouts of capitalism in agriculture, sufficient attention must be given to commodity production and commodity exchange as well as to the positive role played by the commercial capital which was formed on the basis of these two factors. All three are prerequisites for the sprouting of capitalism. Under given historical circumstances, the development of com-

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<sup>1</sup> V. I. Lenin, "The Agrarian Question in Russia Towards the Close of the Nineteenth Century," *Collected Works*, Foreign Languages Publishing House, Moscow, 1963, Vol. 15, pp. 86-87.

modity economy prompted the rise of capitalist production relations. Commercial capital was the bridge between production and exchange; it advanced the growth of commodity production and brought about the conversion of production for the purpose of creating use value to that of creating exchange value. Under the Chinese landlord economic system, a commodity economy had more fertile soil for development than under the feudal landlord economy of medieval Europe. From the middle of the Ming to the early years of the Qing Dynasty, both landlords and peasants needed to purchase articles for production as well as some daily necessities, and owners of land were required to pay taxes in cash. For this purpose they had to sell a portion of their agricultural side-line products. Thus the connection with the market was strengthened and the commodity economy developed further. This in turn brought about class polarization of the peasantry and caused the sprouting of capitalism in agriculture. This was particularly the case in areas where cash crops were planted.

Cash crops were first grown south of the Changjiang River, where a commodity economy was thriving. In the middle of the Ming Dynasty quite a number of peasant families made a fortune in this pursuit. They started as small land-owners, taking part in actual productive labor and managing for themselves. After a period as rich peasants, they gradually developed into first stage capitalist managers of farm businesses.

Although early capitalist forms in agriculture occurred in places south of the Changjiang River, where a commodity economy thrived, subsequent development was not smooth. After the middle of the Ming Dynasty, with an intensive land-annexation drive and a high concentration of land rights, and with many owners of land from the official and gentry class, the control of patriarchal forces was fairly strong. Landlords generally invested land rent in commerce and usury to exploit small peasant producers, with destructive effects upon the peasant economy. Although this commerce and merchant capital was relatively developed, it was divorced from agricultural production and developed independently, and, as Marx pointed out, its development was "inversely proportional to the development of capitalist production." So the early incidence of rich-peasant operations of an elementary capitalist nature was subject to the oppression of feudal patriarchal forces and was unable to develop smoothly. With the exception of a few who later became feudal landlords, most rich-peasant operations came to a premature end.

In other regions, where commodity economy was not as developed as in the Suzhou, Songjiang, Hangzhou, Jiaxing and Huzhou prefectures, for example in the hilly areas bordering Jiangsu, Zhejiang, Anhui, Jiangxi and Fujian provinces, and in Sichuan Province where peasant uprisings at the end of the Ming Dynasty had dealt the landlord class severe blows, and in the newly reclaimed three provinces in the Northeast (i.e. Liaoning, Jilin and Heilongjiang),

the control of feudal patriarchal forces was comparatively weak. In these regions, agricultural managers and hired laborers were mostly settlers from other provinces, with far fewer feudal bonds or mores between them. Free employment was more easily practiced and early forms of capitalism in agriculture were given a better chance for growth.

From the above it is clear that primitive capitalism in agriculture first occurred in areas where there was a developed commodity economy. Later it developed in areas where the influence of patriarchal forces was relatively slight. This illustrates the point that, if with only the development of a commodity economy but no other favorable preconditions for the development of capitalism in agriculture prevailing, then capitalism in embryonic form ceased to grow or even came to a premature end. Only in places where patriarchal forces were weak did the development of a commodity economy play the role of midwife in the birth and growth of primitive capitalist forms in agriculture.

With regard to the development of commerce and merchant capital, we see:

. . . to what extent it brings about a dissolution of the old mode of production depends on its solidity and internal structure. And whither this process of dissolution will lead, in other words, what new mode of production will replace the old, does not depend on commerce, but on the character of the old mode of production itself.<sup>1</sup>

Therefore, when studying the problem of the sprouts of capitalism, we must concentrate on ownership, not on commodity circulation. Of course, this does not mean to ignore the impact of the development of a commodity economy upon feudal economic relations.

My conclusion is that in studying the sprouts of capitalism in agriculture we should pay attention not only to the role of the development of a commodity economy, but also to the question of the influence of feudal patriarchal forces. The historical facts from the Ming-Qing period sufficiently bear this out.

## VII. The Prolonged Stagnation of the Sprouts of Capitalism in China's Agriculture

As far as the feudal mode of production was concerned, agricultural operations of an embryonic capitalist nature were an entirely new thing. The development of China's social economy created certain conditions which gave the sprouts of capitalism in Chinese agriculture vitality. However, the pace of

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<sup>1</sup>Karl Marx, *Capital*, Foreign Languages Publishing House, Moscow, 1959, Vol. III, p. 326.

development was extraordinarily slow. After its emergence in the 15th century, the sprouting of capitalism suffered several setbacks over the three hundred years that followed. It was not until the 18th century that a new stage was reached. But even then the development of the sprouts of capitalism was still tortuous and slow. In the final analysis, the most basic factor affecting Chinese agriculture was the landlord economic system itself.

Because of restrictions within the landlord economic system, while rich peasants often grew to be primitive-capitalist or land-renting landlords, primitive-capitalist landlords who already had a capitalist nature generally reverted to land-renting. At the same time, commoner landlords, after having extended their land, always tried to move, by one means or another, towards the status of gentry landlords. All these contradictory movements retarded the development of capitalism in agriculture.

The tyrannical rule of a centralized state which was based on the landlord economic system also greatly impeded the development of capitalism in agriculture. The support of feudal political power guaranteed the realization of land rent for the landlord class, permitting them to raise the amount and the rate of land rents to unimaginable heights. In regard to owner-peasants, they were not only the social stratum that bore the heaviest burden of taxes under feudal rule, but also the ones whom gentry landlords could exploit and shift taxes onto. Exorbitant land rents and taxes hindered the emergence and development of rich peasants. Moreover, feudal patriarchal relations between landlord and hired laborer were stipulated in legal codes and the personal persecution and extra-economic coercion of hired laborers by landlords were reinforced by feudal law. All this could not but seriously obstruct the development of free labor.

Here we see that the main force that retarded the development of primitive capitalism in agriculture and maintained the continuation of old relations of production was the tenacity of the landlord economic system and the political measures adopted by the feudal state machinery to sustain it. If we do not keep the landlord economic system as a whole in view, we will not be able to understand the developmental changes in the formation of feudal society in China, nor can we find the causes for the retardation of primitive capitalism in Chinese agriculture. It is well known that holders of currency could purchase land freely to extend their fields without having to make investments in their agricultural operations. In addition to this, the close connection of land rent and usury with merchant capital, and the persistence of the petty agricultural economy in which industrial undertaking combined with farming, etc., all impeded the development of capitalist agriculture. All these adverse factors were closely linked up with and conditioned by China's landlord economy.

The "prolonged stagnation" in the development of primitive capitalism in Chinese agriculture does not mean that it stood still. However secure the old

feudal economic structure was, the social productive forces were continually developing; the expanding commodity economy continued to attack feudal patriarchal relations, and there were continuous changes in the superstructure that was restricting the growth of new productive forces. As a result, primitive capitalism in agriculture progressed both qualitatively and quantitatively.

China's tenacious landlord economy limited the growth of the sprouts of capitalism in agriculture. But on the other hand, its lack of a strict hierarchical structure made it more flexible and vigorous than the feudal landlord economy of Europe. If we take the feudal economic system in England and France as a model of feudal society in the West, then the landlord economic system in China was a model of feudal society in the East. The protracted nature of China's feudal society was the distinctive characteristic of this model; and the extraordinarily slow development of the sprouts of capitalism in agriculture was a specific reflection of this said nature.

— *Translated by Yang Dadong*

# The Tenant-Servant System in Huizhou Prefecture, Anhui

Ye Xian'en

The historical record about the tenant-servant system in Huizhou Prefecture, Anhui Province, is often puzzling. On the spot investigation is necessary in order to clarify the situation and settle debates by providing clearer, more reliable, fresh materials to the historian. With this in mind, the author went twice to Huizhou Prefecture in 1965 and 1979 respectively. After selecting a number of investigation points in Shexian, Qimen, Xiuning, and Jixi counties, I went house to house visiting former tenant servants and their masters, intermittently holding informal discussions with them. I also paid visits to former work places of tenant servants, examining what relics were left of the system.

The investigation revealed that the number of tenant servants in Huizhou Prefecture was not large on the eve of liberation. Tenant servants existed only in some villages where the influence of feudal patriarchal forces was relatively strong and persistent. They represented a historical anachronism, survivals from the old system. The number of tenant-servant households was generally below ten per cent of the total number of families of each village under investigation. There were, however, two exceptions — namely, Chawan in Qimen County and Mingzhou in Xiuning County. In these two villages the tenant-servant families outnumbered master families. The tenant-servant system in these two villages was, therefore, more representative in character and should throw light on the system as a whole during the Qing Dynasty (1644-1911).

Some findings from my two investigation trips to Huizhou have been discussed in previous articles — *An Inquiry into the Tenant-Servant System in Huizhou During the Ming and Qing*; *The Tenant-Servant System in Huizhou as Seen from Family Histories*; *A Genealogical History of the Chengs of Shanheji in Qimen County*; and *A Tentative Study of the Formation and Development*

of *Merchant Capital in Huizhou*.<sup>1</sup> The findings in these articles may be useful for reference, but should be compared with the written historical record. The data was not analyzed thoroughly. The present article is my first attempt to do this.

## I. Investigation of the Tenant-Servant System at Chawan, Qimen County

Chawan Village, 40 kilometers south of the county seat, was under the jurisdiction of Shiwudu District of Qimen County during the Qing Dynasty (1644-1911). Today the village belongs to the Luxi People's Commune. To the south lies Fuliang in Jiangxi Province. Traveling down the Chang River by boat, one will reach Jingdezhen, the famous porcelain town in Jiangxi as well as other ports of interest. Surrounded by towering mountains and undulating hills, Chawan is suitable for growing firs, pines and tea. It has relatively more arable land than other counties of Huizhou. Maize and rice are the main crops. According to the statistics for 1951, ownership, leasing and land use patterns for Chawan administrative village<sup>2</sup> before land reform (in 1950) were organized by various strata of households which are summarized in the following two tables:

**Table I. The Ownership and Leasing of Land in  
Chawan Village Before Land Reform**

Strata	Ownership of Land		Land Leased (mu)			
	No. of mu	Percentage of Village's Total Land	Chawan Village Proper	Other Villages	Total	Percentage in the Village of Leased Land
Ancestral Temples	1,762.5	75.2	1,217.1	545.4	1,762.5	78.6
Landlords (23 households)	433.1	18.5	396.2	7.8	404	18
Others (small land holders etc.)	148.7	6.3	65.7	11.5	77.2	3.4
Total	2,344.3	100	1,679	564.7	2,243.7	100

<sup>1</sup> The three articles appeared in the *Journal of Zhongshan University (Zhongshan Daxue Xuebao)*, No. 2, 1979, *Academic Research (Xueshu Yanjiu)*, No. 4, 1978 and *Studies of Chinese History (Zhongguoshi Yanjiu)*, No. 3, 1980 respectively.

<sup>2</sup> As an administrative unit, Chawan included the adjacent tenant-servant villages under its jurisdiction.

Table II. Land Used by Various Strata at Chawan

Classification of Households	No. of Households	No. of People	Land Tilled by Owners (mu)	Tilling Under Land Leased (mu)			
				Chawan Proper	Other Villages	Total	Percentage of the Total Land Leased
Landlords	23	92	29.1	123.1		123.1	6.7
Rich Peasants	1	6	1.1	11		11	0.6
Small Land-leasers	3	9	2.5	2.3		2.3	0.1
Well-to-do Middle Peasants	6	26	4.1	43.7		43.7	2.4
Middle Peasants	27	93	18.5	79		79	4.3
Tenant Middle Peasants	22	91	3.9	357.1	27.7	384.8	21
Poor Peasants	173	629	41.1	1,066	120	1,186	64.7
Farm Laborers	13	18	0.3	2.8		2.8	0.2
Total	268	964	100.6	1,685	147.7	1,832.7	100

Chawan Village proper had 125 households, of which 23 were landlords. With the exception of the two families, the Hongs and Nis who, as tenant servants, kept watch on ancestral halls, all the rest had the surname of Wang. It was an ancient custom of the locality to discourage people with other surnames from moving to the area. There was a local saying:

It is true everywhere that clan members live in the same village as close neighbors; this ancient custom manifests its simple, unsophisticated sentiments with people paying due respect to their elders.<sup>1</sup>

This custom lasted to liberation in 1949.

The 23 landlords at Chawan all were in commerce as well, and most owned real estate in other cities and towns. The highest landowner, however, was the ancestral halls or ancestral temples, which possessed 78.4 per cent of the village's total land, or four times the combined land of the 23 landlords. Besides, the ancestral halls had five buildings in the county town of Qimen, and more than ten at Jingdezhen in Jiangxi. All the buildings were rented out as shops. Nominally such real estate belonged to the offspring of all Wangs; in fact, they

<sup>1</sup>See Wu Meidian, *Hui She Zhu Zi Ci* (*Zhu Zi Ci Poetry of Shexian County, Hui-zhou*), a hand-written copy now preserved in the library of Shexian County. *Zhu Zi Ci* are mostly ancient folk songs with love as their main theme. There also are various occasional poems in the classical style devoted to local topics as the one cited here.

were in the hands of a few powerful and rich families. The middle and poor peasants owned very little land. Each of the middle peasants on the average possessed only 0.3 *mu* of land, and the poor peasants had less than 0.1 *mu*. Most of the poor peasants, and part of the middle peasants, were tenant servants. Being landless, they could only make a living by renting land from the ancestral halls or landlords. Such condition established profound economic roots for class antagonism.

The possession of enormous land by the ancestral halls of the Wangs at Chawan was closely related to the development of clan authority. After the powerful families of scholars and officials withdrew from the arena of history, clan power became an effective tool for the landlords to continue their control over the peasants. The property of the ancestral halls became the economic foundation of the village. There had been comparatively less clan properties before the middle Ming period. Wu Daokun of Shexian County, Anhui, had this to say in his "Tombstone Inscription for Mr. Wu Yizhuang":

During the reign of Jiajing (1522-66) of the Ming Dynasty, Wu Yizhuang, a landlord of Haining (Xiuning), Huizhou, "had advocated for repairing ancestral halls, purchasing clan fields and stipulating clan regulations so as to promote fidelity and fraternity."<sup>1</sup>

After the middle period of the Ming Dynasty, along with the growth of mercantile capital in Huizhou, many rich merchants and traders donated money to buy clan properties. As a result, the authority of the clan chiefs expanded with the increase in ancestral property. This was actually an expansion of the patriarchal power. The clan heads thus continued to enslave and order about the tenant servants because of their control of land and property of the ancestral halls.

Cheng Shangkuan of the Ming Dynasty wrote in his *Gazetteer of Celebrated Clans in Xinan*: "In Xinan nine people out of ten had the surname of Wang (王)." Although possibly exaggerated, this shows to some extent the influence of the Wang family in Huizhou Prefecture. Since Wang Hua was made Duke of Yue (present-day Fujian and Zhejiang provinces) in the early Tang Dynasty (618-907), the Wangs have been the foremost clan in Huizhou. During the reign of Renzhong (1023-63) in the Song Dynasty, Wang Tingmao, one of the descendants of Wang Hua, moved to Chawan and became the first ancestor of the Wangs. From the Song Dynasty on, members of the Wang clan at Chawan always lived as close neighbors. The Tai Yang (Sun) Temple became the general temple of the village, under which there were two branch ancestral halls—the Bao Ben Hall (Hall for Requiring Ancestors) and Chong Ben Hall (Hall for Revering Ancestors). The Wang sub-branches also had halls for worshipping their ancestors. All members of the Wang clan worshipped together at

<sup>1</sup> Wang Daokun, *Da Han Collection*, juan 56.

the clan ancestral temple. Thus family organization and the offering of sacrifices to ancestors were united. The deceitful use of blood relationships as a veil to conceal class antagonism within the clan had literally perpetuated the clan lineage for close to a millennium running from the Song Dynasty through the Yuan, Ming, and Qing down to the Republican period.

By the middle and late Ming periods three Wangs from Chawan obtained *jinshi* (进士 or a successful candidate in the highest imperial examinations); they were Wang Biao, Wang Zhen and Wang Weixiao. They served as mid-level officials at the central and local government level over different periods. The local people built a memorial arch and a *shu yuan* (书院 or old fashioned academy) to commemorate their "deeds."<sup>1</sup> Those were the times that the Wang clan of Chawan wielded the most power in the locality. Over the same period in addition to the above three — father, son and grandson — other members of the Wang clan such as Wang Yuzha, Wang Yuhu, Wang Bihui and Wang Bizao also held official posts of the prefectural and county levels.

During the Qing Dynasty, it was recorded in the *Gazetteer for Qimen County* (Tongzhi reign (1862-74)) that Wang clan members had held eight prefectural and county appointments, four senior licentiates, and two posts by purchase. After the middle of the Qing period, however, the influence of the Wang gradually declined. Clan members who formulated and interpreted the clan code became the most powerful and eminent. They were also the spokesmen and executors of ancestral teachings and acted as the clan elder. Thus, taking advantage of their privileges, they could offer protection to other members of their clan. At times they also promoted feuds with neighboring clans, attacking them with weapons in order to expand their influence. As ancestral properties were likewise under these people's charge, they controlled the issuing of relief funds to poor clan members in difficulties and the giving of subsidies to young people for study. Because of these political and economic privileges, they were respected and obeyed by the clansmen. Such a patriarchal clan system which was composed of big and small families connected by blood relationships had become the core of Chinese villages.

It must be emphasized that the Wangs of the gentry and official class were the biggest enslavers and exploiters of tenant servants in the area. What follows is a general description of the conditions under which tenant servants lived.

A saying still popular in the locality is: "There were three thousand *Lang Hu* (郎户) and eight hundred Zhuang (庄) in Chawan." The term *Lang Hu* referred to the families of tenant servants who served as house guards. They were

<sup>1</sup> See *Gazetteer for Qimen County During the Reign of Kangxi*, *juan 4*, "Official Careers," for biographies of Wang Biao, Wang Zhen and Wang Weixiao, and related references in "Geographical Gazetteer," *juan 11* of the *Gazetteer for Qimen County* (Tongzhi Reign).

addressed this way right until the eve of liberation. *Lang Hu* were also known as *Quan Dou Zhuang* (拳斗庄 or fist-fighting servants). *Zhuang* was an abbreviation for *Zhuang Pu* (庄仆 or tenant servants). That is to say Chawan had 3,000 households of house guards and 800 servant families. At the time of liberation, the Wang clan still had 121 *Lang Hu* and 87 *Xiao Hu* (小户 or families of minor surnames). These 208 families were tenant servants belonging to the whole clan who were handed down from generation to generation. In his *Classified Unofficial Historical Records of the Qing Dynasty*, Xu Ke noted:

In Huizhou prefecture *Xiao Xing* (小姓 or minor surnames) are to be distinguished from *Da Xing* (大姓 or major surnames). People with major surnames are regarded as *Qi Min* (齐民 or common people). *Da Xing* referred to the descendants of the powerful clans, while the *Xiao Xing* meant the offspring of house servants.<sup>1</sup>

Thus *Xiao Hu* was a general name for all tenant servants exclusive of the *Lang Hu* (郎户 or house guards). As landlords the Wangs gave *Xiao Hu* different names in accordance with their varied services. Since sometimes one family of the *Xiao Hu* attended several different jobs, it carried several names at the same time.

The table on pp. 96-99 shows the distribution, variety in addresses and names, and different kinds of labor duties of tenant servants at Chawan before liberation.

The names given for the tenant servants listed in the table were not fixed. They changed according to the needs of their ancestral halls and landlords on the one hand as well as the number of the servants available on the other. Thus the division of labor among the tenant servants also varied. It changed quickly, with switches from one labor assignment to another occurring frequently.

It is difficult to ascertain the origin of the tenant-servant system at Chawan. But doubtless it was already in existence by the middle period of the Ming Dynasty. Investigation of the remnant servant system still in existence before liberation indicates three kinds of origins.

First, tenant servants who were once house servants. The 76-year-old Wang Huanting and a few other elders indicated this to the writer. When some clan members who held official posts on the outside returned to their native villages, they often brought back their servants with them. They helped the servants to get married, provided them with housing and gave them land to farm. These people, in turn, had to pay rent to their masters and do corvée for them. In

<sup>1</sup> *Qi Ming* (齐民) are those people whose names were on the official population register records in the Qing Dynasty. The names of the tenant servants were excluded from these records.

Table III. Distribution, Addresses and Kinds of Labor Performed by Tenant Servants at Chawan Before Liberation

Residential Points	No. of Households	Category of Tenant Servants	Description of Labor Service
Gaojieshang	1	Lang Hu (郎户) or Quan Dou Zhuang (拳斗庄)	<p>Their main job was to serve as house guards responsible for internal security and for defending the hillside and other properties from the reclamation of wasteland by other clans. Since some hills had forests, the house guards were also called <i>Shou Mu Zhuang</i> (守木庄 or wood keepers). They were the hatchet-men in clan feuds. When the Wang landlords and merchants went to other places, these servants served as body guards. Therefore, the <i>Quan Dou Zhuang</i> servants were employed to demonstrate the power of the Wangs to the local people. All males from 16 to 45 were obliged to do this service. Each winter these guards took training in martial arts under experienced master coaches for 40 days. In addition, they had to perform such services as repair of roads, ancestral halls and the building of houses. They also had to prepare torches for use during the theatrical performances given in autumn as an expression of the clan's thanks to the grain god for good harvest.</p>
Zhuochankeng	1	"	
Daxiyuan	1	"	
Xiaoxiyuan	1	"	
Lanniukeng	1	"	
Shangdongyuan	1	"	
Zhaozhou	2	"	
Qiaotou	3	"	
Sishili	2	"	
Juejitan	8	"	
Shehuishan	16	"	
Daxiawan	1	"	
Anpingshan	1	"	
Nancha	8	"	
Shikengyuan	1	"	
Fengshutan	14	Lang Hu (郎户) and concurrently Xi Tai Zhuang (戏台庄)	<p>In addition to the services of house guards mentioned above, these tenant servants had to put up a stage for theatrical performances at the entrance of Wufenglou. In accordance with traditional specifications, they built the framework with poles for a stage, the pit for musicians, and dressing rooms. The performances, given in July every year, would last for 20 days. The landlords</p>
Tiantanwu	18	"	
Wujitan	15	"	
Chongkeng	6	"	

Residential Points	No. of Households	Category of Tenant Servants	Description of Labor Service
Meishuwu	3	<i>Lang Hu</i> (郎户) and concurrently <i>Shou Fen Zhuang</i> (守坟庄)	used to make use of the occasion to punish the servants who neglected their duties or violated clan and family regulations.
Songjiashan Hukou	8 1	" " " " " "	In addition to the service of house guards, they were also responsible for watching the graves.
Fangjiawu	8	<i>Lang Hu</i> (郎户) and concurrently <i>Dao Shi Zhuang</i> (道士庄)	Apart from doing the work of the house guards, they drew Taoist figures and recited incantations at funeral or sacrificial ceremonies.
Linjia	4	<i>Cui Da Zhuang</i> (吹打庄) and concurrently <i>Long Deng Zhuang</i> (龙灯庄)	They beat and blew (played) musical instruments during the <i>Guan Li</i> (冠礼) or capping ceremony, which marked a man's coming of age at 20 in ancient times), wedding, funeral and other sacrificial times. They practiced regularly, passing their art on from generation to generation. On the night of the 15th day of the first month by the lunar calendar, they performed dragon lantern dance at Chawan for the masters' amusement. The name role list of the dancers would be called three times. Should they fail to be present after three calls, they would be flogged at the rear by horse whip or bamboo joints.
Qingshanli	4	<i>Cui Da Zhuang</i> (吹打庄), <i>Long Deng Zhuang</i> (龙灯庄) and <i>Cang Ku Zhuang</i> (仓库庄)	In addition to the above, they were responsible for watching the barns.
Nijia Panchongwu	1 1	<i>Cui Da Zhuang</i> (吹打庄) and concurrently <i>Shou Fen Zhuang</i> (守坟庄) " " " "	Besides playing wind and percussion instruments during ceremonies, they were also responsible for watching the graveyard and performing sacrifices to the deceased.

Residential Points	No. of Households	Category of Tenant Servants	Description of Labor Service
Zhongzhoushan	11	Cui Da Zhuang (吹打庄) and concurrently Zhi Sang Zhuang (治丧庄)	They played musical instruments at various ceremonies and attended to funeral chores such as standing watch over the dead, grave digging and burial.
Shangtianwangjia Shangtianjiangjia Chengmentan Kentou Maowuli Youbi	7 8 1 1 1 2	Tai Jiao Zhuang (抬轿庄) " " " " " "	Sedan-chair carrying.
Changshu'ao	2	Tai Jiao Zhuang (抬轿庄) and Shou Fen Zhuang (守坟庄)	In addition to sedan-chair carrying, they also watched the graveyard and attended to sacrificial affairs.
Hecun	2	Tai Jiao Zhuang (抬轿庄), Shou Fen Zhuang (守坟庄) and Liang Cang Zhuang (粮仓庄)	Apart from carrying sedan-chairs, watching the graveyard, they were responsible for guarding the barns.
Huxian'ao	8	Tai Jiao Zhuang (抬轿庄) and Zhi Sang Zhuang (治丧庄)	Responsible for sedan-chair carrying and funeral-burial labor services.
Jiangjiawu	4	Tai Jiao Zhuang (抬轿庄), Zhi Sang Zhuang (治丧庄) and Tiao Dan Zhuang (挑担庄)	In addition to the above tasks, they were also responsible for carrying the wedding gifts and other loads by pole on the shoulder.
Zheshutan Baocun	7 3	Shou Fen Zhuang (守坟庄) " " "	Watching the graveyard and performing the sacrificial offerings to the deceased.

Residential Points	No. of Households	Category of Tenant Servants	Description of Labor Service
Baishuwu	1	Shou Fen Zhuang (守坟庄) and Zhi Sang Zhuang (治丧庄)	Watch graveyard and perform funeral, burial and sacrificial services.
Songshujie	1	"	
Zhongmenkeng	1	"	
Qixiwu	8	Shou Fen Zhuang (守坟庄) and Liang Cang Zhuang (粮仓庄)	Watch graveyard, perform sacrificial services and guard the granary.
Kengkou	1	"	
Banxi	2	Liang Cang Zhuang (粮仓庄)	Responsible for granary watching.
Hujiashan Shayukeng	3 1	Huo Ba Zhuang (火把庄) " "	Prepare torches for use in theatrical performances and at weddings. It is the local custom to have the wedding ceremony taken place at night. Possibly a remnant of an ancient custom of carrying off a woman and marrying her by force. When the landlords went out at night, these tenant servants escorted them, carrying torches.
Chong Ben Hall Bao Ben Hall	1 1	Shou Ci Zhuang (守祠庄), Shou Ye Zhuang (守夜庄) and Bao Fu Zhuang (包袱庄) " "	Watching and cleaning the ancestral halls as well as offering sacrifices and doing the night watches. They also served as messengers for all clan members belonging to the two ancestral halls and prepared paper money for the dead.
Total	208		Remarks: All households exclusive of the Lang Hu (郎户 or house guards) were called Xiao Hu (小户 or minor households).

this way their master-servant relationship continued and was passed on from generation to generation right to the eve of liberation. It was alleged that tenant servants at Tiantanwu, Wujitan, Fengshutan, Baishiwu, Jiangjiawu, Zhongzhoushan, Qingshanli, and Qixi were descendants of servants brought back by Wang Biao, the 80th generation ancestor of the Wang clan. The tenant servants at Hecun, Hujiashan, Shehuishan, Songjiashan, Jieshutan, Chengmentan, and Huxian'ao were brought back by Wang Zhen, the 81st generation ancestor. The descendants of servants at Banxi and Kengkou were the descendants of those brought back by Wang Yuzha, the 82nd generation ancestor. Those at Shangtian and Wangjiacun were descendants of servants brought back by Wang Bihui, the 83rd generation ancestor. And those at Quejitan were the offspring of servants brought back by Wang Weixiao, the 84th generation ancestor.

Although these stories are not found in the historical record, they are probably not pure fabrication. For instance, the tenant servants of Zheshutan, who were descendants of the servants brought back by Wang Zhen during the reign of Jiajing (1522-66), still went to Chawan during the Spring Festival before liberation to pay New Year calls on the offspring of Wang Zhen. This complements the historical record and confirms that family servants, who moved out of their masters' house and lived separately by farming the landlords' land or reclaiming the hillsides, were one source of tenant servants.

Secondly, in years of famine or crop failures some peasants fled their homes, drifted to Chawan, and became tenant servants. Zheng Guangyou and Zheng Wancha, former tenant servants, recalled that their ancestors once lived in Jiangxi Province. After a severe famine, they moved to Chawan. The Wang landlords placed them in the villages of Fengshutan, Tiantanwu, Wuji, and Chongkengwu, providing them with houses to live in and land to till. Thus they became tenant servants. An old tradition in the locality had it that anyone who farmed the Wangs' land, lived in the Wangs' house, and was buried on the Wangs' hillsides were the Wangs' tenant servants. The writer heard similar stories when making investigations at Shanheji and Lianhuatang in Qimen County. The oral report confirms the written historical record. Both the written report by former master Wang Huanting and the statements of former tenant servants state the same view that peasants fleeing away from famines made up the majority of tenant servants.

The third category of tenant servant at Chawan involved peasants who had been expelled from the Wang clan for violating family rules or clan regulations. Before the liberation there were fifteen families of tenant servants surnamed Wang. Wang Defeng, a former tenant servant, was told by his father that their ancestors had been dismissed from their clan for violation of the clan code and forced to move to Huxian'ao to work as tenant servants. According to the local custom, members of the same clan could not be treated as servants when they rented land from a landlord who was a fellow clan member. This, however, did not apply to those who were expelled.

But confusing the picture is the fact that another group of tenant servants had their master's surname because their ancestors had adapted it. In his *Unofficial History of the Qing Dynasty, Classified*, Xu Ke noted that: "It is customary for a slave servant to change his surname to his master's after he sold himself to the latter." When these servants moved out of their master's house, living separately and renting land, they joined the ranks of tenant servants. Another type of tenant servant with their landlord's surname was the result of a landowner who sold his house and land to another landlord together with his tenant servants who incidentally had the same surname as the purchaser. In the *Estate Purchasing Book of the Cheng* of Shanheji, Qimen County, Qianlong reign (1736-95), a copy of a land deed title stated that Zheng Shuangyu sold his house and land in 1691 at Hujiatan to landlord Cheng together with the servants (i.g. tenant servants) with the surnames of Hong, Wang and Cheng.<sup>1</sup> Considering these possibilities, it is difficult to ascertain whether all fifteen families of tenant servants with the surname Wang were descendants of those expelled from the clan.

The expansion of the number of tenant servants at Chawan was closely connected with the land annexation. As landlords the Wangs continually took forcible possession of the surrounding land and hills of Chawan. During the reign of Jiajing (1522-66) in the Ming, Wang Zhen seized a great deal of land. It was alleged that after retiring from his official posts he came back to Chawan. One day he stood on the top of Jin Gu Feng (the Golden Valley Peak) near Chawan and looked around. Greedily he vowed to occupy all the land and hills within his field of vision either by forced donations or by forced sales at throat-cutting prices. In time this was accomplished. Houses were built and the wasteland and hillsides were opened along mountain passes, roadsides and in the vicinity of the graves, giving tenant servants places to live and farm. After centuries of ups and downs the Wangs still controlled 208 households of tenant servants at 48 scattered residential points on the eve of liberation. On this piece of rectangular-shaped land, running 27 kilometers from north to south and 9 kilometers from west to east with Chawan as its center, all the inhabitants were either Wangs or their tenant servants, with the exception of two families of temple-keepers.<sup>2</sup> The distribution of the residential points of these

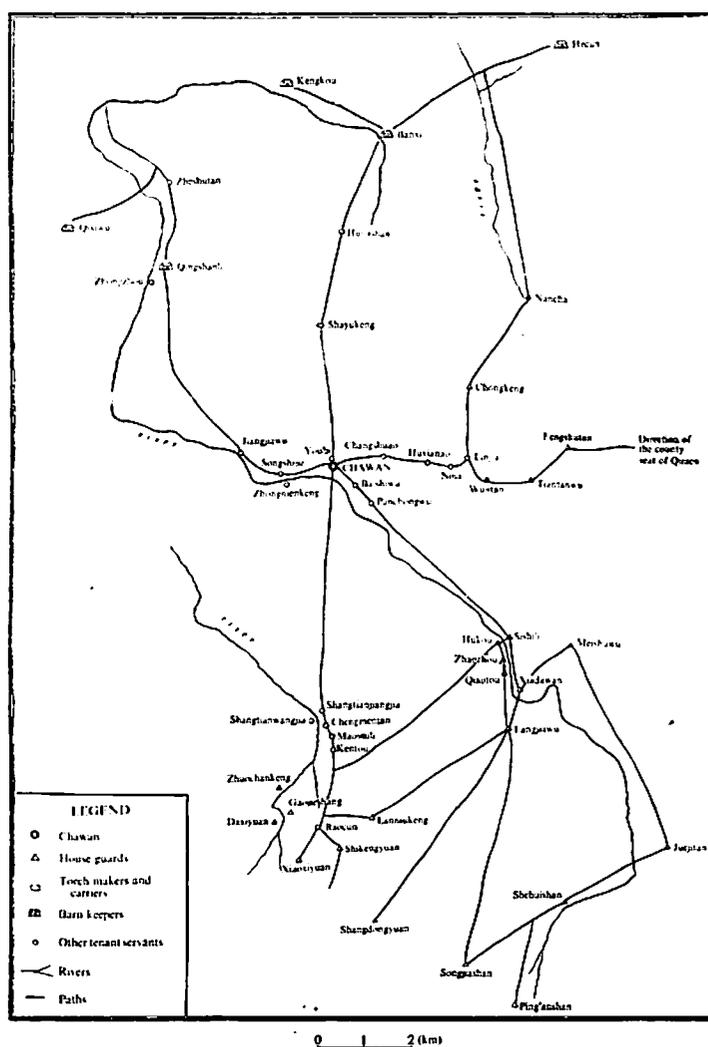
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<sup>1</sup> The original is at the Institute of Economics of the Chinese Academy of Social Sciences.

<sup>2</sup> There were two temples at Chawan—the Guandi Temple and the Zhouwang Temple. The former was built to worship the famous general Guan Yu (?-219) of the Three Kingdoms period (220-80), and the latter to worship Wen Wang, the founder of Zhou Dynasty (11th century to 221 B.C.). Each of the two temples had a family of keepers who were known as temple households. The temple keepers lived on subsidies from the two ancestral halls and the alms of the temple-visitors. The social status of the temple keepers was higher than that of the tenant servants.

tenant servants is illustrated by the sketch map at the right,

The residential points were established around Chawan, the center, in accordance with the topography and actual needs of the landlords — in land cultivation, hills management and the disposal of labor services. Four roads were built to the west, east, north and south leading to all the surrounding villages. The advantages of this deployment are self-evident. It was easy for the landlords to control the hamlets on the one hand, and to strengthen the defense of Chawan on the other. The "fist-fighting" house guards were placed according



to the terrain and defense needs. Granaries were built in the northern grain-producing districts, including Qingshanli, Qixiwu, Kengkou, Hecun and Banxi so that the land rents in kind (unhusked rice) could be stored on the spot as soon as they were collected. The villages of torch-makers and carriers were located in the hamlets along the main road like Hujiashan and Shayukeng. The tenant servants in these villages would escort the landlords when they went out at night. In this way the residential sites for tenant servants were carefully chosen after much deliberation.

Tenant servants made a living by farming the land rented from the Bao Ben Hall, Chong Ben Hall and the landlords. Apart from paying rent in kind, they had to do corvée labor services for their landlords as well. There was a quota for rent payable in kind. The results of an investigation of several typical tenant-servant families showing differing degrees of economic exploitation are shown in the table below.

Table IV. Land Rented by Tenant Servants of Chawan, Qimen County in 1949

Names of Tenant Servants	Labor Category	Age	No. of People in Family	Labor Force	Rented Land and Mountainsides			Production Costs		Net Income of Rented Land and Hillsides	Land Rent (including native products)			Days of Corvée Labor Owed Ancestral Halls and Masters
					No. of Mu	Output (in terms of unhusked rice)	Seeds	Farm Tools, Fertilizers, Cost of Wear and Tear (valued at unhusked rice)	Total		Amount	Percentage of Total Output	Percentage of Net Income	
Zheng Guangyou	House guards	53	4	2	14.5	2,925	210	200	410	2,515	1,410	48.2	56.6	40
Cheng Zhongren	House guards	51	3	2	16	5,821	240	400	680	5,141	2,520	43.3	49	40
Wang Defeng	Sedan-chair carriers	54	4	2	14	5,810	220	400	660	5,150	2,880	49.6	55.9	40
Ni Jincai	Ancestral hall keepers	64	5	3	6	1,800	120	200	320	1,480	170	9.4	11.5	180
Wang Gushui	Sedan-chair carriers	75	3	3	7	2,100	140	220	360	1,740	1,050	50	60.3	60
Hong Shikai	Ancestral hall keepers	55	5	2	8	2,813	160	240	400	2,413	1,355	48.2	55.7	180
Zheng Fujing	House guards	61	4	2	7	2,100	140	220	360	1,740	1,050	50	60.3	40
Fang Yuanguo	House guards	68	3	2	16	4,800	320	430	750	4,050	1,800	37.5	44.4	40

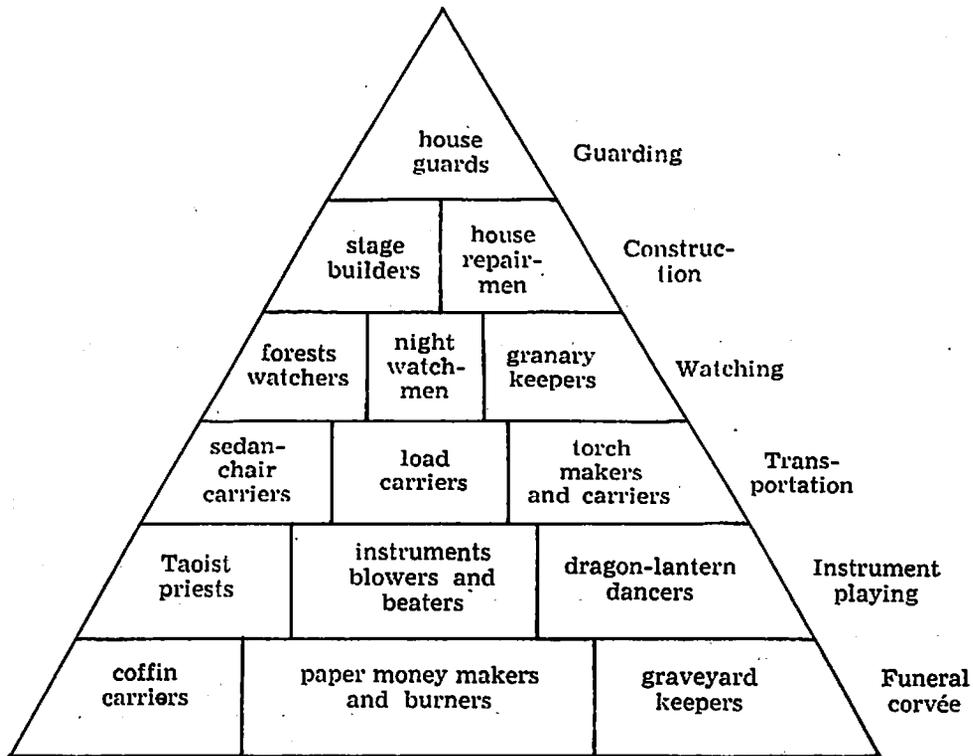
The table shows that the fixed quota on rent was from 40 to 50 per cent of the total crop yield, or from 50 to 60 per cent of the net income. In case of crop failures or famines, the rent could be reduced or exempted. As for those who had no means of living, they might get relief from the ancestral halls. Thus compared with ordinary tenant peasants, the tenant servants had a more secure livelihood. This was done to stabilize the tenant servants and prevent them from running away. The rents for the keepers of ancestral halls and graveyards were lower so as to encourage them to do a better job. For some hall keepers the rent per *mu* was only charged 20-30 *jin*, as in the case of the rent paid by Ni Jincal in the table. Some graveyard keepers were even exempt from rent payments altogether.

Corvée labor was a heavy burden for the tenant servants during the Qing. Apart from productive tasks like building barns, watching forest hills, they had to do endless household chores for the landlords—serving at capping ceremony of youth, weddings, funerals and sacrifices, for example. Among the tenant servants, however, it was the ancestral temple attendants who had the hardest job. Before liberation, Hong Shikai and Ni Jincal, keepers of the Chong Ben and Bao Ben ancestral temples respectively, had to spend six months a year doing various sorts of corvée labor work, and so did other members of their families. In addition to the daily routine work such as guarding, cleaning, offering of incense sticks, burning candles, and patrolling at night, the two families were also expected to send messages to other servants when they were needed. The distance between the residential points and Chawan varied. The farthest points were over a dozen kilometers away. The transmission of endless messages and errands by running from hamlet to hamlet was a heavy burden indeed. This naturally often handicapped their productive work. As a compensation for such services the Chong Ben Ancestral Hall gave 400 *jin* of unhusked rice to Hong Shikai each year, and the Bao Ben Ancestral Hall gave 800 *jin* to Ni Jincal. Likewise the landlords and other masters also allocated a given amount of rice and meat to the tenant servants as a reward for service and as an expression of concern. The house guards had comparatively less work to do. When they were not assigned extra jobs they spent about 40 days during the winter slack season to practice martial arts. In addition to the specific tasks listed in the table on pp. 96-99, the tenant servants in general were expected to do countless jobs such as running errands, preparing feasts, distributing invitations, fetching guests and escorting them home. In a word, the tenant servants were cruelly enslaved by the landlords. Down-trodden and lowly, they fitted roughly between the tenant peasants and slaves in terms of social status.

The social status and position of the various types of tenant servants were not all the same. The house guards or fist-fighters enjoyed slightly higher status than others. During various meetings at the ancestral temple house guards were allowed to stand on the steps, which was taboo for others.

Of course, there were also security needs. During the Spring Festival period house guards were not required to wear a black belt around their waists, which was a symbol of their humble position. However, they had to stand aside when a Wang son-in-law was present so that they would not be mistakenly congratulated. The coffin-carriers and other funeral laborers were the lowest in rank. So the differences in status depended on the tasks undertaken. Aside from the house guards, whose work was fixed, the other servants used to change labor assignments from time to time. Different kinds of labor and its place in the social hierarchy are summarized in the diagram below.

Table V



Having the lowest social status in the countryside and suffering the most in terms of political oppression and economic exploitation, tenant servants inevitably rose in rebellion. Unfortunately, however, the resistance and struggle of the tenant servants during and before the Qing Dynasty was not recorded in written histories or local legend. But for the fourth year of the Republican period (1915), a struggle can be documented. House guard Zheng Bingyang and a few other fist-fighters called the tenant servants from Fengshutan, Tiantanwu, Wujitan, Chongkeng, Shangtian, and Zhongzhoushan to meet at Chacunting. They took an oath by dripping blood and planned an uprising. Unfortunately the secret leaked out so that when 200 tenant servants made their way to Chawan according to plan, the Wang landlord leadership

had already taken military precautions. In addition to a display of armed force, the landlords adopted deceitful measures to soften the servants' will to fight. As a result, the rebellious contingents were caught or dispersed before they started to fight. Zheng Bingyang and other organizers of the uprising fled to Jiangxi Province. The other participants met with brutal suppression and were either fined, tortured or imprisoned.

## II. Investigation of the Tenant-Servant System at Mingzhou, Xiuning County

Mingzhou Village, situated in the western part of Xiuning County, borders Qimen to the west and Fuliang (Jiangxi Province) to the south. It is now under the jurisdiction of the Liuhe People's Commune. There are three books in existence which deal with the history and conditions of this village: *The Family History of the Wus of Mingzhou* (hereafter abbreviated as *The Family History*) printed during the reign of Wanli (1573-1620) in the Ming; *The Family Code of the Wus at Mingzhou* (hereafter abbreviated as *The Code*) edited by Wu Di during the reign of Kangxi (1662-1722); and *The Bao He Hall Regulations on the Amount of Grain to Be Given to Laborers and Needed in Service* (hereafter abbreviated as *The Regulations*) recorded by Wu Baogen during the 15th year of Guangxu (1889). These materials provide invaluable data for the study of this village.

In "Family Rules," *juan* 1 of *The Code*, the following phrase occurs: "Since our ancestor moved here 400 years ago. . . ." This shows that the Wus settled in Mingzhou as far back as the Yuan Dynasty. During the reign of Hongwu (1368-98) in the Ming, Wu Yongchang, a fourth generation ancestor known for his "virtues and good deeds," became the magistrate of Juyong County. It was recorded that he took the family genealogy to a Mr. Zhao Dongshan (alias of Zhao Fang) in an attempt to get the latter's help in the compilation of a clan code for the Wus. But shortly afterwards Wu Yongchang died and left the work undone. Later Wu Zuxi, the eighth generation ancestor, "started to write *The Family History* and died before the book was completed." Wu Ruigu, his heir, continued the work (see the author Wu Di's "Preface" to *The Family Code of the Wus at Mingzhou*). During the Qing, a revised copy of *The Code* was edited and *The Regulations* was compiled. Thus it can be seen that the Wus paid much attention to editing and revising the clan code and family rules.

Mingzhou was built along the winding bank of Shuaishui River, a tributary of the upper reaches of the Xin'anjiang River. Surrounded by towering mountains in layers of peaks, there was little arable land. Today after much reclamation work, there is only 56 *mu* of farmland for the whole village. At the

time of investigation there were 326 people in the village. Thus on the average each person had only close to 0.2 *mu*. Doubtless the land available was even less during the Qing Dynasty. The surrounding mountainsides of Mingzhou have been famous for tea plantations. "Mingzhou Tea" is a well-known variety from Anhui Province. The local inhabitants made a living by growing tea, cutting timber, and trading.

By the late Qing period, and especially during the Republican period, the Wu clan of Mingzhou declined. On the eve of liberation there were only 40 Wu families left, of which three were landlords, six small land lessors, three middle peasants, and 28 poor-peasant families. Many of the Wus were concurrently engaged in business. The young people from the poorer families in the clan served the rich as shop assistants. An old popular saying in the locality goes: "Being wicked in one's previous life, he was born in Mingzhou; having reached the age of thirteen or fourteen, away would he be thrown." Trading was considered a "permanent job" by the local people, especially during the Qing period. In the "Family Rules" of *The Code* there was the following statement:

Youngsters of the clan members who could neither afford to go to school nor have land to farm have no other choice but to go into business. Rich clan members either bring them to the cities and towns or recommend them to relatives and friends so as to find jobs for them. With a permanent job the young people will make a living and will not loaf about and make trouble.

It was quite natural for the Mingzhou people to go into business in view of local geographical conditions — deficient as it was in terms of arable land and rich in tea and timber. Some people brought their families into town with them and stayed for years away from their homestead. After joint state-private ownership was adopted as the principle form of state capitalism in China in 1956, some merchants returned with their dependents while others remained elsewhere.

Since the Wus moved to Mingzhou, they have always lived as close neighbors. At the time of liberation their houses stood in orderly rows. Doors were built in lanes lying between the rows. The houses were assigned to each family according to branches and lines as well as the descendants of legal wives and concubines. People of different surnames were not allowed to move in. The tenant servants lived in scattered hamlets around Mingzhou. Their residential arrangement had the same reasoning as in Xiuning — convenience for the landlords in calling them and for defense. The Wu clan had a general ancestral temple named Bao He Hall (Preservation of Harmony Hall), built specially for worshipping the first ancestor. Under it were five major branches, of which each had its own ancestral hall. Again the sub-branches had sub-branch halls of their own. Here are some names of the branch and sub-branch halls — Qi

Xian Hall, Quan Bi Hall, Shi Ning Hall, Li Yi Hall, Shun Zheng Hall, Xing Ren Hall and Ri Yong Hall. The Bao He Hall was where the supreme power of the clan was exercised. Clan disputes were resolved and punishments were decided and executed there. The clan head was the executive officer. On the eve of liberation the clan leader was a small land lessor. He was chosen for the post because of his seniority of generation and age. Although he was the clan head, he often as not took orders from the powerful landlords and rich merchants.

*Dian Pu* (佃仆 or tenant servants) was a term first used during the Ming in *The Family History of the Wus of Mingzhou*, while during the Qing the term *Pu Bei* (仆婢 or man and maid servants) was also used as in *The Bao He Hall Regulations on the Amount of Grain to Be Given to Laborers and Needed in Service*. These people were called *Xiao Hu* (小户 or small households). At the time of liberation there were fifty-three tenant-servant families in Mingzhou. Under the Wus were eleven families surnamed Huang and one family named Li. Under Bao He Hall there were eleven families surnamed Wang and two Chen families (called 大陈 or the Big Chen), and two Wang families. Under the Qi Xian Hall there were ten families named Hu, three of Han and twelve of Chen (called 小陈 or Small Chen). Wu Houfu, a merchant, had one tenant-servant family named Xie. These details of the relationship between the tenant servants and their masters are summarized in the table on page 109:

Table VI shows that the forms of ownership of tenant servants fell into three categories, namely, under the Wu clan, ancestral halls, and private families. This is consistent with references in *The Regulations* to "the male and maid servants of the clan members, of the ancestral halls and of private families." It is safe to conclude, therefore, that these three forms of servant ownership had existed during the Qing Dynasty.

The remnants of a tenant-servant system were considerable before liberation. But both tenant servants and former masters recalled that there were far more tenant servants during the Qing Dynasty. The Wu clan declined during the Republican period and was unable to reward the labor of tenant servants with the amount of rice, meat or cash as fixed in *The Regulations*. Thus the number of tenant servants decreased greatly. By liberation only one household was under a private master and the number of tenant servants held in common by ancestral halls and the Wu clan was also much reduced. The tenant servants mentioned in *The Regulations* with the surnames of Xu, Ni, Zhou, Li and Sheng were no longer in existence.

When the writer visited former tenant servants and asked where did they come from, most did not know. They could only answer that they had lived there for generations. The only exception was 65-year-old Chen Jinxian. He was told by his father that they came from Tafang, Qimen County. One of the Chen's ancestors had violated clan regulations and was expelled from their hometown. After drifting to Mingzhou, he became a house servant to the

Table VI

Owners of Tenant Servants	No. of Households of Tenant Servants	Name List of Household Heads
Wu Clan members	12 (11 households of Huang and one Li)	Huang Kuanchuan    Huang Maokun    Huang Taimao    Huang Limin Huang Pisheng    Huang Taishu    Huang Meijiao    Huang Qimao Huang Maocai    Huang Dongsheng    Huang Wenti Li Junfu
Bao He Hall	15 (11 households of Wang, 2 of Chen (Big Chen), and 2 of Wang)	Wang Tingzuo    Wang Jinshu    Wang Xiaoliang    Wang Nenglü Wang Xixiang    Wang Benxiang    Wang Nianxiang    Wang Chenggui Wang Kuangui    Wang Mingsen    Wang Bingyan Chen Guanghe    Chen Zixiang Wang Kunwen    Wang Xingfa
Qi Xian Hall	25 (10 households of Hu, 3 of Han and 12 of Chen (Small Chen))	Hu Jimao    Hu Bida    Hu Songlü    Hu Liangda Hu Maoxiu    Hu Tangwen    Hu Bingwen    Hu Shenshen Hu Wuliü    Hu Fukou Han Qihan    Han Shenhan    Han Changhan Chen Xingding    Chen Kuanyou    Chen Zaolu    Chen Xiaozhao Chen Jiayi    Chen Guangchun    Chen Aiqiu    Chen Minghe Chen Kuaile    Chen Zhiye    Chen Bingquan    Chen Bingzhong
Wu Houfu	1	Xie Sancai
Total	53	

merchant family in the Wu clan. Later he married a maid-servant and moved out to live separately. The couple eked out a living by renting land and hillsides from their masters. Thus their offsprings remained tenant servants of the Wus generation after generation. Since there were already tenant servants with the surname Chen, Chen Jinxian's ancestors addressed themselves as *Xiao Chen* (小陈 or Small Chen), the other Chens being called *Da Chen* (大陈 or Big Chen). As to when this distinction among Chens was first made is difficult to say. But in *The Regulations* there are these words: "This way of addressing (the different Chens) has been in use for several hundred years."

Great attention was paid to the servant showing respect for the master. No matter who the masters were — clan members, ancestral halls, or private families — servants addressed all the male Wus as "masters" or "lords," and addressed the females as "madame." If a servant happened to meet the master on the road and did not make the proper address, he would be denounced at ancestral meetings and then flogged 40 blows on the rear. Marriages between servants and masters were not permitted. There were also specific rules regarding graves and tombstones. New-born babies of tenant servants were forbidden to have names with the same characters of the masters or their ancestors. Other rules provided that servants should differentiate themselves from masters in dressing, drinking, feasting, marrying, etc. A number of these insulting rules were still applied during the Republican period. For example, brides of the servant families were not allowed to ride sedan-chairs at weddings. Instead, they were carried by men on their backs. One year at the Dragon Lantern Festival during the Republican period the tenant servants presented a petition en masse about this rule. After hard struggle brides were permitted at last to ride in sedan-chairs, although they were to be smaller in size so as to maintain the distinction between master and servant.

The landlords and ancestral halls provided both the house and the land of the tenant servants. According to *The Regulations*:

You can profit by watching the bamboo groves and forests; you can farm the land and reclaim the hillsides. For barren hills and wasteland you can make graves and put up houses.

The servants were entitled to build simple houses but they had to report to the ancestral halls beforehand and get their approval. Moreover, the houses had to be built according to fixed specifications. During the Republican period servants were allowed to reclaim tiny plots of waste mountainside land and were often exempt from paying rents. But the ancestral halls reserved the right to take back this land at any time.

As landlords the Wus exploited the tenant servants through a heavy land rent and in other ways as well. *The Regulations* prescribed that: "Green, wet rice (unhusked) was forbidden in payment of rent . . . the rice must be dry

and clean . . . wet, green unhusked rice and those with empty seeds will be rejected." Such rules remained in effect up to liberation. All rents were set to fixed quota. In order to verify this point, the writer made a case study of Chen Jinxian, one of the old tenant servants. Before liberation Chen rented 3.5 *mu* of land from the Bao He Hall (Bao He Tang Ancestral Hall), of which 1.8 *mu* was planted with rice. The annual yield was 400 *jin* of unhusked rice, and the rental in kind, 200 *jin*. Another piece of land, about 0.7 *mu*, was grown with maize and the annual output was 70 *jin*; the rent in kind, 35 *jin*. The rents for both amounted to 50 per cent. But the exploitation rate was over 50 per cent, exclusive of the production cost. Chen Jinxian also leased one *mu* of hillside for growing tea. The output was 35 *jin* a year and the rent, 10 *jin*. Apart from rents paid in kind, all tenant servants had to pay cash for fuel. *The Regulations* stipulated:

Each male between 20 and 60 has to pay 0.1 *liang* (5 grams) of silver, converted to 0.08 *liang* (4 grams) of silver 95% per cent in purity. The deadline for turning in this money is Winter Solstice. This rule has been carried out for centuries . . . as to those who have delivered firewood or charcoal, they will be exempt from paying any silver.

During the later years of the Republican period, cash payments for fuel were not made, due to the resolute opposition of the tenant servants.

The corvée labor services mainly involved capping ceremonies, weddings, funerals and family celebrations of other happy events such as birthdays and births. The details of each service owed were spelled out in *The Regulations*. Take funerals for example. The labor services included distribution of obituary notices, carrying the coffin into the room, dressing the dead, laying-in in coffin, attending funeral ceremony, transport of the coffin to the burial ground, and then burying. In *The Regulations* there were also prescriptions for individual tenant families to serve particular master families. There were also rules specifying the number of servants required and the rewards to be paid. In addition to the above services, servants had to put up stages, build houses, repair roads, put up bridges and pole boats.

These rules in the main continued to be observed until liberation. However, celebrations of weddings, funerals and other events were much simplified because of the decline in the Wu family fortunes. Nevertheless, daily household chores for the masters were as heavy as before. Some servants were at times asked to go out to do business on their master's behalf. On the eve of liberation, daughters in two servant families were taken by two masters as concubines; the fathers of both girls went to other places with their masters to do business. Thus only confidential private servants were trusted enough to be engaged in trading.

Tenant servants belonging to branch ancestral halls or private landlords were obliged to serve all members of the Wu clan. It was provided in *The*

*Regulations* that "regardless of whether a tenant servant belonged to the clan or to a particular family, he had to serve all clan members. This has been a practice for several hundred years." For instance, when one family of the Wus was to put up a house, all tenant servants, public or private, had to help. Thus the term "private servants" was in name only; they too were in fact public servants of the entire clan. This practice continued to the eve of liberation.

Finally, it is worth comparing the tenant-servant system of Huizhou with the hereditary servants of Xinhui, Guangdong Province. In his *History of Chinese Culture* Liang Qichao (1873-1929) pointed out:

There was the so-called system of hereditary servants in my hometown and the nearby villages. The family name of the one in my own village was Gong. He was a public servant of all the Liangs. The origin of this system was just as stated in the imperial edict of Emperor Yong Zheng (1723-35): "There was no way to trace to its source."

The characteristics of his status were: (1) He was not allowed to intermarry with the Liangs. (This also applied to people of good families of other surnames. His family was restricted to intermarry with the hereditary servants of other villages.) (2) He was not allowed to sit for the imperial examinations or to enter on an official career. (3) He was not allowed to wear white stockings.

The concrete duties of the servant were to do corvée labor at the sacrificial ceremonies at the ancestral hall of the Liangs, and to give labor service at the weddings and funerals.<sup>1</sup>

Compared with the hereditary servants of Xinhui, the tenant servants of Huizhou endured greater restrictions on their person and performed heavier corvée labor services which were also wider in scope.

### III. A Few Historical Problems Solved

The writer's on-the-spot investigations at Chawan and Mingzhou can be applied to analysis of the tenant-servant system as a whole during the Ming and Qing dynasties. Scholars have different views about the origin of tenant servants, the formation of status relationships between tenant servants and their masters, and the beginnings of corvée labor obligations. Some argue that in most cases the system did not grow out of primarily economic tenancy relationships, but resulted more from other factors such as living in the masters' houses and burial in the masters' land, or entering and living in the wife's

<sup>1</sup> Liang Qichao, "Special Collection," *ci* 18 of his *Collected Essays*.

family after marriage, etc.<sup>1</sup> This explains why they were generally called *Zhuang Pu* (庄仆 or manorial servants) or *Shi Pu* (世仆, hereditary servants).<sup>2</sup> The writer's investigations demonstrate, however, that the decisive factors were economic. Peasants became tenant servants by "farming the masters' land, living in the masters' house and being buried in the masters' burial-grounds." Of these "farming the masters' land" was the most important. That is why they were called "tenant servants."

Tenant servants at Chawan and Mingzhou as well as in other villages in Huizhou Prefecture were landless. In Huizhou, where the feudal patriarchal system was strong and members of all large clans lived together in the same area, all the land and mountains, waste or reclaimed, were delimited and ownership strictly defined. Should the delimitation of any piece of land or hill not be clear and its ownership in dispute, the case was then taken to court. At times clans feuded over land. According to local tradition, members of the same clan, excluding the expelled, could not be taken as servants, and people of different clans were not allowed to live in the area under the Wus' jurisdiction.<sup>3</sup> Therefore, servants had to be obtained from other villages. These peasants then were not only landless and homeless, they had not even a place to be buried after death. Thus, apart from leasing land to them, the landlords provided a house and burial-ground. Understanding this background, we are no longer puzzled by the repeated references to "the leased land, house and burial-ground" which appear in the historical records of the Ming and Qing dynasties. These references in fact provide us with the basis for defining the status of tenant servants.

Our investigation data also disclosed that the feudal landlords had generally exploited the tenant servants by means of a manorial system, e.g., forcing them to put up houses at key points along the village walls, establish residential points, build store houses and clear wasteland for graveyard. The tenant servants were then assigned to these places to live, work and guard. Such a lay-out was convenient for the landlords in summoning the servants when necessary. In addition to paying rent in kind, the tenant servants performed corvée labor services. The considerable proportion of rent in labor is a distinct feature of the tenant-servant system. These three elements—the tenant-servant system, the manorial system, and the rent paid in the form of

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<sup>1</sup> Zhang Youyi, "The Manorial-Servant System of the Qing Dynasty as Viewed from the Bao He Hall's Regulations for Manorial Servants," *Wenwu (Cultural Objects)*, No. 11, 1977.

<sup>2</sup> Noboru Kijja, *A Study of the History of the Chinese Legal System*, Vol. III, Chap. 9. In this chapter the term "hereditary servants" is often used for "manorial servants."

<sup>3</sup> Zhao Jishi, *Random Notes of Village Elders*, "Members with the same family name always live as close neighbors; there is not a single family with a different surname living among them. The tradition in this county follows closely that of ancient times."

labor service — interdependent and intertwined, have always been regarded as a basis for defining the status of the tenant servants.

The tenant servants belonged personally to their masters, and their master-servant relationship was hereditary. They had no freedom to leave their masters and go to other places. The landlords had even the right to interfere in such personal matters as marriage or having one's child adopted by a relative. The status distinctions between them were strict. There was a series of rules for servants to follow, from regulations on daily clothing to specifications about funerals and ways of burying. Some of the regulations were highly insulting, such as the new-born babies were not allowed to have the same name as their masters or deceased ancestors. All these rules had to be strictly observed. Any slight breach of discipline meant punishment. Worst of all was the fact that the tenant servants did not belong to any private master but was ordered about by members of the entire clan. Moreover, their children were not allowed to go to school or to sit for examinations and become officials. Legally the tenant servants were classified as *Nu Pu* (奴仆 or slave servants). This slave status of tenant servants was the result of the historical influence of the ancient slavery system. Its influence prevailed to the eve of liberation.

It must be pointed out, however, that tenant servants were not slaves. They were free to a certain extent. They were not the property of their masters, but human beings attached to their masters. They were not simply tools. As independent producers, they had labor interests, enthusiasm, and initiatives. In addition, theirs was a domestic individualized economy; their rights to property were recognized to a certain degree. Their right to an independent existence was guaranteed to some extent. Marriages of tenant servants were interfered with but admitted as lawful. On the whole, tenant servants resembled serfs more than slaves.

In the past historians have confused tenant servants with domestic ones. Some historical documents recorded that big landlords had hundreds and thousands of *Nu Pu* (奴仆 or slave servants) during the Ming and especially Qing dynasties. Here are a few examples:

(In Macheng, Hubei Province), the powerful families of Mei, Liu, Tian and Li had 3,000-4,000 *Jia Tong* (家僮 or domestic slave).<sup>1</sup>

(In Changshu, Jiangsu), Qian Haishan had several thousand *Tong Pu* (僮仆 or slave servants).<sup>2</sup>

In the Wuxian region (of Jiangsu), some of the official families had as many as one thousand or even two thousand *Nu* (奴 or slaves).<sup>3</sup>

<sup>1</sup> Wang Baoxin, *Records of the Forty-eighth Stockade in Hubei*.

<sup>2</sup> Xu Fuzha, *Collection of Biographical Notes from Huadangge Pavilion*, juan 3.

<sup>3</sup> Gu Yanwu, *Daily Additions to Knowledge*, juan 13.

At the end of the Ming Dynasty the official families had up to a thousand *Jia Tong* (家僮 or domestic slaves).<sup>1</sup>

Although it is inconceivable that landlords could have had such a tremendous number of slave servants engaged in production during the declining period of feudal society, many historians have nevertheless drawn the conclusion that the practice of slave-keeping flourished at the end of the Ming Dynasty. Others held that this was a reverse trend in the relations of production. Some people went so far as proposing that "the employment of slave servants in the Ming Dynasty was even more widespread than in the Han Dynasty (206 B.C.-220 A.D.)."<sup>2</sup>

From on-the-spot investigation I have learned that the same term carried different implications in different historical periods. The contrary was true as well: identical phenomenon was represented differently in different periods. The *Nu Pu* (奴仆 or slave servants) referred to in the Ming and Qing histories were mostly *Dian Pu* (佃仆 or tenant servants). Confusion in the use of the term tenants, tenant servants and slave servants did not begin in the Ming and Qing periods. As far back as the Southern Dynasties (420-589) there was the saying: "In farming you had better ask the *Nu* (奴 or male slaves); in matters of weaving, you had better ask the *Bei* (婢 or female slaves)." This has been taken by some historians as evidence of the widespread employment of slaves.<sup>4</sup>

In this connection, Guo Moruo (1892-1978) long ago pointed out:

The appellations *Nu* (奴 or slaves) and *Bei* (婢 or female slaves) were actually general terms for servants and attendants. They should not be used as a proof of the existence of slave system. For instance, in the Qing Dynasty even high officials often spoke of themselves as *Nu Cai* (奴才 or your humble slave) when addressing the emperor and their wives referred to themselves as *Bei Ren* (婢人 or maid servant). But this does not mean that slavery was resurrected during the Qing Dynasty.<sup>5</sup>

After having quoted many convincing historical materials, Tang Changruo in his article "On the Significance of the Household Tax During the Western Jin Dynasty (265-316)" wrote:

<sup>1</sup> Wu Qian, *Collected Works of Yu Gu*, *juan* 13.

<sup>2</sup> Chen Hengli, *Sequel to Study of Agricultural Books*, Chung Hua Publishing House, 1958, p. 75.

<sup>3</sup> "Biography of Shen Qingzi," *History of Song*, *juan* 77.

<sup>4</sup> See Ri Zhi, "From the Tradition of Stressing Agriculture and Neglecting Commerce to the Essentials of the State Power of the Han Dynasty," as quoted in Guo Moruo's "Brief Discussion of the Essence of the Political Power During the Han Dynasty," *Collections of Historical Essays*, p. 109.

<sup>5</sup> Guo Moruo, "Brief Discussions on the Essence of the Political Power During the Han Dynasty," *Collection of Historical Essays*, p. 109.

It is very difficult indeed to distinguish between *Nu* (奴 or slave) and *Ke* (客 or servant) from the Eastern Han (25-220) to the Three Kingdoms (220-280). . . . The status of *Ke* (客 or servant) was very low. Like *Nu* and *Bei* (奴,婢 or slaves and maid servants), the number of *Kes* indicated the wealth of the masters. As a rule, the servants and slaves were always counted as part of the masters' wealth when assets were estimated. It is hard to distinguish the *Nus* from the *Kes*, and among the *Kes* there are tenant servants.<sup>1</sup>

Mr. Tang went on: "At that time the addresses of *Nu Tong* (奴僮 or slave servants) and *Ke* (客 or servants) were determined by custom interchangeable. But strictly speaking, *Kes* (servants) were not *Nu Tong* (slave servants)."<sup>2</sup>

During the Five Dynasties (907-60) and Song (960-1279) period there were still cases in which tenant servants were mixed up with slave servants. For example, in the *New History of the Five Dynasties* there is a story that at the end of the Five Dynasties the wife of Zhou Xingfeng, a high official of Chu, escorted the *Dian Hu* (佃户 or the tenant households) to the city to deliver the grain taxes in kind. In *Gazetteer for Nine States* the same story was recorded.<sup>3</sup> The author Lu Zhen of Northern Wei Dynasty called the tenants *Nu Pu* (奴仆 or slave servants). This incident was again mentioned in the *Zi Zhi Tong Jian* (General Mirror for Aid in Government) by Sima Guang (1019-86) in which the tenants were named *Tong Pu* or domestic slaves. The same was true during the Yuan Dynasty. The official *History of the Yuan Dynasty* recorded:

In Jinghu (modern Hubei Province) Alihaiya, a Yuan military commander, took 3,800 households of surrendered people as his domestic slaves, and put them under the control of a specially appointed official. The domestic slaves were compelled to pay taxes.<sup>4</sup>

This kind of domestic slave who was "compelled to pay taxes" was in fact a tenant farmer like the tenant servant. Once aware of the mixed use of the terms *Nu* (slave) and *Dian* (tenant), we should not be surprised at the employment of a large number of *Nu Pu* (slave servants) in production during the late Ming period. Wu Shixing of the Ming Dynasty wrote:

In response to the call of powerful families, hundreds and thousands of *Nu Pu* or slave servants came bringing with them farm produce and

<sup>1</sup> Tang Changru, "On the Significance of Household Tax During the Western Jin," *On the History of Wei, Jin, Southern and Northern Dynasties*, Supplementary edition, pp. 12-15.

<sup>2</sup> "Biography of Zhou Xingfeng," from "Families of Chu," *New History of the Five Dynasties*, *juan* 66.

<sup>3</sup> Lu Zhen, "Biography of Zhou Xingfeng," *Gazetteer for Nine States*, *juan* 11.

<sup>4</sup> "Biography of Zhang Xiongfei," *History of the Yuan Dynasty*, *juan* 163.

other possessions, waiting for assignment of work and not asking for food or clothing.<sup>1</sup>

It is obvious that these *Nu Pu* (slave servants) were peasants who became servants under the protection of powerful families in order to avoid government taxation. These people were in fact tenant servants.

I also discovered at Chawan and Mingzhou that to have the tenant servants freed and reinstated as ordinary peasants, the Qing Government issued imperial orders five times to this effect — in the 5th and 6th years of Yongzheng (1727 and 1728), the 34th year of Qianlong (1769), the 14th year of Jiaqing (1809) and the 5th year of Daoguang (1825) respectively. The edicts stated clearly that “leased land, burial-ground and housing” could no longer justify reducing peasants to tenant servants.<sup>2</sup> But powerful clans leading feudal patriarchal forces persisted in the old tradition and obstinately maintained the tenant-servant system. This proves that the feudal landlords exploited and enslaved the tenant servants not only by laws and decrees but also “by the actually existing land relationships,”<sup>3</sup> as well as by the exercise of feudal patriarchal power. For example, in the 14th year of Jiaqing (1809) the regulations issued by the Board of Punishments in accordance with imperial edicts negated the customary practice that one was reduced to a tenant servant when he “tills the master’s land, and is buried in the master’s hillside,” an idea which went back to the Ming Dynasty. This practice, however, continued and was reaffirmed in the *Regulations Stipulated by the Bao He Tang Ancestral Hall for the Amount of Grain to Be Given to Laborers Needed in Service*. One passage reads: “One becomes a servant if he tills the master’s land, lives in the master’s house or is buried in the master’s hills.” It can be seen that the enforcement of feudal laws often met with strong opposition from patriarchal forces.

However, the historical trend of decline is irresistible for the backward productive relations embodied by the tenant-servant system. By the late Qing and Republican periods the system of tenant servants in Huizhou had undergone many changes. The status of the tenant servants had im-

<sup>1</sup> Wang Shixing, *Guang Zhi Yi*, *juan* 3.

<sup>2</sup> For details, see the author’s “An Inquiry into the Tenant-Servant System of Huizhou in the Ming and Qing Dynasties,” Section 5.

<sup>3</sup> Lenin pointed out: “Remember, however, that *there does not exist* a single juridical institution to express or stipulate these remnants — I am of course speaking of those remnants exclusively in the sphere of agrarian relationships that we are discussing now . . . and not in the sphere of legislation relating to the social-estates, financial affairs, etc. Direct survivals of the *corvée* system, recorded times without number in all the economic surveys of Russia, are maintained, not by any special law which protects them, but by the actually existing land relationships.” See V. I. Lenin, *Collected Works*, Foreign Languages Publishing House, Moscow, 1961, Vol. 6, p. 129.

proved considerably. Tenant servants were no longer sold together with the land and homes of the masters. Their attachment to their masters eased. Some of the rules and regulations imposed on them also became less effective. In the meantime changes also took place with the masters' families. The gentry and landlords were on the decline and the land of the ancestral temples increased steadily in value. The clan power over the ancestral temples grew from day to day. It was noticeable that with the exception of one tenant-servant family belonging to a merchant, all the rest belonged mainly to the ancestral temples. The ancestral halls thus became the last sanctuary of the tenant servant. Although the legal provisions about tenant servants had been abrogated, the contents of these rules were still retained in clan and family rules. The local ancestral temple became the place where clan rules were enforced and the clan head was the executive.

That the clan leader had such high position and wielded much power was due to the influence of the ancient patriarchal system, imbued and dressed up as it was with the Neo-Confucianism of the Cheng brothers and Zhu Xi. From the Ming and Qing dynasties down to the Republican period the patriarchal system as manifested by clan leaders, ancestral halls, clan code and family rules acted as a strong rope binding the tenant peasants.

The immense power of the feudal patriarchal clans in Huizhou, aside from its own historical origin, was closely related to the propagation of Neo-Confucianism of the Cheng brothers and Zhu Xi, and to the development of capitalism. The merchants, officials and landlords acted as an entity. Part of the super-profits merchants made in Huizhou was used for running *Shu Yuan* (书院 or old-fashioned institutes) and schools to train feudal personnel so as to expand the clan's political power in central and local governments. As the birthplace of feudal Neo-Confucianism, Huizhou was profoundly influenced by the "three cardinal laws" and "five constant virtues," particularly the inheritance law advocated by Cheng Yi and Zhu Xi.<sup>1</sup> Part of the commercial profits of the Huizhou merchants was used to build ancestral temples, purchase clan and sacrificial fields, repair the clan graveyard, and revise the clan genealogy as well as clan and family rules. All these caused greater personal bondage of tenant peasants. The greater the investment, the more intense the influence of feudalism, and the greater the increase of tenant servants, the longer the survival of the system.

<sup>1</sup> It was recorded in the *Genealogy of the Cheng Family in Shanheji, Qimen* that Cheng Yi was a descendant of the Chengs of Zhongshan, who were the offspring of the Chengs in Huangdun, Xinan. Cheng Yi was, therefore, related to Cheng Lingxi of Huangdun. Both Cheng Yi (1033-1107) and his brother Cheng Hao (1032-85) were regarded as natives of Huangdun, Shexian. Zhu Xi (1130-1200) was a native of Wuyuan. That is why Huizhou was known as "the states of Zhou and Lu in southeastern China," meaning "the birthplaces of Confucius and Mencius." Zhou and Lu were small states (in present-day Shandong) in ancient China where Confucius and Mencius were born.

Huizhou was strongly tainted by slave traditions because of its special historical characteristics. Most of the powerful local gentry and landlords claimed a relationship to famous clans who had emigrated to Anhui from northern China during the periods of Wei (220-65), Jin (265-420), Northern and Southern Dynasties (386-589), Sui (581-618) and Tang (618-907). Geographically, Huizhou is surrounded by chains of mountains, cutting it off from the rest of the world. It was seldom hit by the peasant uprisings before the Taiping Revolution. A strict feudal patriarchal system dominated the region because of the persistence of the ancient patriarchal clan tradition, manifested in the strength of Neo-Confucianism of the Cheng brothers and Zhu Xi; and the development of merchant capital. These historical and geographical factors preserved the tenant-servant system as a remnant of serfdom to the eve of liberation. Thus, as a good example of imbalanced historical development, the Huizhou case is helpful in understanding the main characteristics of Chinese feudal society and its slow development.

— *Translated by Fang Zhenya*

# Reform of the Economic Structure Requires Industrial Pricing Based on Production Price

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The proposal to use production price as the basis for socialist price formation was initially raised as an objective requirement for assessing the effectiveness of investment and evaluating the management of enterprises. Generally speaking, the main indicator for assessing the effectiveness of investment is the time period for recovery of investment (the reciprocal of the profit rate on funds). And the effectiveness of investment in a particular sector or industry is examined by comparing the actual profit rate on funds in that sector or industry to the average social profit rate on funds. In accounting, to measure the effective utilization of funds, we must take the profit rate on funds as our standard for assessing the results of economic activity and for examining enterprise management. This, in effect, raises the question of fixing the amount of profit in a commodity's total planned price composition according to the average profit rate on funds. In other words, it raises the question of setting commodity prices on the basis of production price.

However, for a long time production price theory was considered "revisionist." At that time, our system of economic management featured highly concentrated power and primacy of administrative controls. Economic results were not emphasized and work wasn't handled according to objective economic laws, particularly the law of value. Therefore, the necessity of basing planned prices on production price was not readily apparent. At that time the conditions for setting prices according to production price simply did not exist. After the demise of the Gang of Four, people have gradually freed themselves from the old ways of thinking. In December 1978, the Third Plenary Session of the Eleventh Party Central Committee called for reform of the economic management system. Since then, more and more economists have begun to support the production price theory. Conditions are gradually becoming ripe for translating this theory into practice. So it has become all the more necessary for us to further explore this problem.

This paper will focus on the reasons why reform of the economic management system requires setting planned prices according to production price. Analysis will be limited to the state-owned sector.

## I

Reform of the economic management system requires us to give enterprises more rights, expand their autonomy, so as to transform them from appendages of administrative organs into relatively independent commodity producers with independent economic accounting and financial responsibility. In so doing, we would need a standard for assessing the effectiveness of management. For that purpose, you don't look at total output or its rate of increase, you look at profits.

But managerial expertise is not the only factor which affects profits. An enterprise's profit level is mainly determined by five factors: 1. raw materials; 2. technical equipment; 3. taxes; 4. price; and 5. managerial expertise. Because these factors are extremely variable, there are tremendous disparities in the profit levels among different sectors and industries. This dramatic variation in profit levels, resulting in large part from the impact of prices, has seriously undermined efforts to assess managerial efficiency. In 1979, for state-owned enterprises at the county level and above, the average profit rate on funds was 12.3%. But this average conceals huge variation. The profit rate for watches was 61.1%; industrial rubber, 49.4%; knit goods, 41.1%; bicycles, 39.8%; paints and dyestuffs, 38.4%; petroleum, 37.7%; oil fields, 34.1%; sewing machines, 33.1%; and pharmaceuticals, 33.1%. On the other hand, coal only yielded a profit rate of 2.1%; chemical fertilizers, 1.4%; iron ore, 1.6%; chemical mines, 3.2%; shipping, 2.8%; cement, 4.4%; semi-mechanized agricultural tools, 3.1%; lumbering, 4.8% and farm machines, 5.1%. Such disparities are obviously not merely the result of different levels of managerial expertise. To enable profits to truly and comprehensively reflect the level of managerial expertise, we must first weed out all the various objective factors which affect profit levels.

In the first place, we must levy a raw materials differential tax on enterprises with superior raw materials conditions in order to subsidize those enterprises with less fortunate natural conditions. Take the coal industry, for example. Besides differences in the quality of the coal itself, there are differences in the depth and thickness of the coal seam, the slope of the ore body, extraction stages, and so on. Differences in profit rates among various mining bureaus, although affected by managerial expertise and other factors, to a considerable degree reflect differences in raw materials conditions. To eliminate this objective factor, and put enterprises with different raw materials advantages on an equal footing, a raw materials differential tax is necessary.

The second objective factor which affects profits is the level of technical equipment. Generally speaking, superior technical equipment means a higher level of productive forces, and enterprises which have such equipment usually have more funds. This is because "it (meaning the exceptionally productive labor) creates in equal periods of time greater values than average social labor of the same kind."<sup>1</sup> Thus, for industries and enterprises which have superior technical equipment, we must levy a tax on the possession of funds. Furthermore, to fully and accurately measure the results of economic activity, we must use the rate of profit on funds. Enterprises which use advanced technical equipment, despite the fact that they possess more funds and show greater absolute profits, don't necessarily have a high profit rate on funds. Conversely, enterprises with poorer technical equipment, despite fewer funds and less profits, don't necessarily have a low rate of profit on funds. Clearly, using the profit rate on funds as the standard for assessment enables us to eliminate the influence on profit levels of technical advantages or disadvantages.

The third factor which affects profit levels is taxes. Some of our tax rates have not been adjusted to conform to developments and changes in the economy. Our present tax rates are lopsided and unable to play their role as adjusters in planned and proportionate economic development. A comparison of coal and crude oil provides a good example. Crude oil fetches a high price and makes big profits, but its tax rate is only 5%. The profit rate on coal is less than 10% of that of crude oil and yet its tax rate is 8%. Transport is another glaring example. Before 1965, the tax rate on rail transport was around 2-2.5%. Now it is sometimes as high as 15%. The tax rates on other kinds of transport, however, are very low, for example, only 3% on water transport. These lopsided rates must be adjusted.

Other than managerial expertise, the only remaining factor which influences profit levels is price. How should price levels be determined? When is a price too high or too low? This depends on what is used as the objective basis in price formation. Some economists think that the basis for fixing prices should be value. We disagree. If profit levels are to genuinely reflect managerial competence, prices must be fixed according to production price.

Price fixing on the basis of production price means to determine the amount of profit in a commodity's total planned price composition according to average profit rate on funds (the average amount of funds embodied in a product multiplied by the average social profit rate on funds).

Given that all other conditions are similar, for products which embody a higher than average percentage of funds, the amount of profit will exceed the surplus value portion of product value. In other words, product price will be

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<sup>1</sup> Karl Marx, *Capital*, Eng. ed., Foreign Languages Publishing House, Moscow, 1954, p. 318.

greater than value. Conversely, for products which embody lower than average percentage of funds, product price will be less than value.

The percentage of funds embodied in a given product generally reflects the relative level of technical equipment used in the production of that commodity. Products embodying a larger percentage of funds usually are those produced with advanced technical equipment, and vice versa. If two different enterprises which produce the same product have different levels of technical equipment, they will also have different rates of labor productivity. Rates of increase in labor productivity in different sectors and industries are directly related to the organic composition of funds. In the third volume of *Capital*, Marx stated this relationship clearly: "The specific development of the social productivity of labor in each particular sphere of production varies in degree, higher or lower, depending on how large a quantity of means of production are set in motion by a definite quantity of labor, hence in a given working-day by a definite number of laborers, and, consequently, on how small a quantity of labor is required for a given quantity of means of production."<sup>1</sup>

Setting prices according to production price, in effect, means to recognize the relative level of material and technical conditions and consequently, the effect on labor productivity of the relative percentage of funds in the composition of a product. This is consistent with using the profit rate on funds to examine profit levels of diverse enterprises in order to rule out the influence of material and technical equipment levels on profit levels.

This raises the problem of the need for consistency between assessment criteria and pricing principles. If we use the profit rate on funds as the standard for assessment, then when fixing product price, we must set the amount of profit within the composition of that price according to the average profit rate on funds (the average amount of funds embodied in a product multiplied by the average social profit rate on funds). This is the only way to make assessment criteria consistent with pricing principles. If product price is not fixed according to production price there would be no basis for using the profit rate on funds as a standard for assessment. If the percentage of funds in the composition of a product is not taken into account when fixing prices, then it wouldn't be logical to take it into consideration when examining profit levels. And, if we don't use the profit rate on funds, comparing an enterprise's actual profit rate with the social average, it would be impossible to judge managerial competence.

Suppose we were to fix price directly on the basis of value. The amount of profit in the composition of price would not be calculated according to the percentage of funds in the composition of product, but would be determined in proportion to the amount of expended living labor. In other words, the

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<sup>1</sup> Karl Marx, *Capital*, Eng. ed., FLPH, Moscow, 1959, p. 161.

amount of profit would be fixed to equal the average wage expended on a product multiplied by the average social profit rate on wages. It is clear that fixing prices according to value precludes the use of profit rate on funds as a standard for assessing economic performance. Sectors, industries and enterprises which use inferior technology and a greater percentage of simple labor would show greater profits, higher rates of utilization of funds, and apparently more impressive economic performance. Conversely, sectors and enterprises with superior technology, smaller percentages of simple labor and high productivity, would be at a disadvantage. This would impede development in enterprises with higher compositions of funds and more rapid rates of increase in labor productivity. And it would discourage technically backward enterprises from increasing their organic compositions of funds. In a word, setting prices according to value works against modernization.

In assessing managerial expertise, we must put enterprises with different objective advantages on the same footing. The only way to eliminate the objective factors is to use the profit rate on funds as a yardstick.

## II

An important aspect of economic reform is the management of funds. We must carry out the principle of financial responsibility, i.e., economic units must pay for their use of funds. This requires that pricing be based on production price.

For many years China has had a system whereby enterprises are supplied with funds free of charge. Practice has proved that this system doesn't work. Capital construction is perhaps the best example. The system of merely allocating funds without a price tag causes a scramble for projects and uncontrolled investment and leads to prolonged construction periods and increased costs. Because funds are free, the effectiveness of investment is at best a minor consideration. Regions, sectors and enterprises focus their attention on simply increasing fixed assets rather than using their assets rationally. Even when enterprises have fixed assets stockpiled in their warehouses, they are not willing to transfer them to other enterprises which urgently need them. In 1977, in Beijing's state-owned industrial enterprises, it was reported that idle and useless fixed assets came to 3.6% of total fixed assets. And the real figure is probably much higher.

Since the fixed quota portion of circulating funds is provided gratis by the state, the turnover period for circulating funds is very long. In the 1970s, the turnover period for industrial circulating funds was 170-80 days and for commercial circulating funds, 210-50 days. This was much longer than the capital turnover period in many capitalist countries during the same decade.

All of these drawbacks are reflected in the reduced effectiveness of utilization of funds. In the 21 years since 1958, investment in capital construction added up to a grand total of over 500 billion yuan. However, additions to fixed assets were only 300 billion yuan, or roughly 60% of total investment. In the First Five-Year Plan (FYP) period, additions to fixed assets totalled 83% of total investment. (Of course, this figure should also be re-examined.) At the end of 1978, assets sunk in projects still under construction reached 70 billion yuan, more than 40% of total investment for that year. Even recognizing that in 1957 the total amount of assets in projects under construction was much smaller, the fact remains that additions to fixed assets for the last 21 years were less than during the years of the First FYP.

If we use the increase in national income resulting from the accumulated funds of each enterprise to measure the success of accumulation, then the figure for the period from 1966-76 was only 40% of that during the First FYP period. And the 1978 figure was less than 60% of that during the First FYP.

The profit rate on funds (including taxes) for state-owned enterprises reached an average of 29.8% during the First FYP period. It dropped to 18.2% in 1978. Even if compared with the 22.5% of 1966, the 1978 rate was still lower by 4.3%. If we could restore the profit rate on funds to the 1966 level, we could increase revenues by 25 billion yuan each year.

All of these problems are directly related to the system of free allocation of funds. Change is imperative. Economic units must be charged for their use of funds. For investment in capital construction, we must shift to a system of loans. Fees should be levied on both fixed and fluid assets. Rates should be uniform with interest rates wherever possible. This is the only way to make enterprises accountable. The material interests of enterprises and their workers and staff will drive them to make the most of their funds.

Reform of the system of funds management requires a corresponding change in the system of pricing. Prices must be based on production price, not on value. Suppose that commodity price is based on value, that is, the amount of profit is determined in proportion to the expenditure of living labor. Enterprises whose products embody a higher composition of funds (less labor) would have lower profits. And because such enterprises would have more funds than most, their funds taxes would be higher and they might even end up with losses.

Suppose that a certain enterprise has fixed funds of 100 million yuan, of which 10 million is transferred onto new product; circulating funds total 30 million and are turned over once a year; annual expenditure on wages is 5 million yuan; and the average profit rate on wages is 100%. Then, the value of product for one year is:

$$C_1 (10 \text{ m.}) + C_2 (25 \text{ m.}) + V (5 \text{ m.}) + m (5 \text{ m.}) = 45 \text{ m.}$$

Now suppose that the funds tax rate is 5% annually. This enterprise would have to pay 6.5 million yuan in funds taxes ( (100 m. + 30 m.)  $\times$  5%). If price is based on value, the 5 million yuan surplus value created by the enterprise will not even be sufficient to pay the funds tax. On the other hand, enterprises with less funds will be left with more profits because their organic compositions of funds are low and consumption of living labor high.

As pointed out in the last section, pricing based on value works against modernization. In terms of profit, backward enterprises are rewarded and advanced enterprises punished. Profit cannot be used to measure the subjective efforts of managers and workers to increase and improve production. Conditions for expanded reproduction are unequal; even with competent management, some enterprises would not be able to obtain the funds for expanded reproduction appropriate to their size.

Some comrades think that, while fully considering the profit rate on funds and on wages, the chief factor in setting prices should be the profit rate on costs. They believe that the funds tax rate should be set at a level which enterprises can afford and which also leaves them with a margin of profit. This requires, in their view, differential rates. These comrades argue that, with differential rates, it is unnecessary to base prices on production prices.

We believe that differential rates for funds taxes would hinder the effective utilization of funds, especially among those enterprises which enjoy lower rates. Funds tax rates must be standardized in order to put all enterprises on an equal footing and make them assume the same obligation for their use of society's funds. Furthermore, the funds tax is a more positive measure to heighten the effective utilization of funds. The pricing system should complement and be coordinated with this measure. We must not adopt a pricing policy which merely allows enterprises to break even after taxes. If we determine the amount of profit in the composition of price according to the profit rate on costs or on wages, it will hinder the adoption of advanced technology. On the other hand, pricing based on production price conforms with the principle of payment for use of funds. Since we have stipulated payment for the use of funds, in order to increase their effective utilization, when fixing prices, the amount of profit should be determined according to the amount of funds embodied in a product. For more sophisticated products which bring technical progress or better satisfy the needs of the people, despite the fact that they consume less living labor and thus contain less surplus labor, because they embody a larger amount of funds, their prices will be set higher than their values.

During the past it was alleged time and again that adoption of the production price theory would lead to waste of funds. We believe that this charge is unfounded. Under socialism, prices have always been fixed on the basis of average social quotas. In the price composition of a commodity, the portion for cost is based on the average social cost of the commodity. That portion of costs

higher than the social average is not recognized by society. In the same way, the profit portion in price composition is equal to the social average amount of funds embodied in the product multiplied by the average profit rate on funds. However, the amount of funds embodied in the same product can vary from enterprise to enterprise. Some enterprises will produce a commodity that embodies more funds than the social average. Despite the fact that these enterprises pay more taxes on the use of funds, that portion above the social average is not recognized by society. The amount of profit is likewise not determined by the amount of funds at the disposal of a particular enterprise, that is, the price of a commodity is not set higher just because, as produced by a certain enterprise, the commodity embodies more funds. Under these circumstances, an enterprise with lower than the social average amount of funds will pay less tax on the use of funds, make greater profits and find itself in a more competitive position. Conversely, enterprises with more than the social average amount of funds will have to pay more taxes on funds. This will affect their profits and in competition they will suffer. Thus, all enterprises producing the same product will be forced to reduce costs to be lower than the social average costs and also reduce their funds to be lower than average social funds. Isn't this precisely the way to heighten the effective utilization of funds?

This also holds true for industries and sectors. If an industry or sector is able to produce goods of the same quality and quantity using less funds, and if price and other factors remain unchanged, they will earn more profits. If the price of a product falls following a drop in the social average amount of funds embodied in a product (given that the social average profit rate on funds remains unchanged), this can only reflect an increase in productivity.

Because there is normally a comparison made between the amount of funds of an individual enterprise and the social average, within any given period of time the amount of funds of an individual enterprise will gradually drop (provided that other conditions remain unchanged). Following the consequent drop in the sector or industry's average amount of funds, the amount of funds of the enterprise will begin another downward movement. The tendency for a decline in the amount of funds of a sector or industry is the same. Therefore, basing prices on production price won't cause an entire sector to increase funds in order to raise prices, but will cause a drop in the sector's average amount of funds. This is the same principle which causes intrasectoral competition to bring about a decline in the social value of a commodity (its average social necessary labor).

The charge that pricing based on production price causes waste of funds reflects a peculiar logic which leads to the absurd conclusion that since cost is a component of price, enterprises will aim to increase costs. It is common knowledge that if, in pricing, cost is calculated according to the average social or sectoral cost, as a rule, enterprises will strive to lower actual costs in order to increase profits.

## III

Utilization of the market mechanism also requires that prices be based on production price. Reform of the economic structure requires a shift from the system of unilaterally planned prices to a system which combines the planning and market regulators. This requires respect for the laws of commodity economy and implies that competition exists in socialism. In the past, the "most powerful" reason for opposing production price theory was that competition does not exist in socialism. In particular, it was argued, there is no competition between sectors. Therefore there could be no average profit rate and thus none of the objective conditions for formation of production price. This view still exists to this day. But we believe that as reform of the economic structure proceeds, people clinging to this view will find themselves more and more without a leg to stand on.

In fact, competition is an innate law of the movement of commodity economies. As long as there are commodities, there will be competition. And with competition, there will inevitably come into formation an average standard for assessing economic performance. Those with good performances are those whose average costs are lower than the average and whose profits are higher than the average. Under a capitalist commodity economy, intra-sectoral competition makes the expenditures of individual labor which go to produce the same product equal to the expenditures of socially necessary labor and thus makes individual value equal to social value. In the same way, inter-sectoral competition brings about equalization of profit rates on capital among sectors. Of course, this kind of equalization comes about spontaneously behind the backs of producers through the market mechanism. In the commodity economy of early capitalism, compositions of capital were low and differentials among sectors and industries were small. Competition among the capitals of different sectors did not bring about equalization of profit rates. Only after the productive forces had developed to a certain stage did there emerge industries with high compositions of capital and the demand for a gradual rise in the compositions of capital in all industries and enterprises. At that stage, profit rates became equalized and value shifted towards production price. Without development of the productive forces, competition alone is not sufficient to transform value into production price. Marx explained: "The exchange of commodities at their values or approximately at their values, thus requires a much lower stage than their exchange at their prices of production, which requires a definite level of capitalist development."<sup>1</sup>

Under socialism, using a combination of the planning and market mechanisms means that both intra-sectoral and inter-sectoral competition, to varying

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<sup>1</sup> Karl Marx, *Capital*, Eng. ed., FLPH, Moscow, 1959, p. 174.

degrees, will be carried out through the market. But this competition is not carried out entirely behind the backs of the producers; to a considerable degree it is regulated by planning. Therefore, social value is not formed spontaneously as in a capitalist society. Approximate value can be estimated to a certain extent by means of planning and statistical tables. Average profit can also be estimated using similar methods.

Under the socialist system, determination of the average profit rates of each sector is extremely important in selecting investment priorities and production models. Investment by each sector is determined by the state's long-term investment orientation and priorities. If an enterprise wants to reorient production, as a rule, it will have to get the approval of the organization in charge. This is different from the entirely spontaneous free transfer of capital under capitalism. However, the state does not distribute funds to the various sectors at random. Many factors are considered, chief of which, economically, is the profit rate on funds. We must carefully calculate in which sectors and industries our limited funds will be best invested and which technologies are most appropriate. Especially after the expansion of enterprise autonomy and the implementation of central-local "two-tiered" financing, more and more funds will be at the direct disposal of enterprises, sectors and regions. Under these circumstances, we will see the development of joint-ventures between enterprises, trans-sectoral and trans-regional joint operations, and other kinds of mergers. The various enterprises, sectors and regions will only want to invest their funds in places that will yield a fairly high profit rate. This will lead to competition in investment. So the state, through planned prices, must guide them to invest in sectors and industries which should receive priority in the country's economic development.

Products in industries with high organic compositions of funds must be priced higher than their values. And the amount of profit in price composition should be based on the amount of funds embodied in the product multiplied by the average social profit rate on funds. This will guarantee average profit in normal production operations and provide similar economic conditions whereby industries with different organic compositions of funds will be able to expand reproduction.

It must be emphasized that the adoption of this policy does not run counter to our need to develop labor-intensive industries in order to expand employment. Some comrades have tried to oppose the production price theory using this argument. We think their argument is very weak. The main reason we are developing certain labor-intensive industries is to employ more labor and thereby increase society's newly created wealth. This in no way implies that the existing industries which are fairly highly mechanized should adopt backward technology or employ more labor. Take pig iron, for example. China already has the large, several thousand cubic meter furnaces which are highly

mechanized, and to a certain extent, even automatic. These furnaces produce high quality pig iron at low cost. Therefore it is no longer necessary (except under special circumstances) to install the smaller, 100-200 cubic meter furnaces which consume more labor, energy and raw materials and yet only produce a low quality pig iron. Cotton textiles is another industry which is fairly advanced technologically and has a high organic composition of funds. This is not one of the industries we intend to develop along labor-intensive lines. The coal and brick tile industries, on the other hand, are still fairly backward, but are certainly not slated to remain so. With investment by the state and the increase of funds for development, these labor-intensive industries will also gradually raise their organic compositions of funds. This is an inevitable tendency in the development of production.

Ordinarily an enterprise will want to manufacture more high-profit items and less low-profit items, and therefore will prefer to use its development funds to expand production of high-profit commodities. This is actually a form of funds transfer. In the past, some comrades maintained that one of the superiorities of the socialist system was that since investment is determined by the state, the transfer of funds is neither possible nor necessary. There is some truth to this in that the state can use its huge concentrated sums of money to invest in large-scale, economical projects. However, this policy can be carried too far. If all investment, no matter how big or small, is determined by state planning, and enterprises are not allowed to manage a portion of their development funds to selectively expand reproduction or carry out their own investment, the development of society's productive forces will suffer. The transfer of funds can bring about a shift towards equalization of average profit rates and thus provide the conditions whereby the value of a product can be transformed into production price.

Because socialist production is socialized mass production, the various sectors are very closely inter-linked. An increase in the productivity of labor in one sector can bring about a decrease in the value of the means of production and an increase in profits in other sectors. With the development of science and technology, more and more products will find substitutes. For example, plastic goods are now being substituted for iron and steel as well as wood products. Different means of obtaining energy will be found, including thermo-electric, hydropower and atomic power stations. New means of transportation will be developed. And with the development of foreign trade, the supply and demand of certain products, under certain conditions, can be balanced through imports and exports. Thus, there will be an ever widening spectrum of investment options from which to choose. We need a uniform criterion to measure the effectiveness of this increasingly varied and complex investment. The average profit rate on funds should be adopted as this uniform criterion; it is not only the best measure of the effectiveness of investment, it also provides

the conditions whereby the value of product can be gradually transformed into production price.

#### IV

Another vital aspect of overall economic restructuring is reform of the price management system. And one of the most important aspects of price management reform is recognition of state-owned enterprises as relatively independent commodity producers. Enterprises should have the right, under the direction of the state plan and within policy and legal guidelines, to fix and adjust prices within a certain range (except for those prices which are set uniformly by the state). We should gradually allow market prices for the majority of commodities to fluctuate within a prescribed range. For some secondary products, prices should be fixed freely or through negotiations between buyers and sellers. This kind of pricing system would be beneficial to the development of competition, encouraging the advanced and spurring on those who lag behind. It would also promote coordination and joint undertakings among enterprises.

There are two basic problems with our current pricing system: (1) Some prices are either too high or too low. Therefore, the total amount of profits and the amount of profits that enterprises can retain for development, bonuses, welfare (and sometimes reserves) are not determined by the level of managerial competence. In order to release the initiative of workers and staff, it is necessary to close the gap between product price and production price. (2) There is an increasingly sharp contradiction between the expansion of enterprise autonomy (including the right to fix and adjust prices within prescribed limits) and the uniformly planned price system. Without a resolution to this contradiction, it will be very difficult, if not impossible, to proceed with reform of the economic structure.

To demonstrate the need for reform, one only need look at the differences in profit rates among various industries. The following table lists profit rates for some key industrial products in 1978.

	Profit rate against wage	Profit rate against cost	Profit rate against fund
Enterprise's average profit figure	100.0	100.0	100.0
Coking coal, rich coal (key mines)	5.9	18.5	11.5
Oil field (petroleum)	588.4	577.0	310.8
Oil refinery	1242.4	166.3	416.3
Electricity (key enterprise)	455.7	280.5	98.4
Iron and steel (key enterprise)	148.1	123.8	84.5

	Profit rate against wage	Profit rate against cost	Profit rate against fund
Steel rolling	504.2	130.7	573.0
Iron ore	69.2	144.7	43.6
Aluminium (mine to aluminium)	242.8	203.4	118.8
Tin (mine to tin)	13.1	39.2	16.7
Chemical industry	227.9	149.9	158.8
tires	823.4	198.0	576.8
paint	641.1	133.1	513.2
vulcanized iron	8.7	24.9	11.5
phosphate fertilizer	44.1	38.2	43.4
antibiotic medicine	872.6	578.0	639.6
Cement	83.7	82.9	47.5
Asphalt felt	448.5	152.7	542.3
Minerals	1.0	4.1	2.1
Textile	128.7	74.2	215.5
Synthetic chemical fibre	664.5	177.2	169.6
Single woven cotton textile	137.6	58.0	493.2
Bicycles (by big plants)*	373.3	139.7	606.4
Watches	803.1	813.4	654.1
Clock and watch components	637.2	1021.2	876.7
Sewing machines	126.9	99.0	231.4
big plants	249.3	135.4	513.7
medium-sized plants	63.4	45.0	87.0
Sewing machines (industrial use)	376.6	250.3	518.5
Sewing machine spare parts	28.7	75.8	52.7
Cigarettes	61.3	17.1	57.1
Beet sugar	51.9	46.6	43.6
Sugar cane	182.9	133.3	149.0
Matches	24.0	48.6	80.8
Flashlight	232.3	192.4	646.0
Quality fountain pen	359.9	324.9	623.6
Heavy machinery	34.2	51.0	15.9
Casting machines	19.1	28.6	14.8
Turbine	50.6	91.3	28.6
Electrical appliance	160.2	166.3	131.9

No matter which profit rate is considered, it is clear that the existing price planning and management system contains many problems. Profit margins to a large extent are determined by planned prices. This is the basic source of the tremendous disparities among profit rates. It hinders reform of the economic structure and is incompatible with the expansion of enterprise autonomy.

Our present planned pricing system is an integral part of the overall national economic management system. Power is too concentrated: control over prices is entirely in the hands of top level administrative organs. So much so that even the catalog of prices for live fish in south China lies within the jurisdiction of central organs in Beijing. Reform is urgently needed. Basic policy changes should include:

(1) Except for a small number of products, all jurisdiction for price management which is presently divided among central organs should gradually be devolved to local levels. And some of the price management rights now in the hands of central and local organs should gradually be devolved to the enterprise level.

(2) The single planned price system should be changed to multiple pricing. (a) The state should continue to set the following: purchase and selling prices of primary agricultural products; factory and selling prices of fuel, power and primary raw materials; factory and selling prices of main consumer goods which are closely related to the people's livelihood; and prices and rates for railroads, civil aviation, postal and telecommunication services and major water transport. These prices should be set in accordance with the law of value and on the basis of production price. (b) Subject to the approval of the state or local governments, the scope for fluctuating prices should gradually be extended. For specified commodities and within the range approved by the state, an enterprise should have complete power to set and adjust prices. There must be assurance that this power will not be interfered with by administrative organs. (c) Prices for certain secondary and miscellaneous commodities should be set through negotiations or free bargaining. In order to maintain basic stability in market prices, for a certain period of time, the marketing of tertiary products in the main production areas should continue to be exclusively controlled by the state.

In this way we can make the transition to a pricing system which incorporates both planning and the market mechanism, a system in which prices are controlled by economic and legal means (including the law on prices) rather than administrative means.

Many of our past problems stemmed from the fact that enterprises were not recognized as relatively independent commodity producers. Their management rights were severely curtailed and they had to hand over all of their profits to higher authorities. Thus it is not surprising that enterprises didn't show much concern about prices or the effectiveness of management. However, ever since the government has allowed enterprises to retain a portion of their profits, enterprises have begun to show great interest in prices. And since materials departments no longer blindly buy up everything that is produced, some enterprises have discovered that it's not so easy to sell those commodities which bring in high profits simply because of their high price tags. This has led to competition between factories.

To meet this situation, the National Pricing Bureau and related departments decided to allow price fluctuations for certain products. The first batch of downward fluctuations approved by the state began on August 1, 1979, when electronic components were allowed to fluctuate within a prescribed range below a ceiling price. This caused a chain reaction. The First Machinery Industry Ministry also allowed prices to fluctuate for some of its products. This was done selectively on a trial basis for more than a year. That experience proved that there are no adverse consequences to allowing price fluctuations for industrial products (in the means of production category) for which supply and demand are basically balanced or for which supply exceeds demand. On the contrary, price fluctuations provide impetus to improving enterprise management, increasing product quality, reducing costs, and reorienting production to meet the needs of society.

Under the new system, each enterprise, sector and region would strive to make each yuan invested bring in the maximum net income. Competition will drive all levels to invest their funds in those sectors and commodities which yield more income. Thus profit rates will tend to become equalized. As long as prices are allowed to fluctuate, prices for those commodities which embody more funds will steadily rise above commodity value. And prices for those commodities which embody less funds will steadily fall below commodity value. In this way, equalization of profit rates will become a real economic process.

The various pricing methods (planned, fluctuating, negotiated) are inter-related and will tend to influence each other. The unity of economic movement will eventually cause those prices set by the state, like the prices which are arrived at through competition, to be based on production price. If uniformly planned prices are not based on production price, it will lead to irrational ratios between planned prices and fluctuating or negotiated prices. This would cause a breach between the production and marketing of products whose prices are planned and would adversely affect overall development of the economy. (Of course, under certain circumstances, limited resources will force the state to set wholesale prices below production prices for some important consumer goods put out by a few factories.)

We can no longer neglect the gap between product price and production price. The problems stemming from this neglect have piled up. For example, the profit rate on funds in the power and rail transport industries has been very high all along. However, electricity and rail freight charges are not based on production price. As a result, these industries have been unable to expand by relying on their own development funds, even with injections of state investment. Thus we have had a shortage of power and rail transport facilities for a long time.

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This is not the first time we have argued for the production price theory. However, in the past we failed to give adequate proof that the transformation of commodity value into production price is a natural economic process independent of the will of man. The changes brought about by the recent reforms have forced us to recognize that basing prices on production price is an objective requirement of socialist economic development and a prerequisite to further reform of the economic structure.

— *Translated by He Fei*

# SOME PROBLEMS CONCERNING PRICING

*Huang Da*

## I

Actually, the pricing problem has been around for a long time. With the recent focus on reform of the economic structure, the problem has only become more glaring.

Reform of China's economic structure is essential for modernization. The critical link in reform is to mobilize the initiative of production units. We must link up the needs of the production units, in their efforts to improve production and better the lives of their workers, with the fruits of economic activity; we must recognize and act according to the law of value; we must allow some competition, and so on. To accomplish all of this, rational prices are indispensable.

The pricing problem involves two aspects: the price ratios between different types and categories of commodities, and the general price level.

The problem of price ratios is actually a question of the value ratios between different commodities and the redistribution of values through pricing. On the theoretical level, this question has provoked much debate. But as to the actual ratios, particularly the ratios between industrial and agricultural products and between products in the raw materials and processing sectors, most Chinese economists concur that the existing ratios are unsound.

Let us first take a look at the problem of the scissors differential between agricultural and industrial prices. In 1950, the scissors differential was 31.8% higher than the index for the average of the years 1930-36. But those pre-war years in the 1930s constitute one of the historical peaks in the disparity between industrial and agricultural prices. If we take the index for those peak years and compare it with the index for 1926, the pre-war year with the lowest differential, for the cities of Shanghai and Tianjin, the scissors differentials were higher by 33% and 23% respectively. Thus, in 1950, the disparity between industrial and agricultural prices was 60-70% higher than in 1926. We were quite successful in reducing the scissors differential during the period from 1950 to 1957, but with the detours beginning in 1958, the gap once again widened.

Although purchase prices of grain, cotton, oil, pork, and other important agricultural products were substantially increased in 1979, prices for agricultural commodities remain comparatively low. Moreover, if we analyze changes in the scissors differential from a historical perspective, I'm afraid that the disparity could not have been sharply reduced even if we hadn't been sidetracked in 1958. Only through alternate "opening and closing" can the scissors differential gradually be reduced. Thus, the solution of this problem will be a relatively long-term task.

There are, after all, two ways to reduce the scissors differential: either raise agricultural prices or lower industrial prices. Of course, it could also be argued that if labor productivity increases in agriculture exceed those in industry, then, relatively speaking, agricultural prices would drop faster. In that case, even if agricultural prices didn't rise (or if industrial prices didn't fall), the problem of irrational price ratios would gradually be solved. There is some truth to this, but the problem is not that simple. As far as China is concerned, at least for a fairly long period to come, increases in productivity of labor in agriculture cannot possibly surpass those in industry. It is therefore more realistic to adjust the ratios.

Leaving aside reductions in prices for capital goods in the agricultural sector, if we want to generally lower prices of industrial products, we immediately run into the problem of the real income level of the non-agricultural work force. If we lower prices for industrial products, we will have to lower money wages correspondingly. This, of course, is not feasible. It seems that our only recourse is to raise the purchase prices of agricultural products. And this has been our principal solution to the problem since liberation.

Our pricing structure reflects another legacy from old China, i.e., the irrational price ratios between raw materials and processed goods. After liberation this contradiction was in some ways exacerbated. The low price of coal is a striking example. Another long-standing problem is the low price of steel. If we don't adjust these prices, thereby continuing to violate the law of value, the contradictions will intensify. If we do adjust these prices, because they are such large-volume commodities, it will have a direct impact on the general price level. Even if the impact could be temporarily controlled, it would eventually have its effect. Is it possible to lower the prices of other more profitable capital goods to offset the impact of coal and steel price increases on the general price level? Theoretically, this solution appears to be workable because production is mainly conducted by state controlled enterprises. However, in 1956 we reduced prices for certain capital goods and that experience proves that the problem is not so simple. Enterprises paid taxes and turned over their profits to the state. With lower commodity prices, this revenue was immediately reduced. Theoretically, the state could make up the loss in revenue by shifting the financial burden to users of the commodities for which

prices had been reduced. But which units used these products and in what quantities, what effect this had on profit levels, and many other practical questions were all very hard to calculate. Therefore the adoption of such measures meant a reduction in state revenue. Clearly, this was not an acceptable solution to the problem.

Of course, price cuts are not out of the question. For example, there is tremendous potential for price reductions in the petroleum and semi-conductor industries. But in the overall analysis, the potential for price increases is much greater than for price decreases. In attempting to rationalize prices, the problem that we invariably run into is that there is strong pressure to raise commodity prices which are comparatively low, whereas it is much more difficult to make downward adjustments. Therefore, the general price level will tend to rise. Moreover, because this situation will not change within the near future, the general price level will exhibit a tendency to rise continually.

So the problem we face is this: Increases in the general price level engendered by adjustments of price ratios conflict with our need to maintain stable prices. How is this contradiction to be resolved? Since 1950, the year we checked the inflation inherited from pre-liberation days, we have been stressing stability of both markets and prices and using fiscal measures to achieve a balance. When the purchase prices of agricultural products such as grain, cotton, oil, meat, etc. are raised without changing the selling prices, the commercial losses are subsidized by the state. Likewise, when we maintain irrational price ratios in industry in order to keep the lid on the general price level, these industrial losses are also subsidized by the state. If we use this policy extensively over a long period, the state's burden will only become heavier and heavier. We are led inevitably to the following questions: Must the policy to stabilize markets and prices be maintained? If we allow the general price level to rise, is that tantamount to adopting an inflationary policy? With what consequences? We should tackle these questions. We must find the answers.

## II

If adjusting the price ratios between different commodities will definitely cause increases in the general price level, then we have to weigh the pros and cons of such a policy. If we assume that any kind of price increase is disastrous, and we accept that we "can't have our cake and eat it too," then naturally we would consider keeping the irrational price ratios in order to maintain a stationary price level. So, the question is — are such price increases fundamentally unacceptable?

The idea that unstable prices are a bad thing is deeply rooted in the minds of those who can remember the initial period following the founding of the

PRC. In fact, rising prices are not popular anywhere. Of course, we oppose those theories which claim that inflation is a cause for celebration, but we also reject mere wishful thinking—talk about some ideal world of long-term stability. Instead, our present situation calls for a realistic and sober analysis.

We should begin with the facts. There is no harm in first taking some distance to examine the situation in the capitalist countries. Looking at the postwar statistics for the major capitalist countries since the 1950s, we can come up with the following generalizations: (1) Both GNP and the index of industrial production, calculated with fixed prices, increased in varying degrees, despite continually rising general price levels. In some cases, growth rates were quite impressive. (2) When the rate of inflation was relatively low, the rate of growth in GNP and industrial production was fairly rapid, and vice versa. But this relationship varies from country to country. In Japan, for example, only when the inflation rate reached two digits did the rate of increase in GNP and the index of industrial production begin to drop noticeably. In West Germany, on the other hand, as soon as inflation hit 5%, the rate of increase in production dropped markedly. (3) The rate of increase in money wages was greater than the rate of inflation.

Of course, the statistics of capitalist countries conceal many contradictions. But, even if we take a critical approach to these figures, we can still assert that: (1) Rising prices can coexist with rising standards of living. (2) Relatively low rates of inflation can coexist with relatively rapid rates of economic growth.

These observations are corroborated by Yugoslavia's experience. Over the past twenty years, during which the general price level rose continually, its annual growth in GNP (calculated with fixed prices) averaged more than 6%. When increases in the consumer price index were relatively slow, the average rate of annual increase in money wages was faster than the rate of inflation. During the late sixties and first half of the seventies, when increases in consumer goods prices were relatively rapid, money wages just kept pace with inflation.

As far as China is concerned, statistics for the First Five-Year Plan (FYP) period (1953-57) show that, while the retail price index was increasing at an annual average rate of 1.7%, total industrial and agricultural output increased by 10.9% annually; national income grew by 8.9% a year; non-agricultural workers' wages increased by 7.4% annually; and peasants' income rose by 5.1% per year. In other words, the development of industry and agriculture, growth of national income, and rise in living standards all coincided with an annual increase of 1.7% in the general price level.

Statistics alone are not sufficient for comprehensive analysis of the tendency towards continually rising prices. Looking at certain data, some people might conclude that economic development and improvements in living stand-

ards are more striking when prices are stable. And then others would argue that without the stimulus of rising prices, such economic growth could not be achieved. But there is one thing that's hard to deny: price increases, if carefully controlled and limited, do not serve as an obstacle to fairly satisfactory economic development.

Now we can be more concrete in our analysis of the pros and cons of allowing increases in the general price level in order to rationalize price ratios.

Through adjustment, prices become more rational. This is a very big pro. It's beneficial for short and long-term planning and management of the economy, and handling the relationships between industry and agriculture and among different sectors. The success of our plans to reform the entire economic structure to a large extent hinges upon the rationalization of prices.

The cons of such price adjustments come into focus in handling the relationship between the state and non-agricultural workers. Price increases are not popular, as indicated by the extremely strong reaction to our recent price increases. However, as a rule, if money wage increases exceed increases in the general price level, this contradiction can be resolved. During the First FYP period, the people's enthusiasm for building socialism was not affected by the annual increase of 1.7% in the general price level. As long as production develops and labor productivity increases, we are able to meet the basic requirement that the rate of increase in money wages exceeds the rate of increase in the price index. Therefore, this con is not insurmountable.

Furthermore, we should look at the other side of the coin and weigh the pros and cons of maintaining a stationary price level over a long period of time.

What are the advantages of a stationary price level? First, it puts us in a better position to handle the relationship between the state and non-agricultural workers. A continually rising price level is unacceptable as long as the general wage level shows no striking increases year after year. But as production and labor productivity increase, real wages will rise. With rising real wages, most workers will not cling to the demand for unchanging prices.

What are the cons of maintaining a stationary price level? There are mainly two aspects: First, as we have noted, it can serve as an obstacle to rational adjustment of price ratios. For many years, in order to forcibly maintain a superficially stable price level, many ratios which should have been adjusted were not, with the result that problems in the pricing structure have stacked up. We are bogged down in a situation where even when we want to adjust prices, it is very difficult to do so.

Secondly, in order to stabilize prices, the state has taken on a heavy burden of huge price subsidies. Subsidies are mainly used to bridge the gap between the purchase and selling prices of agricultural products. These subsidies are acceptable if selectively used, but it will be very dangerous if we stick to this

path. The experiences of many countries can serve as warning. Some countries have obstinately maintained a stationary price level with the result that the burden of fiscal subsidies gets bigger and bigger. The bigger it gets, the harder it is to unload. Only when they are about to be crushed under its weight do they unload, with the inevitable huge price increases. Some countries postpone the inevitable, and just as they are getting ready to unload in desperation, chaos breaks out. We are on this path. Our current problem is not with burdens carried over from the past, but rather than we might take on new and even heavier burdens. Last year we raised the purchase prices of grain, cotton, pork and other primary agricultural by-products. At the same time, except for grain and edible oils, prices of which did not change in cities and towns, the selling prices of some agricultural by-products were also raised. As far as the direction goes, this method is undoubtedly correct. Hereafter, other than those price subsidies which we cannot avoid, we should adopt similar measures rather than take on new burdens.

Weighing the pros and cons, we can see that increases in the general price level are not necessarily a disastrous thing. The alternative, walking a tight-rope to keep prices basically stable at one level over a long period, is much more dangerous. Given such an alternative, when we want to further rationalize price ratios, we won't be afraid to take that step for fear of raising the general price level. Such increases are acceptable as long as wages also rise.

Of course, it should be emphasized that we only advocate increases in the general price level which arise from absolutely necessary adjustments, and this does not mean that we advocate the free, large-scale swings of laissez faire price levels.

### III

We have examined the consequences of increasing the general price level within certain bounds in order to rationalize prices and concluded that the pros outweigh the cons. But there is still a question we need to answer: Suppose we were able to both rationalize prices and maintain a stationary price level. Wouldn't that be all the better? Why are we unable to do this? Abstractly, because a socialist economy is planned, we would normally say that we could do both. Otherwise, there must be something wrong with our planning. In fact, the problem is not that simple.

The category of price is complicated. According to the Marxist analysis, price is the external expression of value, the relative expression of value. It is both "external" and "relative," and therefore has its unique laws. In discussing prices, we usually say that as the productivity of labor rises, values will decrease and prices should fall. But prices are not only not falling, they

are rising. This seems to completely contradict the objective law. In fact, there is not only no such law in paper currency, even in the circulation of metallic currency, there is no such inevitability.

In metallic currency circulation, the price of a commodity is determined by: (1) the value of that commodity; (2) the value of the metal used in the currency; and (3) the metal content of the unit of currency, or the price standard (of course, further analysis would entail redistribution of values, market supply and demand, etc.). If the price standard doesn't change, when values decrease as a result of increases in labor productivity, assuming that the labor productivity of the metal used in the currency remains unchanged, the price would then correspondingly fall. If we also take into consideration changes in labor productivity of the currency metal, then there are numerous possibilities. The degree of price decreases may be greater or less, or prices may even rise. If we add to this changes in the price standard, there are even more possibilities. A glance at the price histories of Western countries during the period when they were implementing the gold standard shows that changes in the price index were not due to changes in labor productivity.

The days of metallic currency-based economies are long gone. Nowadays, paper currency and demand deposits are the forms of money used in transactions. With the substitution of paper money for gold, and having taken the further step to sever the direct connection between the two, there are now basically four factors which mutually interact in the circulation of money: commodity prices, commodity quantities, money supply (including currency and demand deposits), and the velocity of circulation. This relationship is expressed as:

$$\text{commodity price} \times \text{commodity quantity} = \text{money supply} \times \text{velocity of circulation}$$

When labor productivity rises and the volume of commodities increases, assuming that the velocity of circulation doesn't change, if the money supply increases in proportion to the increase in the volume of commodities, then there will be no change in the general price level; price changes will only arise due to the different sectoral rates of increase in labor productivity which determine the price ratios among different commodities. Of course, if the money supply doesn't change, increases in labor productivity will cause the general price level to fall. But this is only one of many possible outcomes to this equation and in real life we can't find an obvious case in point.

In paper currency circulation, the relationship among the factors in this equation is usually expressed as the "balance of supply and demand." The left side of the equation is commodity supply and the right side of the equation is society's purchasing power. This law, verified repeatedly in objective practice, is itself unquestionable. However, we often further deduce from this law that in planned economies, if (1) when adjusting prices we adopt a policy

to maintain a stationary price level, and (2) we plan society's purchasing power according to the total volume of supply resulting from taking this stationary price list as basis, then the general price level won't change. It is as though if planned economies could ensure realization of these two conditions then there wouldn't be any problems. This is simply not the case.

If we isolate the first condition, it seems to be merely a matter of technology. When changes in labor productivity and requirements of redistribution of values bring about irrationalities in the original price ratios between commodities, then we have only to raise the relatively low prices and lower the relatively high prices. Upward and downward adjustments will be mutually offsetting and the general price level will remain basically unchanged. The problem is that the first point cannot be isolated; it is conditioned by the second point. If society's purchasing power is equal to commodity supply, then the first condition can be met; however, if society's purchasing power exceeds commodity supply, the price level will rise. Can a socialist economy guarantee realization of the second condition? In other words, can we strictly limit society's purchasing power within the total supply of commodities as determined by the originally prevailing prices?

To simplify the analysis we can initially abstract away the depreciation factor, that is, the means of production consumed in the production process. In this way, the left side of the equation does not include the supply of commodities consumed in the production process and the right side, having taken away the purchasing power for the commodities consumed in production, is now comprised of two parts: purchasing power for accumulation and for consumption. The equation thus becomes a relationship between consumption, accumulation, and commodity supply. In reality, these three factors have their own specific planning channels and because the channels are independent of each other, when we put these factors into the equation, there is no guarantee that they will balance. Given maximum commodity supply, if the sum of consumption and accumulation is greater than supply, we can either cut consumption or accumulation or reduce both somewhat, and thus achieve a balance. After all, it's only a matter of a little more consumption and a little less accumulation or vice versa. However, in economic life, there exist many objective conditions which are difficult to surmount and when we take these factors into consideration, the contradiction is not so easily resolved.

1. Labor productivity. Looking at the statistics for many countries over several decades, we discover that the annual rates of increase in labor productivity have not been very rapid. Generally, even a few percentage points is considered quite good. Increases in labor productivity (of course we must also consider increases in the number of laborers) determine the scope of increase in the volume of commodities, and also determine the limits to increases in actual accumulation and consumption. It is precisely because the degree of

increase in labor productivity has its objective limits that we always run into trouble when we want to make adjustments in the relationship between accumulation and consumption.

2. Purchasing power. Purchasing power for consumption is mainly composed of the money incomes of laborers. Money wages must rise with rises in labor productivity. Otherwise, we can't properly handle the relationship between the state and the individual and ensure the sustained enthusiasm of workers for construction. Generally speaking, if prices don't change, increases in money wages should be less than increases in labor productivity. Only in this way can increases in accumulation proceed at a fairly rapid pace. But only under conditions wherein labor productivity increases fairly rapidly can this be achieved. If the margin of increase in labor productivity is minimal, putting aside the option of across-the-board wage increases, even minor adjustments will almost always cause the increase in money wages to approach the increase in labor productivity. Although the absolute amount of accumulation may increase, there won't be any significant change in the ratio between accumulation and consumption. But even if there is a drop in labor productivity, the money wages of the non-agricultural workers cannot fall. This is not a theoretical question—it simply won't do. Therefore the total amount of purchasing power for consumption can only go up.

3. Organic composition of capital. One of the preconditions for increases in labor productivity, under our current conditions of production, is an increase in the organic composition of capital. This requires a certain expansion of the proportion for accumulation in national income. After World War II, the rate of increase in fixed capital investment in the main industrially developed countries, on the average, was much faster than the rate of increase in labor productivity. This demonstrates that rapid development of production exerts tremendous pressure on the increase of accumulation. Of course, the subjectivist method of the "Left" line, rash, large-scale increases in the proportion for accumulation, absolutely must not be repeated. But the expansion of accumulation is still a formidable task confronting us. The source of increases in accumulation is labor productivity. Given a certain level of productivity, the more direct question is at what level to control the rate of increase in wages. If there are no record-breaking increases in labor productivity, and if the general price level is stationary, we can increase accumulation on a fairly large scale only by holding back on wages increases. This is clearly a big contradiction.

In balancing the above equation, the main contradiction is: the total sum of purchasing power for accumulation and consumption is often greater than the total of commodity supply, i.e., the right side is greater than the left side. In our analysis, it was hypothesized that the volume of commodities on the left side had already reached its maximum level. In real life this means that the

planned volume of production and supply already includes every potential source and still does not satisfy demand. The only variable on the left side of the equation is price. If we fix price, the total volume of commodity supply also becomes fixed. If we want to increase the total volume of supply, the only way is to increase prices. The right side of the equation is variable, but as pointed out above, both factors have their objective limits. Having held back wage increases again and again, the degree of increase in money incomes of laborers has already reached the minimum level required for the correct handling of the relationship between the state and the individual. But even this minimal degree of increase takes up most of the increase in labor productivity. Meanwhile, the proportion for accumulation in national income, it too having been held down again and again, has already reached the minimum level for ensuring the necessary increase in labor productivity. After deducting from national income the increased demand for consumption, the remaining amount is still not enough to meet even the minimum required for accumulation. Given all of these contradictions, there will be tremendous tension in the balance of this equation. If this were only a fortuitous or temporary situation, there would be no problem. But in a country like China, where the level of production is low and we cannot foresee any sudden breakthroughs in productivity, and yet both the domestic and international situations require us to speed up the pace of economic construction, this contradiction can only be a very long-term one.

There is another factor which we must consider — population. At least for the next twenty years, the annual net increase in the urban work force will be calculated in the millions. In addition to improving our existing capital equipment, we must increase the amount of capital equipment to match the net increase in the work force. This growing demand for increases in accumulation only further intensifies the contradiction in the distribution of national income. Of course, large numbers of new workers will hold back the rate of increase in the level of money wages, but, at the same time, they will also affect the rate of increase in labor productivity. In a word, the population factor adds another source of tension to the balance of supply and demand.

Despite all of these contradictions, through overall adjustment, it is still possible to achieve a general balance. Concentrated and unified planning makes it possible to consciously take all factors into consideration when designing economic strategy. This is one of the superiorities of the socialist system. This superiority, however, does not eliminate the tensions created by objective contradictions.

Therefore, there will be pressure, arising from the tension in the balance of the equation, for the variable factor of price to rise. Supposing the need for price changes doesn't arise due to other reasons, like changes in comparative values, then in the process of peaceful economic construction, if we don't rashly

expand accumulation, it might be possible to maintain a stationary price level. The problem is that prices often do require adjustment. Since we must adjust, there will be pressure, arising from the tension in this equation, to compel prices upward. Because no economic unit can act independently of this situation, when concretely planning prices, there will be strong pressure to raise prices and equally strong opposition to lowering prices. Given such a situation, we can either just sit tight and leave prices alone, or, if we do decide to adjust, we must recognize that there is greater leeway for increases than for decreases. Thus, the general price level will tend to rise.

#### IV

Rational adjustments of price ratios will necessitate a certain degree of increase in the general price level. This is not a fortuitous or transient phenomenon; it is a tendency at least over the fairly long run. We must properly control this tendency to ensure that we won't have violent, uncontrollable and large-scale fluctuations. This tendency need not impede the normal progress of socialist economic construction. In fact, rational price ratios will play a beneficial accelerating role. The question thus arises: do we still want to maintain a price policy of "basic stability"? Of course, such a policy is desirable, but it must be clearly spelled out.

After we halted inflation in 1950, the policy of "complete stability" was adopted. Practice quickly proved that making it absolute was not scientific and we changed it to "basic stability." The concept of "basic stability" was thus initially brought forth to counter "complete" and "absolute" stability. As to where to draw the quantitative limit and how to view the long-term trend, these were not clearly stipulated at the time.

The concept of "basic stability" must possess a quantitative connotation. Whether or not you state it, its quantitative limit objectively exists. Of course, it would be very difficult to stipulate a 1%, 2%, or 3% margin of change as the "basic" limit. But we do have some historical data to guide us. When during the First FYP period the general price level rose at an annual average rate of 1.7%, people generally agreed that it hadn't exceeded the scope of basic stability. Therefore, as far as the short term (one or several years) is concerned, there is general agreement as to what is meant by basic stability.

When we turn to look at the long-term trend, however, understanding of basic stability immediately becomes very vague. If we take the 1.7% figure from the First FYP period as the annual rate of increase over the long run, then the general price level in 1979 would have been 58% higher than in 1952. Can this 58% be considered basic stability? To directly compare 58% with basic stability seems

truly incongruous. But this 58% is simply the accumulation of many years of basic stability.

Of course, 58% represents a deduction. In reality, those years saw fluctuations: basic stability during the First FYP period; large increases during the "difficult years"; price reductions following the adjustment period, and so on. As to the period beginning after this series of fluctuations and continuing up to the present, I'm afraid that there would be a discrepancy between the figure calculated according to the stipulated statistical method and the personal feelings and experience of the people. We can leave that aside for the moment. To elucidate the problem, we must analyze the validity of deducing the 58% figure.

In the past it was generally understood that in some years, even for successive years, the general price level would show slight increases; in other years, even for successive years, the price level would fall. It was thought that over the long run these alternating increases and decreases would amount to basic stability. But our preceding analysis indicates that the trend is not for these fluctuations to be mutually offsetting. There normally exists pressure for the general price level to rise. It is true that the readjustment period before the Cultural Revolution saw price decreases, but those decreases must be compared to the price increases during the "difficult years." The method of deducing the 58% is not a mathematical game, but points to a kind of objective inevitability. If we allow certain increases in the general price level each year, and don't allow these increases to exceed the scope of basic stability, the changes which are not obvious in the short run will gradually accumulate and eventually add up.

Therefore, in understanding the policy of "basic stability," we must differentiate between the short and long terms. When adjusting irrational prices, we must as far as possible control the scope of changes — mainly increases — in the general price level so as to avoid drastic fluctuations in successive years. As to the long term, it should be understood that through a process of alternately rising and stationary prices, the general price level will gradually and steadily rise.

Is allowing gradual increases in the general price level the same thing as adopting an inflationary policy? The term inflation is bandied around a lot; definitions abound. Before we continue to probe into this issue, we should define our terms.

In most publications in capitalist countries, price rises and inflation are one and the same thing; the rate of increase in the price index is called the rate of inflation. In their daily lives, people also usually use the term in this sense.

However, to completely equate the pricing problem with inflation is much too sweeping a generalization.

In this essay, we will limit the concept of inflation to all money (including currency and demand deposits) entering circulation which exceeds the volume of money required in circulation. This definition does not delve into the factors which cause this phenomenon. According to our definition, allowing the general price level to steadily rise over a relatively long period of time is different from adopting an inflationary policy. Below I shall separately explain these two different phenomena.

Suppose our market and money circulation situations are normal and also assume that in the following fiscal year we have to carry out certain price ratio adjustments which will lead to a slight increase in the general price level. When planning the money supply, we must take into consideration two factors: First, the added demand for money arising from the increased volume of marketable goods resulting from increases in production, and second, the increase in demand for money resulting from a rise in the general price level. Only when expansion of the money supply can satisfy demand from both of these sources can the commodities whose prices have been adjusted be sold. At this point, rational prices and a lively market will play a positive role in improving management and speeding up economic construction. Conversely, if the money supply is not sufficiently expanded, the funds market will be tight and the goods market will be congested with unmarketable products. On one hand, it is price adjustments which require increase in the money supply, and on the other hand, to increase the money supply is to satisfy the demand for money in the circulation process, a precondition for the realization of prices after their adjustment.

Again, in the same way, suppose that our market and money circulation situations are normal. Now a deficit appears. There must be an increase in the issue of currency to make up for the deficit. Or perhaps an incorrect credit policy would be adopted, leading to bloated credit and causing more money to enter circulation. The added purchasing power formed from excess issue of currency or bloated credit is not matched by a corresponding amount of commodities and we end up with too much money chasing after too few goods. If there are no other suitable channels to absorb this excess currency, the general price level will be forced up. Obviously this situation is different from the former. First, it is not the adjustment of prices which brought about the demand to increase the amount of money in circulation. Instead, it was the currency in circulation in excess of requirements which forced prices to rise. Second, it is not using the increased issue of currency to ensure realization of prices after adjustments. Rather, it is being forced to raise prices to absorb excess currency in order to restore the balance of supply and demand. According to our definition, the latter situation is inflation. We advocate the first

situation, i.e., that the issue of money should be subordinate to price ratio adjustments and adjustments in the general price level.

We can accentuate the distinction between these two phenomena by relating this analysis to what we mentioned above about the relationship between accumulation and consumption and between accumulation and consumption and commodity supply. In attempting to achieve an overall balance between accumulation and consumption and commodity supply and demand, the objective contradictions among these factors suggest that any balance will be full of tension. Increases in the general price level will change the ratio between accumulation and consumption, mainly causing an increase in the proportion for accumulation. But given that planners are conscious of the need to maintain a balance, the increase in the general price level can be controlled and its consequences taken into consideration. Therefore, it need not harm the proportionate relationship between accumulation and consumption. Inflation, on the other hand, arises precisely because it is not seen in this light, even to the extent that the objective laws regarding the relationships between accumulation and consumption and commodity supply and demand are not recognized. In such a situation, the tendency is to blindly and persistently expand and accumulate, and through deficit budgeting or swollen credit create excess purchasing power which harms the objective proportionate relationships. Even if all sorts of administrative measures are used to control prices, in the end the dikes which contained prices at their original levels will crack. Although a new balance may appear, it can only be achieved at the higher price level. This will mean a significant decline in the proportion for consumption and perhaps even in the absolute level of consumption, and the relationship between the state and the people will be adversely affected.

The distinction between these two phenomena thus lies in whether or not the objective laws are recognized and respected. Naturally, in real life to completely separate the two is not easy. But, after all, they are two qualitatively different policies and processes, which bring forth different economic consequences.

## VI

In the process of adjusting prices, although allowing slight increases in the general price level is different from adopting an inflationary policy, such coordinated price increases will always correspondingly expand the money supply. Therefore, when deciding price adjustment policy, we must determine whether the money supply exceeds the amount objectively required in circulation. This is not an academic question. For more than a dozen years the Chinese

economy has had too much money in circulation. Where did all this money come from? Below I will attempt an analysis.

Money in China takes two forms: currency (RMB) and the bank accounts of enterprises, schools, military units, etc. The bank is the only source of money: currency is issued only by the bank and increases in deposits come from increases in bank loans. But we cannot conclude that there is too much money just because the bank didn't plug up a leak in time. The bank cannot issue currency whenever it pleases. First, a unit must demand a withdrawal from the bank. Second, the unit must have deposits with the bank. Third, they must conform to regulations regarding the use of funds, etc. But if the above conditions are met, no matter how much currency someone wants to withdraw, the bank must deliver that amount. Since a unit must have a deposit in order to withdraw cash, the money already exists; it is only changing from the deposit form to the currency form and the total amount of money hasn't changed.

Loans are more complicated. Banks have a special "money-creating" capability. For example, Enterprise A borrows 100,000 yuan from the bank to buy raw materials from Enterprise B. The bank debits 100,000 yuan in a loan account for Enterprise A, and credits 100,000 yuan in Enterprise B's deposit account. This 100,000 yuan becomes income for Enterprise B to be used for purchases, payroll, etc. In other words, the bank has only to enter a couple of numbers — 100,000 — separately, in one loan account and in one deposit account and 100,000 yuan has newly entered circulation. Have we found the leak? True, writing in a few numbers is a simple matter, but the banks cannot do this whenever they please. The basic principle is that banks can only make loans when the amount of the loan is backed up by a corresponding amount of materials. In the above example, because the bank made a loan to Enterprise A, 100,000 yuan entered circulation. But this 100,000 was used to purchase materials and, after processing, these materials will re-enter circulation and be sold for even more money. Therefore, this 100,000 yuan is not excess. In the same way, banks can make loans for the purchase of agricultural products. But currency entering circulation through this channel is directly backed by agricultural products. Again, there is no problem of excess money.

What kind of situation does bring about the granting of credit which is not backed by a corresponding amount of material? To get to the bottom of this, we must first look at the state's fiscal situation.

Deficits must be made up through credit and thus cause excess money in circulation. Therefore, if there is a large deficit, there won't be much objection if we attribute the cause of excess money to the fiscal situation. The problem is that over the last decade or so, in most years we saw a balance on the books. Although in some years expenditures did exceed revenues, the gap was never very great. There seems to be no basis for blaming the excess currency on the fiscal situation. If we look closer, however, we will discover the fictitious nature of this book balance.

Let us first take a look at revenues. Economic units pay sales and profits taxes to the state. At the end of the fiscal year, they must by hook or by crook come up with the necessary funds. During the Cultural Revolution there were even cases of enterprises using bank loans to pay their taxes. Some factories' funds were so tight that they ended the fiscal year owing taxes and profits not only to the central government but also to their local governments. With no other proper sources of income, enterprises were forced to devise various stratagems. For example, some products which had not yet been completely assembled entered warehouses as finished products. The enterprise could then request a bank loan on the basis of surplus inventories and then use the borrowed funds to pay their taxes. After the new year, these "finished products" would be hauled back out of the warehouse for further processing. The final disposition of these products, when or if they were ever to become finished products, had absolutely no bearing on the use of the borrowed funds to make expenditures and thus immediately form monetary purchasing power. Obviously, this portion of revenue is actually bloated credit which has no material basis. In fact, it's fraud. After the downfall of the Gang of Four, such cases have decreased but have not yet been completely stamped out.

Another problem which continues to be serious is the production of useless commodities. For example, certain universal machine tools, electronic components or high-priced consumer goods should not have been produced in the first place and are useless when they come off the line. However, if we cut back or halt production, where will the workers' wages come from? Lacking a clear-cut solution, no one is willing to take the responsibility and production goes on as usual. Outlets must be found for these products: commercial or material departments must buy them up or related factories must be forced to accept them as miscellaneous parts or raw materials. These products are sold and thus sales and profits taxes must be paid on this income. But this tax revenue is not matched by a corresponding amount of useful materials. Some of these products may eventually find a use, but a portion is doomed to the scrap heap. Purchases of these products, in the final analysis, depend on bank loans. Therefore, this portion of state revenue is essentially only an indirect loan from the bank to the state.

Steel products provide another good example. Despite the fact that supply cannot meet demand, stockpiling of steel products has become extremely serious, far exceeding the pace of growth in production. Before becoming stockpiled, these products were sold on the market and thus sales and profits taxes had to be paid on that income. But the material corresponding to this income is stockpiled material whose value cannot be transferred to new products through the increase of supply. Even if we say that this revenue is not spurious, it certainly cannot be utilized.

Turning to expenditures, in expansion of the money supply, the first problem is increased allocations for circulating funds and credit. Any enterprise which wants to expand reproduction must use a portion of its profits to increase needed circulating capital. And at any given time the need for circulating capital is greater in one enterprise than in another. Thus, each enterprise can deposit in the bank the sum of money which is scheduled for increasing its circulating capital and the bank can flexibly regulate the overall flow through loans. This not only ensures the requirements of each enterprise for circulating capital, it also saves on funds. But whether these funds are controlled by the enterprise itself or through bank regulation, because the money which enterprises use to increase their circulating capital is a part of profits, and profits are a part of the price which has already been realized, this money is matched by a corresponding amount of materials. That is to say, this money can be used to buy things and is not excess.

But that is not the way our system works. Instead, enterprises hand over profits to the state and when they need circulating capital, a portion is allocated by the state and a portion is obtained through bank loans which are based on funds which have been allocated by the state to the bank. (For the moment, we won't discuss the logic of going around in such a big circle or whether this process is in need of reform.) If the state were able to meet the need for circulating capital through allocations alone, then there would be no problem; the state could collect the money which originally could have remained in the hands of the enterprises and then re-release it. Neither the total amount of money nor the original ratio between money and materials would change. But the problem is that the state has practically never been able to allocate enough. To facilitate the explanation, suppose the state could only satisfy 30% of the need for circulating capital. This would force the banks to expand credit to meet the needs of the remaining 70%. But the 70% which the state originally could have allocated, but didn't, wasn't going to lay idle; it was set aside for other purposes. Thus, the state's money is still 100% spent. But through the expansion of credit, the amount of money in circulation has increased by the amount required to satisfy the 70%. To be more explicit, the state puts to other uses the 70% which in reality depends for payment on expansion of bank credit, whereupon the amount of money in circulation becomes 170% of what it originally should have been. The ratio between money and materials changes accordingly: too much money and too few materials.

Of course, the real situation is much more complicated than this. For example, there are other channels for credit expansion. A surplus in the budget, funds accumulated by banks, and rising demand for money are all legitimate sources of credit expansion. Thus, the increase of money in circulation beyond that which is required probably would not be as high as 70%, but perhaps even as low as 40%. Looking at our actual situation, however, and taking

all factors into consideration, there is an extremely serious discrepancy between supply and demand of circulating capital.

To summarize, neither the figures for revenues nor expenditures are completely accurate. A portion of revenue is spurious and some expenditures which should have been made were not. I'm afraid we must admit that during the many years when the books showed a balance, we in fact had a considerable deficit. And for those years which did show a deficit on the books, it represents only a fraction of the real deficit. Furthermore, we have made up for the deficit by excess money formed from bloated credit.

In the past our thinking was guided by the idea that the bigger and faster, the better. This led to too much investment in capital construction. Pressure to increase revenues beyond the possible rate of growth of production could only be a factor in promoting spurious revenues. And such unrealistic policies forced us to squeeze out certain expenditures which should have been made, with the result that a considerable portion of capital construction was, in reality, financed out of the deficit. The impact of deficit spending on overall economic development is a problem which requires further research. But capital construction itself implies that a corresponding amount of materials will be withdrawn from circulation and we must wait several years or even as long as a decade before it re-enters circulation. Furthermore, there are serious problems with a large number of our capital construction projects. There is an inordinately long wait before some projects come on stream. The amount of waste is alarming. Some items do add to productive capacity but for one reason or another do not function to propel economic growth or increase commodity supply. Therefore, although these are considered productive expenditures, many are essentially non-productive, or even if we could call them productive, the economic benefits accruing from such investment belong to the distant future. Obviously the consequences of an over-emphasis of basic construction can only be a flood of money congesting circulation.

One source of bloated credit is the deficit. Are there other sources? Can bloated credit also result from an incorrect credit policy per se? This problem is a bit more complicated. During the Great Leap Forward, our policy was "whoever makes the purchase gets the loan." At that time the commercial departments paid no attention to what kinds of products were being produced; they just bought up everything and the banks consistently and fully supplied funds for these blind purchases. This is obviously a form of bloated credit which contributed to the excess money in circulation. But that situation was corrected fairly quickly. In the late sixties, however, the banks again began to make quite a few loans to support purchases of products for which there was originally no need or demand, and the same problem reappeared. Another form of bloated credit arises when enterprises use working capital for basic construction. This forces banks to increase loans to make up the working capital which

has been squeezed out. Therefore, inflation is caused not only by the deficit but also by the credit policy itself. It should be pointed out that to say that this is an incorrect credit policy is not as accurate as saying that the prevailing system forced banks to do what they did not want to. However, with the recent reforms and the expansion of enterprise autonomy, the amount of funds available to banks for distribution will continually increase. On this basis, banks not only can expand short-term loans, it will also be possible for them to increase long-term loans for capital construction. In expanding long-term loans,\* if banks exceed the objectively permissible limits, there might arise the problem of bloated credit which is not directly related to the fiscal contradiction and which would cause excess currency to flood circulation. This presents a new and different problem, the objective laws of which we must analyze and comprehend.

## VII

In conclusion, we face two problems: we must adjust irrational price ratios which will involve increases in the general price level, and we must eliminate the excess monetary purchasing power which has accumulated in circulation during the last couple decades.

There are many contradictions between the solutions to these two problems. For example, adjustment of prices will decrease revenues and increase expenditures, but the over-expanded money supply requires us to increase revenues and decrease expenditures. Some people feel that we should tackle the money supply first. They argue that we must get rid of the excess currency in circulation in order to create the preconditions for a thoroughly rational pricing policy.

This is much easier said than done. Although our economy is rapidly taking a turn for the better, it will be very difficult to solve the problem of excess currency within a short period. We must recognize that the economic activity of the next few years has been fixed by decisions taken in the last few years or even as long as a decade ago. Irrational policies, of course, should be changed, but adjustments can only be implemented within the limits objectively permitted. When the economy requires adjustment, we must halt, suspend, merge or shift economic activities as real and potential productivity dictates. If we act with undue haste, we will suffer the consequences for a long time to come. Therefore, I'm afraid that budget and credit imbalances cannot be eliminated very quickly. Reducing the amount of money in circulation will

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\* In China, long-term loans refer to loans for renovation of fixed assets and expansion of reproduction.

also be a fairly long process. Given this scenario, must we then put off re-adjustment of prices? Although this seems to be the only solution, in reality it is not possible. Our present pricing problem is acute. Irrational prices have already begun to undermine production. Even more direct is the impact on reform of the economic structure. Although our current reform is not yet completely underway, a significant segment of the economy has been mobilized. If prices don't change, it will be very difficult to proceed with many aspects of the reform. In fact, the implementation of proposals for reform will not permit extended delay of price adjustments. We must both adjust prices and overcome inflation. We are forced to deal with these two tasks simultaneously. We cannot sit back and dream about an ideal solution; we must confront this dilemma head-on.

Price adjustments require appropriate increases in the money supply but eliminating inflation requires us to constrict the money supply. Abstractly, the ideal solution to this contradiction is as follows: Suppose upward adjustments of prices brought an increase of  $X\%$  in the money supply. Also assume that, calculated according to original price levels, there is  $Y\%$  excess money in circulation. To both adjust prices and overcome inflation we should (a) withdraw from circulation the equivalent of the originally required amount of money,  $Y - X\%$  (when  $Y > X$ ), or (b) make the addition of the money supply equal to the originally required money supply,  $X - Y\%$  (when  $X > Y$ ). In this way the money supply will tally with the amount of money needed after adjustment of prices; supply and demand can be coordinated; and the whole process of exchange can proceed smoothly.

What happens if we adjust prices upward but cannot control inflation? If on top of excess money  $Y\%$ , we again add  $Y\%$ , then the addition to the money supply will equal  $X + Y\%$ . Originally,  $X\%$  reflected the objective demand for money after price adjustments. But when the already over-expanded money supply is further increased, that is, to  $X\%$  and  $Y\%$ , we again add in the original  $Y\%$ , this becomes a destructive force for continual increases. Price increases exacerbate inflation and inflation forces further price increases. If this vicious spiral were to continue, all visions and plans of high speed and proportionate economic development would go up in smoke.

The first ideal solution cannot be realized at once because its precondition is the power to tighten up the money supply. But it illustrates that if planned properly it is not impossible to resolve both problems at the same time. Those who argue that the two policies cannot be implemented simultaneously only stress the contradictions between them and neglect the potential for coordination. For example, they only see that increases in the general price level require expansion of the money supply but ignore the fact that such increases also absorb money, and so on.

In conclusion, it seems that our best bet is to make every effort to avoid exacerbating the already over-expanded money supply, gradual-

ly stabilize the situation and, at the same time, prudently reform the price structure. Those price adjustments which are unavoidable should be made cautiously and with careful consideration of their consequences. There are many contradictions inherent in this process. But a road without contradictions, one where we could first completely stabilize the circulation of money and then begin price reform, simply does not exist.

— *Translated by Melissa Ennen*

# A Further Step in Expanding the Autonomy of State-Owned Enterprises

*Tang Fengyi*

Beginning in 1980, a few state-owned enterprises in Sichuan Province, Shanghai Municipality and Liuzhou in Guangxi Zhuang Autonomous Region have been carrying out experiments which involve conducting business accounting independently, paying taxes to the state and assuming sole responsibility for profits and losses. This represents a further development of the enterprise management reform which began on a nationwide scale two years ago.

Substantial progress was made in reform of the economic system during the initial period. One of the fundamental changes has been a shift from over-centralization and rigid control of enterprises to a proper expansion of enterprises' rights in management and administration. And this expansion of enterprise autonomy involves a shift from centralized control over enterprise revenues with total profits handed over to the state to a system in which profits are shared between the state and enterprises. There are basically two ways to share profits: 1. there is one fixed ratio for dividing profits between the state and the enterprise; and 2. there are two ratios, one for dividing a basic figure (the enterprise's quota or planned target), and a second ratio for dividing any profits in excess of the basic figure. But there are many problems with both methods. For example, using the second method, ratios are set so that the enterprise is allowed to keep a larger proportion of the profits in excess of its quota. But, if the enterprise exceeds its quota, the state will raise its quota for the following year. So enterprises will do whatever they can to hold down their planned targets. On the other hand, if total profits are to be shared using one ratio, negotiations between enterprises and the state tend to be prolonged, leading to endless delays in fixing the actual ratio.

Furthermore, the profit-sharing method will not solve such problems as enterprises being in arrears in handing over their profits, keeping the profits or even embezzling them. If enterprises incur losses, they still have to be subsidized by the state, so the problem known as "eating out of the same big pot" is not completely solved.

These problems demonstrate that reform has not gone far enough. The expansion of enterprise autonomy and the corresponding methods of profit-sharing used in the first stage represent only an initial and transitional step in the reform of the whole economic system. Reform must continue until the economic rights, responsibilities and interests of enterprises are more closely integrated. This was the reasoning behind the experiments to make enterprises responsible for their profits and losses.

## I. Assuming Responsibility for Profits and Losses Is a Good Way to Integrate the Rights, Responsibilities and Interests of an Enterprise

The new system basically involves a shift from profit-sharing to taxation. The experiments were carried out differently in different places. In Sichuan, five enterprises which had comparatively high profit rates and had performed well in other respects were selected to continue the experiments. In drawing up the new system, the income levels which these enterprises had attained under the profit-sharing system were taken into consideration. The state was to collect three kinds of taxes from the enterprises: an industrial and commercial tax, a fixed assets tax and an income tax.

Shanghai selected one typical large-scale enterprise — the Shanghai Diesel Engine Plant — and 40 smaller ones of varying sizes under the Municipal Light Industrial Machinery Company. These enterprises were to pay to the state five taxes and two fees: an industrial and commercial tax, a real estate tax, a car or boat license plate tax, a regulatory income tax, an income tax, and fees for the possession of fixed assets and circulating capital.

In Liuzhou, five taxes were collected by the state: an added-value tax, a resources tax, a tax for regulating differential income, an income tax and a capital dividends tax.

In all three places, enterprises selected for experiment were to assume sole responsibility for after-tax profits and losses. Despite specific differences in the methods of taxation, the various experiments were basically consistent and had the following features in common:

1. The experiments all entailed a shift from remittance of profits to payment of taxes, the primary one being the income tax.<sup>1</sup> Specific measures for

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<sup>1</sup>The original tax system was a unified industrial and commercial tax. While Sichuan collected taxes in complete accordance with the original taxation system, Shanghai and Liuzhou introduced some modifications. In Shanghai, taxes were collected according to the balance after material costs had been deducted, so as to facilitate the promotion of specialized cooperation. Liuzhou followed the same practice as Shanghai but the tax was called "added-value tax."

the collection of the income tax were worked out according to the profits turned over by the enterprises to the state over the years (mainly in the year prior to the reform), with the rate fixed on the basis of ensuring current state revenue. Generally, the taxation rate is set at over 50 per cent. In Sichuan it was stipulated that the rate would not change for three years.

The replacement of profits by taxes is a fundamental reform in the system of economic administration. Enterprises now have control over their after-tax profits, the total varying with the quality of production and management. Enterprises are also responsible for any losses and will no longer be subsidized by the state. This constitutes an entirely new relationship between the enterprise and the state, which differs not only from the old system of unified distribution of revenues and expenditures, but also from the system of profit-sharing. It basically turns the enterprise into a relatively independent economic entity.

2. In all places which undertook the experiments, the state collected fees for the possession and use of state-allocated fixed and circulating funds (in Sichuan only a tax on fixed assets was collected). After payment of taxes, the fee on depreciation of fixed assets was to be kept in total by the enterprise. This fee or tax "for possession and use" obviously differs from the income tax collected on profits. To a certain extent it not only reflects state ownership of the means of production, but also embodies differential treatment in the tax burden of various enterprises which reflects the different quantity and quality of state-allocated means of production possessed and used by them.

3. Another feature of the experiments was the collection of a tax for regulating differential income. The minimum rate was generally fixed according to industry-wide profit levels and with reference to the average profit rate of various enterprises in the same region. The rate in Shanghai was 7.5 per cent. Collection of this regulating tax is intended to help reduce the disparity in profit rates among enterprises owing to different price levels, technology and equipment, geographical location and natural resources. (Liuzhou collected only a resources tax in its experiments.) The purpose of this tax is to place enterprises with unequal advantages on an equal footing so that they can be compared in terms of managerial and administrative expertise.

A word should be said about Sichuan, where nominally no such regulating tax was collected. Instead of directly levying this kind of tax, they incorporated the differential regulating function into their income tax rates. Enterprises with more favorable conditions were given higher rates, those with less favorable conditions lower ones.<sup>1</sup>

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<sup>1</sup>The income tax rates for the five Sichuan enterprises were: 40 per cent for the Chongqing Clock and Watch Company; 60 per cent for the Chongqing No. 3 Printing and Manufacturing Factory; 68 per cent for the Chengdu Electric Wire Factory; 72 per cent for the Sichuan No. 1 Cotton Mill; 78 per cent for the Southwest Electrical Works.

4. The experiments stipulated the various uses of after-tax profits: tapping productive potential, technical innovation and reform, expansion of production, workers' and staff members' collective welfare and individual material rewards. Accordingly, the enterprises set up three funds for expansion of production, collective welfare and individual rewards (in Sichuan a reserve fund was also introduced). The ratio of these funds differed from place to place, and even from enterprise to enterprise. In Sichuan, each of the five enterprises held a general meeting of the workers to discuss and decide the proportions according to the spirit of state policy. Generally speaking, funds for expanding production amount to 40-60 per cent of the total; followed by collective welfare funds, about 30 per cent; and funds for bonuses, from 10 to 30 per cent (the reserve funds were rather small, about 1 per cent in some cases). Outlays made by an enterprise in these respects come from its own funds, not from the state, unless under unusual circumstances the state allocates funds to the enterprise for special needs.

Under the new system, state revenue is assured and enterprises also have a pretty clear idea of how much they will get. Whether an enterprise is going to make a profit or sustain a loss, whether there is any guarantee for its various expenditures and what the future holds — all of this depend on the enterprise's level of management and administration.

In the new experiments the fate of an enterprise is in its own hands. It is therefore necessary to give it greater decision-making rights and to further define its enlarged responsibilities. Sichuan laid down in clear-cut terms ten rights and ten responsibilities for the five enterprises under experiment. They were given greater control over supply, production and marketing as well as personnel, finance and material management. They can work out their plans for production and marketing according to the actual requirements of the state and the market; purchase material and equipment freely; use their own funds freely and reduce prices of their products (although price increases were subject to the approval of higher departments). They can, with prior approval, trade directly with foreign businesses and retain a portion of their earnings in foreign exchange.<sup>1</sup> They enjoy considerable control over the personnel and wage systems — matters such as deciding the size of their personnel force according to actual requirements, the dismissal of workers when necessary, the

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<sup>1</sup> The foreign exchange sharing system is a system of distribution of foreign exchange earnings derived from export of products or manpower between the state and the enterprise according to a state-fixed proportion. This is a reform measure for promoting foreign trade and for encouraging enterprises to increase their foreign exchange earnings. The percentages, which are set by the state in explicit terms, differ for enterprises engaged in different businesses.

adoption of measures for wage increases or various other forms of compensation, and the election of factory directors. All these are new developments for China's state-owned economy.

With the expansion of rights, responsibilities also increase. Enterprises must assume responsibility not to encroach on state property and to ensure revenue for the state. At the same time, they must attend to the vital interests of the workers and improve management and administration. In other words, in order to make greater profits and improve the well-being of workers and staff, enterprises must strive to produce more and better goods in greater variety and at reduced cost. They must also offer better service. If they cannot hold their own in the market and suffer setbacks in competition, they will lose business, and if worst comes to worst will be unable even to meet their payrolls. Naturally, the workers, managers and leading cadres in these experimental enterprises feel the burden of their duty and recognize the increased hazards that confront them if they do not perform well. Gone are the days of apathy towards production and administration and disregard for profit and loss. Enterprise leaders in particular feel the weight of responsibility. "Assuming responsibility for profits and losses," they say, "is like swimming in the sea. Those who know how to swim can do so as they like, but those who don't are forced to learn."

The system of assuming responsibility for profits and losses integrates the rights, responsibilities and profits of an enterprise more closely than ever before. "Rights" are the means by which an enterprise assumes responsibility and makes profit. Without sufficient rights, the ideas of assuming responsibility and making profits are just empty talk. "Responsibilities" are the basis for the expansion of rights. The ultimate responsibilities of an enterprise are to satisfy the needs of the people and society with more and better products and to create more accumulation. Expansion of rights will serve no purpose if these responsibilities are not clearly defined. "Profits" are an intrinsic driving force which stimulate the enterprise to fully exercise its rights and assume its responsibilities.

In the final analysis, interest is the end result of all kinds of economic activity. If the question of the economic interests of an enterprise is not solved (and this includes the responsibility to bear losses), the expansion of rights and assumption of responsibilities means nothing. Only by integrating the rights, responsibilities and interests of an enterprise is it possible to spur the enterprise to achieve maximum economic results with minimum labor expenditure.

Facts prove the point. For the five corporations selected for experiments in Sichuan, output value and profits for the first half of 1980 increased 50.8 per cent and 89.6 per cent respectively over the same period in 1979. The three taxes they paid to the state amounted to 54 per cent more than the profits

turned over to the state in the corresponding period of the previous year. Output value was 41.8 per cent higher than the average provincial level and 30 per cent higher than in those enterprises under the profit-sharing system. Real profits were 73 per cent higher than the provincial average and 70 per cent higher than the profit-sharing enterprises. Profits turned over to the state also increased 31-38 per cent.

## II. The Advantages of Assuming Responsibility for Profits and Losses

The achievements reflected in the above statistics are by no means accidental. In addition to integrating enterprise rights, responsibilities and interests, the new system also provides the following advantages:

A. Assuming responsibility for profits and losses gives expression to the principle of "more revenue to the state, more profit to the enterprise and more income to the workers" — the so-called "three mores."

In order to handle the economic interests of the state, the enterprise and the workers, it is necessary first to have a material basis, i.e. a steadily rising profit level. This is the prerequisite for realizing the "three mores." As a result of the mobilization of workers' initiative, profits at the enterprises under experiment have increased substantially. The five enterprises in Sichuan were expected to achieve total profits of 77.74 million yuan in 1980, an increase of 58 per cent over the 49.16 million yuan they made the year before. The Sichuan No. 1 Cotton Mill reaped profits of 31 million yuan in 1979, an increase of 11 million yuan over 1978. When the new system was first begun, the workers' general meeting set a profit target of 40 million yuan for 1980, and after reaching 27 million yuan in the first half of the year, raised the target to 50 million yuan. The Shanghai Diesel Engine Plant estimates that in the five-year period from 1980 to 1984, it will accumulate a total of 250 million yuan. From this the state may derive 28 million yuan more in revenue than under the old system of profit-sharing, an increase of 31.6 per cent, while the enterprise can keep 9.15 million yuan more than under the old system. Furthermore, the enterprise will register a sizeable growth because of the considerable rise in the general level of accumulation.

With rising profits, the key to the correct handling of the relationship between the state, the enterprise and the workers is a rational distribution ratio. In Sichuan's five experimental enterprises, state revenue accounts for an overwhelming part of the distribution of both total and increased profits. The actual percentages work out as follows:

factory	Rates of distribution of total profit (%)			Rates of distribution of increased profit (%)		
	state	enterprise	individual	state	enterprise	individual
Sichuan No. 1 Cotton Mill	83.7	14.7	1.6	70.2	28.5	1.3
Chongqing No. 3 Printing and Manufacturing Factory	80.0	17.4	2.86	45	55	*
Chengdu Electric Wire Factory	69.5	29.5	1	43	57	*
Chongqing Clock and Watch Company	87.0	13	*	68.5	31.5	*
Southwest Electrical Works	88.4	17.6	*	73.8	26.2	*

\* In some enterprises, the percentage figures for individuals are included in the percentage figures for enterprises.

As the table shows, state revenue generally accounts for about 80 per cent of total profits and some 60 per cent of increased profits. Such distribution ratios (or even somewhat lower) are acceptable. The enterprises retain the next largest share. Although rewards for individual workers and staff members take up a small ratio, the absolute figure is by no means small and grows continuously. So while state revenue is ensured, the interests of the other two parties are also taken into account.

The new system also offers several advantages in terms of state revenue:

1. With the taxation system, state revenue becomes more assured and stable. In the past when the profit-sharing system was in effect, the state might derive no income if a poorly-run enterprise made no profits or sustained losses. With profits replaced by taxes, an enterprise must hand over its taxes to the state treasury at the scheduled time irrespective of management and administration, and is subject to fines for delayed payment. It has been noted that in the days of profit-sharing, enterprises were ensured of an income while the state faced hazards. With profits replaced by taxes, it is the other way around. Now enterprises are forced to perform well. Under such conditions, of course, the interests of enterprises are protected by tax laws. They can realize after-tax profits from month to month and use the money as they wish.

2. "The boat goes up as the river rises," goes a Chinese saying. In other words, state revenues will increase steadily. As long as the tax rate is unchang-

ed, enterprises will do their utmost to increase profits. And as enterprises make greater profits, state revenue will rise correspondingly. For example, the five enterprises in Sichuan made a net profit of 77.8 million yuan in the first half of 1980, 1.9 times more than during the same period in 1979. The income taxes they paid to the state in the first half of 1980 came to 28.28 million yuan, an increase of 58 per cent over the amount of profits turned over to the state in the corresponding period of 1979. In the first seven months of 1980, the rate of increase in the total amount of profits and taxes handed over to the state by the five experimental enterprises was 4.8 higher than in enterprises not participating in the experiment.

3. While state revenue increases steadily, state allocation of funds to enterprises drops drastically. For the state, economizing on outlays is tantamount to increasing revenues. When an enterprise assumes responsibility for profits and losses, investments for tapping potential, technical reform and innovation, construction of workers' hospitals and housing and other collective welfare facilities are now the concern of the enterprise itself instead of the state as in the past. This clearly is advantageous to state finance. Besides, enterprises tend to be more prompt and take greater initiative in solving such problems. This is killing two (or more) birds with one stone.

In a word, while greater gains to the state are assured, enterprises are able to solve quite a number of problems pertaining to production and the improvement of workers' living conditions with their own funds, and workers' personal income also grows steadily. This obviously is beneficial to boosting the economy and rousing the workers' enthusiasm.

B. Assumption of responsibility for profits and losses gives an enterprise the right to make use of its funds as it sees fit, which is advantageous to technical reform and rapid development of productive capacity.

How to use existing enterprises and transform them technically along modern lines is an important question in China's modernization. Past experience has shown that it is impossible for the state to directly undertake the technical reform of each and every enterprise. But with the assumption of responsibility for profits and losses and its income guaranteed, an enterprise can make use of its own funds to tap the potential of its equipment, introduce technical improvements and innovations and make other arrangements for the development of production. The experiments in Sichuan have achieved marked results in this respect. The Sichuan No. 1 Cotton Mill is a large integrated textile, printing and dyeing complex built in 1958. Ultra-Left policies over the past 20 years created some serious problems with regard to equipment, technology and product composition. Equipment and technology used at the mill were backward and its productive capacity imbalanced. When the corporation undertook to assume responsibility for profits and losses in 1980, with a pledge to make a greater contribution to the state, it achieved a considerable increase in funds

which provided favorable conditions for technical reform. Projects completed in 1980 include: a printing and dyeing line with an annual capacity of 20 million meters, built at a cost of three million yuan from production development funds and bank loans; construction of a refrigeration station; refashioning of 28 steel wire machines and drawing frames; and the renewal of 200 56-inch looms. The mill looks forward to replacing its outdated equipment and filling up gaps in productive capacity step by step in three years so as to bring its production level from the 1950's into the 1970's. They also plan to build a pure chemical fiber workshop or branch mill with 20,000 spindles and 300 75-inch looms to complete an assembly production line for the printing and dyeing of 5 million meters of long and medium-length fiber. This scale and pace of technical reform was impossible before the enterprise assumed responsibility for its profits and losses.

Sichuan's Southwest Electrical Works, in response to market demand, had planned for over a year to build a shop for the production of wire of less than 0.45 mm. in diameter. But nothing came of their plans because funds from higher departments were not forthcoming. After assuming responsibility for its profits and losses, however, by decision of the workers' general meeting, the corporation allotted 64 per cent of its production and construction funds to build a small wire shop. Also, its auditorium was temporarily converted into a medium and small wire shop. The output of medium and small wire is expected to increase by 500 tons in 1981 and 2.6 million yuan more taxes will be turned over to the state. The projects will go into operation nine months ahead of schedule, cutting costs by 370,000 yuan.

C. Assuming responsibility for profits and losses benefits the reorganization and improvement of management and administration and strengthens business accounting.

In the past, because of highly centralized administration and the practice of "eating out of the same big pot," enterprises paid very little attention to management, cost accounting, and profit and loss. But with economic reforms, the expansion of enterprise autonomy, and the functioning of the market mechanism, the old administrative system and the old thinking and working style of management no longer suit the new situation. With a view to their own interests and future development, enterprises are emerging from passivity and beginning to reorganize and reform many aspects of administration. This process has taken the following forms:

1. Experimental enterprises have developed a new market orientation, adapting their internal administrative systems to market requirements. Under the new system, enterprises can work out their own production and marketing plans, and readjust or change them any time according to the needs of the market. They have come to realize that they are closely linked to the market, and that production and management must be flexible so as to meet the ever-changing demands of the market.

Sichuan's Southwest Electrical Works put forth the slogan of "striving for existence through improving quality and striving for development through increasing variety." The enterprise adopted various means to upgrade product quality, expand variety, lower costs and improve customer service. When the state assigned contracts which only required 40 per cent of the enterprise's productive capacity for 1980, it quickly signed contracts with 442 enterprises from 25 provinces and cities to take up the slack, getting even more jobs than it could handle.

While changing their management styles, the experimental enterprises also readjusted and reformed production organization and administration. They changed the former system which emphasized production but underestimated marketing and established an administrative setup with marketing as the central task. This proved effective in understanding market trends, establishing ties with customers, promoting competition and boosting production.

The Chongqing Clock and Watch Company, for example, set up a development department responsible for working out medium and long-term plans, collecting Chinese and foreign technical and economic information, making market forecasts and training workers and staff members. This new department is to serve as the "eyes" and "brains" of the enterprise. To meet the needs of the market, the company also reorganized an "all-round factory" into specialized shops for processing components and spare parts. On this basis it entered into some joint operations with other enterprises. The Sichuan No. 1 Cotton Mill divided its factory into four branches in charge of spinning, weaving, dyeing, and machinery and power. A system of branch factory directors was instituted under the supervision of the Party organizations of the branch factories. This created a powerful command system with factory directors assuming leadership.

2. The experimental enterprises have strengthened economic accounting, and have given full attention to tapping potential for increasing production and practising economy. The Sichuan No. 1 Cotton Mill organized training courses for 150 accounting workers and sent 22 of them to Shanghai to learn from the advanced experiences of other enterprises. As a result, it has established a four-level accounting system (factory, branch factory, shop, and team or squad), and worked out and promulgated accounting regulations and rules. The new system has brought improvements in record-keeping and statistical work.

3. Assuming responsibility for profits and losses puts the fate of enterprises in the hands of workers and staff and links management directly with their material well-being. It gives them a sense of being masters of their own affairs and fosters a genuinely democratic administration. In the past, under a highly-centralized system of authority in which enterprises had few rights, the workers had practically no voice in administration. With the institution of the new system, it is both necessary and possible to strengthen their participa-

tion. And now that the fate of the enterprise is closely linked with the workers' interests, they in fact demand to take part in running the enterprise and in the election and supervision of its leaders. The five experimental corporations in Sichuan have seen an unprecedented rise in workers' enthusiasm for democratic administration. The workers' general meetings have virtually become the enterprises' organs of authority.

The Sichuan No. 1 Cotton Mill re-elected workers' representatives in 1980 and convened its workers' general meeting ahead of schedule. They passed "Democratic Administration Regulations" and elected an administrative committee. The meeting also examined and approved the director's work report and decided on a plan for the distribution of funds. Such democratic administration is important for the enterprise's production and operation: It not only mobilizes the workers and staff members throughout the plant to directly exercise control, it also improves worker-cadre relationships and educates the workers themselves in administration. This was impossible in the past when only a few persons gave orders from above.

Because all of the experimental enterprises have consciously reorganized and improved administration, they have achieved much better economic results than in the past. In the first half of 1980, the Sichuan No. 1 Cotton Mill put out 670 more varieties of cloth than in the corresponding period of 1979 — this works out to be an average of three new varieties every day. Production costs were reduced by 3.28 per cent: more than 50,000 kilos of cotton and 100,000 kwh. of electricity were conserved. The capital turnover cycle, too, was reduced from 80 to 67 days. Similar results were achieved by the other experimental enterprises.

D. Assuming responsibility for profits and losses promotes specialized cooperation or joint management on a voluntary and mutually beneficial basis. According to the needs of production and practical interests, enterprises can decide on their own targets for cooperative ventures or joint management with other enterprises, and on the scope and methods of these undertakings.

The trend towards expansion of cooperation and joint management is obvious. The Chongqing Clock and Watch Company, for example, broke down barriers between regions, trades, industry and agriculture, army and people, state ownership and collective ownership, and integrated 7 jointly-managed factories, 7 cooperating factories, 5 factories originally directly under its administration and 3 large collective enterprises into one industrial company with 22 enterprises, thereby tremendously increasing productive capacity.

In sum, enterprises assuming responsibility for profits and losses have become basically independent commodity producers. Under this system, the relationship between the enterprise and the state is beginning to change from a subordinate-superior one to a comparatively normal economic relationship. The system brought rapid improvements in enterprise management and adminis-

tration, stimulating and promoting the growth of the national economy and raising social productive capacity. Clearly, these experiments hold bright prospects for state-owned industrial enterprises throughout China.

However, the experiments have been conducted within a limited scope and over a comparatively short period of time. Certain problems still exist which call for further examination. These include: How should the interests of the state and the enterprises be balanced? What are the rational upper and lower limits for the distribution ratio between them? How can the taxation system be made more scientific and sound? What tax items should be introduced and how should the rates be fixed? How should we theoretically understand the policy of assuming responsibility for profits and losses in the forthcoming economic reform? Undoubtedly, further experience will shed light on these questions.

— *Translated by Zhang Zongzhi*

# Lokāyata and Its Influence in China

*Huang Xinchuan*

Lokayata, an ancient school of Indian materialism, was the world-view and moral outlook for many of the common people. It is one of the precious traditions of the Indian nation and a part of the spiritual heritage of philosophy. Lokayata was in absolute conflict with religious spiritualism in the long course of the development of Indian philosophy and was persecuted and suppressed by the ruling class and priests with laws and administrative acts. Lokayata was introduced to China more than one thousand years ago. In addition to sketching the basic features of Lokayata and using Chinese sources to find clues to its historical development in India, this paper will focus on its influence in ancient China.

## I. Terms and Sources

The materialistic school of thought in ancient India is known in Sanskrit as Lokayata. The term Lokayata is composed of two words: Loka (which means "world" or "people") and ayata (which means "basis" or "prevalence"), its original meaning being "prevalent among the people." In Chinese Buddhist and other classical works the term is either translated as "Shun-Shi-Wai-Dao" ("heresy which follows the world"), "Shi-Jian-Xing" ("doctrine prevailing in the world"), "Shi-Lun" ("doctrine on the world"), "Wu-Hou-Shi-Lun" ("doctrine of denying after-life"), "Duan-Mie-Lun" ("doctrine of annihilation"), "Zi-Xin-Lun" ("doctrine of own nature or Svabhava") or transliterated into "Lu-Ka-Ya-Tuo," "Lu-Ge-Ye-Duo," "Lu-Ka-Yi-Duo," etc. "Lu-Ka-Ye-Tuo" is also called "Zhuo-Bo-Ka" ("Carvaka") by some Sanskrit scholars.

Various aspects of Lokayata have long been debated among foreign scholars. Some deny that it was a philosophical system, and argue that no Lokayata texts ever existed, while others maintain that certain sutras and sastras in ancient time mentioned in the Sanskrit classics are Lokayata but some of these have proved to be fabrications. For example, in 1921, F. W. Thomas discovered the Brhaspati Sutra ("Guang-Zhu-Gin") in India, which quoted some Lokayata arguments, but later this Sutra was proven to be a Hindu fabrication. In 1924, Sukhlalji Sanghavi discovered the 7th century palm-leaf manuscripts of

Jayarasi Bhatta's *Tattvapaplavasimha* containing many Lokayatika's ideas, which the author viewed with skepticism.

Works on Lokayata have been found in a number of ancient Indian classics and richly recorded in Chinese versions of Buddhist literature as well. According to my rough estimate, eleven Sutras translated into Chinese mentioned the Sutra or Sastras of Lokayata. For example, Hui Lin's "Yi-Qie-Jin — Yin-Yi" (A Dictionary of Buddhist Technical Terms) explains: Lokayata Sutra means wicked talk and is pronounced as Lokayatika (Lu-Ka-Ye-Ti-Ka) in Sanskrit. It is a paradigm by which one should behave according to the doctrine of following the world or common practice in mundane affairs. . . .

Again, the Chinese version of *Dasabhumivibhasa Sastra* translated in the Later Qin Dynasty, 384-417 A.D., refers to the classics of the Lokayatikas as "Lu-Ka-Ye-Jin" (Lokayata Sutra), and the Chinese version of Sardula Karno Sutra ("She-Tou-Jian-Tai-Zi-Jin") (or Tiger-Ear Sutra) translated in the Western Jin Dynasty, 3rd century A.D., also mentions the "Shi-Li-Jin" (Sutra on the Theory of the World). Thus, it seems to be quite certain from Indian and Chinese sources that there was a text called the Lokayata on which there were at least two commentaries written earlier than 300 B.C.<sup>1</sup> However, because the Lokayatikas challenged the predominant schools of thought, most of these works were destroyed by Indian priests and those who followed the orthodox religions (i.e. those who believed in the Vedas).

At present, some of the data necessary for understanding Lokayata have to be taken from the writings of the opponents of materialism contained chiefly in the following writings of Hindu scholars: *Sarva-Darsana-Samgraha* by Madhava, *Sarva-Siddhanta-Samgraha* by Sankara, and *Prabodha-Chandrodaya* by Krisna Misra.

In addition, data relating to Lokayata can be found both in Buddhist literature, such as *Samanna-Phala-Sutta*, *Payasi-Sutra*, *Brahmajala-Sutra*, *Maha-Vibhasa-Sastra*, *Mahayana-Nirvana-Sutra*, *Lankavatara-Sutra*, etc. (more than 60 sutras in all), and in Jaina literature, such as in the second part of *Sutra-Krtanga* and the fifth part of *Bhagavati-Sutra* composed between the second and third centuries B.C., *Satdarsana-Samuccaya* of Haribhadra, etc.

## II. The Concepts of Nature, Epistemology and Social Ethics in Lokayata

### 1. Basic Features

As different views on the sources and methodology still exist among the Indologists of various countries at present, any sort of uniform opinion about

<sup>1</sup> See S. N. Dasgupta: *A History of Indian Philosophy*, Vol. 3, Cambridge Univ. Pr., 1952, p. 515.

the basic features of Lokayata and clues to its historical development are hard to obtain. In his *Prabodha-Chandrodaya*, Krisna Misra has summarized Lokayata thus: "The Sastra whose doctrines are obvious to all, and which is founded on the evidence of the senses; which admits only the elements of earth, water, fire, air; which maintains that sustenance and love are the objects of human existence; which denies the existence of separate spirits, and affirms that death is blessedness."<sup>1</sup> This summary is in keeping with the Chinese versions of Buddhist literature. For example, *Brahmajala-Sutra* in Chinese translation says: "Other Sramana Brahmins, who take other's alms but do harm to Dharma, . . . argue sophistically that the world and I (Atman) are in a permanent state. . . . This world has its boundary and is real, while the rest is unreal . . . without seeing I'm not able to know the retribution from doing-good or doing-evil . . . without knowing I'm not able to see the other world . . . and that all beings will certainly perish and my body will reduce to the four elements and merge into chadayatana (six dwellings) . . . and that all beings will attain Nirvana in the present life. . . . I can attain my Nirvana by indulging in five desires."

From available sources in India and China, we can draw an outline of the basic features of Lokayata:

(1) It recognizes that matter is the basis of the world; that the elements of matter are earth, water, air and fire, and that matter possesses an inner-power;

- (2) Consciousness is produced from matter;
- (3) Sensual experience is the only source of pratyaksa (knowledge);
- (4) The body and the mind are unified, and there is no eternal soul;
- (5) There is no super-natural being or god;
- (6) The law of karma is unprovable;
- (7) The divine literature, priests, and religious rituals are all trickeries; and
- (8) Asceticism does not conform to the aims of life.

## 2. Conception of Nature

The materialistic world-outlook of Lokayata is a simplistic one. Since the period of Brahmanas and Upanishads, Indian thinkers have all along held that the Universe is composed of five elements, i.e. earth, water, air, fire and ether. Starting from the sensual experience, the Lokayatikas, however, only recognize earth, water, air and fire as the unified material basis of natural phenomena and deny ether as an element. They say: "The world is made up of elements. Besides the four elements there is nothing else."<sup>2</sup> They not only hold that non-living things are composed of the four elements, but also deem organisms, such

<sup>1</sup> S. Radhakrishnan and A. Moore ed., *A Source Book in Indian Philosophy*, Princeton Univ. Pr., 1957, p. 247.

<sup>2</sup> Xuan Zhuang tr., *Vaipulya-Sata-Sastra-Vyakhya*, fasci. 2.

as human beings, animals and plants, etc. as all mixtures of the four elements. The Buddhists say: "Actually it is the four elements alone that create all beings. With these four elements all beings come into existence, and besides these there is nothing else. When they die, they all are reduced to the four elements."<sup>1</sup> "Human beings are created from the four elements. When life comes to an end, the element of earth returns to earth itself, water to water itself, fire to fire itself, air to air itself, and all organs vanish into the void."<sup>2</sup>

It is clear from these arguments that although materialism in ancient India still had not freed itself from intuitionism and mechanism, yet, instead of merely observing the material basis of natural phenomena, they had begun to seek something unified.

The Lokayatikas not only thought that it is matter that makes the world, but went a step further and attributed the motion of matter to an internal cause of matter itself, thereby denying the existence of god or any other supernatural thing which causes matter's motion. They said: "Who has sharpened the thorns? Who has created the birds and the animals? Who has made the mountains and the plains? Who has cut the ravines and the valleys? Who has done the inscriptions and the sculptures? The existence of grasses, flowers and other things like these is not due to any cause. Every being is self-existent in the world. Thus the world and I (Atman) come into existence without any cause but spontaneously."<sup>3</sup> "The white color of geese, the green color of the parrots and the miscellaneous colors are brought out by their own nature, thus the Atman also comes into existence by itself."<sup>4</sup>

While dealing with the relation between consciousness and matter, the Lokayatikas adhere to the theory that matter is predominant. The earlier Lokayatikas generally were of the opinion that consciousness is produced from the combination of all the four elements in human body, a special combination of the four elements. "The four elements combine themselves into Atman, body and mind," consciousness comes into being with the existence of human body and disappears with the death of the latter. The following example was cited to prove that the combination of the four elements produces consciousness: the combination of betel, areca nut and lime produces red color and that such combinations are a natural process and not the result of something else.

The Lokayatikas also expounded the theory of the unity of body and soul and denied the existence of an eternal and all-pervading soul. The follow-

<sup>1</sup> Kuei Ji (Tang Dynasty), *Interpretations of Vidyamatrāsiddhi-Sūtra*, fasci. 6.

<sup>2</sup> See Pali script, *Dīgha-nikāya Samanna-phala-sutta*, also Chinese version, *ibid.*

<sup>3</sup> *Mahāvibhāsa-sāstra*, Chinese translation, fasci. 199; see also Sankara, *Sarvasiddhāntasamgraha*, compiled in *A Source Book in Indian Philosophy*, p. 235.

<sup>4</sup> *Survarna-saptati-sāstra*, tr. by Paramārtha, some time between the years 548 and 569.

ing arguments are taken from the early Jaina literature: The sword can be pulled out from the sheath, though they are different; fibre can be pulled out from stem, though they are different; but nobody can pull the soul out of the body, because there is nowhere from which the body and soul can be separated. That is to say, one cannot affirm that the soul exists outside the body.<sup>1</sup> The soul was considered an attribute or quality of the body. "That the soul is but the body characterized by the attributes signified in the expressions 'I am stout,' 'I am youthful,' 'I am grown up,' 'I am old,' etc. It is not a thing other than that (body)."<sup>2</sup> The Lokayata thus linked up the qualities of the human body and the concept of the "ego," which is a clear repetition of the fundamental principle of Upanishad's idealist philosophy, the argument for the independent existence of Atman.

### 3. Epistemology

The materialistic character of the Lokayata also finds its expression in the theory of knowledge. It strongly affirms that sensual perceptions are the only source of knowledge, and nothing else can testify to the validity of knowledge except through perception. "Only the perceived exists, the unperceivable does not exist by reason of its never having been perceived; even the believers in the invisible never say that the invisible has been perceived."<sup>3</sup> "What is perceived in the world . . . is regarded as the basic elements (i.e. the four elements) by the Lokayatikas."

While explaining the epistemology of the Lokayatikas, Madhava said that the Lokayatikas reject all inference because they believe that inference is based on *vyapti*, that is to say, on the invariable connection of the middle and the major terms of logic or of thesis and argument. For example, from smoke we come to the conclusion that there is fire, because between smoke and fire there exists a universal invariable connection on which the inference is based. Nevertheless, as we are unable to know all smoke and fire, or even if we knew smoke and fire in the past, we would be still unable to know smoke and fire in the future. Hence, the universal invariable connection is beyond the reach of our perceptual experience, and our logical inference is without a firm basis, which, like divination, would sometimes be believable and sometimes unbelievable. If Madhava's quotation represents the views of the Lokayatikas, then in spite of the fact that the Lokayatikas insisted on the principle that perception is the basis of our knowledge, we can conclude the following: that the more deeply the external objective world is reflected, the more one can approach the truth; that all the souls of the universe, Brahman, etc. which were presumed by inference to exist beyond our perception, are all unbelievable;

<sup>1</sup> Jaina Scriptures, *Sutra-Krtanga*, II, I, *The Sacred Book of the East*, Vol. 45, p. 543.

<sup>2</sup> Sankara, *ibid.*, p. 235.

<sup>3</sup> Sankara, *ibid.*, p. 234.

that the Lokayatikas cannot explain well the dialectical relationship between logical inference and perceptual knowledge, i.e. between the individual and the general, but take an absolutist view of perceptual knowledge which is but one of the stages of recognition. They therefore underestimate or deny the role of rational knowledge in recognition.

But we have sufficient historical data and evidence to show that Lokayata was not the theory as imagined by Madhava. In the days before Madhava, it had already been recorded in Buddhist and Nyaya works that two kinds of inference were employed by the Lokayatikas: valid inference and invalid inference. Lokayata contend that "such a distinction between the validity of inference in our practical life of ordinary experience and in ascertaining transcending truths beyond experience, lies in this that an inductive generalization is made by observing a large number of cases of agreement in presence together with agreement in absence, and no cases of agreement in presence can be observed in the transcendent sphere. . . ."<sup>1</sup> Kamalasila, a Buddhist philosopher, wrote in his commentary on Santarasita's *Tattva Samgraha* that the materialist Purandra (7th century A.D.) "admits the usefulness of inference in determining the nature of all worldly things where perceptual experience is available; but inference cannot be employed for establishing any dogma regarding the transcendental world or life after death or the laws of Karma which cannot be available to ordinary perceptual experience."<sup>2</sup> In his *Nyayamanjari*, Jayanta Bhatta of the Nyaya school relates that the Lokayatikas have two kinds of inferences: "utpanna-pratiti" (known inference) and "utpadya-pratiti" (unknown inference). The latter deals with the recognition of deities, the future world, etc., and is unacceptable.

Starting from the perceptual experience, the Lokayatikas reject the Vedas or the aphorism of authority as one of the sources of knowledge. They maintain that testimony is a kind of "concentrated language." If this language is based upon perceptual knowledge, then it is believable; or if it is a kind of "prediction" or "indication" which cannot be identified with our perception, then it is unreliable and unbelievable. Such thoughts and arguments for opposing the authority of the ruling classes were of importance to the ideological struggle in those days.

#### 4. Social Ethical Thought

The social ethical thought of the Lokayatikas is consistent with their conception of nature. First of all, they criticized such dogmas of Brahmanism, Buddhism and other religions, as the transmigration of soul, heaven, Karma, sacrifice (yajna) and caste, etc., which served as the spiritual props of the ruling class. They said that:

<sup>1</sup> Dasgupta, *ibid.*, p. 536.

<sup>2</sup> *Ibid.*

There is no heaven, no moksa, nor any soul in the other world. -  
Nor do the actions of the four castes, orders, etc., produce any real effect.

The Agnihotra, the three Vedas, the ascetic's three staves and smearing oneself with ashes, were made by Nature as the livelihood of those destitute of knowledge and manliness.

If a beast in the Jyotistoma rite will itself go to heaven,  
Why then does not the sacrificer forthwith offer his own father?  
If the Sraddha produces gratification to beings who are dead,  
Then here, too, in the case of travellers when they start, it is needless to give provisions for the journey.

If beings in heaven are gratified by our offering the Sraddha here,  
Then, why not give the food down below to those who are standing on the house top?

While life remains, let a man live happily, let him feed on ghee even though he runs in debt;

When once the body becomes ashes, how can it return again?

If he who departs from the body goes to another world,

How is it that he comes not back again, restless for love of his kindred?

Hence it is only as a means of livelihood the Brahmins have established here.

All these ceremonies for the dead — there is no other fruit anywhere.<sup>1</sup>

Moreover, in its struggle against asceticism and religious idealism aimed at suppressing all human desires, the Lokayatikas recognized the meaning of a human's real life. The basic arguments of Brihaspati found in texts that are still available today, are as follows: All phenomena are natural . . . morality is natural and is created by social agreement and interests, not by divine revelation. Instinct and senses need no control but follow the law of nature. The aim of life is to survive, which is the only correct answer to happiness.

"A pigeon of today is preferable to a peacock of tomorrow." This Lokayata doctrine for seeking happiness in life is called "Nirvana in the present world" (i.e. seeking moksa in the present world) by the Buddhists. In their writings the Buddhists say: "In terms of the Nirvana in the present world, it means that I shall attain Nirvana through my enjoyment in life. If I am suffering, then I cannot attain Nirvana, because I haven't any enjoyment. When I have this idea in mind, I shall be totally emancipated from all disasters, that is to say, when I have taken of the Five Great Pleasures, I will attain Nirvana in the present world."<sup>2</sup>

This kind of thought was a target of attack by all schools of idealists in India. For example, Madhava stated in his writings: "The only aim of man

<sup>1</sup> Madhava, *Sarva-darsana-samgraha*, Vol. 1, (English translation by E. B. Cowell & A. G. Gough, London, 1914), see Radhakrishnan & Moore, *ibid.*, p. 233.

<sup>2</sup> Xuan Zhuang, tr., *Abhidharma-mahavibhava-sastra*, fasci. 200.

is enjoyment produced by sensual pleasures. Nor may you say that such cannot be called the end of man, as they are always mixed with some kind of pain, because it is our wisdom to enjoy the pure pleasure as far as we can and to avoid the pain which inevitably accompanies with it; just as the man who desires fish takes the fish with scales and bones and having taken as many as he wants, desists, or just as the man who desires rice takes the rice straw and all, and having taken as much as he wants, desists."<sup>1</sup> The Buddhists also state: "The Lokayatikas use their art of sophistry and plausible arguments to puzzle the world, and talk about secular affairs to the liking of the ignorant worldlings, their words and writings being charming but devoid of reason."<sup>2</sup>

It appears that the ethical views of Lokayata were somewhat distorted at the hands of critics and opponents.

Lokayata also put forward the treatise of social equality. It maintains that whether in the veins of the Brahmins or in those of the Candal, their blood is of the same red color, and hence human beings are born equal and have the same opportunities for pleasure. But they also claim that "lokasiddho bhaved raja." (The ruler of a state should be duly recognized by the people.)<sup>3</sup>

This claim was put forth from practice, i.e. in the protracted struggle against the caste system by the Lokayatikas. In the medieval ages and even in the second half of the 19th century, the Lokayatikas had formed their own school of thought and organization. They waged a tit-for-tat fight against the ruling classes both in legal and illegal ways, openly demanding realization of their inherent rights and social equality.

### III. A Clue to the Historical Development of Lokayata in Ancient India.

Although the historical development of Lokayata in ancient India has been studied for many years by scholars of various countries, still no unanimous conclusion has been reached. What we can broadly say is this: the doctrine of Lokayata was a world-view and a life-view prevailing among the people of India in ancient and medieval times. It has related both to the Indus civilization in the earliest times and to people's beliefs nowadays. According to the study by D. Chattopadhyaya, Lokayata was a kind of primitive promaterialism in a clan society. In the Indian sub-continent we have traced its origins to the thoughts and beliefs of native tribes called Asura who were conquered by the

<sup>1</sup> Madhava, *ibid.*, Radhakrishnan & Moore, *ibid.*, p. 229.

<sup>2</sup> (Wei) Bodhiruci, tr., *Lankavatara-sutra*, fasci. 6.

<sup>3</sup> D. Bhattacharya, *The Carvaka Philosophy*, comprisal in S. Radhakrishnan ed., *History of Philosophy Eastern and Western*, London, 1952, p. 137.

Aryans from the north. At that time, Lokayata was closely linked with Indian Tantrism. According to Upanisads, Rish Brhaspati, the legendary author of the Lokayata sutra had preached the teachings of Lokayata among the Asuras. The basic beliefs of the Asuras were: (1) the soul and body are identical, man being a mini-world of the cosmos or a micro-cosmos. Although such thought neglected the fundamental difference between the organic and inorganic worlds, yet it still contained materialistic conjectures about the development and unity of nature; (2) all creations are the result of the combination of both sexes.<sup>1</sup> Man was created by the male and female sexes, and the cosmos was also created by the combination of the two sexes in the initial stage of the creation of outer space.

This belief contradicted the idealistic and mystic doctrine of the genesis of the Vedas as of the Aryans and reflected the social struggle between the Aryan nomads and the native tribes in the ideological field.

In the subsequent periods, from about the 10th century B.C. till the beginning of the Christian era when the slave system was rapidly developing to its highest stage, Indian materialism including Lokayata developed as a popular school of philosophy.

One of the "Six Masters" Ajitakesa-kambali in the time of Buddha, was recorded as "the famous leader and teacher of a section in Rajgir, who earned his name and was paid respects by a mass of followers."<sup>2</sup> In the 4th century B.C. the famous politician Kautilya in his work *Arthashastra* mentioned Lokayata and recognized it as one of the three logically oriented philosophies. The name of Lokayata also is presented in the epics of Mahabharata and Ramayana as an undesirable heretical view. These epics tell of a heretic named Jabali and a demon called Carvaka, who had to be burned alive by the Brahmins. In the second century B.C., the grammarian Patanjali referred to a commentary of Bhaguri on some original Lokayata writings. Another example is found in Vatsyayana's *Kamasutra* (2nd century A.D.) in which he quotes a number of Lokayata Sutras and refuted them. During this period, the Lokayatikas waged two struggles. One against the Brahmin, the spiritual prop of slavery, and the other a bitter fight against the Kshatriya ideology.

As a result of these struggles, the ruling classes had to use law as a weapon to suppress the Lokayatikas. For example, it is prescribed in *Manusmriti* (II, 10) that anyone who suspects the srutis and the smrtis and despises their fundamental principles should be regarded as a Nastika and as one who defied scriptures and should be dispelled from the ranks of the righteous. According to the Chinese versions of Buddhist scripture, the focus of contention is:

<sup>1</sup> Also found in a Later Wei Chinese version, *Sastra by the Bodhisattva Deva on the Explanation of the Nirvana by Heretical Hinayana, Mentioned in the Lankavatara-sutra.*

<sup>2</sup> *Majjhima-Nikaya, Sakuludayi-sutta*, tr., Samghadeva in Eastern Jin Dynasty.

- (1) whether the world is real or unreal;
- (2) whether the world is limited or unlimited;
- (3) whether the body and the soul are identical or not identical; and
- (4) whether the soul exists or not after death.

The answer given by Lokayata to these questions is extraordinarily courageous and wise. They said, "Everything in the world is permanent and that is real, the rest being unreal. . . . Life is body. . . . The Buddha extinguished after death."<sup>1</sup> The Lokayatikas had a great influence among the traders, craftsmen, peasants and other lower sections of the people in the village communities of that time.

In the medieval period, Indian religions had a tremendous impact on social life, as was the case for Christianity in Europe. At that time most of the sub-continent was dominated by Hinduism and Islam with a few Buddhist and Jain exceptions. Vedanta school was formed to provide philosophical arguments for Hinduism, while Sunya-vada and Vijnana-vada of Mahayana were for Buddhism. In spite of the fact that Lokayata was severely persecuted so that the philosophical system was eroded by the philosophies of the ruling classes, to the extent that certain Lokayatikas recognized the existence of ether. (Someone referred to it as the space of the four elements.) In addition to the four elements, the Lokayatikas carried on open and secret struggles against Vedanta, Buddhism and Jainism, and thus defended the materialistic tradition of Indian philosophy.

Although most of the Indian religious and historical literature of the 3rd to 7th century does not mention the activities of Lokayatikas, still we can see some traces in Chinese sources (see later topic), for Chinese Buddhism in this period was at the height of its development. In the 8th century A.D., Haribhadra, a Jaina philosopher, in his work *Satdarsana Samuccya* noted six systems of Indian philosophy, one of which was Lokayata, also called Carvaka. A late commentator, Gunaratna (A.D. 1409) followed his teacher's footsteps and also refuted the Lokayata philosophy. The same was shown by the Buddhist philosophers Santaraksita and Kamalasila of the 8th century in their works of *Tattvasamgraha*. During 9th to 14th century, two well-known Vedantists Sankara and Madhva went further in rejecting Lokayata tenets. As we know, Sankara was an important exponent of Hinduism. His only purpose in incorporating Lokayata writings was to combat materialism. As for Madhva's darsana, it is well known that his *Samgraha* was written to serve the interests of the feudal rule of Vijayanagra. In short, the basic features of Lokayata in medieval India as shown in the Tamil literature of Saivism such as the *Sivanabodham* and *Sivananasiddhiyar*, may be summed up as follows:

- (1) a denial of the existence of the eternal soul (Atman);

<sup>1</sup> Gunabhadra, tr., *Samyuktagamas*, fasci. 34.

- (2) consciousness as the only (or basic) means of perceiving the world;
- (3) regarding both the world of perceptions and the world composed of substantial elements as identical; and
- (4) "being" is the only form of existence in the world, hence regarding the world as having no beginning.<sup>1</sup>

Historical sources of this period also show that Lokayata had further developed its materialist thesis in its struggle against Vedanta, Buddhism, Jainism, and the like, and mastered logical reasoning and the ways of verification.

It is explicit from the writings of Sankara that the Lokayatikas maintained that if a thing only exists when another thing does, and it doesn't exist without the existence of another thing, then we are saying that that thing is merely the quality and character of another, just as light and heat are the qualities of fire. As life, motion, sense, memory, etc. (which are regarded as characteristics of the soul by those who maintain that the soul is independent of the body) only exist inside and not outside the body, and as these characters cannot be proved to exist outside the body, so the conclusion can be reached that they are nothing but the attributes of the body. Therefore, the Lokayata argue, the soul is inseparable from the body.<sup>2</sup>

This argument goes a step further than the previous statement of "four basic elements combining to form the self" and by regarding the spirit as an attribute of the body.

In their criticism of the Buddhists' "Dukha" (the dogma of misery), the Lokayatikas put forward the following views: "They (the Buddhists) conceive that you ought to throw away the pleasures of life, because they are mixed up with pain; but what prudent man will throw away unpeeled rice which incloses excellent grain because it is covered with the husk?"<sup>3</sup>

The theory of Alaya-vijnana of Yogacara, the Lokayatikas said that Consciousness is produced from the body through the operation of the vital functions of prana and aprana. It is also wrong to suppose that there is any dormant consciousness in the early stages of the life of the foetus, for consciousness means the cognition of objects and when no sense-organs are properly developed in the foetal state, there can be no consciousness.

The Lokayatikas also did not believe that at death consciousness is transferred to another intermediary body, for no such body ever perceived and they therefore would not accept this notion. They also held that there cannot be

<sup>1</sup>See A. M. Biazisky: *The Sources of Lokayata in the Tamil Literature of Saivism, Problem of Orientalism* (Russian), pp. 99-100, No. 4, 1960, Moscow.

<sup>2</sup>Sankara, *Vedantasara*, see *The Sacred Book of the East*, Vol. 38, p. 269.

<sup>3</sup>Krisna Misra, *Prabhodha Chandrodaya*, ch. 2, comp. in *A Source Book in Indian Philosophy*, p. 248.

the same series of consciousness in two different bodies; thus the mental state of an elephant cannot be in the body of a horse.<sup>1</sup> Similarly, the Lokayatikas also criticized the Jaina theory of the eternal soul.

The Lokayatikas criticized many aspects of the religious, moral and social theories of the feudal society. Their criticism can be found in the works of Madhava, i.e. *Sarva-Darsana-Samgraha* and in the *Naisadhacarita* of Sriharsa (of about the 10th century A.D.). The following is a sample of the type of criticism they contain: "The scriptural view that the performance of sacrifices produces wonderful results is directly contradicted by experience. . . . It is only those who are devoid of wisdom and capacity for work who earn a livelihood by Vedic sacrifices or the carrying of tridanda, or the besmearing of the forehead with ashes. There is no certainty of the purity of castes . . . it is unjustifiable to think that sins bring suffering and virtue happiness in another birth; for who knows what will happen in the other birth, when in this life we often see that the sinful men prosper and virtuous people suffer?"<sup>2</sup>

Lokayatika also has had influence in modern times. In the middle of the 19th century, Dayananda Sarasvati, the reformer of Hinduism, always regarded Lokayatika as "the most atheistic among the atheists" when he organized the Arya Samaj to propagate his ideas of "back to the Vedas," and declared that "their activities must be prevented and their erroneous notions and practices must be eradicated."<sup>3</sup> According to E. Trumpp's survey, during the latter half of the 19th century, in a Sikh sect founded by Udasi Gulabdas, thousands of his followers believed in the doctrines of Lokayata and carried out these doctrines in practice.

Lokayatika also exercised influence on some petty-bourgeois thinkers during the Indian Renaissance movement.

#### IV. Lokayata as Recorded in the Chinese Versions of Buddhist Scriptures and the Philosophical Importance of These Texts

The system of Indian Lokayata and that of Indian Buddhism were introduced into China almost at the same time. Some important references to them have been preserved in Chinese religious books (translated into the Chinese and Tibetan languages) and other historical works. Through a preliminary study of this literature we have determined that during the one thousand years

<sup>1</sup> Dasgupta, *ibid.*, pp. 540-41.

<sup>2</sup> *Ibid.*, p. 549.

<sup>3</sup> Dayananda Sarasvati: *Light of Truth*, tr., C. Bharadvaja, p. 677.

from the Three Kingdoms (265-280 A.D.) to the Ming Dynasty (1368-1644 A.D.), sources relating to Lokayata are recorded in 62 Chinese versions or commentaries on Buddhist scriptures and other historical works.<sup>1</sup>

The earliest systematic expositions of this school of thought are the *Brah-*

<sup>1</sup> Three Kingdoms (Wu)

*Brahmajala-sutra*, trans. by Zhi Qian (Chih Chien)

*Matangi-sutra*, fasci. 2

Western Jin Dynasty

*Sardulakarna-sutra*, tr., Dharmapala

*Saddharmapundartka-sutra*, fasci. 7, tr., Dharmapala

Eastern Jin Dynasty

*Sramanyaphala-sutra*, tr., Dharmaranyā

*Majjhima-nikaya*, *Tittha sutta*, tr., Samghadeva

*Majjhima-nikaya*, *Asva sutta*, tr., Samghadeva

*Majjhima-nikaya*, (*maha*) *Sakuludayi-sutta*, tr., Samghadeva

*Majjhima-nikaya*, *Patali-sutta*, tr., Samghadeva

*Nagasena-bhiksu-sutra*, A.D. 317-420, the translator's name is lost

*Ekottaragama*, fasci. 32, tr., Samghadeva

Northern Dynasty-Former Qin

*Arya-Vasumitra-bodhisattva-sangiti-Sastra*, fasci. 9, tr., Sanghabhadra

Northern Dynasty-Later Qin

*Saddharmapundarika-sutra*, fasci. 14, tr., Kumarajiva

*Satasastra*, fasci. later part, tr., Kumarajiva

*Dasabhumi-vibhasa-sastra*, fasci. 9, tr., Kumarajiva

*Vimalakirti-nirdesa-sutra*, former part, tr., Kumarajiva

*Satyasiddhi-sastra*, fasci. 10, tr., Kumarajiva

*A commentary on the vimalakirti-nirdesa-sutra*, fasci. 3, written by Seng Zhao

*Digha-nikaya*, *Brahmajala-sutta*, tr., Buddhayasas

*Digha-nikaya*, *Samanna-phala-sutta*, tr., Buddhayasas

*Digha-nikaya*, *Payasi-sutta*, tr., Buddhayasas

*Digha-nikaya*, *Ambattha-sutta*, tr., Buddhayasas

*Digha-nikaya*, *Sonadanda-sutta*, tr., Buddhayasas

*Digha-nikaya*, *Potthapada-sutta*, tr., Buddhayasas

*Digha-nikaya*, *Kutadanta-sutta*, (translated by Jiang-lian from Pali in 1944)

*Digha-nikaya*, *Mahali-sutta*, (translated by Jiang-lian from Pali in 1944)

*Digha-nikaya*, *Jaliya-sutta*, (translated by Jiang-lian from Pali in 1944)

*Digha-nikaya*, *Kassapasthanada-sutta*, (translated by Kiang-ling from Pali in 1944)

*Maharatnakuta-sutra*, fasci. 21, 121, the translator's name is lost

Northern Dynasty-Northern Liang

*Mahaparinirvana-sutra*, fasci. 2, 19, 36, tr., Dharmaraksa, revised by Hwei Yan

*Buddhacarita*, fasci. 2, tr., Dharmaraksa

Southern Dynasty-Song

*Samyuktagamas*, fasci. 3, 34, tr., Gunabhadra

Northern Dynasty-Northern Wei

*Lankavatara-sutra*, fasci. 6, tr., Bodhiruci

*Sastra by the Bodhisattva Deva on the explanation of the Nirvana by (twenty) heretical Hinayana (teachers), mentioned in the Lankavatara-sutra*, tr., Bodhiruci

Southern Dynasty-Chen

*Sankhyakarika-bhasya* or *Suvarna-saptati-Sastra*, tr., Paramartha

*majala Sutra* translated by Zhi Qian (Chih Chien) (223-53 A.D.) of the Kingdom of Wu and the *Sramanaphala Sutra*, translated in the East Jin Dynasty, while the latest is "An Explanation for Brahmajala Sutra" written by Ji Guang (Chi-kuang) of the Ming Dynasty.

- Mahayanasamparigraha-sastra-vyakhya*, fasci. 2, tr., Paramartha  
Sui Dynasty  
*Saddharmapundarika-sutra* with additional chapters, fasci. 5, tr., Jnanagupta and Dharmagupta  
(An explanation of) the words and sentences of the *Saddharmapundarika-sutra*, edited by Kuan Ting  
*Satasastra-varrttika*, former part, Ji Zang  
*Saddharmapundarika, sutra-varrttika*, fasci. 10, Ji Zang
- Tang Dynasty  
*Vidyamatrasiddhi-sastra* or Cheng-wei-shih-lun, Xuan Zhuang  
(Mahayana) *Vaipulya-sata-sastra-Vyakhya*, fasci. 2, Xuan Zhuang  
*Prakaranaryavaka-sastra*, fasci. 10, Xuan Zhuang  
*Abhidharma-jnanaprasthana-sastra*, fasci. 12, Xuan Zhuang  
Note of *Vidyamatrasiddhi-sastra*, fasci. 1, 2, 6, 7, Kuei Ji  
*Fa-Yuan-I-Ling-Chang*, fasci. 2, 9, Kuei Ji  
An expounding of Revelation of *Vidyamatrasiddhi-sastra*, fasci. 1, Zhi Zhou  
Life of the teacher of the law of Tripitaka, (who lived) in the Da-Ci-En Monastery, fasci. 4, Huei Li  
A continuation of the memoirs of eminent priest, fasci. 4, Dao Xuan  
A collection of biographies of Chinese and Korean priests who went to Central Asia or India in search of scriptures, *Biography of Hiu-en-chao*, Yi Jing (I-Ching)  
*Mulasarvastivada-nikaya-vinaya (gatha)*, fasci. 35, Yi Jing  
An explanation of the words and sentences of the *Saddharmapundarika-sutra*, fasci. 9, Zhan Rau  
A speech of extracts from commentaries on the *Buddhavamsaka-vaipulya-sutra*, fasci. 8, Cheng Guan  
A commentary on the preceding work of *Buddhavamsaka-vaipulya-sutra*, fasci. 8 and others, Cheng Guan  
Notes on the *Dharmagupta-vinaya-varrttika*, fasci. 7, Ding Bin  
Questions on *Anatman-sutra* by Nirgrantha-jnatiputra, Ri Cheng  
A dictionary (sound and meaning) of the whole canon, fasci. 15, 26, 27, Huei Lin  
*Prajna-pradipa-mula-madhyamaka-varrtti*, fasci. 11, Pa-po  
*Annals of the Tang Dynasty*, on India  
*Ce-Fu-Yuan-Guei* or Treasured reference books compiled under the personal supervision of the Song emperor Chen Zong, fasci. 46  
*Yu-Yang-Tsa-Tsu* or miscellaneous notes, fasci. 7, Tuang Chen-shih
- Song Dynasty  
A commentary on the *Mahayana-lankavatara-sutra*, fasci. 7, Bao-chen
- Ming Dynasty  
An explanation for *Brahmajala-sutra*, Ji Guang
- Japanese Buddhist writers on Lokayata in Chinese:  
*Wei-Shih-I-Shi-Chi*, fasci. 3, Zhen-xing  
*Wei-Shih-I-Tang-Ming-Chi*, fasci. 1, Shan-zhu  
*Cheng-Wei-Shih-Lun-Pen-Wen-Tsao*, fasci. 4, the writer's name is lost  
A dictionary of Sanskrit, fasci. 6, Xian-he

The contents of these works may be classified as follows:

(1) Records about the historical background and activities of Indian Lokayatikas. As recorded in the *Matangi Sutra* and the *Brahmajala Sutra*, most of the Lokayatikas studied medicine, astronomy, agronomy and so on and engaged themselves in secular work. Again in the *Mulasarvastivada — nikaya — vinaya* (fasci. 35), it is said that the Lokayatikas, while debating with Indian Buddhists, burst into such rough manners that they fought each other with blows and kicks.

(2) Introduction to the world outlook, epistemology and social ideas expressed in Lokayata.

(3) Narration on what and how the Lokayatikas and the Buddhists were challenging each other.

(4) Literal interpretation of Lokayata by Chinese monks. (Some of the interpretations were explicitly different from the original meaning of Lokayata and were distorted generally to meet their needs in philosophical struggles in ancient China.)

(5) Records of individual Indian Lokayatikas' activities in China, and the philosophical exchanges between Chinese monks and Indian Lokayatikas. (For example, the *Annals of the Tang Dynasty, on India* refers to the Indian Lokayatikas (Lu-ka-yi-tuo) who had come to China to concoct an elixir of immortality for Emperor Gao Zong (650-83 A.D.) of the Tang Dynasty.<sup>1</sup>

Again, *A Continuation of the Memoirs of Eminent Priests* (fasci. 4) mentions the debate between Xuan Zhuang (Hsüan-tsang) and an Indian Lokayatika Mahayanadevana, at Nalanda Monastery. The latter affirmed that the four basic elements are the origin of all human beings and substance, and the former "refuted him by elaborating Mahayana doctrine." From this source it is evident that in the 7th century the influence of Lokayata was still prevalent.

(6) Based on sources in Buddhist classics, the legends relating to the struggles waged by the Six Masters (Ajitakesa-kambali etc.) against Buddha were handed down as sagas and ballads or in such artistic forms as sculpture and color paintings. A vivid depiction of the struggles is presented in an ancient scroll unearthed from Dunhuang, entitled "Rhyme of Subjugating Demons." The scroll portrays the legendary account of the six contests in magical powers between Sariputra, a disciple of Buddha, and the Six Masters. The Masters were said to have resorted to conjuring up treasury mountains, buffaloes, water ponds, twin-ghosts as well as giant trees. But all these were wrecked or destroyed by the other side who had conjured up vajrapounder, lions, the King of the White Elephants, birds with gold wings (Garutman), swords and the gods of the wind (Vayu). The Masters were thus left no other choice but to admit defeat and were forced to surrender themselves to the ratna-traya of Buddha.<sup>2</sup>

<sup>1</sup> Cit. Yi Jing, *The Memoirs of Eminent Priests-Xuan-Chao*, see also *Annals of the Tang Dynasty* and other related sources.

<sup>2</sup> The upper part of the scroll is kept in London, Catalog No. S5511, the lower part is in Beijing.

This is a mere myth, but it helps us to understand just how hard and how desperately the Six Masters fought the Buddhist idealists. Their artistic images have often appeared in works of Buddhist sculptures and paintings. In the No. 158 Tang Dynasty cave at Dunhuang, are two pictures beside a huge statue of Buddha Nirvana. One depicts heart-broken disciples mourning his death, while the other strongly characterizes the jubilant quality of the Six Masters. They serve very well in providing us with an artistic image of the historical struggles between the materialistic Lokayatikas and the idealistic Buddhists.

In the Tibetan versions of Buddhist scriptures, such as "The Establishment of Theories of Buddhist Sects and Other Religious Sects" by Hijamdbyansbshad-phirdo-rje, the famous Tibetan Buddhist scholar of China, there are also important references to Lokayata.

As for the influence of Indian Lokayata on China's philosophical thought, numerous data show that there are certain similarities between Chinese Taoism and Indian Tantrism, which in many respects has same fundamental concepts and close relationship with Lokayata. Indian Tantrism advocates that the Universe is created by the union of both sexes, while Taoism affirms that the Universe consists of two aspects, *Ying* and *Yang*. Moreover, the former prescribes pranayama, asana and sasayana to prolong life, as do the Chinese Taoists. Both religions, though full of mysticism, have had certain effects on the developments of both Chinese and Indian science, especially chemistry and medicine.

References to the spread to India of Taoist philosophical thought are sometimes found in both Chinese and Indian historical sources. For example, *Records of the Western World* in the *Annals of the Tang Dynasty* says that during the 7th century there were scores of states within the realm of the Five Indias. . . . There was the Kamaru State (i.e. today's Kamarupa in the western part of Assam — *the author*). . . . Wang Xuance (Wang Hsuen-tse) (a Chinese envoy — *the author*) arrived, and the king sent an envoy to offer him precious articles, curios and maps, and hence requested a statue of Lao Zi and the *Dao De Jing* (a book of Lao Zi).<sup>1</sup> Again, Xuan Zhuang, a Buddhist monk of the Tang Dynasty, translated the *Dao De Jing* into Sanskrit. The book might have been passed into India, for it was for the purpose of spreading Chinese philosophical thought to India that the Chinese emperor had ordered him to do the translation. In addition, according to the Tantrist literature in Tamil, there had been two Chinese among the sages of Indian Tantrism in South India, their names being Bogar and Pulipani respectively in Tamil transliteration. They went to Gaya and other places of India to transmit their know-how in medicine, chemistry and craftsmanship. From their writings which have been pre-

<sup>1</sup> See *Annals of the Tang Dynasty*, fasci. 198.

served in India it is clear that their views had not been influenced by Buddhist idealism and they were as hostile to the idealism of Brahmanic philosophy as other Tantrist sages.<sup>1</sup> The purpose of the Tantrists accepting some naturalistic views and outlook of science of the Taoists was of course to oppose political and philosophical domination by Brahmins and to meet the practical needs of daily life.

There are also facts to show that the doctrine of Indian Lokayata had affected philosophical contention in China. The Buddhist idealists of all periods always regarded Lokayata as a dangerous enemy and tried their best to distort and slander it, branding it as an "evil doctrine," "wicked doctrine" or "devil's talk," and damning the Lokayatikas' behavior as "defying the father and king," "discarding morality of Confucius and abandoning wisdom," "arguing with sophistry," "the disciples' betrayal of the masters" and so on. The Buddhists warned people never to learn the doctrine of Lokayata, otherwise it was like "cutting mud with a knife only to break the knife without any result." Some of them even explained the four basic elements of Lokayata as idealistic, or drew out a presiding "spirit" from the four basic elements. For example, Zhi Zhou (Chih-chou) of the Tang Dynasty wrote: "The Anu referred to by Lokayata has three aspects: (1) extreme emptiness; (2) purity; and (3) non-emptiness and non-purity. From these there are three results: (1) mental state in mind, (2) such organs as eyes, and (3) form and sound and others resulting from the third cause."<sup>2</sup> Ding Bin (Ting-pin) of the Tang Dynasty wrote: "Those who recognize Anu (as the cause of the world) such as the Lokayatikas. . . . They regard the four basic elements (Anu) as the causes of all forms, minds and other dharmas. But only the purest spirit of the four basic elements can possess the ability to have concerns, that is mind-dharma, though all the forms are basic elements, just as the lamp alone gives light while other things do not."<sup>3</sup>

In the philosophical struggle among the Buddhists, Confucians and Taoists during the Northern and Southern dynasties and the Sui-Tang dynasties the Buddhists often regarded the Lokayatikas as the fellow-travellers of the Confucians and the Taoists and launched attacks on them because of the similarities between Lokayata and some materialistic views, such as the theories of "the linking-up of form and spirit" (i.e. the unity of the body and the soul), "doctrine of Sva-bhava" (doctrine of own nature) "doctrine of non-first cause" (ahetuappaccaya-vada), "akarma," etc., which had been expounded by the Confucians and the Taoists. For example, Ji Zang (Chi-tsang) (549-

<sup>1</sup> D. Chattopadhyaya, *Lokayata A Study in Ancient Indian Materialism*, New Delhi, 1959, pp. 354-55.

<sup>2</sup> Zhi Zhou (of Tang), *Revelation of Vidyamatrasiddhisrastra*, fasci. 1.

<sup>3</sup> Ding Bin (of Tang), *Notes on the Dharmagupta-vinaya-varttika*, fasci. 7.

623 A.D.) classified the materialistic ideas of the Confucians and the Taoists and Lokayata of the Indians into the same category when he was forming the idealistic system of San-lun (Three Sastras) in China. He wrote: "Lokayata originally means wicked interpretation. Vamalokayatika, a branch of Lokayata, means wicked doctrine. The commentaries say that the Lokayatikas are just like the Confucians and the Mohists who observe rituals, manners and social hierarchy, while Vamalokayatikas are of the same sort of Laoists and Tsangists who mystify their writings, charity and sacred texts."<sup>1</sup>

During the reign of Emperor Wu Zong of the Tang Dynasty, the eminent master of the Avatunasaka Sect, Chen Guan (Cheng-kuan) (760-820 A.D.), while refuting Taoism, also criticized Lokayata. Referring to the Lokayatikas' doctrine Sva-bhava, he wrote:

"It is arbitrary to admit Svabhava and the like. For to assimilate two extreme poles is what primarily defined by Lao Zi that the One is originated from the Tao. Since the Tao is defined as nature (Svabhava), therefore the cause that generated from the Tao is a wicked cause. If all beings are said to be created spontaneously, which is what Zhuang Zi (Tsang-tse) means, then all beings that come into existence are of no cause. Therefore, it is said that Svabhava is causelessness. What Zhuang Zi says in his writings about the blackness of crow is also comprised in the Nirvana Sutra."<sup>2</sup>

In conclusion, Lokayata as a materialistic system of philosophy is by no means of little significance, as has been suggested by some scholars. On the contrary, it had won wide support and popularity among the people, as its name itself shows. It spread as far as China and exercised an influence on ancient Chinese thought and literature and art. As far as its popularity is concerned, Lokayata matched other systems of Indian philosophy and is an important cultural legacy of India deserving further study and exploration. My study of Chinese Buddhist literature with reference to Lokayata and the conclusions drawn therefrom are but a preliminary study and subject to further discussion. I believe that a deeper inquiry into the voluminous Chinese Buddhist literature will shed more light on the Lokayatikas' ideas and practices. I also imagine that more facts about Lokayata and the Lokayatikas would emerge if similar research were to be done in other countries where Indian cultural influence has been felt.

— Translated by Huang Xinchuan,  
Yang Ruilin and Liu Chuangyuan

<sup>1</sup> Ji Zang (of Sui), *Saddharmapundarika-Sutra-Varttika*, fasci. 10.

<sup>2</sup> Chen Guan, *A Speech of Extract from Commentaries on the Buddhavatamsakavai-pulya sutra*, fasci. 8.

# Aesthetic Criteria for Literary and Art Criticism

*Liu Zaifu*

Artistic pursuits are a kind of aesthetic activity, but they are not of the ordinary type, such as the purely psychological activity of silent contemplation. They are a kind of complex creativity which produces artistic images and works. And these products of the human spirit can influence human life in society. In this lies the special social value of artistic pursuits. Through society's appraisal of artistic works, a sense of aesthetic value is formed. The analysis and appraisal of artistic value form what we call art criticism, and each class has different criteria for art criticism which are based on its sense of aesthetic value.

Essentially, the most authoritative criterion for the appraisal of artistic value is social practice. Artistic works which can stand the trial of history are more valuable than those which only blossom briefly. This is a truth independent of the will of any critic. However, in accordance with the objective requirements of social practice, we can analyze the different kinds of value that exist in artistic works and the laws which govern the formation of such value, in order to enable artists to more consciously create more valuable works.

Scientific art criticism, as we know it, begins with the reality of social life and art to correctly appraise the value in an artistic work and to accurately and fully reflect the laws of art. The task of an art critic is precisely to point out where the value of artistic works lies and how it is formed, so as to help society recognize this value more clearly and to develop artistic creativity more consciously according to artistic laws.

All standards for art criticism are laid down by man and there is no denying their subjectivity. Each class has certain criteria of art criticism based on its own aspirations and interests. This is what we mean when we say that different classes have different criteria of art criticism. There has never been in the history of literary and art criticism, according to Lu Xun, a critic without a "yardstick." A critic without a yardstick would be an "odd fellow" indeed.

So we cannot blame a critic for having one; we can only judge whether his yardstick is right or wrong.<sup>1</sup> In other words, criteria of art criticism are formed subjectively, but not at random. Literary and art critics of the progressive class strive to make the criteria which they form subjectively conform to the objective laws of artistic activity. When the subjectively formed criteria conform to the objective laws of the development of art, the criteria then possess a certain stability and objectivity.

What kind of criteria should we adopt for socialist literary and art criticism? After many decades of experience, especially the catharsis in our artistic work during the last thirty years, we cannot but assimilate the bitter lessons for which we paid such a huge price. In the thirties, when our proletarian art and literature were just getting off the ground, Lu Xun pointed out: "Both criticism and creation are practical work. In the past our criticism often suffered from narrow standards and superficial views. Our creative work sometimes languished due to stereotyped writing on assigned topics."<sup>2</sup> Unfortunately, after Lu Xun's pertinent remarks, this state of affairs not only didn't improve, during certain periods, it was even exacerbated. "Narrow criteria" and the tendency towards "stereotyped writing on assigned topics" which resulted from this malady led to an even graver condition: "politicization of criteria, creation after set models, and the desolation of the fields of art and literature." For a time our art criticism took political ideology as the starting point, and political criterion as the sole criterion. Political values were simplistically substituted for a synthesis of the values of truth, good and beauty. Political appraisal and even political trials were substituted for comprehensive aesthetic judgement. Art criticism abandoned the special laws of art and transgressed the bounds of aesthetics; aesthetic judgement was transformed into political commentary. The deterioration of art criticism, in turn, undermined the development of our national art. The level of artistic achievement plunged. Art became the slave girl of modern superstition and the mere mouthpiece for certain principles. During one period loyalty to the sovereign was the only theme in art and literature. Thus, even with the spread of radio and TV — the achievements of modern science and technology, our people felt a profound loneliness.

With the great victory of October 1976, in a matter of three or four years we have turned the page on an era of rampant superstition and ended a period of impoverished art. Breaking through a thick layer of ice, our art and literature have begun to regain their vitality. The hearts and minds of writers and artists have begun to resonate with those of the people. The progress of artistic and literary creativity calls for a corresponding advance in criticism. We must

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<sup>1</sup> See "The Critics of the Critics," *Fringed Literature*.

<sup>2</sup> "On Our Present Literature Movement," *Essays of Qiejieting (III)* Appendix.

seriously consider how to establish aesthetic criteria for the scientific appraisal of artistic value.

Of course, this writer does not cherish the illusion that we can establish a set of immutable aesthetic criteria for art criticism. On the contrary, artists should never base their creative work on certain constant criteria. Artists engaged in creative work must not be straight-jacketed by specific criteria. In the same way, art critics should not take criteria of criticism as a kind of sacred code for judging everything, a kind of mechanical, all-purpose litmus test or fixed formula which can be used to simplistically label artistic works. Instead, critics should take their criteria as a general guide to aesthetic evaluation, or a general point of observation for aesthetic viewing. Then the critic can begin with his own direct aesthetic impressions to carry out concrete analysis of specific works. That is what Liu Xie (c. 465-532) meant by saying: "The reader must unfold the layers of language to get to the inner feelings, trace the flow to its source and that which is obscured will emerge."<sup>1</sup> Liu Xie called on critics to penetrate the language to get to the emotional core of a literary work, and there experience the depths of feeling and come to know the process by which the writer's thoughts and emotions evolved and became expressed in language.

Belinsky put it well: "What is criticism? It is the evaluation of artistic works. Under what condition is this evaluation possible? Or more precisely, upon what rules should such an evaluation be based? On the rules of aesthetics, reply the illustrious scholars. But, where is the code book which contains these rules? Who promulgated it? Who ratified it? And who accepts it? Please show me the code book on art, the complete collection of rules and regulations on aesthetics and literature, in which the principles, like the principles of creation within the human soul, are eternal and unwavering, and whose provisions suit all conditions, form a neat and thorough system of laws and embrace the boundless and multifarious world of artistic activity."<sup>2</sup> Indeed, the infinite and mosaic world of art certainly cannot be embraced by a few simple criteria. So Belinsky called on critics to set aside their catechisms and infuse themselves with a keen aesthetic sense. He considered a keen poetic sense, the ability to appreciate artistic beauty, to be the most important prerequisite for art criticism. Only with this capability can one distinguish the true inspiration from the false, genuine expression from fancy language, and those writings which possess aesthetic vitality from those that are stuck in a rut. Clearly, only by possessing a keen poetic sense can a critic maintain criteria which have any significance or importance. Only then will he be able to avoid the danger of his criteria becoming a pedantic yardstick, and his criticisms becoming simplistic and vulgar. Belinsky explained: "Some critics, who are learned but lack aesthetic sense, belit-

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<sup>1</sup>"Appreciation," *The Essence and Elegance of Literature*.

<sup>2</sup>Belinsky, *Selected Works*, Vol. I, p. 221.

tle true talent which goes beyond their pedants' yardstick, yet laud to the skies those who are flashy word-mongers. That is why their efforts usually end in failure."<sup>1</sup> In seeking aesthetic criteria for art criticism, we reject the "pedants' yardstick," and call on critics to make their aesthetic judgement on the basis of their own aesthetic appreciation and in a way more consonant with the special nature of art.

Then from what angles shall we evaluate artistic works? Lu Xun once made a comment on this question which deserves our special attention. He said: "Have we ever seen, in the history of art criticism, a critic without a yardstick? No. They all have yardsticks, either beauty, truth, or progress."<sup>2</sup> If we further explore Lu Xun's thinking on aesthetics, we'll discover that these criteria which he cited seemingly at random are actually the aesthetic criteria which he consciously held to be most important. I believe that the three criteria put forth by Lu Xun — truth, utility (of benefit to social progress), and beauty — should be taken as the criteria for our socialist literary and art criticism. Our angle for observation of aesthetic value should be drawn from these three points, for any fine work of art should be a synthesis of truth, good and beauty. It should possess the value of truth, that which provides people with knowledge about the true aspects of life during a certain period; the value of utility, that which is beneficial to social progress; and the value of beauty, that which provides spiritual enjoyment. Only those literary and artistic works that harmoniously blend these three aspects can have lasting value. This is an objective law proven by the whole history of art and literature. In an artistic work, the three kinds of value are blended as well as independent. Our art criticism should therefore be conducted from the three aesthetic viewpoints separately but within a unified approach.

## I. The True

The first aesthetic criterion for art criticism should be authenticity. By this criterion we evaluate artistic works to see if they reflect some of the true aspects of social life of a particular period, and thus possess the value of providing people with a certain degree of knowledge about society. In scientific art criticism Lu Xun's criterion of "truth" must not be forsaken. One cannot make aesthetic judgements without considering the essential laws of art, and since the essence of art is its creative reflection of real life, one has to first examine how true the reflection is. To take authenticity as one of the most important criteria in the realm of artistic activity is absolutely correct. Lu Xun said that

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<sup>1</sup> *Ibid.*, p. 225.

<sup>2</sup> "The Critics of the Critics," *Fringed Literature*.

the vitality of art lies in its veracity. If we recognize this quality of being true as the lifeblood of art, then we should admit that it is an essential value upon which the existence of art itself depends. Art criticism can hardly attain a truly scientific level if it repudiates this value.

There is nothing really strange about taking authenticity as an independent criterion for art criticism. Many outstanding realist critics have done so. For example, Dobrolyubov thought that to truly reflect the life of a certain period is one of the most important kinds of value of art and literature. He said: "The main value of the writer as artist lies in the trueness of his descriptions. . . . We think that the primary value of artistic works is the truth of life in them. Therefore we must point out that yardstick which will enable us to determine the scale of value and significance of every literary phenomenon. If we can judge the depth of a writer's insight into the essence of phenomena, and the breadth of his command of description, then we can also determine the extent of his greatness."<sup>1</sup> Plekhanov highly praised Belinsky, Chernyshevsky and Dobrolyubov for their realist criticism of art and literature. When advocating that aesthetic criticism have a basis in sociology, he proposed: "If literature is an expression of the people's lives, then the first condition which criticism must demand of literature is authenticity."<sup>2</sup> Plekhanov held that the circle of Russian critics represented by Belinsky correctly evaluated Gogol and the Russian realist literature after him, because they took authenticity as the first and primary requirement in art and literary criticism.

Authenticity, according to Lu Xun, means that art, insofar as it reflects the reality of life, must be objectively honest so as to become a symbol of the life of a particular period. The artist's subjective feelings and the emotions which permeate a work must be sincere. The artist must pour into his work all the real feelings and true emotions that flow in his blood. The combination of truth in objective content and sincerity in emotion, or the harmony of "true image" and "genuine emotion," forms the basis of success for all good artists or schools of art. Only with this duality of truth can there be artistic beauty. Lu Xun, in his earlier years, recommended the Mara poets represented by Byron, because the outstanding characteristic of the romantic poets was the authenticity of emotion, that is, they broke through the confines of the classic style to express their beliefs directly. Lu Xun said that these so-called "monster" poets were in fact "truth-tellers," who "voiced complete sincerity and offered us goodness, beauty and vigor."<sup>3</sup> He held that only sincere emotion and true voice could entice people to the realm of beauty. After the May 4th Movement Lu Xun advocated realism. He appealed to writers to open their eyes, behold the dire

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<sup>1</sup> Dobrolyubov, *Selected Works*, Vol. I, p. 174.

<sup>2</sup> Plekhanov, *Selected Philosophical Works*, Vol. IV, p. 537.

<sup>3</sup> "On the Power of Mara Poems," *The Grave*.

state of affairs, face the dripping blood, and never to deceive or cheat. He criticized Plato's view that art was "quite a distance from reality."<sup>1</sup> He highly praised *A Dream of Red Mansions* for its realistic spirit of "true description without evasion."<sup>2</sup> During that period he advocated the combination of describing the real conditions of society and the true feelings of human beings.

Of course, authenticity, as called for by Lu Xun, does not simply mean naturalism, but is the integration of true detail with true essence, or placing truth within the typical artistic form. He said: "It has been said that the truth of art is not that of history. For the latter there must be facts, while for artistic creation one may compose and describe things that have not really happened, only the composition or description should be true to life. Yet, the grounds on which one composes or describes are all social beings. One will let the judgement on the present people and things develop and draw inferences from it as if making prediction, for later developments will prove what one writes."<sup>3</sup> This truth in art demanded by Lu Xun doesn't mean existing in fact, but means to take the many real persons and events and compose, infer and convey — that is, through artistic summation grasp the truth of "social existence," the typical truth. Hegel once said: "An artist is an artist because he recognizes the true and puts it into the correct form."<sup>4</sup> "Correct form" here is somewhat abstract. It can mean different things to different artists. The forms that can reflect the reality of life are diverse and are becoming more and more so with the progress of life and the creative labor of artists. But if we take "correct form" here as the typical artistic form and base it in materialism, then Hegel's opinion is both correct and profound. Artistic authenticity as called for by Lu Xun is really none other than truth placed in the typical artistic form. This is consistent with Marx's idea that realism not only requires true detail but also the portrayal of typical characters from typical environments.

The art and literary criticism of the classic Marxist writers was entirely scientific. Their critiques embodied a clear-cut political stand, but did not substitute political review for concrete aesthetic evaluation. Their artistic criticism was conducted strictly within the realm of aesthetics. In a letter to Lassalle, Engels clearly stated his criteria of criticism: "I set a very high standard for your work, that is, the highest standard, both from the aesthetic and the historical point of view."<sup>5</sup> In an article on Goethe he once again made clear his criterion, saying, "We criticize him not from a moral or from a party point of

<sup>1</sup> "The Enemy of Poetry," *Collection of Left-Out Writings*.

<sup>2</sup> *Historical Changes in the Chinese Novel*.

<sup>3</sup> "To Xu Maoyong, Dec. 20, 1933."

<sup>4</sup> Hegel, *Aesthetics*, Vol. I, pp. 343-44.

<sup>5</sup> "Engels to F. Lassalle, May 18, 1859," Marx and Engels, *Collected Works*, Vol. 29, p. 586.

view, but at the very most from the aesthetic and historical point of view; we measure Goethe neither by moral nor by political nor by 'human' standards."<sup>1</sup> Engels took the viewpoint of aesthetics and history as the "highest criterion" for art criticism, and stated explicitly that he was judging Goethe with the criteria of aesthetics and history, not with that of politics. This merits our attention. Because Engels founded his viewpoint of aesthetic evaluation within the category of "aesthetics" and not on the basis of "morality," "sectarianism" or "politics," he fully perceived the position of "truth" in the aesthetic evaluation of art, and took "authenticity" as a basic criterion for the evaluation of art. He not only demanded that art be authentic and possess true details, or true phenomena, but also demanded that artists typify existing phenomena and achieve harmony between true detail and true essence, and thus attain the authenticity of typical forms. His review of *City Girl* by Margaret Harkness was inspired by this aesthetic "authenticity." Engels fully affirmed the true details of this novel, an ordinary story of how a proletarian girl is seduced by a man from the bourgeoisie. In a realistic and plain style, Harkness described the influence of reactionary religious philanthropic organizations upon the masses. Engels praised the novel for its "realistic truth" and the demonstration of "a true artist's courage." However, Engels' demand for authenticity did not stop here; he also required that truth be put into the typical form. Besides true details, one must reproduce truly typical characters in a typical environment. Only in this way can realism achieve the level of "complete realism." *City Girl* has its shortcomings in this respect. Engels pointed out: "In *City Girl* the working class figures as a passive mass, unable to help itself and not even making any attempt to help itself." According to Engels, at a time when the fighting working class had been struggling for about fifty years, "it cannot be right" for the author to describe only the passive side of the working class.<sup>2</sup> Engels' view of *City Girl* offers us several guidelines: first, art criticism should be conducted within the realm of aesthetics; second, in the evaluation of art, the criterion of authenticity should be independent; and third, truth in art should be the integration of the true details of a phenomenon and the true essence of typical forms. A critic should neither use the requirement of true essence to deny the value of true details, nor abandon the requirement of true typification and be satisfied only with true details.

Lu Xun also carried out art criticism strictly within the sphere of aesthetics. In his system of criticism, the "yardstick of truth" occupies a very important place. He took knowledge value as a relatively independent value. He didn't use the appraisal of political value to substitute for knowledge value. He highly evaluated works that integrated true details with true essence such

<sup>1</sup> "German Socialism in Verse and Prose," Marx and Engels, *Collected Works*, Vol. 4, p. 257.

<sup>2</sup> "Engels to M. Harkness, April 1888," Marx and Engels, *Collected Works*, Vol. 4, p. 461.

as *The Rout* by Fadeyev, *A Week* by Libedinsky, *Iron Flood* by Serafimovich and *Cement* by Gladkov. He considered all of these "monumental novels." Let's take *The Rout* as an example. Lu Xun praised it highly because it realistically reproduced one side of the revolutionary reality of Russia during the period of the October Revolution. It genuinely reflected the fact that "in revolution there is not only blood and filth, but also the newborn infant." The novel not only realistically described the details of war, but also depicted typical characters like Levinson, who had emerged in an era of proletarian revolution. Lu Xun highly praised this kind of work in which true detail and true typification are integrated. Yet he did not reject those works that had not achieved this integration but still had true details. Lu Xun, like Engels, recognized the value of those works that provided true details, or true phenomena, in their knowledge of life, hence their vitality. Lu Xun thoroughly understood the internal laws of art, and, what's more, he was a very practical man. He understood that writers and artists can never reach a state of "pure essence," but can only reflect the phenomena in life that they themselves experience. He was not overcritical of writers and artists. He respected their realistic descriptions, but then called on them to provide phenomena of typical significance. If we call true phenomena or true details "truth of the first category" and true essence or truth of typical significance "truth of the second category," then the artistic authenticity that we seek should be an integration of these two categories. Clearly, when a work possesses truth of the first category, to the degree that it reflects the features of society, it possesses knowledge. Both Engels and Lu Xun affirmed the significance of "truth of the first category" and called on writers and artists to strive for "truth of the second category."

Lu Xun's analysis of the works of the so-called "fellow-traveller writers" is an example of artistic evaluation using this criterion of "truth." He knew that these writers, after all, did not belong to the proletariat that would fight to the very end. They were different from proletarian writers like Fadeyev. The degree of truth their works achieved did not reach that of works like *The Rout*. In reviewing *The Star-Flower* by Lavrenyev, one of the finest works of the "fellow-traveller writers," Lu Xun pointed out that the novelette "is still utterly different from works by proletarian writers. Reading it you would think that both church-goers and the Red Army men were material for the story; they were equally well portrayed and the author showed no partiality." Given the limitations of these authors' standpoints and world outlooks, it was impossible for them to truly portray typical characters of the Red Army men during the October Revolution period. In other words, it was impossible for them to reach the true essence. However, this novelette provided many true phenomena which gave it some knowledge value. Lu Xun said: "The story tells how a woman, long shackled, fell in love with a Red Army man and was finally murdered

by her husband. The descriptions of the customs and qualities of the common people, the landscape, the simplicity and honesty of the soldiers are all very touching."<sup>1</sup> Among the "fellow-traveller writers," Lu Xun introduced Yakovlev, because his works provided some true phenomena. In translating his works, Lu Xun wanted Chinese readers to have a glimpse of the conditions in Russia at that time. The ideological content of Yakovlev's works is not revolutionary. The "key to his art is nothing but brotherhood and conscience. It is very religious and in some places even admires the church."<sup>2</sup> *October*, his representative work, was full of gloom and despair, not a single character is an iron-willed revolutionary. Yet this work describes some aspects of real life which provide knowledge about society, and thus retains some vitality. Lu Xun pointed out that *October*, on the whole, describes only vacillation and regret, nary a single steeled revolutionary to be found in it, but people still read it "because it did not stray too far from the truth."<sup>3</sup> After translating *October*, Lu Xun was more explicit: "Our big newspapers even refused to advertise *Farmer*, a 'non-revolutionary' short story by the same author, because the title was taboo. Now I'm translating another novelette of his, the views of which are a bit more progressive. But it is still non-revolutionary. Its vitality, I think, lies in that he wrote what he could: the truth."<sup>4</sup>

In translating this work, Lu Xun's intention wasn't to propagate revolution, "but to let the reader know something of the conditions there at that time as a kind of informal history." So-called "informal history" is simply a record to provide people with knowledge about the features of a particular period, and can be seen as a kind of "mirror" or "sketch." In these critiques, it is clear that Lu Xun independently considered the work's knowledge value.

Because Lu Xun took the "yardstick of truth" as an independent criterion and the knowledge value of a work as a relatively independent value, he didn't equate political value with knowledge value. Lu Xun affirmed the merit of those works that had not much political value yet reflected some of the reality of the period and could be taken as a profile of the time. In reviewing *A Brief Ten Years* Lu Xun recognized artistic value precisely in this way. This petty-bourgeois novel, if evaluated with political criterion, was not worth Lu Xun's affirmation. Yet, if evaluated with the criterion of authenticity, it could still be used as a mirror of one niche of the reality of life at that time. Therefore Lu Xun said that the life of this book lay in its being true "without covering-up or embellishing," and thus it "became a mirror of the present and

<sup>1</sup> "Postscript to *The Harp*."

<sup>2</sup> "Postscript to *October*."

<sup>3</sup> "Postscript to *The Harp*."

<sup>4</sup> "Translator's Note to *October*," Addenda (Continued) to the *Complete Works of Lu Xun*.

a record for the future."<sup>1</sup>

The knowledge value of a work depends on whether it can be taken as a mirror of the present and a record for the future. This knowledge value is related to political value. For instance, mistaken political tendencies frequently prevent writers from accurately reflecting social reality. In other words, it prevents them from grasping the true essence of society. But, these are two different things. For example, some works that are defective or erroneous in political inclination can still reflect reality to a certain extent, or contain true phenomena which can provide knowledge of society. The special scientific nature of Lu Xun's literary criticism derives from the fact that he analyzed knowledge value and political value separately, drawing a clear distinction between them.

When in his earlier years Lu Xun reviewed some very complicated writers, like Artsybashev, his evaluations were never absolute: he neither totally confirmed nor totally denied the value in a work. His criticisms differed from those of the Soviet critics of that time. Even today his criticisms haven't lost their correctness. This is because his reviews were based upon a solid scientific foundation. Artsybashev had considerable influence upon the history of Russian literature, but he was an individualistic anarchist. And individualistic anarchist thinking was reactionary in terms of revolutionary democracy. Lu Xun perceived the problem of the political tendency in Artsybashev's works. In the postscript to his translation of *Shevyrev the Worker* Lu Xun said: "Artsybashev is a world-weary writer. In his melancholy, he has written a book shrouded in despair." The worker Shevyrev wasn't so much a worker as an unsuccessful old-type intellectual of the tsarist era, a hate-filled anarchist. He was sentenced to death but escaped by sheer luck. Nobody sympathized with him or dared to give him shelter. As a result, his weariness turned to hatred. His hate was total; in his malevolence he blindly sought vengeance upon society by wildly firing at the audience in a theater. From the political point of view Lu Xun saw through Shevyrev's ennuï, depression, pessimism and despair and knew that Artsybashev was a subjectivist writer and that the views of Sanin and Shevyrev were in fact his own. Lu Xun apparently did not agree with the writer's thinking as expressed through the character of Shevyrev. A reformer like Shevyrev, he said, "worked for society at first, yet society persecuted him and even tried to kill him. In the end he turned hostile to society and tried to avenge himself. He hated everything and tried to destroy everything. China does not yet appear to have such nihilists. China probably won't have such people, at least I certainly hope not."<sup>2</sup> Lu Xun also knew that Artsybashev's works "were not welcomed even in Soviet Russia," for they were not politically revolutionary. To a thoroughgoing revolutionary democrat, *Shevyrev the Worker* cannot be considered to

<sup>1</sup>"Introduction to *A Brief Ten Years* by Ye Yongzhen," *Three Leisures*.

<sup>2</sup>"Talks Recorded," *Bad Luck (II)*.

have any desirable political value. Yet Lu Xun translated this work and gave Artsybashev quite a high commendation. In his postscript to the translation he called him "a representative writer typical of Russia's new literature, belonging to the realist school. The profoundness of his depictions can be considered the best among his fellow-writers." Obviously, if Lu Xun evaluated this piece of work only from the political point of view, it would be impossible to get such a high commendation. The "profoundness" of Artsybashev's works does not lie in the progressiveness of his political thinking, but in the harsh truth exposed by his works and his cold but bold penetrations into reality, by which he reflected the profound darkness of old Russian society and a true profile of a reformer who had turned from illusion to despair and then to revenge. In Lu Xun's opinion Artsybashev was "realistic." Hence the value of his works from which we can know certain true phenomena of the old Russian society and, using this as reference, we can also more deeply understand the Shevyrev-type reformers of old China. Lu Xun said that Russia "strangely enough, has many things in common with China, the suffering of reformers and progressive representatives, for example." "I found, before and after the founding of our republic, we had many reformers who shared the plight of Shevyrev. So let's drink the borrowed cup of wine."<sup>1</sup> Lu Xun hoped that reformers of China would draw a lesson from the image of Shevyrev, but cast aside Artsybashev's wrong political tendency and not be plunged into despair. Lu Xun scientifically evaluated the author in terms of the knowledge value of his words. Artsybashev's wrong political tendencies and his later opposition to the Soviet regime did not cause Lu Xun to simplistically negate the total value of his works and label him a "reactionary."

Of course nobody would think that Lu Xun was promoting Artsybashev's works. Then why do we cite this as an example? We want to point out that Lu Xun, a great revolutionary with sharp political vision who usually demanded political value of art, never make unilateral political criticisms. He understood that the science of art should comprehensively and meticulously analyze the connotations of every work, instead of using some magical political mirror to determine whether a work is a fragrant flower or a poisonous weed. In emphasizing the independent significance of the criterion of authenticity we are not advocating works that are merely realistic but lack political significance, or works that have only true details but lack true essence. Clearly we can only recommend works which combine the two. To be more explicit, we mean that political significance should not be equated with authenticity. Political value should not be considered the only value of literature and art, thus subsuming everything within the political criterion. And we should not casually dismiss works with true details though lacking true essence, thereby negating the certain degree of artistic and knowledge value that exists in a work.

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<sup>1</sup>"Talks Recorded," *Bad Luck (II)*.

Lu Xun considered "authenticity" an independent aesthetic criterion. This is the only scientific way by which can we realistically analyze the myriad and complex phenomena in literature. Let us take for example the long narrative poem, *Song of a Qin Lady* by Wei Zhuang, a poet of the Tang Dynasty (618-907). This poem tells about the fierce fighting between the "imperial forces" and the Huang Chao rebel troops after they took the city of Chang'an, as seen by a woman who had lived among the rebels for three years. Wei Zhuang, a landed aristocrat, was hostile to the peasants' uprising. He maliciously exaggerated the "ruthlessness" and "brutality" of the peasants' revolution. Thus, the political inclination of the poem is quite mistaken. However, because the poem left behind a unique record of the era of the Tang Dynasty peasants' revolution, many historians of literature do not simplistically negate it. From it people can see very concretely and vividly the acute class contradictions and intense struggles within Chinese society at that time. From it people can also see how the ruling class coped with the changes of events and the abyss of misery in which the people were living. The poem makes a substantial contribution to our knowledge. It would not be right if we wholly rejected this long poem because of its political inclination.

*Romance of the Three Kingdoms* is another good example. If we look through the lens of political criticism, we cannot deny that this great novel has very strong orthodox feudal views. It sings the praises of feudalistic loyalty to the sovereign, opposes and slanders the peasants' uprising of the Yellow Turbans, and advocates theocracy, feudal superstition and the notion that heroes are the makers of history. It would be ridiculous, however, if we reject the novel just because of this. It realistically and vividly portrays the fierce scramble for power and profit among the feudal political and military cliques of Wei, Shu and Wu during the Three Kingdoms period in Chinese history, and provides a panoramic sense of that period. Its tremendous knowledge value far surpasses that of many history textbooks. Obviously, if we ignore the criterion of "authenticity," we would be unable to give the novel its proper place in history. *The Travels of Lao Can* is another novel still worth reading today. In exposing the truth of the social reality during the late Qing Dynasty, it, too, possesses considerable knowledge value. If we view it only politically, we would have to conclude that it must be banished to hell because it opposes the bourgeois democratic revolution and the Yihetuan (Boxer) Movement and defends the autocratic rule of the Qing Dynasty.

It is impossible to scientifically evaluate these literary works of the past if we examine them with political standards instead of the criterion of authenticity. It would be even more dangerous if political criterion deteriorated into the narrow ultra-Left form of so-called proletarian class nature which prevailed in the past. Ultra-Leftism leads to such absurd formulas as "non-proletarian art is reactionary art" and all the works of past times are com-

pletely rejected as things of the feudal and bourgeois classes. This, in turn, leads to complete nihilism towards the legacy of Chinese and foreign literature. The Gang of Four negated all Chinese and foreign classical works of art without exception on the charge that they were "famous, foreign and ancient" or "feudal, bourgeois and revisionist." Works of the Renaissance and Enlightenment and works of critical realism were all sentenced to death. Yao Wenyuan instigated his writing group to concoct the article "Advocating Bourgeois Art Means Restoring Capitalism,"<sup>1</sup> in which all art of the Renaissance and Enlightenment and all art and literature of the critical realist school were convicted of the crimes of "preparing the public for capitalism," "hoodwinking the laboring people" and "upholding the exploiting system." A great number of works which had played a very important role in the course of progress of human society and had been loved and highly evaluated by the teachers of the proletariat were all banished to hell. The Gang of Four, of course, had their despicable motive in trampling on civilization. But from the viewpoint of art criticism, their anti-scientific nature lies in that, under the most revolutionary banner of the proletariat, they used an absolutely absurd political criterion to totally negate the art of past times. They made political criterion absolute and this led to total nihilism. This experience constitutes an especially abnormal phenomenon in the history of Chinese literary criticism and a grave lesson for critics to keep in mind.

## II. The Good

Another criterion for art criticism is social utility. This criterion includes what we usually call political criterion, but its field of vision is much wider than the latter. This criterion reflects another basic law of the beauty of art — that any type of beauty in art should be of benefit to the advancement of mankind and society. This is what Lu Xun meant by "criterion of progress."

The history of art tells us that labor came before art; people first regarded objects and phenomena from the viewpoint of utility, and then observed them from the viewpoint of aesthetic value. In other words, people first looked at things from the angle of their utility value, and only later began to appreciate their beauty. Other than its function as a mirror of society, there are two basic reasons for the possibility and necessity of art: its aesthetic value and its utility value. That is to say, art as one of the social ideologies, just like morality, law and science, serves the practical social activity of mankind as a powerful instrument for transforming the world. As Lu Xun said when summarizing the essence of beauty: "All of those things which man regards as

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<sup>1</sup> *Hongqi*, No. 4, 1970.

beautiful are at the same time of use to him because they have meaning in his struggle against nature and society for survival."<sup>1</sup> Art's utility value is sometimes obvious and sometimes not, but even when it seems to be non-existent, it is there. At the primitive embryonic stage of art, the connection between man's sense of beauty and use value was quite clear — a simple and crude direct connection. When art reached a higher, sophisticated stage, this connection became somewhat veiled, sometimes even concealed — a truly complicated process with many intermediate links. The utility value of art of which we speak today is no longer the simple, vulgar, narrow and ultra-direct social utility value. It is a broad and lofty use value which attains expression only after having passed through a series of intermediate links, the most important of which is "beauty." Having rejected vulgar and narrow utilitarianism, the social utilitarian value sought by art should include:

- 1) that which is beneficial to man in his struggle with evil forces, in propelling the practical activity of social reform.
- 2) that which increases man's knowledge, expediting man's subjugation of nature and enhancing civilization.
- 3) that which can mould man's soul to enrich the spiritual life of man and society, and elevate man's self-esteem, spiritual plane and moral attainment.

In a classless society man's sense of utility naturally does not incorporate class interest. When society became divided into classes and men found themselves in different class positions, their concept of utility became class branded, and politics became the concentrated expression of class material utility. Writers of every class make use of literature to express the will, aspirations and ideals of their own class, and even use literature as a special weapon for class struggle in order to attain the goal of transforming society in the image of their own class. In the science of art, the proletariat does not conceal its point of view, but declares openly that consideration of political utility value should occupy an important position, and demands that art and literature act as instruments capable of transforming society, and fulfill their role of propelling social progress. The proletarian world outlook is dialectical and historical materialism: art and literature are always connected with the various stages of historical development. Thus, under certain historical conditions, for instance, when class and national contradictions are particularly acute, proletarian art and literary criticism more strongly emphasizes that art and literature should form a wing of the proletarian political struggle. But the ultimate goal of the proletariat is to eliminate classes. It regards class society as only a stage in the historical development of mankind, and art and literature must surmount this stage and develop along with society. After this stage, art and literature still

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<sup>1</sup> "Preface to the Translation of *On Art*," *Two Hearts*.

retain their function of serving social transformation, but they no longer function as tools of class struggle.

The social utility value of art and literature is pluralistic. The political value which serves to transform society is only a part of the total social utility value of art and in no way reflects its total value. The utility value of art also includes the value of serving to transform man and enhance civilization. Thus, in the science of art and literature, we must assign political criterion to its correct position: it is an important part, but not the whole, of the social utility criterion. If we don't allow political criterion to replace everything else, then our criticism can conform more to the laws of art and literature themselves, and reflect more comprehensively and accurately the other kinds of values which exist outside political value.

We should face the fact that art plays an important role in raising the social and cultural level of mankind. In ancient times when people's lives were comparatively simple, art "knew more about the names of birds, beasts, grasses and trees." Today, when the content of life has become incomparably rich and variegated, art can enrich man's knowledge in all fields, stimulate people's thoughts so that mankind can make continual progress towards ever higher stages of culture. In Plekhanov's essay "Chernyshevsky's Views on Literature" which was translated by Lu Xun, Plekhanov, in response to the question "What good does art bring to mankind?" said: art has a kind of "great significance in that it spreads a tremendous amount of knowledge among those who are interested in it in one way or another; it makes people recognize scientific concepts."<sup>1</sup> The complete works of a great artist often has qualities of the spiritual substance of an encyclopedia, and it adds riches to the world's cultural treasure-house. The works of Lu Xun possess this spiritual substance.

Lu Xun spoke highly of the famous Dutch poet and essayist Von Aiten, and translated his philosophic fairy tale *Little John*. Lu Xun spoke of the tale as "a poem without rhythm, a fairy tale for adults. Because of the author's vast knowledge and sensitivity, it goes beyond being an ordinary fairy tale for adults."<sup>2</sup> When somebody suggested that Lu Xun should receive the Nobel Prize, he replied: "As to the Nobel Prize, of course Liang Qichao doesn't deserve it, and neither do I. I didn't work hard enough to earn this money. There are countless authors in the world who are better than I, and they never got it. I could never write a book like *Little John*, which I translated, and yet the author never got the prize."<sup>3</sup> What is the critical cri-

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<sup>1</sup> See Plekhanov, "N. G. Chernyshevsky," *Selected Philosophical Works*, Vol. 4, p. 355. See Lu Xun's translation: "Chernyshevsky's Views on Literature." *Addenda to the Complete Works of Lu Xun*, p. 220.

<sup>2</sup> "Introduction to *Little John*."

<sup>3</sup> "To Tai Jingnong, September 25, 1927."

terion by which Lu Xun spoke so highly of *Little John*? Lu Xun especially emphasized the "vast knowledge" of the author, or the knowledge value of his work. This fairy-tale prose poem, a mixture of realism and fantasy, sings the praises of the natural beauty of the Dutch landscape by describing the dreams and adventures of the hero, Little John. It personifies flowers, plants, birds and insects, and lets them experience communion with all sorts of strange creatures. The little hero's adventures express his unquenchable thirst for knowledge. This kind of literature is not only absorbing, but also gives the reader a sense of knowledge and philosophy.

As society progresses, the social utility value of art becomes more and more important. In modern society, science has penetrated into all spheres, and plays an ever bigger role in social progress. Therefore, art and literature which reflect reality cannot but incorporate this reality. Take science fiction for example. Lu Xun was the pioneer in introducing science fiction to China. In the early twentieth century, when foreign detective and love stories filled our book markets, Lu Xun translated *From the Earth to the Moon* and *Voyage to the Center of the Earth*, both written by Jules Verne. These books exerted a healthy and beneficial influence on our youth. Following the tremendous advances in science, contemporary Western science fiction, when compared with that of Jules Verne's time, has made huge progress. In the scientifically and technologically advanced countries, science fiction has become more and more popular. In the West today there are publishing societies, author associations and international prizes exclusively devoted to science fiction. There have been many innovations both in intellectual content and creative method. There are some serious science fiction writers who differ from those who aim to titillate their readers with fantastic thrillers. These serious writers, who are especially popular, take social and scientific reality as the basis for their novels and produce true literary works.

We cannot on any pretext cast aside science fiction. Science fiction serves to attract young people to the field of science and to stimulate people's quest for truth and for the unknown. Besides, it also inspires people to think scientifically, widens people's train of thought, and increases people's knowledge of science. The works of Jules Verne and other works such as Fabre's *Souvenirs Entomologique* introduced and recommended by Lu Xun, as well as the current *Devil's Delta* and *UOS* and other thousands of excellent science fiction novels are all of benefit to social progress, and their social utilitarian value cannot be ignored.

Art and literature have another important social utilitarian value, which is that it can enrich man's spiritual life, mould and refine man's soul, raise man's moral standards, and arouse his sense of dignity, so that he can continuously liberate himself from bestiality and outmoded thinking and morality. In regard to this point, Lu Xun in his early days as a writer before he had mastered the social utility law of art, realized, just from the practical point of view,

that art had this function. Lu Xun believed that if our nation were to be rejuvenated, the key was to "erect man," and only after the uplifting of man could the country be erected. Art and literature could play the role of erecting man because they could mould man's spirit. He pointed out in "On the Power of the Mara Poems" that "It is the duty and role of essays to cultivate man's spirit and thought." What he meant by cultivation was to mould and refine people's spirit. In 1913, he pointed out in "Suggestions for the Planned Dissemination of the Fine Arts" that the fine arts had the functions of "expressing culture," "complementing morality" and "assisting economy." With regard to "complementing morality," he explained: "Although the aim of the fine arts is not completely the same as that of morality, they can deepen a man's character, heighten his self-esteem and complement the influence of morality."

"Cultivating man's spirit and thought" means to beautify people's souls. This is an important goal of art indeed. Gorky said: "The aim of literature is to help people to understand themselves, heighten their belief in themselves, develop their aspirations for truth, fight against vulgarity, search out the good in people, and arouse in their hearts shame, anger and bravery, so that they will strive to turn themselves into beings lofty and strong, who are capable of encouraging their lives with the sacred spirit of beauty."<sup>1</sup> Comrade Zhou Yang also viewed the functions of art and literature in the same way: "The aim of art and literature should be to influence people's mental outlook, to mould man, to transform him and form the mental outlook of a generation or several generations, so that they become the cream of our country and nation or the representatives of our country and nation. This is the aim and role of art and literature."<sup>2</sup>

Among the various social utilitarian values of art and literature, to stimulate man's lofty spirit and to arouse his self-dignity are indeed basic. In this lies the special mission of art and literature. When Gorky said that literature is the "study of people," he not only meant that the object of literature is people, living and breathing people, but also that its main function is to arouse man's self-esteem, to influence his soul, and thus play its special social role. When a nation wants to raise the level of its science and culture, it has mainly to rely on science and education, but when it wants to raise the level of national self-esteem and morality, it must rely on art and literature. Through their tremendous artistic appeal, art and literature exert an imperceptible influence on the souls of millions of people, stimulate the power of beauty in their internal spirits, and raise their spirit to an even loftier plane. This no other ideology can accomplish. Art and literature also serve political struggle, but this is not their specialty, for in this regard they cannot even compete with jour-

<sup>1</sup> *Gorky on Literature*, p. 11.

<sup>2</sup> "Liberate Our Mind and Seek Truth from Facts," *Wen Hui Bao*, February 26, 1980.

nalism or the other social sciences. Art and literature also serve science and culture in that they enrich people's knowledge, but this again is not their specialty; in this regard, they can compete neither with education nor with scientific research. Thus, the main social utilitarian value of art and literature should be chiefly manifested in their capacity to mould and refine people's spirit and morals. Socialist art and literature should serve to mould a new outlook, a new character, and new thoughts and feelings among the socialist people.

Some comrades say that the value of art in complementing morality and moulding man's soul is a political value, so it can be wholly measured by the political yardstick. Actually there are connections but also differences between moral and political content. We admit that quite a lot of moral content has class character and political significance, but not all moral norms have them. Morality is marked by the duality of universality and particularity. In a class society, the attribute of morality generally possesses the particularity of a certain class. Concepts of morality are generally expressed through class concepts of good and evil. But human history has left its heritage: human society has gradually accumulated certain universal and permanent moral standards and norms. For instance, progressive groups of people of every period and every society seek after the true, the good and the beautiful, and affirm the moral virtues of courage, sincerity, wisdom, honesty, loyalty, kindness, readiness to help others and respect for the truth. All affirm the joy of pure love and sincere friendship. All recognize the immorality of falsehood, treachery, deceit, theft, cowardice, arbitrariness, cruelty and betrayal of one's country. Universal moral norms are expressions of the universality of morality. No nation can afford to discard these fine common moral qualities. The proletariat must teach the younger generations how to correctly handle life, labor, love and marriage, and how to respect their teachers and elders. Some moral norms which have proved to be good among mankind must be affirmed. The fine moral spirits of courage, modesty, diligence, courtesy and respect for truth, etc., should be fostered among children and adolescents. The fostering of such qualities is quite different from political education and education in class struggle. Some works of literature, such as the fairy tales and fairy-tale poems of Grimm, Pushkin and Anderson and the fables of Aesop and Krilov appeal to people of all periods. The proletariat also uses them to nurture the younger generation. If we stubbornly insist on using political standards to weigh the value of these works, we would end up negating them in a summary fashion. But if we adopt the social utilitarian norm to measure their influence in fostering fine moral qualities, their considerable value becomes very clear.

Socialist art and literature should serve proletarian politics, but this is not their only utilitarian aim. Their utilitarian aim is much wider. Under certain historical conditions, for instance, when class and national contradictions are acute, and political struggle has become fierce, it is

not wrong for the proletariat to emphasize politics in its concept of the value of art and literature, and it is also correct for the proletariat to demand that art and literature form a wing of the political struggle in the service of proletarian politics. In the thirties, the Left-wing cultural movement with Lu Xun as its standard-bearer criticized various bourgeois arguments that art and literature can transcend politics. The movement regarded literature as a tool for transforming society and as a wing of the proletarian political struggle. All this reflected the practical requirements of the proletariat and was totally correct. But Lu Xun never abandoned the other values of art. While emphasizing their political value, he never degraded art and literature as the mere stuff of propaganda. The science of art demands that art not only focus on the political utilitarian value of art, but should also pay attention to its economic, cultural and moral utilitarian values. Hence it is not necessary to make "art for the sake of serving proletarian politics" the general slogan of socialist art. When we weigh the value of socialist art, we should start from real life, from the fact that art has many-sided social values. In this way we can better let a hundred flowers of socialist art blossom, and allow authors and artists more freedom to give full reign to their creative powers to serve the people and socialism from all angles.

### III. The Beautiful

Artistic pursuits are an aesthetic activity, a creative process which produces "beauty." If we compare art with other ideologies such as science or morality, its unique characteristic emerges: art must possess the value of beauty. The other values of art — knowledge and social utility values — must be expressed through the form of beauty. If art should lose its value of beauty, then all its other values would also be lost. Plekhanov agreed with Chernyshevsky that historically there had never been an artistic work which expressed the sense of beauty in its absolute purity. Art always not only expresses the "sense" of beauty, but at the same time expresses man's other aspirations (the pursuit of truth, love, etc.). But Plekhanov felt that Chernyshevsky had neglected to point out that man's other social utilitarian pursuits must all be expressed through the sense of beauty. "The task of scientific aesthetics" is mainly to explain: "*how man's other pursuits are expressed in his concept of beauty, how these pursuits, which change in the process of social development, cause the 'idea' of beauty to change also.*" Plekhanov brilliantly pointed out: "Let us suppose that an artistic product, in addition to a sense of beauty — not solely relying on a sense of beauty — also expresses certain moral and practical desires. Then a critic has the right to focus his attention on such desires, and to put aside the question of to what degree these desires have attained their own artistic expression. When criticism is carried out in such a way, it necessarily will have

the character of moral preaching.”<sup>1</sup> Plekhanov has quite clearly explained the relationship between the concept of beauty as expressed in art and the other aims pursued by art. If the other functions of art do not rely on the sense of beauty to express themselves, then art loses its special characteristic and changes into moral preaching. Lu Xun, evidently influenced by Plekhanov, never denied that art had utilitarian pursuits in propaganda and education, but he strictly demanded that these pursuits must be housed in the form of beauty. He warned again and again that artists must never forget that art is art basically because of its “beauty.”

Lu Xun asked: “What is art? It seems very abstruse. Not really. Art cannot depart from life in society. Take a bowl for example. It was originally white porcelain, but we paint on it the three winter friends — the pine, the bamboo and the plum blossom — and then we add a chrysanthemum or write on it characters like ‘a true gentleman.’ The white bowl originally could be used, why must one paint pictures and write characters on it? Because by so doing it looks beautiful; so this is called art, and art is not something difficult to understand.”<sup>2</sup> This passage spoken by Lu Xun contains a simple profound truth: art must give people a sense of beauty.

Then, what is the norm of the sense of beauty in art criticism? Many scholars of aesthetics have explored the concept and essence of beauty. They have offered a number of definitions and discovered a few rules. Sometimes they look to the structure of things, and consider beauty to be the unity of diversity; sometimes they focus on human feelings, and consider beauty to be all things which give people “joy,” special emotions, or a “moderating” attitude; and sometimes they look to the relationship between things and people, and consider beauty to be all that causes people to make mental associations with real life. But none of them has laid down a norm of the absolute beauty of art, so that people can create artistic beauty accordingly. Artistic activity is man’s most complicated emotional activity. It is a creative activity rich in individuality. As people’s social positions differ, so do their experiences and mentalities. Therefore their feelings towards beauty also vary widely. People’s feelings for beauty are very subjective. In the history of literature, the formation of different creative schools, and the growth of all sorts of different artistic styles within the same school are all related to differences in the understanding and appreciation of beauty among writers and artists. Critics are also governed by their own views on aesthetics. Every critic makes demands on artistic works using his own aesthetic viewpoint. Differences in the norms of the sense of beauty among critics of different schools can be very great. There is nothing strange in this. In the science of art, it is only strange when

<sup>1</sup> Plekhanov, *Selected Philosophical Works*, Vol. IV, pp. 360-61.

<sup>2</sup> Chen Guang, “Memories of a Talk with Lu Xun.”

one tries to make the norm of beauty absolute. Lenin said: "There is no question that literature is least of all subject to mechanical adjustment."<sup>1</sup> It is indeed impossible to set up uniform and accurate norms of the sense of beauty in art. By norms we mean those general characteristics that form the key elements of artistic beauty, which exist objectively and are recognized by the majority of creative artists.

Then, what are the essential characteristics of artistic beauty? Where hides this tremendous power which can stimulate people's aesthetic sense? I think that among the many characteristics of beauty, two are basic: specific imagery and emotion. It doesn't matter whether the author belongs to the realist or romantic school, or whether he has other aesthetic tendencies, he cannot depart from these two basic characteristics in the creation of beauty.

Lu Xun was agreeing with Plekhanov when he said: "The singularity of the enjoyment of beauty lies in its directness."<sup>2</sup> "Directness" means that an image can be seen, felt or touched. More explicitly, it means that beautiful things do not exist in the abstract, and that the engendering of a sense of beauty does not depend on logical or scientific reasoning. On the contrary, an artist's cognitive activity in regard to actual life is always connected with things that are concrete, vivid, and that can be felt and known. In short, when a writer creates reflections of real life, he always speaks and expresses himself using concrete, vivid and tangible images.

This basic characteristic of the appreciation of beauty, which Lu Xun calls "directness," is in fact simply the intuitive sense of beauty. Plekhanov does not deny the existence of aesthetic intuition, he only explains that behind this seemingly intuitive individual psychological form hides a utilitarian and logical basis. Plekhanov is not like bourgeois aesthetic scholars, who regard intuition as a mysterious feeling of animal physiological instinct which has absolutely nothing to do with utility. It is correct to recognize aesthetic intuition. It is true that when people see a beautiful image or read an excellent work of literature, they often will gasp in admiration without thinking. Delight in beauty can be engendered in a flash, and judgement on whether something is beautiful can even be made instantaneously. This kind of delight and judgement of the appreciation of beauty is not the result of much pondering, nor is it mixed with narrow personal utilitarian calculations. It is an impression born of intuition. This kind of intuition is a sort of direct understanding bestowed by images. Thus, the intuition of the sense of beauty is actually the image reflection of the existence of beauty, and specific images are the objective basis of directness in the sense of beauty.

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<sup>1</sup> V. I. Lenin, "Party Organization and Party Literature," *Collected Works*, Vol. 10.

<sup>2</sup> "Preface to the Translation of *On Art*," *Two Hearts*.

The power to stimulate people's appreciation of beauty is contained in artistic images. To abandon images is to abandon art. The key to art and literary criticism is to start from specific images, or to start from the sense of beauty caused by images, and analyze whether the images are true, whether they are typical, and analyze the characteristics and manner of expressing the sense of beauty in images. The most serious mistake of our criticism in the past was to start from certain principles, tenets and concepts rather than from images.

Another characteristic of the sense of beauty in art is its emotionalism. The emotional factor is the most active among all the factors (e.g., imagery, fancy and idea) of which the sense of beauty is composed. The emotional factor is also the most important characteristic differentiating art from science. This characteristic is even more important than imagery. It is only through the medium of emotion that the imagery of art can move the heart of a reader. Only through the medium of emotion can images evoke a sympathetic response from the reader. Some artistic works, political lyrics, for instance, often lack imagery, but they can make people feel beauty because of their internal emotion. Without sincere and ardent emotion, there won't be any real art and literature. In art, indifference is a more fatal weakness than vague imagery, obscure language or clumsy construction. There is only one realm, the realm of emotions, in which authors and artists know better than scientists and politicians the complexity of man. In the realm of emotions writers and artists discover man's secrets and his inner world.

Of course, not all expression and display of emotion are beautiful. As Lu Xun said, the first cry of a new-born baby is an outbreak of feeling but it is not a poem. Only when an artist takes emotion as his object, experiences it, recognizes it, and contains it within a definite form does that emotion become poetry capable of evoking a sense of beauty. In the words of Belinsky, the genius of art "is an *intuitive* ability to use feelings poetically to inherit realistic impressions, and through imaginative activities to make them reappear in poetic imagery."<sup>1</sup>

Lu Xun paid special attention to the emotional element of art and literature. Early in his career, he pointed out the difference between academic writing and literature: one was "to stimulate people's thoughts," the other "to enhance people's feelings." In 1925, in his "The Enemy of Poetry," he discussed the emotional element as a special feature of the art of poetry. He agreed with the Japanese critic Hirohi Ichiro that the intellectualists and religionists who freeze their emotions and trust in intellect and philosophy to judge poetry are the "enemies of poetry." Later he stated unequivocally: "only those who can both love and hate can write literature" and called on writers to embrace their love and hate with passion. Lu Xun demanded that the emotion of art and literature

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<sup>1</sup> "Foreign Theoreticians and Authors on Thinking in Images," p. 74.

be not only ardent, rich and sincere, but also reserved — emotions with a kind of contained inner heat. It's not like the wanton flooding when the Yellow River bursts, but like the thermal heat of the undulating fiery flames of the lava hidden under the earth's crust. It doesn't cause people to feel naked excitement, but infects the very depths of people's souls. Lu Xun said: "I don't think it's suitable for a person to write poetry when his emotions are at the burning point, otherwise he will make too glaring a display of his emotions and kill the 'poetic beauty.'"<sup>1</sup> It is clear that Lu Xun did not advocate the spraying of emotions at will. He thought that strong feelings should be refined and filtered, and then compressed into the succinct artistic form. This is not to lower the heat of the feeling, but to preserve its warmth for a longer time. Thus, it is not enough just to make a general demand for emotions in art and literature; the demand must be for feelings that are reserved and vital, in a word — profound. Only this kind of inner emotion is genuine emotional beauty.

If we can grasp the special emotional characteristic of artistic beauty, our aesthetic judgement will more accurately reflect artistic laws, and we will be able to more accurately assess the beauty value of an artistic work. For instance, if we look from the emotional aspect of aesthetics, we would feel that Tolstoy's *Anna Karenina* is more successful and has more aesthetic value than his *Resurrection*. And we would also conclude that both of these novels are richer in artistic feeling than Chernyshevsky's *What Is to Be Done?* In the case of Lu Xun's works, the ideological and artistic power we feel from the emotional outpourings of the "Madman," the miseries of Kong Yiji and Xianglin's Wife and the changing fortunes of Ah Q is much stronger than in his more abstruse stories such as *The Story of Hair* and *A Happy Family*. The former stories can better make us feel that Lu Xun is a great thinker and man of letters. The depth of thought in Lu Xun's essays is generally known, but their great aesthetic value has not yet been widely recognized. It is true that many of his essays talk in images, with truth hidden in them, and these images are often highly symbolic. However, many of his essays don't have much imagery but do have considerable aesthetic value. The secret of these essays is that they don't resort to lecturing, but instead appeal to emotions. This sort of inner emotion is a kind of strong and profound love for the people. Sincere and deep love for the people is the blood which flows through all of Lu Xun's writings. It imparts to his works a great and lofty emotional beauty, the beauty of human sympathy.

Art can only evoke a sense of beauty when it has the characteristics of concrete imagery and emotionalism. But when a certain image or emotion is endlessly repeated, it loses its lustre and degenerates into a fixed pattern. Images and emotions which have become formularized generate a feeling of dis-

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<sup>1</sup> "Letter 32," *In Two Places*.

gust which can completely overwhelm any latent sense of beauty that might have existed. Thus, in aesthetic criticism, we must pay special attention to originality. In this regard, art criticism is similar to the evaluation of the results of scientific research. Generally speaking, when estimating the value of the results of scientific research, we look to see if it has discovered or created something new, whether it has contributed some new technology or provided an answer to what was previously unknown. When estimating the value of art, we should also look to see if the artist or writer, in describing the reality of social life, portraying typical images or revealing inner emotions, has expressed some new style, technique or flavor. A valuable artistic work always contains artistic discovery or creation and adds new foliage to the world of art. By freedom of art we mean the recognition and control of basic artistic laws by artists. Given adherence to the basic laws of art, art can create freely. Artistic expression should be allowed to develop in thousands of different ways; a hundred flowers should be allowed to blossom and compete. It is unimaginable that a valuable artistic work could be mediocre or lack creativity. A valuable artistic work always has something special or innovative, something new either in the choice of subject, conception of plot, technique, character portrayal, use of language, or artistic style. The basic difference between artistic and scientific creativity is that artistic creation includes man's individuality, whereas scientific creation can even be said to exclude such individuality. Therefore, the creation of artistic beauty has more flexibility and requires a greater degree of freedom and originality. Without originality there can be no art.

When Lu Xun appraised the aesthetic value of art, he paid special attention to creativity. During the May 4th Movement, he pointed out that without a maverick to break through all the traditional thoughts and methods, there could be no truly new art in China. Lu Xun felt that the artistic value of *A Dream of Red Mansions*, stems from its success in breaking away from the traditional pattern of "describing a good man as all good, and a bad man as all bad." The book achieved important artistic innovation by overcoming uniformity of characterization and creating realistic characters. Lu Xun rarely minced words: "Some people say that poetry and novels are works of genius, so there's no harm in a bit of uniformity or similarity in the views expressed. But I still believe that originality is better."<sup>1</sup> He also said: "Imitation and reliance on prototypes can never produce real art."<sup>2</sup> Lu Xun firmly believed that life is not something pieced together, it is creation, creation by millions of living people; and art is an even more complicated creation by living people using their own thoughts, feelings and wisdom. To say that art is "good when it is original" is scientific. Lu Xun's stories and essays are highly original. He

<sup>1</sup> "Not a Letter," *Bad Luck* (II).

<sup>2</sup> "Notes on an Exhibition of Soviet Graphic Art," *Essays of Qiejieting* (III).

wrote many short stories, and in technique not one of them is exactly the same as another. In his essays he combined poetry and political commentary and made a unique and innovative contribution to the art of commentary. Lu Xun was a pioneer and a master of artistic creation.

The originality of any outstanding artist is judged by comparison not only with writers of the past, but also with his contemporaries (including those in his own country and abroad). It should even be judged by comparison with his own works. If artistic production, whose labor is highly individualistic, falls into repetition and reliance on prototypes, it relinquishes its power to evoke sympathy, and consequently loses its artistic appeal. There has been an endless stream of sequels to *A Dream of Red Mansions*, e.g., *A Later Dream of Red Mansions*, *Sequel to a Dream of Red Mansions*, *An After Dream of Red Mansions*, *The Continued Dream of Red Mansions*, *An Added Dream of Red Mansions*, *A Repeated Dream of Red Mansions*, *An Illusory Dream of Red Mansions*, *A Happy Dream of Red Mansions*, etc. But they are all worthless and in very poor taste. They all tried to follow in the footsteps of *A Dream of Red Mansions*, but actually they lagged thousands of miles behind. There is also the book, *Romance of the Three Kingdoms*, whose artistic value is inferior to that of *A Dream of Red Mansions*, mainly because it did not, like the latter, completely challenge the tradition of uniformity in characterization. But it "really has many good points," of "considerable value," because as a historical novel, it is also a work of originality. As to its numerous later imitations, e.g., *The Romance of the Opening*, *The Romance of West Han*, *The Romance of Early and Late Tang* and *The Romance of Qing History*, most of them are of little value because they rely on prototypes and imitation. There's also the *Pilgrimage to the West*, a unique tale about human-like demons, which artistically breaks fresh ground. But *Later Pilgrimage to the West* and *Sequel to Pilgrimage to the West* which followed are pretty worthless artistically because, as Lu Xun said, they "cannot shake off the old pattern of the original book."<sup>1</sup> Lu Xun clearly placed a high value on originality.

At one time, we had a certain bias in our concept of the value of art. We did not recognize that the "enjoyment of beauty" itself is one of the values and goals of art. If this bias continues to hold sway, then even though a critic might acknowledge the criterion of beauty, he is bound to lower his requirements for beauty and underestimate the aesthetic value of artistic works.

The fact is, in addition to reflecting reality and inspiring people to transform their lives, another aim of art is to provide "enjoyment of beauty," to satisfy people's spiritual needs. Thus, while we admit that art has some of the properties of a tool, we oppose the notion that artistic beauty is nothing but a means or a tool. Art is itself a product, and has a purpose of its own. Marx

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<sup>1</sup> *Historical Changes in the Chinese Novel.*

said, "Labor created beauty."<sup>1</sup> He also said: "Art objects — like all other products — create a public which is sensitive to art and enjoys."<sup>2</sup> Here Marx regarded the creation of beauty as one of the goals of artistic production, and regarded artistic "beauty" as a kind of "product." This kind of product can be used as a mirror of life, a spiritual force to push society forward, and as spiritual food to satisfy people's need for enjoyment. To acknowledge the "enjoyment of beauty" as an objective of art is of great importance in our scientific evaluation of artistic value.

Lu Xun was consistently opposed to art for art's sake, and stressed its social utilitarian objective. But he recognized that the "enjoyment of beauty" is also an objective of art and literature, which exists independently side by side with the other objectives. In his early period, Lu Xun said, "The essence of all art is to stir up a feeling of enjoyment in its audience."<sup>3</sup> Although this statement is theoretically one-sided, it's not a mistake to regard "stirring up a feeling of enjoyment" as an objective of art. After Lu Xun had clarified his dialectical-materialist views on art, his theory on the social function of art was quite comprehensive, but he still regarded "beautifying" as an independent objective. He said, "Nowadays when a person wants to do something, there is always someone to come along with some great principle in order to blame and censure. The author of "The Ultimate Objective and Value of Woodcut" is such an example. His question cannot be answered, just as 'the ultimate objective and value of mankind' cannot be answered. But I think that man is a link in the long chain of evolution, and woodcut, like other forms of art, fulfills its task as a link in this chain, by aiding in all the various dimensions of struggling, making progress and beautifying."<sup>4</sup>

Here, Lu Xun listed "beautifying" side by side with "struggling" and "making progress" as one of the various objectives of art. Good artistic products aid people in their pursuit of the "true," in their struggle for the truth; help people in their pursuit of the "good," to advance actively towards their radiant goals; and artistic works should also provide people with the "enjoyment of beauty," to beautify and enrich their lives and emotions. When Lu Xun was promoting the short militant essay and demanding that such essays "be daggers and javelins which, with their readers, can hew out a blood-stained path to a new life," he also acknowledged that "undoubtedly they may also bring pleasure and relaxation. . . ."<sup>5</sup>

<sup>1</sup> "Economic and Philosophic Manuscripts of 1844," Marx and Engels, *Collected Works*, Vol. 42, p. 93.

<sup>2</sup> "Grundrise," *ibid.*, Vol. 12, p. 742.

<sup>3</sup> "On the Power of Mara Poems," *The Grave*.

<sup>4</sup> "Reply to Tang Yingwei, June 29, 1935."

<sup>5</sup> "The Crisis of the Essays," *Mixed Dialects*.

It is precisely because he recognized the independence of the enjoyment of beauty as one of the objectives of art and literature that Lu Xun was able to affirm the value of artistic products which lacked "the true" and "the good" but contained "beauty." This was why Lu Xun spent a lot of his energies and precious time to edit and publish works of art like *Beiping Letter Paper* and *Letter Paper of the Ten-Bamboo Study*. Lu Xun wanted to preserve these artistic legacies of our country, so that they could become treasures for later generations, obviously not for the purpose of educating posterity, and also not mainly to let them know through these works of art the living style and features of their forefathers, but primarily because these works of art have aesthetic value in themselves. He wanted future generations to be able to suck the milk of beauty from them, gain pleasure and relaxation from them so as to refreshen their spirits. Some artistic works retain their value even after a very long period of time. This is not because they have any educational value for later generations, but mainly because of their aesthetic value. Lu Xun pointed out, like the emperors of the later Southern Dynasties — when these elegant but incompetent masters ruled the country, the so-called pillars of the state were often ingratiating officials who were also poets. Yet "some of their works still live today," not because such poetry had any utilitarian value for transforming society to benefit later generations, but because these poems are beautiful. As "the masters were 'incompetent,' but not 'inelegant,' indeed, these parasitic hacks had literary talent."<sup>1</sup> If our current criticism cannot perceive the significance of aesthetic appreciation, and looks only from the political angle, then how can we explain such artistic phenomena?

#### IV. A Synthesis

The three criteria of art criticism which we have discussed are different but closely related. Although knowledge value, social utilitarian value and the aesthetic value of art each has its independent significance, they are not isolated phenomena. The success or failure of a work is determined by the degree of unification of the three.

We have discussed the three criteria consecutively, but our purpose was not to artificially divide the criteria into three different grades of value. If we take our criteria of criticism as a kind of mechanical yardstick and follow a mechanical process, then our criticism will meet with failure. In correcting our past pattern of criticism according to political standardization, we should also avoid going to the other extreme. For instance, if we regard reality as the only criterion for criticism, and only make a materialistic appraisal of a work of

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<sup>1</sup> "From Help to Empty Talk," *Essays of Qiejieting (II)*.

art, then our criticism will still make no progress. We would be simply substituting a philosophical pattern for a political pattern. Neither should we be critics from the school of aestheticism, and think that artistic technique is the only real sacred thing. Our socialist literary criticism must be innovative, so that it can conform to the special mission and the special laws of art. To achieve this end, we can only use the historical-materialist method of aesthetic criticism.

Historical-materialist aesthetic criticism should first of all pay full respect to the fixed nature of the object to be criticized, that is, art and literature must be treated as art and literature, and the sense of beauty must be fully respected. The object of aesthetic criticism should not be treated as a product of political propaganda or any other social science. Therefore, critics should first use the criterion of beauty to draw the demarcation line between literature and non-literature.

In regard to this point, Lu Xun has provided us an excellent model. In his *Outline of a History of Chinese Literature*, his appraisal of the literary phenomena during the Qin and Han dynasties is a true aesthetic evaluation. Not long ago some comrades thought that Lu Xun's critical criterion in this dynastic history of literature was the political criterion of "giving stress to the Legalists and making light of the Confucianists." These comrades were completely mistaken. If we examine, completely free of bias, the aesthetic views which permeate this book, we will discover that Lu Xun very clearly adopted the aesthetic criterion of beauty. In the introductory chapter, he explains that Chinese characters are created according to the laws of "beauty of form," "beauty of sound" and "beauty of meaning." Moreover, according to the laws of beauty, our clever ancestors later created and developed art and literature, and gave them the power of appeal, appeal to the eye, to the ear and to the heart, in other words, the characteristics of the sense of beauty.

Because Lu Xun consistently used the criterion of beauty, his appraisal of the authors and their works in his *Outline of a History of Chinese Literature* broke away from the traditional pattern of literary criticism and put forward many original views. For example, he considered Zhuang Zi the central figure in the literature of the Zhou Dynasty, and even used "Lao Zhuang" as the title of the chapter on that dynasty. As to Confucius, Mencius and Mo Zi, all of whom past literary historians regarded as representatives of Zhou Dynasty culture, Lu Xun didn't even give them a place in the chapter. This is because Lu Xun used the criterion of a sense of beauty to draw the line between literature and non-literature. Confucian and Mohist treatises are important works in China's intellectual history, but as works in the history of Chinese literature, they are really not important. These treatises do not give people a sense of beauty, and they lack the most basic characteristics of art and literature. Lu Xun said, "The Confucians esteem facts and the Mohists

value substance, so the language of *The Analects* and *The Book of Master Mo Zi* lack literary grace, being required only to make the meaning clear." But Zhuang Zi was different, his language was rich in beauty. Lu Xun said, "Only the Taoists were endowed with beautiful language. *The Book of Master Lie* and *The Book of Master Feather Hat* appeared rather late and were forged by later generations; today we are left with *Zhuang Zi*." He said Zhuang Zi "wrote more than 100,000 words, most of them fables, about people and the earth. All are empty words without factual basis, but the language is like a vast ocean of riches, beautiful in a thousand ways. None of the various masters in the later Zhou Dynasty could surpass him." Lu Xun said Zhuang Zi "shamed all the other masters with his language."

Among the literature of Qin Dynasty which followed *Chu Ci* (the Songs of Chu), Lu Xun could only recommend Li Si. The truly great men in the Qin Dynasty were the Legalists, but as Lu Xun said, "Most of the Legalists were without much literary talent, except for Li Si's memorials to the emperor, where we can find some beautiful language." Lu Xun's overall judgement of the works which remain extant from that period was: "of all the essays of the Qin Dynasty, the only person worth mentioning is Li Si."

From Lu Xun's appraisal of the literature of the Zhou and Qin dynasties, we can see that he weighed products according to "the criterion of beauty." He consistently demanded that literature give people enjoyment of the sense of beauty. Without beauty there can be no art. Because Lu Xun took beauty as his starting point, he had the boldness and insight to select real works of literature for appraisal, and put aside things that were famous, but could not be classified as literature. By so doing, he succeeded in compiling a real history of literature worthy of its name. Lu Xun's method of criticism was no doubt correct. Only works which possess a sense of beauty can leave the realm of politics, philosophy and ethics and enter the realm of art. And the same goes for literary criticism. The critic must start from his own true feelings for appreciation of beauty and evaluate the comprehensive value of the true, the good and the beautiful that is contained in a work of art.

Having entered the realm of true aesthetic criticism, to find the source of beauty becomes the main content of art criticism. The critic must not only have in mind the beauty of form in art, he must also examine the basis and other conditions which bring beauty into shape, or the various factors which make up beauty; in other words, the content of the true and the good. The critic should also analyze how the unity of form and content is achieved. From the point of view of content, it is not wrong to say that the unity of the true with the good means beauty. Both the true and the good conform to the law as well as to the purpose. When art creates beauty, it cannot depart from the laws of authenticity and social utility.

Authenticity is a basic factor. Only true things can arouse people's sense of belief, call forth the life experiences which the readers have known, and make

readers take part in the activities of the characters, so that an exchange of emotions will occur, emotional resonance will be produced, and in such resonance, the beauty of art will be appreciated. Lu Xun said, "Only the true voice can move the Chinese people and the people of the world."<sup>1</sup> In his "Chat on 'Cartoons,'" he also said, "Because it is true, it has strength."<sup>2</sup> When summing up the lessons to be learned from the novels of censure in the late Qing Dynasty, Lu Xun compared *The Scholars* with *The True Face of Officialdom* and felt that there was a great distance between the aesthetic values of the two. The basic reason for the former's success was that it was true to life, while the latter failed because it was "too exaggerated." Lu Xun said, "The value of satirical novels lies in the smallness of its purport and the tact of its language. If it indulges in exaggeration, it loses its artistic value."<sup>3</sup> Thus, if it departs from the law of authenticity, artistic beauty is bound to wither, like a green plant plucked from earth.

Objective actuality, if divorced from real life, cannot evoke a sympathetic response. Similarly, reality without the emotions of art also cannot arouse people's sense of beauty. Things that are false and pretensions are bound to be ugly. Here we find the boundary between the interesting and the nauseating.

Things that are false must be ugly. The dividing line between "interesting" and "nauseating," in the final analysis, is that between the true and the false. The "interesting" is based on true feelings, while the "nauseating" is based on falsification. "Pretence" is something which is clearly false, but perversely insists on pretending to be true; its expressions are against the logic of life and the logic of emotion, and give people the impression of things grotesque, and therefore cannot avoid being hideous. Pretence precludes beauty. When Lu Xun was analyzing "Twenty-Four Filial Pictures," he said, "There's only a piece of paper separating satire from cold irony, and I think it is the same with the interesting and the nauseating. A child playing at being pampered in front of its parents may be amusing, but if it's an adult instead of a child, then it will be rather an eyesore. A husband and wife who freely demonstrate their mutual love in front of other people, if just over-stepping the line of being amusing, can easily become nauseating. It is no surprise that nobody can draw a good picture of Old Caizi playing the naughty child. I wouldn't be able to live a day comfortably in such a family as depicted in the picture, looking at an old man of seventy who all day long pretends to be enjoying himself playing with a rattle."<sup>4</sup> Children being naughty in front of their parents are actualities in our daily lives, and they make people feel amused on account

<sup>1</sup> "The Silent China," *Three Leisures*.

<sup>2</sup> "Chat on 'Cartoons,'" *Essays of Qiejieting (II)*.

<sup>3</sup> *Historical Changes in the Chinese Novel*.

<sup>4</sup> "Postscript to *Dawn Blossoms Plucked at Dusk*."

of their health and naivete. People feel touched by the beauty of the childish heart. But Old Caizi "playing the clown to amuse his parents" was pure tomfoolery and artificial childishness. He pretended to fall on the floor, trying to touch his parents' hearts, and purposely shrunk himself into a tiny speck, not hesitating to abase himself. Actually his feelings and actions were basically all false, perverted, hideous, and therefore nauseating. Lu Xun believed that true art does not necessarily demand situations that actually happened, but it must demand truthful representation of what would happen. Without truth, art, like everything else, would die. Rodin said, "What is termed as ugliness in art is that which is false and affected. Such things don't give importance to expression, but go after ostentatious and mawkish affectation, a meaningless smiling face, putting on an act, arrogance and conceit — all without soul, without reason, telling lies in order to show off."<sup>1</sup>

The appeal of works of art and literature not only depends on the strength of the true and the beautiful, but also on the strength of their intrinsic "goodness." All three are included within the purpose of art, but the "good" is of foremost significance. Fine works of art and literature should have a spiritual appeal for sublimation, like a strong magnetic force attracting people towards the lofty and the active, towards health, progress and dignity. This force can mould a person's soul and make it more beautiful. When we compare *A Dream of Red Mansions* with *The Gold Vase Plum (Golden Lotus)*, we admit that both are works of art and both are realistic. (Of course, the realism of *A Dream of Red Mansions* is on a higher plane.) But we feel the aesthetic values of the two books are miles apart. There are many reasons for this, the basic one being that *The Gold Vase Plum* can't measure up to *A Dream of Red Mansions* in terms of "the good." The difference is between the lofty and the low, the active and passive, the healthy and the not so healthy. The good without the beautiful does not make a work of art, but a work without the good, without any significance to social progress, without the spiritual strength of the active, the lofty, the healthy and the dignified, such a product cannot have real artistic beauty.

Socialist art criticism should acknowledge the importance of social utilitarian considerations in the process of human appreciation of beauty. The artistic sense of beauty, like philosophy and other social sciences, serves mankind by acting as a weapon for understanding the world and changing it. Art makes people feel it is beautiful because it possesses the intrinsic utilitarian and practical values needed by mankind. The artistic sense of beauty, like the general sense of beauty, has an intuitive quality, or the purely subjective fortuitous psychological activity of an individual, which on the surface appears to have nothing to do with practical values. We acknowledge the actuality of this kind

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<sup>1</sup> Rodin, *On Art*, p. 26.

of intuition, but we also believe that intuition for the sense of beauty conceals within itself the practical content of social utility. This content exists in different degrees among people of different classes, times, nationalities, positions, experiences and ages. This difference in content is soaked in the subjective intuition of individuals, and forms different senses of beauty among different classes, epochs, nationalities, etc. Such social utilitarian considerations form the basis of the appreciation of beauty.

In human society, no art can stand aloof from the restrictions of social utilitarian laws. Thus, outstanding artists and writers conscientiously observe the utilitarian laws of art. They do not rely on their personal accidental sense of beauty, nor are they satisfied with intuitive superficial impressions, regarding artistic activity as a psychological intuitive activity of the unconscious. Rather, they strive to expose the objective necessity which determines this kind of psychological intuitive activity, to reveal the epochal and social causes of this kind of activity, and to reveal the social utilitarian character and content of this kind of activity itself, so as to consciously make art and literature into a beacon for guiding society forward. In a famous passage, Lu Xun said: "An artist needs a fine technique, but it is even more important for him to have progressive ideas and nobility of character. His work may take the form of a painting or a sculpture, but is actually the expression of his thought and character. When we see it, we not only enjoy it but feel moved by it, and are influenced by it. We need enlightened artists to lead us forward, not heads of citizens' bodies. We need works of art which are models in expressing the highest point reached by the Chinese people's intelligence, not ones which are merely average or below par in their content."<sup>1</sup> If an artist does not possess the advanced thought of a particular epoch, but instead is mired in a despicable condition, harming social progress, injuring the beautiful soul of the people, trampling on people's dignity and values, or even degenerating into a tool of the reactionary class, then, although he may "speak profusely about new art and real art," he is still a hypocrite. In the history of modern literature, we have the deplorable creations of Zhang Zipin and the poetry of aestheticism of Li Jinfa, and later we have the conspiratorial art and literature supported by the Gang of Four, all of which in the end have been rejected by the people. From the point of view of aesthetics, the basic lesson to be learnt is that all such works lack the soul of the "good."

In the past, we limited the utilitarian value in art and literature to its political value. That was the fundamental problem, but we also overlooked the fact that "the good" cannot be divorced from the foundation of "the true" and the form of "the beautiful." In reality, without the true, the value of the good will also be lost. For instance, there were people who thought that the

<sup>1</sup> "Random Thoughts (43)," *Hot Air*.

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political ideological value of a work of art would be greatest if we described the proletarian hero in it as lofty, as perfect and as conforming to the ideal as possible. But the result was exactly the opposite. By elevating artificially heroic figures, characterization becomes one-sided and monotonous. Such characters are not believable. Thus, brave words become empty rhetoric, and the educational significance of such heroes is lost. Lu Xun said, "Moreover, criticism must be clear-cut, so that there can be hopes for engendering truly new art and literature and new criticism."<sup>1</sup> So-called "clear-cut criticism" means scientific criticism. We should appraise artistic products with the criteria of realism, social utilitarianism and artistic aesthetics. We should not make any of these criteria absolute, but should take into account their inter-relatedness, paying special attention to the fact that authenticity and utility are expressed through the artistic value of beauty. By so doing, our criticism will conform better to artistic laws, and will be able to make more concrete contributions in raising the artistic level of our nation and even in developing the cause of mankind's progressive art.

*AUTHOR'S NOTE:* This essay is a part of my work *The Draft of a Dissertation on the Aesthetic Thinking of Lu Xun*.

— Translated by Xu Yixin and Xiong Dewei

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<sup>1</sup> Translator's Postscript *Literature and Criticism*.

## ACADEMIC CORRESPONDENCE

### A Letter on Thinking in Images

*Qian Xuesen*

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The Chinese edition of this journal in its third issue of 1980 published two articles on the subject of thinking in images: Liu Xinda's *Scientists and Thinking in Images* and Shen Dade's and Wu Tingjia's *Thinking in Images and Abstract Thinking — a Pair of Categories in Dialectical Logic*. A big debate has ensued. Shen and Wu sent their article to the noted physicist, Comrade Qian Xuesen, for his comments. Qian Xuesen's reply, which contains provocative views regarding the laws governing thinking, is carried here with the consent of the author.

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Comrades Wu Tingjia and Shen Dade:

I have read your letter and article with great pleasure. I am very glad to get acquainted with you, two young intellectuals. I will explain some of my views for your consideration.

1. I agree with the view that, generally speaking, thinking in images and abstract thinking refer to the forms of thinking, not its content. In other words, we are concerned with the laws which govern thinking, not the concrete process or results. Abstract thinking is not the same thing as a particular scientific paper.

2. I also agree with the view that thinking in images and abstract thinking are both the result of social practice. All activity of the human brain is controlled by biological factors and formed through the function of social practice. The control of biological factors is probably exercised through the functioning of the genetic code of DNA. This holds true for man's aesthetic perception and sense of beauty. Therefore, I am inclined to agree with the aesthetic views of Comrade Li Zehou.

3. I believe that man's thinking should not be limited to only two categories: thinking in images and abstract thinking. We should look for other forms. Don't close the door!

4. I believe that "inspiration" in creative thought is a form of thinking different from thinking in images and abstract thought. Art and literary workers have inspiration, as do scientists and technologists. It is requisite to the creative process. Every comrade who has experience in creation knows that there is no creation or breakthrough only through thinking in images and abstract thought; a creative breakthrough requires inspiration. Inspiration emerges when the brain is in a highly stimulated state, the climax is brief and disappears in a moment; whereas thinking in images and abstract thinking can last a fairly long period, as people say "so absorbed as to forget sleep and food!"

5. Inspiration is a synthesis. The capacity for synthesis in the human brain is very important, for example: (1) The formation of visual images; (2) People who are blind from infancy can draw still or rotating wheels; these are the images which blind people synthesize in their brains through the senses of touching and hearing (*New Scientist*, February 7, 1980, p. 386). The story of the "blind man feeling the elephant" must be revised. (3) Man's extra-sensory perception.

6. The method of natural sciences, instead of "natural philosophy," should be used in the study of the science of thinking; that is to say, the method of experimentation, analysis and systematization should be employed instead of solely using the method of thinking. Therefore, it is necessary to have the collective efforts of specialists in cerebral neurotomy, cerebral neurophysiology, psychology, computer science, artificial intelligence, linguistics, logic, philosophy. . . .

There has been rapid development abroad in this kind of research in recent years. In 1972, Mr. and Mrs. Hendrickson, British neurophysiologists and computer scientists, put forward a theory to explain the activity of the brain (see *New Scientist*, January 31, 1980, p. 308). It is a fairly profound theory, relating to information encoding, nerve cells, synaptic cleft, pre-synaptic membrane, post-synaptic membrane, inter-membrane information transfer mechanism . . . etc. Of course, it is not yet complete; there are still areas which remain a mystery. But research has already reached the level of molecule movement.

Thus, it is necessary to read foreign scientific literature.

With best regards,

Qian Xuesen

July 1, 1980

## BOOK REVIEW

# An Evaluation of Three Basic Textbooks on Political Economy (Section on Socialism)

Wu Shuqing and Wei Xinhua

*Economic Problems Under Socialism in China*,  
People's Publishing House, 1979.

*Political Economy (Section on Socialism)*,  
Sichuan People's Publishing House, 1980.

*Political Economy (Section on Socialism)*,  
Shaanxi People's Publishing House, 1979.

### I

The publication of these textbooks marked a new beginning in the study of socialist political economy in China. These books prove that, after many years of confusion, theoretical economic research has returned to a true Marxist orientation.

In the decades after the founding of new China in 1949, although some valuable ideas on economics were advanced, the progress of theoretical economic studies was generally obstructed. Ultra-Left ideas, serious perversions of Marxism-Leninism, which went against objective laws and promoted subjective idealism, flooded the field of economic studies. The dearth of appropriate theory, taken together with ultra-Left practices, greatly impeded China's economic work. The situation was worst during the ten disastrous "Cultural Revolution" years from 1966 to 1976, when Marxist political economy, particularly socialist political economy, was totally distorted. 1976 signalled the advent of a new critical and creative approach to the study of political economy. Many of the ultra-Left notions and policies that were popular for years have been exposed and criticized; new theories and ideas have been put forward regarding problems in socialist construction. The unprecedentedly lively and democratic atmosphere which now prevails in the study of economic theory has spawned the three new textbooks.

Each of the three books has its own features in format and content. *Economic Problems Under Socialism in China* (hereafter called the Beijing Edition), was compiled by 20 different units from around the country. Adapted to short teaching hours, it is a substitute textbook for the usual politics course offered in Chinese institutions of higher learning. The Beijing Edition focuses on a number of important laws in socialist economy. Starting with the principle that the modernization of China necessitates the application of objective economic laws, the authors explain how to reform the administrative set-up of China's national economy according to objective economic laws. They try to clarify, in succinct terms, the objective economic laws to be followed in running a socialist economy, and the need to reform economic management. This text is convenient for readers who don't have much time. On the other hand, because it is basically a compilation of economic laws, it is inadequate for readers who hope to fully grasp economic theory. Furthermore, its treatment of theory in some places is questionable.

*Political Economy (Section on Socialism)*, a joint effort by 16 universities in Southern China, and published in Sichuan (hereafter called the Southern Edition), gives fairly detailed explanations of the various aspects of the relations of production under socialism and the process of economic development. It should help students to understand the creation and development of the socialist economic system in China more concretely. However, its theoretical observations are still somewhat limited to ready-made conclusions.

*Political Economy (Section on Socialism)*, compiled by 13 universities and colleges in north China and published in Shaanxi, (hereafter called the Northern Edition), a later text, represents an innovation both in composition and content. It treats the economically underdeveloped stage of socialism as the chief object of study. Starting from the view that the relations of production are essentially the relationships of economic interests, the book examines the processes of production, circulation and reproduction as they unfold around the relationships of material interests in a socialist state. The authors analyze the characteristics and forms of the laws that function under the socialist economic system in the present period, and discuss possible managerial and economic policies that will conform to economic laws. While parts of this textbook may be open to question, the authors' efforts to delve into new problems and come up with new ideas are commendable.

All three textbooks represent a distinct advance over earlier teaching materials of the same kind. Their common merits may be summed up as follows:

- 1) They all base their study of economic laws under socialism on the real conditions of China's socialist economic development at the present stage. In the past, textbooks on the political economy of socialism always stressed a comprehensive treatment of the laws concerning the emergence

and development of the relations of production under socialism and the transition to communism. At first glance, this might appear acceptable; in fact, it was unrealistic: socialist development to date has not provided adequate data for such an approach. When Marx wrote *Capital*, he not only had several hundred years of capitalist development to draw on, but also a fully developed model of a capitalist country, Britain. But the world has not yet provided a fully developed model of socialism; most of the countries which have taken the socialist road have backward economies dominated by small-scale production, with capitalism underdeveloped. In these countries, productivity is still low, the relations of socialist production have not yet taken root, and the inherent contradictions of socialist economic relations have not been fully exposed. Unripe economic relations naturally cannot bring about ripe economic theory.

Given this state of affairs, anyone attempting to explain the laws of the relations of production under socialism is likely to end up either repeating the general tenets of socialist economy put forth by the classical Marxist-Leninist writers, or mistaking the specific experience of a particular country in a particular period as universal law. This certainly will not help people understand the objective laws governing socialist economic development; on the contrary, taking limited experience as universal truth will fetter people's thoughts and restrict their actions, to the disadvantage of the socialist cause.

The new textbooks focus on the characteristics and trends of the relations of production in China specifically and the laws that govern the movement of the socialist economy according to the Chinese experience. The Beijing Edition limits its scope to China; the Northern Edition, looking at the Chinese context, limits its study to the relations of production in the economically underdeveloped stage of socialism. These texts recognize that theoretical study into socialist economy is still weak in China. It is too early to make an overall and systematic analysis of the experience of various socialist countries; but knowledge and data about the objective reality of China's socialist economy will further the generalization of the common features of development in various socialist countries and provide us with better understanding of the laws governing the development of socialist economy in general.

2) The authors of these three textbooks have been broad-minded in selecting materials, starting from reality and examining existing economic theories in the light of practice. Although their guiding school has been Marxism-Leninism, they have not confined themselves to the particular wording and theses of the classical writers. In other words, they are not dogmatists. They have used the standpoint, views and methods of Marxism-Leninism creatively to study new circumstances and solve new problems.

Until only recently, dogmatism plagued economic studies and research in China. Whatever was written in books or spoken by revolutionary leaders

was regarded as absolute truth, to be adhered to blindly — regardless of time or place or whether it could stand the test of practice. Many teaching materials in the past took quotations as their starting point, tried to squeeze constantly changing reality into ready-made molds. The three new textbooks represent a breakthrough in that they have broken with this dogmatism.

Earlier textbooks subscribed to the traditional economic theory that the socialist economy is a planned economy, and production is adjusted by the law of planned and proportionate development alone. Commodity economy and the law of value were regarded as alien to the socialist economy, and the law of value was set against the law of planned and proportionate development. But the new texts reflect that practice in socialist development has proved that the existence and activity of a commodity economy is an objective and inevitable fact at the present stage. Therefore, enterprises should be authorized to conduct their economic activities independently, according to social needs and the law of value, under the guidance of unified planning by the state.

Drawing theory from practice, the new books pay attention to such problems as commodity production, commodity circulation and the role played by the law of value under socialism. Freed from the outmoded notion that production under socialism cannot be adjusted by the law of value, they stress the role of the value lever in a socialist economy. The Northern Edition in particular views the socialist economy as a planned commodity economy based on public ownership, and regards commodity production under socialism as one of the characteristics of a socialist economy, a factor in the process of socialist production which coexists with public ownership.

Some earlier textbooks fixed as socialist principles certain economic measures which in practice hindered and even damaged the management of China's economy, such as high concentration of power, centralized control over revenues and expenditures, state monopoly of purchasing and marketing, and over-reliance on administrative measures. Unrealistically high targets and high accumulation were promoted as evidence of the superiority of the socialist system. The new texts acknowledge that practice has proved that these measures not only jeopardized the superiority of the socialist system, but some of them even distorted the fundamental purpose of socialist production. The new books expose these drawbacks in the managerial setup of China's economy. They criticize high targets and high accumulation rates, and explore ways to reform management and adjust the balance between the various sectors of the national economy in light of the laws of socialist development. Although the books' analyses and expositions may still be restricted by certain traditional ideas and practices, for instance, stressing state allocation of the means of production and negating competition, the progress they have made cannot be denied.

3) Another advantage of the new textbooks is that they are free, to varying degrees, of the ultra-Left notions disseminated by previous teaching materials. They do not ascribe to the old ideas that the relations of production must change constantly regardless of the level of the productive forces, and that the higher the level of public ownership of the means of production, the more the superiority of socialism is demonstrated. Rather, they stress the decisive role of the productive forces in the relations of production. Recognizing that production is not yet highly socialized in China and that different levels of productivity still exist simultaneously, these books maintain that the state economy and the collective economy are both suitable for the socialist economy in the present period; that a distinct line must be drawn between ownership by the whole people and ownership by the collective; and that the "communist wind" of equalitarianism and indiscriminate transfer of resources must be opposed. They hold that state-owned enterprises ought to have more power over planning, production, material supply, labor and finance, so that they can obtain more material benefits; that the collective economy must be guaranteed its proprietary rights and the rights of self-management; and that collectively-owned businesses should be developed in the urban areas. The small proportion of individual businesses under the socialist economy are also analyzed and one of the books assigns them a positive role. All of this demonstrates that the new books have not only broken away from the dogmatism of the "Cultural Revolution," but represent a big improvement over books of the same kind put out before 1966.

4) Finally, as far as the writing is concerned, these textbooks represent a marked departure from the former practice of substituting empty political indoctrination for feasible economic analysis, and substituting the Party's policies for scientific examination of objective economic laws. Under the slogan of "serving politics," theoretical studies of socialist economy were stripped of their independent scientific content for a long time. Theory was twisted to justify all sorts of ultra-Left policies and endless political movements. Many self-contradictory arguments were raised in the service of policies that changed with the political winds. This severely damaged the prestige of economic science in China and threatened its very survival.

Political economy is a science with a strong class character, and theory in a socialist economy should naturally serve proletarian politics. But socialist political economy must be presented in a scientific way: the laws governing the development of socialist economy must be observed through scientific analysis of the objective progress of economy, and the people and their leaders must understand objective economic laws and apply these laws conscientiously. This is the only way to serve the interests of the proletariat.

The new political economy texts are built upon the study of the objective process of economic development under socialism. They attempt to in-

tegrate a proletarian orientation with a scientific attitude. Such shallow political slogans as "taking class as the key link," "persisting in the basic line," "persisting in the continuing revolution under the dictatorship of the proletariat" are absent from these books. Instead, they stress indepth analysis of objective economic processes.

Take the Northern Edition as an example. Its three main chapters analyze the processes of production, circulation and reproduction. The authors examine the objective laws governing the movement of socialist economy; use reasoning to explain economic development, and explore the complexities of economic phenomena. In explaining why personal consumer goods should not be distributed equally under socialism, the authors do not merely refute equalitarianism, but point out that the ideology of equal distribution of all wealth arose in feudal society from the demand to divide the lands of feudal landlords equally. At that time the demand for equal distribution was progressive, but under socialist public ownership, that which is to be "divided equally" is no longer private property dominated by a few exploiters, but the means of subsistence produced by laborers who have contributed different amounts of labor. Equal distribution here would allow a portion of the laborers to appropriate gratis the labor of another portion. Equalitarianism will only dampen the enthusiasm of the workers, hinder the advance of the social productive forces and result in poverty for all. Similar examples can be found in the other two textbooks.

In a word, all three textbooks represent remarkable progress in their comprehension of the economic laws under socialism. But while recognizing their merits, we must also point out some shortcomings. As far as content is concerned, their observations about socialist public ownership and their explanations of economic phenomena such as production costs, profit and interest, are still rather superficial. As far as composition is concerned, the various chapters in each book are not linked closely enough to form an organic whole. There is much room for improvement in producing a textbook on socialist political economy. Nevertheless, the publication of these books undoubtedly will benefit the teaching of socialist economic theory.

## II

After reading the three new textbooks, we feel it is necessary to draw attention to some important theoretical problems.

### A. Basic Contradictions in Human Society

Both the Northern and Southern Editions repeat a view popular in China for years: In a socialist society, the basic contradictions are those be-

tween the relations and forces of production and between the superstructure and the economic base, and these contradictions differ from those in former societies only in nature. The so-called different nature is explained as follows: "In a capitalist society, the contradiction between the relations and forces of production, and the contradiction between the superstructure and the economic base are manifested in sharp antagonism and conflict," whereas in a socialist society, they basically "do not manifest themselves as antagonistic."<sup>1</sup>

But the Beijing Edition holds that the basic social contradiction is between the relations and forces of production, and does not mention the contradiction between the superstructure and the economic base. We believe that this formulation is more rational, and that taking the contradiction between the superstructure and the economic base as a basic contradiction is incorrect. In the past, due to the mistaken conception that the contradiction between the superstructure and the economic base was a basic contradiction under socialism, the notion of "uninterrupted revolution" in the spheres of the economic base and the superstructure was pushed and political movements were launched one after another. As a result, both the socialist economic base and the superstructure were damaged and the growth of the productive forces obstructed.

According to the classical Marxist-Leninist writers, the basic contradiction in a given society always means the contradiction which plays the fundamental and decisive role in the whole society. In fact, only the contradiction between the relations and forces of production plays the fundamental and decisive role in all societies; the contradiction between the superstructure and the economic base is subordinate. It is the development of the contradiction between the relations and forces of production which causes the disintegration of old relations of production and the formation of new ones so as to suit the advance of the productive forces. That is why classical writers never included the superstructure in the basic social contradiction, but always stressed economy, which is the decisive factor. Neither did they go beyond the sphere of the contradiction between the relations and forces of production when expounding this basic contradiction, which is concretely manifested as the contradiction between socialized production and private ownership of the means of production. It is the movement of this basic contradiction which dictates the transformation of the economic base. And superstructural changes eventually follow the transformation of the economic base. It is impossible to explain the movement of the contradiction between the superstructure and the economic base without involving the movement of the contradiction between the relations of production and the productive forces.

<sup>1</sup>Northern Edition, pp. 35-36.

Second, the relationship between the relations and forces of production differs completely from that between the superstructure and the economic base. The productive forces undergo constant change and growth. They are the result of the common striving of humanity to conquer nature and do not have a specific class or social character. Being the motive force of social progress, they will never atrophy. The relations of production, on the other hand, have a specific social and class character. Specific relations of production are formed to suit the level of the productive forces and such relations are relatively stable. When the productive forces develop to a new level, however, the relations of production lag behind and gradually become outmoded. In a society with antagonistic classes, the declining class will do everything possible to protect the old, obsolete relations of production which fetter the growth of the productive forces. At this time the contradiction between the productive forces and the relations of production becomes antagonistic. The resolution of the antagonistic contradiction propels society to a new stage.

But the relationship between the superstructure and the economic base does not play such a role. In a given social system, the superstructure always serves the economic base, and both sides possess the same social and class character. The old superstructure changes as the old economic base changes, and a new superstructure emerges as the new economic base emerges. The old economic base is protected by the old superstructure, and the new economic base needs the support of the new superstructure. While there are contradictions between the superstructure and the economic base, they will not become antagonistic. The idea that the contradiction between the superstructure and the economic base under capitalism is "in sharp antagonism and conflict and must be solved through a proletarian socialist revolution" is contrary to fact and theoretically untenable. In any society, the contradiction between the superstructure and the economic base can always be coordinated and solved gradually within the system. The capitalist economic base by no means demands the elimination of the capitalist superstructure or its replacement by another. (The contradiction between the capitalist economic base and the feudal superstructure is another matter and is not included in the basic contradictions under capitalism.)

In sum, the contradiction between the relations and forces of production determines the development of social formations and the transformation from the old to the new. It determines the advance of human society. The contradiction between the superstructure and the economic base does not, and cannot be regarded as a basic contradiction.

The basic contradictions under different social systems vary. Marx and Engels specified the basic contradiction under capitalism as the contradiction between socialized production and private ownership of the means of pro-

duction, and elaborated on its manifestations. We must follow their example in probing the basic contradictions under socialism and studying their characteristics.

We should point out also that, as far as the situation in China is concerned, it is incorrect to assume that the relations of production always lag behind the growth of the productive forces and must be continuously elevated to a higher level in order to resolve the contradiction. In fact, sometimes the development of the relations of production may be too far ahead of the level of the productive forces. The Southern Edition disregards this point and lays too much stress on the "large scale and high degree of public ownership" in the people's communes, adhering to the old notion that the progress and superiority of socialism is merely demonstrated by the extent of public ownership of the means of production.

### B. Unity of "Uninterrupted Revolution" and "Development of Revolution by Stages"

The Beijing Edition advocates the theory of the "unity of uninterrupted revolution" and "development of revolution by stages" under socialism.<sup>1</sup> The Northern Edition similarly advocates "the combination of uninterrupted revolution and development of revolution by stages."<sup>2</sup> The same opinion can be found in many other teaching texts and writings on socialist political economy. But in practice, this has proven to be a mere slogan, and not a scientific thesis.

The slogan of "uninterrupted revolution" was raised in China in 1958. By that time, China had basically completed not only the democratic revolution, but also the socialist transformation of the ownership of the means of production, establishing a socialist system. Under such historical conditions, the call for "uninterrupted revolution" was way off the mark. First, Marx's and Lenin's conception of uninterrupted revolution meant fundamental changes in the social system, and did not include technical revolutions or partial adjustments and reforms in the relations of production and the superstructure under a given social system. If it had, this theory would be applicable at all stages of social development in any society, and we could say that even the bourgeoisie were undertaking "an uninterrupted revolution."

Second, this theory, as Marx and Engels envisioned it, implies that no impassable gulf exists between the democratic revolution and the socialist revolution: victory in the democratic revolution must be followed by the march towards the socialist revolution until state power is seized by the pro-

<sup>1</sup>Beijing Edition, p. 200.

<sup>2</sup>Northern Edition, p. 34.

letariat, private ownership of the means of production and the exploiting classes are overthrown and the new social system is established.<sup>1</sup>

The "uninterrupted revolution" propagated in China in 1958 was stripped of its specific content and applied as a general slogan. Such a slogan could only add fuel to the flames of the ultra-Left trend of thought. Calls for "the Great Leap Forward," "the organization of people's communes throughout the country," and "the practice of equalitarianism in the name of communism" sprang up at that time, and the so-called "uninterrupted revolution" became a mass movement continuously overstepping the normal stages of social development and bringing about failures and disasters.

Later, to remedy this unsuccessful theory, there arose the idea of combining "uninterrupted revolution" with the "development of revolution by stages." But this formulation did not stand up either. China had solved the question of making the bridge from the democratic revolution to the socialist revolution long before. The crucial issue then was the transition from socialism to communism. The theory of "uninterrupted revolution" maintained that fundamental changes in the social system must be carried out under socialism in order to enter the communist stage as soon as possible. In essence, it was the same as the utopian ultra-Left idea of realizing communism in a short time. It led people to launch endless "revolutionary movements" out of wishful thinking but in disregard of objective laws governing socialist development. Tacking on the "development of revolution by stages" as a supplement does not constitute a scientific theory. The process of realizing "uninterrupted revolution" is the process of transition from different stages of social development. Within one period of social history, however, it is not possible to simultaneously support both uninterrupted revolution and the existing stage of development. Therefore, "unity" of the two is not a tenable thesis.

### C. The Aim of Socialist Production

Whether dealing with capitalism or with socialism, a scientific system of political economy requires a principal line. The principal line running through Marx's writings on capitalist political economy is the law of surplus value—the basic economic law of capitalism. But what is the principal line that runs through socialist political economy? The answer is not stated clearly or even implied in either the Beijing Edition or the Southern Edition. Only the Northern Edition tackles this question.

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<sup>1</sup>See Karl Marx and Frederick Engels, "Address to the Central Authority to the League," *Collected Works*, Progress Publishers, Moscow, 1978, Vol. 10, pp. 281 and 287. And also see V. I. Lenin, "Social-Democracy's Attitude Toward the Peasant Movement," *Collected Works*, Foreign Languages Publishing House, Moscow, 1962, pp. 236-37.

The Northern Edition criticizes the old practice of taking class struggle as the principal line and regarding class relations and class struggle as the chief object of study in socialist political economy, pointing out that this does not tally with the reality of social development under socialism.<sup>1</sup> The book instead proposes that, "the relationship concerning the material interests of the state, the collective and the individual"<sup>2</sup> should be the principal line of socialist political economy.

Although this idea is theoretically provocative, we believe that taking the relationship of material interests as the principal line is too general because it is in the same category as the relations of production. We believe that the principal line in socialist political economy should be the aim of socialist production, because that is the essence of the basic economic law of socialism.<sup>3</sup> This aim embodies the nature of socialist relations of production, controls the entire process of economic development under socialism, and is therefore the axis in the movement of a socialist economy.

If we take the aim of socialist production as the principal line in socialist political economy, then we cannot avoid the connotations of this aim. All three textbooks give the aim of socialist production a broad scope, embracing many aspects of social needs besides the material and cultural needs of individuals and social groups. The Beijing Edition includes within the aim of socialist production "requirements for expanded reproduction, government administration and national defense";<sup>4</sup> the Northern Edition includes "requirements for national defense, government administration, social insurance and international intercourse";<sup>5</sup> the Southern Edition includes "requirements for consolidating the dictatorship of the proletariat and strengthening national defense" and "supporting the revolutionary cause of the world's people."<sup>6</sup>

We do not think it is appropriate to approach the question so broadly. It certainly deviates from the views of the classical writers. Engels pointed out that the aim of socialist production is "the possibility of securing for every member of society, through social production, an existence which is not only perfectly adequate materially and which becomes daily richer, but also to guarantee him the completely free development and exercise of his

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<sup>1</sup> Northern Edition, p. 9.

<sup>2</sup> *Ibid.*, p. 5.

<sup>3</sup> The basic economic law of socialism is generalized by J. V. Stalin as "the securing of the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society through the continuous expansion and perfection of socialist production on the basis of higher technology." (*Economic Problems of Socialism in the U.S.S.R.*, Foreign Languages Press, Beijing, 1976, pp. 40-41. — *Trans.*)

<sup>4</sup> See p. 34.

<sup>5</sup> See p. 76.

<sup>6</sup> See p. 94.

physical and mental faculties.”<sup>1</sup> Lenin emphasized that the aim is to “ensure full well-being and free, all-around development for all its members.”<sup>2</sup> Starting from the same point of view, Stalin argued that the aim of socialist production is to satisfy the material and cultural needs of the people as far as possible. It can be concluded that socialist production does not aim to meet the various needs of the state beyond the material and cultural needs of individuals and social groups.

The aim of socialist production distinguishes socialist economy from capitalist economy and other economic formations where antagonistic classes exist. But requirements for reproduction, government administration, national defense, social insurance and international intercourse do not reflect the nature of socialist economy in particular or distinguish it from class-exploitative societies. These requirements exist in societies of all types, including slave, feudal, capitalist and imperialist countries. In some countries, notably imperialist ones, expenditures on arms, government administration and international intercourse may grow constantly and reach huge proportions. Clearly, we cannot take all of the requirements of the state as the specific aim of socialist production. They are not even the specific aim of production under capitalism or any other social system.

Of course, it is necessary for a socialist country to spend part of its social wealth on government administration, national defense and foreign aid. Nevertheless, this is neither the aim of socialist production itself nor a requirement raised by the aim. It is merely a demand of the contemporary political situation and the state of class struggle both at home and abroad. The fact that under specific historical conditions a socialist country must satisfy the needs of the state in order to achieve the aim of socialist production does not mean that this is an absolute prerequisite. There is no inherent relationship or causality between the two. On the contrary, the aim of socialist production conflicts with such needs, for the more spent on the state, the less left to meet the material and cultural needs of the people. In the future, when fundamental changes have taken place in the international situation, when the dictatorship of the proletariat has been abolished and administrative efficiency has been increased, expenditures on requirements of the state will either be eliminated or greatly reduced. At that point, the aim of socialist production can be more fully realized.

Theoretically speaking, reproduction also cannot be considered the aim of socialist production. Expanded reproduction is included within socialist production itself; the aim of socialist production is also the aim of expanded re-

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<sup>1</sup> Frederick Engels, *Anti-Dühring*, Foreign Languages Press, Beijing, 1976, pp. 365-66.

<sup>2</sup> V. I. Lenin, “Draft Program of the Russian Social-Democratic Labor Party,” *Collected Works*, Vol. 6, Foreign Languages Publishing House, Moscow, 1961, p. 28.

production. To take expanded reproduction as the aim of production would mean production for the sake of production. And as expanded reproduction exists in all societies, it cannot be the specific purpose of socialist production.

First of all, in understanding the aim of socialist production, we should not equate the requirements of the state in performing its function with the specific production tasks assigned by planning organizations. According to the requirements of the state, planning organizations assign some factories to produce weapons and munitions and assign other factories to produce special products for the requirements of the dictatorship of the proletariat. But these are by no means the aim of socialist production because they cannot meet the material and cultural needs of the people.

Second, the distribution and diverse uses of the total social product or national income should not be regarded as various aspects of the aim of socialist production. No matter how the total social product or national income is disposed of, its fundamental purpose is to satisfy to the greatest possible extent the material and cultural needs of all members of society. The social product can be divided into many categories and put to various uses, but the aim of production serves only one purpose. In a capitalist society, apart from the portion used to meet the various needs of the state, a considerable portion of the total social product must go towards the subsistence of the laborers. However, the aim of capitalist production is surplus value — the aim does not specify the use of that surplus value or include that part of variable capital which is used to meet the needs of the laborers. The distribution and uses of products in a socialist society are also multi-faceted. But the aim of socialist production includes only the part that meets the needs of all members of society and the part that consists of the surplus product for the welfare of the collectives. It should be stressed that the primary task and chief aspect of social life under the socialist system is to meet the material and cultural needs of the people. These needs underlie all other needs.

It is of great importance to identify the connotations of the aim of socialist production. Broadening the scope of this aim obscures the fundamental aim and can cause great damage. It is an ultra-Leftist approach, which says: No matter what the economic structure is, or what goods are being produced, as long as the products can be put to use, the aim of socialist production is satisfied, even if expenditures on national defense, government administration, foreign aid and state accumulation swell at the expense of the people's well-being. We hope this problem will be re-examined when the textbooks are revised.

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Another point worth brief mention is that the laws which govern economic relationships and movements under socialism should be observed not only qualitatively but also quantitatively. Theoretical research on socialist economy

should serve to promote economic development under the socialist system, and quantitative analysis can be useful in mapping policy and measuring progress. Both a qualitative and a quantitative grasp of socialist economy are necessary to develop an economic science that is applicable to practice. Little quantitative analysis of socialist economy has been made so far in China.

Finally, a few words on the methodology of writing basic textbooks. The three new books were compiled by assembling a number of teachers from numerous institutions of higher learning as if "launching a mass campaign." We cannot be too critical of this because there was tremendous time pressure for publication arising from the urgent need for these textbooks. Nevertheless, such a method cannot produce textbooks of real scientific value and unique style. It is difficult for a group of authors to reach a consensus. Consensus inevitably involves compromise. By the time the book is acceptable to all of the authors, there will be little originality left. A better method might be for a few scholars who share similar views to join efforts. In this way, a number of textbooks of high quality are sure to emerge.

— *Translated by Zhao Yingnan*

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## IN THE COMING ISSUE

**DISCUSSIONS ON REFORM OF THE ECONOMIC STRUCTURE — THE CONCEPT OF OWNERSHIP BY THE WHOLE PEOPLE**, by Wang Yongjiang, Du Yi and Wang Shengxi, focuses on the question of ownership in a socialist economy. Overall economic reform in China must include the establishment of a structure of ownership of the means of production which suits the present level of the productive forces. To analyze the problems in the present structure of ownership and seek a correct orientation for reform, more than a dozen seminars were held by Beijing economists, beginning in November 1979 and lasting well into 1980. This report is a summary of the problems and suggestions raised at the discussions.

**PROBLEMS OF STRATEGY DURING THE LATE STAGES OF THE TAIPING WAR**, by Zhang Yiwen, examines warfare during the later stages (1856-64) of the Taiping Heavenly Kingdom from the angle of strategy. According to this author, the second western expedition, which began in the autumn of 1860, was the key to Taiping victory or defeat at this stage. If the Taiping leaders had attacked Zeng Guofan's headquarters in Qimen instead of Wuchang, they might have regained enough initiative to turn the tide of battle. The withdrawal of Li Xiucheng from the outskirts of Wuchang and his attack on Shanghai was another strategic mistake which not only accelerated the fall of Anqing, but also caused the entire military situation to deteriorate quickly. The author argues that Li Xiucheng's alternative of "abandoning the city in retreat" was the only way out for the Taiping Heavenly Kingdom.

**THE BASIC MEANING OF THE DIRECT IDENTITY OF OPPOSITES AND ITS OBJECTIVE UNIVERSALITY**, by Fang Liangjun, expounds Marx's views on the direct identity of opposites and advances the view that there are two types of direct identity, namely, the direct identity at the initial, germinal stage in the development of a thing (direct identity I), and the direct identity within each side of the contradiction in the contradictory indirect identity of a thing (direct identity II). The author points out that it is the directness of direct identity which constitutes its fundamental significance and basic character, and disagrees with the view that direct identity can be interpreted as the "common points" of opposites. The author cites examples to demonstrate that both types

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of direct identity are objective and universal, and that this objectivity and universality is determined by the nature of contradiction itself.

AN EVALUATION OF THE POEMS WRITTEN BY WANG ANSHI DURING HIS LATE LIFE, by Zhang Baishan, makes a systematic study of the poetry of this political figure who, after the failure of his reform, spent the last ten years of his life in a secluded hamlet village. The author stresses that although during his last years Wang Anshi studied Buddhist tenets and wrote poems about the beauty of nature, he never lost his interest in political struggle. The article analyzes the poet's literary style and his influence on later works.

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