



# ***JPRS Report***

# **China**

## ***QIUSHI [SEEKING TRUTH]***

No 3, 1 AUGUST 1988

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CONTENTS

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Build Party Organs Into Honest, Highly Efficient, Discipline-Observing and Law-Abiding Organs [Wen Jiabao] .....	1
Strengthen National Defense Education and Increase the Sense of National Defense [Chi Haotian] .....	3
The Law of Value and Price Reform [Zhang Zhouyuan] .....	6
Competition, Examination, and Rate of Students Entering Schools of Higher Grades [Yang Xuewei] .....	12
A Brief Talk on the Relationship Between the Party, Science of Marxism [Wu Jiang] .....	16
Development of Theory of Disequilibrium in the West and Its Significance as a Reference for the Economic Construction of Our Country [Li Yining] .....	18
A Brief Appraisal of Nietzsche's Concept of Value [Wang Keqian] .....	23
New Methods and Carriers in the Political and Ideological Work of Students in Institutions of Higher Learning .....	28
An Attempt To Invigorate the Right To Use Land in Rural Areas [Li Qing] .....	32
Comments on the 'Group Management Method' [Wang Jue] .....	35
Poem Satirizes Reform .....	38
We Must Not Make Any More Mistakes on the Population Issue—Studying China's Census and the Analysis of Its Results [Wu Cangping and Du Peng] .....	38
Different Views on Some Basic Legal Principles in Law Circles in Recent Years .....	40
A New 'Political Economy' Textbook Is Compiled in the Soviet Union [Dan Zhu] .....	43
On 'Writings Outside the Zhitang Collection' [Huang Chang] .....	44
March Toward Epic Literature—Reading 'Red Streamer of the Earth' [Zheng Boneng] .....	46
Pitiable Alienation [Zuo Qian] .....	47
An Immortal's Complaint [Liu Zheng] .....	47

## QIUSHI [SEEKING TRUTH]

No 3, 1 August 1988

**Build Party Organs Into Honest, Highly Efficient, Discipline-Observing and Law-Abiding Organs**  
*HK1808035788 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88 pp 2-4*

[Article by Wen Jiabao 3306 1367 1405]

[Text] It has been 10 years since the 3rd plenary session of the 11th CPC Central Committee was held. Over the past 10 years, our country has scored achievements in reform and modernization which attracted worldwide attention. Reform in our country has now entered a critical stage. Many very difficult yet unavoidable problems are facing us. It is a glorious yet arduous and historic task for the entire party and people throughout the country to solve such problems resolutely and properly, to lose no time in promoting reform, to establish a new socialist commodity economy, and to lay a foundation for development at the end of this century and in the middle of the next. It is a critical moment now. Whether or not we can get over this difficulty has a most important bearing on the future of China's reform and the destiny of the Chinese nation. As Comrade Deng Xiaoping pointed out, we must take some risks and forge ahead, braving the wind and the waves. Confronted with such a situation, we must set a still higher standard for building party organs. What should be particularly stressed now is that party organs and party cadres should be honest in performing their official duties and oppose the manipulation of power for personal ends, dereliction of duty, blackmail, corruption and bribery. They should strictly enforce discipline and conscientiously uphold party leadership and the authority of the country's legal system. They should uplift their spirit, improve their efficiency, and serve reform, the grass roots, and the people still better. Party organs and party member cadres should play an exemplary role in this regard.

### I. Uphold Honesty

Whether or not party and state organs can uphold honesty has a bearing on the will of the people, on the success or failure in reform, and on the success or failure in modernization. A certain number of important measures for reform will be continuously formulated in several years. If the party and state organs can be honest in performing their official duties, confidence will be enhanced, the cohesive force will be strengthened, both the higher and lower levels are of one mind to overcome difficulties; otherwise, even if a small number of people make some mistakes, it will sully the image of the party and state, discredit the fame of reform, make the masses dissatisfied, and artificially aggravate the difficulties of reform. Whether or not the party and government organs can be honest in performing their official duties is, therefore, an important matter of political principle. In the course of reform and opening up, we must not only

unswervingly carry out reform and opening up and bring about a prosperous economy but also firmly and unshakably be honest in performing our official duties and guard against corruption.

Whether or not party organs, cadres of party organs, and party members, particularly the communist party members who hold leadership posts, can be honest in performing their official duties is of special importance. In the great cause of reform and socialist construction, history has given grave responsibilities to our party. To undertake these important historical responsibilities, we must strengthen the party's own building and set a higher criterion for and a stricter standard for party organs, cadres of party organs, and party members. The party organ cadres and party members must profoundly understand their important responsibilities to the causes of the party and people, seriously study the party's basic line at the initial stage of socialism, heighten their awareness, and strengthen their party spirit. At the present critical stage of reform, they must plunge themselves even more conscientiously into the great practice of reform, plan and worry ahead of the people, enjoy the fruits after the people, serve the people wholeheartedly, and unite and lead the masses to firmly and indomitably open up a new path to advance and break through the barrier.

What should be particularly pointed out is that after the practice of the long-term revolutionary struggle and socialist construction, our party and organs at all levels have formed their own glorious tradition. Struggling hard and being honest in performing official duties is this excellent tradition. Under the new historical conditions, we should carry forward such a glorious tradition even more vigorously. Under the circumstances of the continuously prosperous economy and the unremitting improvement of the people's livelihood, if the party organs and party cadres appear before the entire party and the people of the whole country with the image of being honest, upright, and impartial, it will surely strengthen the close ties between the party and the masses; kindle the masses' enthusiasm so that the correct propositions of the party in the course of reform and modernization can become the conscientious actions of the masses and the smooth development of reform and construction can be guaranteed.

Being honest in performing official duties is the most important matter of strictly administering the party as well as an important content of strengthening party building in the new historical period. In its capacity as the ruling party, our party should be able to stand a test while it is in power. As our party is leading the work of reform and opening up, it should also be able to withstand the trials of reform and opening up. This is the most important problem which should be solved in party-building in the new period. Our party can, on the whole, stand the severe test and is able to wage a struggle against all passive and corrupt phenomena but there is really a small number of party members who cannot

withstand the test. In the wake of the deepening of reform and opening up and of the development of the commodity economy, this problem will become more conspicuous. The struggle against corruption inside the party is unavoidable and we must clearly understand this. It is necessary to resolutely conduct education for party members who cannot stand the test. At the same time, it is essential to strictly administer the party and to resolutely weed out a small number of corrupt elements. Party organs should regard upholding honesty as an important matter of building party organs and the ranks of party member cadres; include it on the agenda; and in the light of the actual situation, grasp it in a serious and down-to-earth manner.

## II. Strengthen Discipline

The party and party organs must have strict discipline. Party members should consciously abide by party discipline. The consciousness for observing party discipline comes from the correct understanding of the party's principles and policies. As Lenin pointed out, the proletarian political party could become and would certainly become an invincible force because it had a guaranteed ideological unity and organizational unity formed on the basis of the Marxist principle. At the present critical moment of reform, as the entire party and the people of the whole country are confronted with a glorious yet arduous task, this requires us to strengthen the sense of organization and the sense of discipline even more so as to guarantee the ideological unity and uniformity in actions of the entire party; to guarantee the rapid and effective implementation of the decisions of the party and government; and to guarantee a good social and political environment for reform and modernization. At the crucial stage of reform, party member cadres of various organs should, therefore, strengthen the sense of discipline most and consciously and strictly uphold party discipline.

In enforcing discipline, the most important thing is to study hard and to understand the important policy decision of the central authorities on speeding up reform and gradually building the new order of the socialist commodity economy. We must see that while the economic situation of our country is very good, many problems which urgently await solution exist at the same time. We must, in the final analysis, rely on the building of the new order of the socialist commodity economy to solve these problems. This is also the important content and task of reform of the economic structure and reform of the political structure. The party member cadres of our organs must understand this situation correctly, strengthen their concept of discipline, vigorously publicize and exemplarily implement all principles and policies of reform and opening up, and devote their energy to the building of the new order of the socialist commodity economy.

In enforcing discipline, the cadres of party organs are also required to consciously uphold party leadership and to safeguard the authority of the legal system of the state.

Our reform is carried out step by step under party leadership. To achieve the target and requirements of reform, it is necessary to have the vigorous leadership of the party and government and to have the authority of the legal system of the state. Without them, the basic interests of the state and the people cannot be safeguarded, the smooth progress of reform not guaranteed, and the great target of the four modernizations not achieved.

The enforcement of discipline is also an important guarantee of the honesty of various organs. Party members, including those who are responsible cadres, must observe party discipline without exception. At present, party organs and party cadres must strictly observe and implement the regulations and directives of the CPC Central Committee and State Council on keeping up honesty and enforcing discipline: They are not allowed to use public funds to give dinners and gifts; are not allowed to extort or accept gifts; shall not engage in commerce or run enterprises; and are by no means allowed to manipulate power for personal ends, to be derelict of duty, and to commit blackmail, corruption, and bribery; and they must strictly control the purchasing power of groups, seriously examine the construction projects of buildings, halls, and guesthouses, and vigorously reduce the number of meetings. Regarding all laws, regulations, and systems, they must ensure that orders are carried out and what are prohibited are curbed. They must strictly enforce the laws and regulations and resolutely change the previous state in which discipline is not strictly enforced and the system is not strictly implemented. To put the inner-party life on a sound basis and to strictly enforce party discipline, it is imperative to step up supervision and to give play to the supervisory role of the party organizations. The party committees of various organs and all party organizations must regard the supervision of whether the party members and party members who are leading cadres are honest or not, as a content of organizing activities and as a task of the grass-roots party organizations.

## III. Uplift Spirits, Improve Efficiency

The party organs are the working departments of the party and shoulder the duties of serving the party organizations, grass roots, and the masses. The quality of the work of the party organs and the ideological state of the working personnel of various organs have a direct bearing on the implementation of the party's line, principles, and policies and on the smooth progress of party work and reform. Party organs must, therefore, not only have an honest work style and strict discipline but also uplift the revolutionary spirit and carry out work with high efficiency.

With a view to uplifting the spirits and working with high efficiency, it is necessary to first understand that "achieving the four modernizations and invigorating China" is our great historical mission and reform is the only way to achieve the four modernizations. We must, therefore, plunge ourselves into reform enthusiastically and vigorously. At present, reform is at a critical stage. There are many contradictions in this critical period. A

price must be paid in straightening out the price and wages relations. There are still difficulties and risks in reform. It is the correct choice of communist party members, particularly party member cadres, to correctly handle the relations between the immediate and long-term interests and the relations between the interests of the individuals and the interests of the state and nation; and to use one's own practical actions to overcome difficulties and break through barriers together with the entire party and the people of the whole country, in the light of the overall situation of "achieving the four modernizations and invigorating China."

To uplift the spirits and work with highly efficiency, it is also essential to give play to enthusiasm for work. In the critical period of reform and construction, the leadership organs of the entire party and all cadres and party members must give play to their enthusiasm at a high degree. Giving play to enthusiasm must be specifically embodied in the leadership organs', cadres', and party members' spirit of opening up a new path, creative ability, daring to be responsible, and making progress vigorously; and must be specifically embodied in the leadership organs', cadres', and party members' scientific attitude, being bold in and good at putting forward the methods of and views on, solving the new problems emerging continuously in the new situation in the course of reform and the four modernizations. This enthusiasm must also be embodied in the leadership organs', cadres', and party members' being able to conduct regular criticism and self-criticism and to carry out effective mutual supervision. Without these, the so-called enthusiasm is empty. The democratization of the inner-party life is relied on to give play to this enthusiasm. If the democratic life is lacking inside the party, the aim of giving play to enthusiasm cannot be attained.

Reform of our country has entered a crucial stage. The burdens on our shoulders are very heavy. We must clearly understand the situation and tasks, uplift our spirits, and together with the people of all nationalities of our whole country, struggle hard to build the party organs into honest, highly efficient, discipline-observing, and law-abiding organs, to achieve the four modernizations, and to invigorate China. (This article is the gist of the speech delivered by the writer at a forum of the organs directly under the Central Authorities in the last 10 days of June this year.)

### **Strengthen National Defense Education and Increase the Sense of National Defense**

*HK1208054788 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 3, 1 Aug 88 pp 5-8*

[Article by Chi Haotian 6688 3185 3944]

[Text]

### **Fully Understand the Importance of National Defense Buildup During the New Period**

Sense of national defense means people's view and attitude toward national defense. At present, the task of

national defense education is that in accordance with the party's basic line and overall requirements for national defense buildup, we should correct people's views and attitude toward national defense buildup during the new period in light of their practical ideological conditions so that they can establish a correct concept of national defense.

In recent years, our party and country have strategically changed their guiding ideology on national defense buildup with emphasis on economic construction. Some people in the party and army, and some of our masses have an erroneous understanding and confused idea on national defense buildup. Some people maintain that at present since we "face neither enemy state nor foreign aggressors," there is no need for us to stress sense of national defense. Some believe that it is of no use to make war preparations during peacetime. Some hold that we can "put the weapons back in the arsenal and graze the war horses on the hillside." Some say that national defense buildup is a "pure consumption," and that strengthening national defense buildup will adversely affect economic construction. They set national defense buildup against economic construction. Such erroneous understanding and confused ideas have blunted people's sense of national defense, and might lead to some consequences which have not yet been completely revealed. According to what we have learned, the management and work style in some units are lax and weak, and the order for war preparations is abnormal. While carrying out economic development projects, some units disregard the security and interests of the state and damage some national defense facilities. In some localities, the incidents of ruining national defense facilities happen one after another. Proceeding from their local needs, some units forcibly occupy barracks and land, and arbitrarily exact payment. Some youths lack the enthusiasm for joining the army and learning military skills. Some localities send unqualified youths to join the army. All this has adversely affected the prestige and image of the army. Although those examples cited above are isolated cases, and are very rare, we must on no account neglect them.

There is an old saying: "Those, who maintain vigilance against danger and death, are able to ensure their safety and survival." To all countries, the importance and role of national defense will never change. At present, the development of the forces of peace in the world has outgrown the increase of the factors of war. Currently, the two superpowers of the United States and the Soviet Union are well-matched in their strength and arms race. The tension has been eased in the world, and there is no possibility of world war in the immediate future. To fully make use of this peacetime opportunity, various major countries in the world are vying with one another to readjust their strategies, to vigorously develop their economy, science and technology, and to increase their comprehensive national power so that they can possess a

strategic superiority in the future. While actively promoting dialogue and disarmament talks, both the United States and the Soviet Union are intensifying their efforts to develop strategic weapons and conventional weapons of the new generation. In the arms race, stress is placed on the quality of the weapons, and competition has been extended to outer space. On the one hand, peace and development have become the two main themes of the contemporary world. On the other hand, the contention between various main countries, and between the United States and the Soviet Union in particular, has constituted a threat to peace and development. In addition, insecure factors have existed in the areas around our country, where peace does not prevail. In such an international environment, we should realize that our national defense mechanisms must never stop operating, and playing their role. Otherwise, it will be impossible for the people throughout the country to carry out the four modernizations program in a peaceful and tranquil environment just as they are doing now. Someone has said that as far as war is concerned, "it can be prevented as long as we have made preparations for it; it will occur if we do otherwise." This means that if we have done well in war preparations, the enemy will not dare to come. There is a saying in Chinese classical writing "A Commentary on the Spring and Autumn Annals": "Although many people hold that it is unnecessary to make any preparations, we cannot accept the idea." The saying is logical. We must respect the following fact: Since time immemorial, there is no country in the world which can live independently and peacefully for a long time without national defense. On the contrary, it is not a rare phenomenon that some countries perish and their people suffer a lot from the calamities of war because they fail to attach importance to national defense. Currently, many countries in the world have regarded the efforts to safeguard the interests of the state and nation as the "first service of the society," or "lifelong project." In this rapidly changing modern world, China as a sovereign and completely independent country must never forget the danger which it might face in time of peace.

National defense buildup and economic construction mutually rely on, condition and promote each other. Each is the condition for the other's existence. On the one hand, without a powerful economic strength as its base, national defense buildup will be like water without a source, or a tree without roots. In the past, due to the interference of the "leftist" ideology, we wrongly persisted in taking class struggle as the key link. This blocked our economic development, and obstructed the foundation of our national defense buildup. Our reserve strength was not great. For a long period of time in the past, our national defense buildup was in a state of low-level and circular [xun huan 1789 3883] development. Since the 3d Plenary Session of the 11th CPC Central Committee, our work focus has been shifted to economic construction. Our defense expenditure has been cut. Our purpose in so doing is to change the situation whereby our national defense buildup did not

conform with economic construction. Our national defense buildup must be coordinated with the development of our economic construction. We are definitely sure that with the development of our country's economic construction, we will certainly be able to attain the objective of building a modern and powerful national defense. On the other hand, without a powerful national defense, it is impossible for us to ensure the normal progress of our country's economic construction and social life. Our national defense is a basic guarantee for our country's territorial sovereignty and security interests. It is closely connected with the rise and fall as well as safety and danger of our country. This has been proven by the contemporary history of China in which our country was invaded and carved up by various imperialist powers. This also proves that national defense buildup is not a pure consumption. National defense buildup as a kind of social labor; it has its own "products," and "effects and benefits." Unlike other products of social labor, national defense buildup cannot be calculated in figures. Unlike other products of social labor, it does not enter the commodity circulation field. However, the product of "state security" manufactured by national defense buildup is actually shared by all members of the society. It is appropriate to say that we are always enjoying its value and benefits. At present, some people very often turn a blind eye, or disregard this. This reminds us of the necessity of strengthening national defense education. To strengthen national defense education, the broad masses of people must truly understand national defense and the products and value of national defense buildup. In this way, they will develop a sense of honor, responsibility and a mission for showing concern for, having deep love for, developing and safeguarding national defense. In the meantime, we should also realize that national defense can play the role of a social school. Scientific research for national defense, production of war industry, and various skills for operating modern military facilities and equipment can directly or indirectly serve economic construction. Practice in recent years has proved that military force can be turned into a powerful social productive forces. With the development of our country's economic construction, and the deepening of reform and opening up, an increasingly stricter demand will be set on the function of national defense for safeguarding the security of our country, and on its role as a social school. Militarily the sense of national defense as a positive spiritual factor can be turned into combat effectiveness. Economically, it can be turned into productive forces. Politically, it can be turned into a centripetal force [xiang xin li 0686 1800 0500] and rallying force of our country and nation. The sense of national defense which we advocate is based on patriotism, national spirit, conscious devotion, and the thinking of revolutionary heroism. Therefore, providing national defense education, and enhancing the sense of national defense will incite people's patriotic enthusiasm, desire for struggle, and national pride. It will encourage them to unite as one and cooperate with one another, abide by the law, and work hard. It will also

provide them with powerful spiritual strength for promoting the building of socialist spiritual civilization, for invigorating our country's economy, and for promoting reform and opening up.

Modern national defense is a demonstration of the comprehensive national power of a country. Under modern conditions, to safeguard the state sovereignty, territorial integrity and security interest, and prevent foreign aggression and subversion, measures must be taken in the fields of military affairs, politics, economy, science, technology, culture, diplomacy, and so on. Development in these fields is also needed. Therefore, modern national defense is an all-embracing, complicated, large and systematic project. It has penetrated various fields and all trades and services of our country. It has run through the entire process of our peacetime and wartime period. The army must not shirk the responsibility for promoting national defense buildup. However, it is not sufficient for us to rely on the army alone. People in all fields, trades and services must work as one to carry out a joint struggle. Only thus can they develop a powerful and modern national defense. People in all fields, trades and services must show concern for, develop and safeguard our national defense. They should link their work with the security of the state. They should devote their efforts in this regard. This will be an embodiment of the thinking of the people's war under modern conditions.

"Every man has a share of responsibility for the fate of his country." Our constitution has stated that it is the sacred right and duty of all citizens to protect the security of the state, and to safeguard the state sovereignty. Whether the sense of national defense of a person is strong is determined by his attitude and view on national defense. To judge a person's attitude, viewpoint, and stand, we should consider not only what he has said, but also what he has done. We have said that joining the army, participating in war, supporting the frontline, or directly taking part in national defense buildup is an embodiment of the strong sense of national defense. Showing concern for and making full allowances for the difficulties of the army, supporting the building of the army, protecting facilities for national defense, taking good care of the prestige of the army, supporting family members to enlist in the army, actively fulfilling the duty of national defense, taking part in military training, studying military knowledge, and enthusiastically propagating the importance of national defense buildup, and so on is also a manifestation of the strong sense of national defense. Those who show concern for and protect the pride, honor and interests of the Chinese nation, closely link their own work with the prosperity of the state, work wholeheartedly for public interest, and do all they can to make contribution to the state are helpful to consolidating national defense. Therefore, each and every citizen can fulfill their rights and duties for national defense through their words and deeds as well as their own work. Here, the key lies in a high sense of responsibility and duty. Lu You, an outstanding poet of

the Song Dynasty, said: "Although I am in a humble position, I never forget showing concern for my country." Loving and defending the motherland is a fine tradition of the Chinese nation. We should inherit such precious national heritage, pass it on from generation to generation, and carry it forward.

#### **Reforming National Defense Education in Light of the New Situation**

For a long period of time in the past, our party and country attached importance to national defense education, and accumulated a wealth of experience in this regard. However, in a certain period of time, due to the influence of the "leftist" ideology, we overestimated the grim situation of war, and the guiding ideology on "early war, great war and nuclear war" ran through the entire national defense education. We overemphasized the education in war preparedness. Very often, we replaced national defense education with the "stimulus of the situation." [qing kuang ci ji 1906 0400 0459 3423] This led to the oversimplification, formulism and formalism of the national defense education. At present, the party and state are placing their emphasis on economic construction, and upholding reform and opening up. The guiding thinking on national defense buildup has also been changed from the previous "making preparations for early war, great war and nuclear war" into modernization during peacetime. To meet the demand of the situation mentioned above, the reform in national defense education brooks no delay.

National defense education is a regular social education. It should be included in the great system of social education. In recent years, many localities have included national defense education in the agenda of the party and government, in the teaching plan and contents of schools, in the education for peasants, and in the practical activities of capital construction. This is a good experience. The PLA is the main force of the national defense buildup. It should profoundly develop national defense education. The local people's armed forces departments should vigorously assist party committees and governments at all levels to promote well national defense education. They should regard this as their basic task. They should strengthen planning work, and do well in implementing their plans. The broad masses of educational workers, scientific workers, writers, artist, and engineers should also show concern for national defense buildup, and support national defense education. They should include them in their working plan. They should make new contributions to helping all people enhance their sense of national defense, consolidating and strengthening national defense. While providing national defense education for the masses, our emphasis must be placed on youngsters. Youngsters are the hope of our motherland and nation. The heavy task of national defense buildup will certainly be shouldered by them in the future. To do well in providing youngsters with national defense education means building our future "great wall." We should attach great importance to this

work which is of profound significance to our national defense and security. Our activities of "loving and building my great wall" have truly enabled the broad masses of people to realize the importance and role of the great wall in history, so that they show concern and support the work of building the "great wall" of the new times. In the meantime, we should pay attention to merging national defense education into the social life of our citizens, so that it strikes roots in their minds. This will enable the broad masses of people to realize that their life is closely connected with our national defense and state security.

Enacting and perfecting laws and regulations for national defense, and giving play to the role of the laws is an important work for strengthening people's sense of national defense. At present, we are facing a new situation of our country implementing a policy of reform and opening up. On the one hand, we realize that some of our previous laws and regulations no longer conform with the new situation, and that they should be revised and perfected. On the other hand, we should firmly grasp the work of enacting some laws and regulations which are urgently needed, such as law on national defense education, law on national defense mobilization, law on protecting facilities for national defense, and so on. To keep in line with our country's political and economic structural reforms, our national defense buildup must proceed from actual conditions. We should enact and perfect our laws on national defense as early as possible so that we can gradually establish a comparatively perfect system of national defense law. In such a way, while promoting national defense buildup, we have laws and regulations to go by. In this regard, we hope that the state legislative organs and departments will enthusiastically support, help and guide us.

Since the 13 CPC national congress, leaders and organs of the party, government and army at all levels have increasingly paid their attention to increasing a sense of national defense. Together with working personnel of their organs, many leading comrades go down to the grass-roots units to institute investigations and studies and to solve problems. Some leading comrades have personally written articles and delivered speeches to provide specific help and guidance on the forefront. Some localities and units have scored great success in this regard, and have achieved very valuable experiences. "A favorable world situation has gradually occurred." As long as the entire party and the whole army conscientiously implement the instructions and arrangements made by the 13th CPC National Congress, and the first session of the 7th NPC concerning the work of strengthening national defense education, and increasing people's sense of national defense, carry forward their achievements on the existing basis and continue to work hard, so that working personnel and the masses in all trades and services, on all fronts, and in various fields will treat and handle matters relating with the security of the state on the basis of a strong sense of national defense, we can definitely say: "The days when

we succeed in invigorating our nation through the four modernization programs are also the days when we succeed in making our national defense powerful."

### **The Law of Value and Price Reform**

*HK1708062388 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88, pp 9-14*

[Article By Zhang Zhuoyuan 1728 0587 0337 of the Institute of Finance, Commerce and Commodities Economics of the Chinese Academy of Social Sciences]

[Text]

### **The Law of Value Is the Natural Yardstick of Equality in the Commodity Economy**

The principal objective in the reform of the economic structure of our country is to develop a socialist commodity economy. The law of value is the main law governing the activities of a commodity economy. The experiences of all the countries in the world have proven that the law of value plays a revolutionary role in the development of a commodity economy and pushes forward with its development. The reason is simply because the law of value provides a natural yardstick of equality—The value of a commodity is determined by the necessary labor embodied in that particular commodity. All economic activities are measured and appraised by the same yardstick, namely the value. Thus, the enterprises which have advanced technology and whose management is efficient and labor productivity is high will achieve extra profit and develop rapidly; on the contrary, the enterprises which have only outdated technology and whose management is inefficient and labor productivity is low will suffer economic losses and develop very slowly. Constantly making a comparison between the consumption of individual labor and the consumption of necessary labor can make the enterprises forge ahead and develop more rapidly. The law of value "plays an internal, silent, and natural role." The law of value "helps to overcome the irregular and wilful behavior of the commodity producers." The commodity producers "do not recognize any other authorities, but only recognize the authority of competition and the pressure of their mutual interests"<sup>1</sup>. In the activities of a commodity economy, the so called market pressure and the force of competition are the concrete form and result of the role of the law of value. Therefore, in order to transform the traditional mandatory economy into a market-oriented commodity economy which is indirectly regulated by the state, we should first of all create in the entire economic operation an environment in which competition can be carried out on the basis of equality and the successful enterprises will survive while the unsuccessful enterprises will be eliminated. We should deal with the relations of economic interests according to the principle of exchange of equal values and do things according to the objective demand of the law of value.



The law of value only recognizes the economic principles but does not recognize the administrative force and the social privileges; the law of value only recognizes the market force but does not recognize other authorities which are unrelated with the mechanism of competition and nor does it recognize the theory of human relations. The law of value demands that all the feudal blockades and fetters be dismantled and all economic activities be oriented to a unified national market or even a unified international market. For this reason, in the course of reform, any attempt to strengthen the links between the government and the enterprises rather than to weaken the links, any attempt to strengthen the administrative control over and administrative interference in the enterprises rather than to reduce it, any attempt to delegate power to the local administrative organs rather than to delegate power to the market and enterprises, and any attempt to readjust the relations of interests by relying on the political authority rather than redistribute the interests through the market mechanism should be regarded as unconformable to the demand of the law of value and detrimental to the development of a commodity economy. The reason is that such attempts will hinder the law of value from playing its role as the yardstick of equality. These attempts are also aimed at replacing the economic comparison with the political comparison and replacing the economic competition on the basis of equality with the political struggle (through privileges, human relations, and so on) to look for and obtain the profits which are unobtainable from the market.

As the yardstick of equality in appraising various types of economic activities, the law of value can only play its role in the market competition. The width and depth of the market determine the extent to which the law of value can play its role. From this, we can see that the ultimate task of the reform of the economic structure is to promote the market development and establish and perfect the socialist market system. The enterprise reform is aimed at producing such commodity producers and commodity operators that can have real decision-making power in their operation and management and can assume full responsibility for their own profits and losses. Thus the enterprise reform can be summed up as a reform aimed at establishing the principal body of the market. Only the commodity producers and operators can really enter the market and participate in the market competition. That the state will indirectly exercise macroeconomic control means that it will no longer use administrative measures or mandatory plans to control the operation of the economy, but will guide the social economic activities through market, regulation, market control, and the creation of an environment in which competition can be carried out on the basis of equality. Thus the reform of the mechanism of the entire economic operation is, in fact, a reform of the market orientation. The formation and development of the market and the perfection of the market system show the actual depth of the reform of the economic structure. We can also believe that when various types of markets are established one by one and the market systems are

gradually perfected, the old economic structure will be replaced by a new one. This is because only when the market relations are further developed will it be possible for us to push forward with the development of the commodity economy and will it be possible for the law of value to play its role in a wider scope. Over the past few years, generally speaking, the reform of the economic structure of our country has been carried out according to the above mentioned orientation and has yielded outstanding results. As a result, our country's economy has been invigorated and our country's market has become brisk. There has been a bumper supply of goods and materials on our country's market. Over the past few years, the livelihood of the people has been greatly improved. However, we should understand that our country's market development has been slow. Sometimes, people tried to carry out the enterprise reform without carrying out price reform, tried to strengthen the "one to one" negotiation mechanism, and only stressed the delegation of more power to the local administrative organs. All these have hindered the law of value from playing its role fully and have hampered the deepening of the reform of the economic structure and the transformation of the mechanism of the economic operation. The deepening of the reform of the economic structure demands us to accelerate the market development and extend the market relations. By accelerating the market development and expanding the market relations, we will be able to fully respect the law of value and enable the law of value to play its role of promoting the development of the commodity economy.

#### **It Is Necessary To Respect the Law of Value and Smooth Out Price Relations**

The law of value can only play its role through prices and the movement of prices. Value is invisible and cannot be touched. People can only see the currency form of value, namely price changes. The law of value demands the exchange of equal values in all types of economic intercourse. The law of value can simply be called the law of exchange of equal values. Therefore, in order to develop the commodity economy and respect the law of value, socialist countries should smooth out price relations, enable the price structure and the changes of the price structure to conform with the demand of the law of value, and make price parities between various types of commodities more economically rational. So, it is necessary to transform the price formation mechanism and realize the transformation from the administrative price formation to the market price formation. This is because the administrative price formation structure is a rigid or semi-rigid structure which is mainly determined by the subjective factors and cannot timely reflect the changes in the consumption of social labor and the changes in the relations between supply and demand. As a result, the administrative price formation structure can seriously distort the price relations and price structure. Only by implementing the market price formation structure will it be possible for the prices and price changes to timely reflect the changes in the consumption of social labor

and the changes in the relations between supply and demand, and more importantly, reflect the value of the commodities and the changes in the value of commodities. And only by implementing the market price formation structure will it be possible for us to smooth out price relations, rationalize the price structure, and accurately respond to price signals. Some people think that to smooth out price relations means to carry out the transformation of the existing price formation mechanism and implement the market price formation structure. In my view, the transformation of the existing price formation mechanism and the implementation of the market price formation structure are the premises and preconditions for smoothing out price relations and cannot replace the process of smoothing out price relations. Only when price relations conform with the demand of the law of value; prices of various types of commodities tend to approach the generally balanced prices, which means that the prices of various types of commodities turn to approach the prices acceptable to both the buyers and the sellers under the conditions of balanced supply and demand; and the various production departments, trades, and professions can realize approximately the same profit rate, will we be able to say that we have smoothed out price relations. However, price relations can only be smoothed out through the market competition. So, the implementation of the market price formation structure is the basic condition for smoothing out price relations.

In order to smooth out price relations, we must carry out price reform. The contents of price reform consist of the following two aspects: One is the reform of the price structure; The other is the reform of the price formation mechanism. Our reform practice has told us that of the above mentioned two aspects of price reform, the reform of the price formation mechanism, namely the reform of the price management structure, is more important. This is because only by reforming our country's originally rigid price management structure, let prices be formed in the course of commodity exchanges on the market, and discard the administrative price formation and regulation structure will it be possible for the price structure to be gradually rationalized and remain constantly rational. If we continued to implement the original administrative price formation structure and even if we could rationalize the price parities between various types of commodities for the time being, because our economic life is constantly changing and because the amount of the social labor embodied in various types of commodities and the orientation of the relations between the supply and the demand are rapidly changing, very soon, the originally rational price structure would become irrational again; would be distorted again; would not be able to remain constantly rational; and would become unconvertible to the demand of the law of value.

The reform of the economic structure will have to pass several barriers. The biggest barrier is price reform. This is because under the traditional structure, prices were under the strict government control for a long time. As a

result, our country suffered from hidden inflation for a long time. In the course of price reform, the state control over prices will be gradually relaxed. As a result, the originally hidden inflation will also be brought to light and the general level of commodity prices will be raised. The price hikes will not only bring psychological and spiritual pressure on the people, who have for long been used to living in an environment characterized by stable prices and insufficient supply of commodities, but will also enlarge the income gap among the people as a result of the readjustment of and change in the people's economic interests. Therefore, the economic interests of some of those who earn fixed salaries will be harmed; those who earn low salaries will face difficulties in their daily life. As a result, new economic contradictions will emerge in society. If the commodity prices rise very rapidly, such economic contradictions will also be intensified to adversely affect the economic and social stability of our country. So, in the course of price reform, on the one hand, we should understand that the general level of commodity prices will rise. On the other hand, we should try to put the rise of the general level of commodity prices under control and try our best to maintain the basic stability of prices and control the rise of the general level of commodity prices within a scope acceptable to all sides. This is a difficult task which is not easy to accomplish because we might come across such a situation: When we stressed maintaining the basic stability of prices, very often, we would choose to slow down price reform and therefore miss the opportune moment for price reform. As a result, the entire reform of the economic structure of our country will be slowed down; when we stressed accelerating price reform, very often, we will fail to put price hikes under proper control. As a result, the economic friction and contradictions in our country will be intensified. This is why over the past few years, our country's price reform has been carried out sometimes very rapidly and sometimes very slowly.

Price reform is a difficult task because it could easily be hindered by inflation. In the course of the reform of the economic structure, the social economy can become more and more currency-dominated. This situation will objectively demand that currency be issued in excess of the economic development speed. However, the specific amount of currency to be issued in excess of the economic development speed will be determined by the actual conditions during different periods of our country. Generally speaking, the developing countries will issue currency 2 to 3 percent in excess of their economic development speeds. However sometimes, because of the improper control over the issuance of currency, more currency is issued. As a result, inflation will be caused. Especially during the course of the reform of the economic structure, all the people hope that a faster economic growth can be achieved and "a bigger meat pie can be made" so that more readjustments of the economic interests can be made and more changes can take place in the economic interests of the people. Because people have such a good wish, the state will turn easily to

issue more currency to stimulate economic development. Moreover, after achieving some initial results through the issuance of more currency to stimulate economic development, the state will certainly turn to issue more and more currency. As a result, the country will suffer inflation. Our theoretical study and the practice of all the countries in the world have proved that inflation is a dangerous game. Once a country, especially a developing country, takes the road of inflation, it will find it difficult to get out of inflation. As inflation becomes more and more serious, an economic crisis will break out. From this, we understand that inflation cannot push forward with price reform. On the contrary, inflation will only hinder price reform.

When there is inflation, especially double-digit inflation, the prices of agricultural products and industrial products will go up one by one; prices of basic products, semi-finished products, and finished products will also go up one by one. As a result, commodity prices and service charges will also go up; wages and commodity prices will go up in spirals; domestic price hikes and the rise of foreign exchange rates will also promote each other. As a result, the original price relations will be further distorted and the achievements previously made in the price readjustment and price reform will also be destroyed. The situation in our country since 1985 has developed such an unfavorable momentum. In 1978, our country's general retail price index was 100; in 1985, it was 128.1; in rural areas, the general industrial product retail price index in 1985 was 111.1, while the general farm and sideline product price index in the rural areas was 166.8. These figures show that the difference between the prices of industrial products and agricultural products was narrowed. At the same time, the producer prices of the various types of industrial products also turned to be rationalized. Compared with the situation in 1978, in 1986, the prices of mining industrial products went up by 55 percent, of the raw material industrial products by 45 percent, and of processed industrial products by 13 percent. As a result, the price relations between primary products and processed industrial products were greatly improved. However, since 1985, intensifying inflation has hampered the smooth progress of price reform. As a result, the structural price readjustment and price reform have caused the overall rise of commodity prices and spiral price hikes. The contract purchase price of grain has again become the "bottom" of the entire price structure and a new round of farm product price hikes will soon begin. Over the past 2 years, the increase rate in the prices of processed industrial products has not been lower and has even been higher than the increase rate of the prices of the raw and processed materials and thus our attempt to raise the prices of primary products has failed. From 1979 to 1987, our country's general retail price index rose by 45.7 percent. With the changes in the prices of industrial production means factored in, our country's general price level rose by more than 50 percent. However, just like the situation prior to price reform, our country's present price relations are still distorted

though the situation has improved to a certain extent. Our country's distorted price relations can be seen in that the prices of agricultural products, especially the price of grain, and the prices of primary industrial products are now relatively low. It is estimated that in order to smooth out these price relations, our country's general price level will have to be raised for another 50-70 percent. The reason is that in order to put inflation under control, very often, the government has to exercise control over prices, especially the prices of grain, energy, raw and processed materials, and other major products. However, it is impossible for the government to exercise control over the prices of other tens of thousands of products. As a result, the prices of grain, energy, raw and processed materials, and other major products will not go up by a big margin. Thus the gap between the prices of these major products and the prices of other products which are not under government control will be widened. The prices of grain, energy, raw and processed materials, and other major products will again become the "bottom" of the price structure.

Inflation can only help to mitigate the various contradictions in the existing price relations of our country to a certain extent for the time being but cannot help to fundamentally solve these contradictions. Therefore, the government will usually adopt administrative measures to control the product prices and the general level of commodity prices and will even set a limit on the highest level of commodity prices. Such administrative control over prices will certainly cause a short supply of commodities. And in the end, the government has to relax such administrative control over prices. As a result, prices will jump up again rapidly. Because the prices of the major products are low, the production of these major products has been affected. This has become a serious problem in our country's economic life. Raising the prices of the major products can mitigate the contradictions in the price relations for the time being. However, after a period of time, because the prices of other products will go up in spirals, the prices of the major products, such as the price of grain, will again turn to become low. Obviously, such a situation will adversely affect the smooth progress of price reform.

In order to push forward with price reform, the pressing matter of the moment is to check inflation and try to diminish the pressure caused by the long-standing inflation within 2 or 3 years to create a relatively stable economic environment for price reform. While carrying out price reform, we should try to control the annual increase rate of commodity prices within 10 percent, among which the annual increase rate of commodity prices, which is caused by the frequently-occurring inflation, should be controlled within about 3 percent while about 7 percent of the annual increase rate of commodity prices should be used to readjust the price structure and smooth out price relations. Therefore, it is necessary to adjust the state macroeconomic policies, reduce the annual industrial growth rate to about 8-10 percent, and

slow down excessively fast industrial development. Secondly, efforts should be made to control the excessively rapid expansion of supply and demand, properly reduce the input of credit and currency, control the annual increase rate of currency issuance within about 12 percent (among which, some 7 percent is the increase rate demanded by economic growth, 2 percent is the normal increase rate demanded by a currency-dominated society, and 3 percent is the currency over-issuance rate). Through the implementation of the above mentioned measures, we will be able to check the excessive growth of the investment and consumption funds and realize the basic balance between the aggregate social demand and the aggregate social supply. Only by doing things in this way will we be able to carry out price reform smoothly and successfully implement it, free from the interference of inflation.

#### **It is Impossible To Make Headway With the Reform of the Economic Structure Without Carrying Out Price Reform**

To carry out price reform is difficult and risky. Because of this, since 1986, some comrades have repeatedly suggested making headway with the reform of the economic structure without carrying out price reform. These comrades have refused to recognize that price reform is the key to the success of the reform of the entire economic structure and have laid excessive stress on enterprise reform or the reform of ownership relations. Under such circumstances, price reform has been delayed (It is generally believed that 1986 was the best year to further price reform), market development has also been hampered, and the entire reform process of our country has been obstructed.

One of the arguments of the comrades who advocated making headway with the reform of the economic structure without carrying out price reform is that it is only a low-level reform which cannot have a sizable impact on the overall reform of our country. This is not in fact true. The urban reform characterized by delegating power to the lower levels and allowing the lower levels to retain more profits, which was carried out a few years ago, is a real low-level reform. Along with the deepening of reform, the entire economic operation will be geared to the market needs. Therefore, it is necessary to carry out price reform. Without carrying it out, it will be impossible for us to make headway with the reform of the economic structure. If the two-way price system continued to be implemented and were not to be transformed into the one-way price system, the market relations would be confused and the market coordination would be greatly hindered. At present, over 70 percent of the means of production of the industrial enterprises are purchased from the market while nearly 30 percent of the means of production of the industrial enterprises are allocated through the state plan. Generally speaking, the means of production allocated through the state plan are the important means of production. This situation is detrimental to the rational flow of scarce resources to the

market. The two-way price system is detrimental to the big and medium-sized enterprises which undertake bigger production quotas, especially detrimental to the big coal mines, big oil fields, big mines, and other big and medium-sized enterprises which produce primary products. Since the two-way price system can stimulate the partial development of the processing industries whose product prices are not under the state control, it will intensify the structural contradictions and make it impossible for other types of enterprises to achieve good results in their short-term and long-term investments. The two-way price system will also affect the rational distribution of resources. In order to transform the present economic operation mechanism, enable the state to regulate the market, and enable the market to guide the enterprises, the market must be made transparent and a competitive market opening up to the outside world must be established. In order to build a market which is transparent, competitive, and open to the outside world, we must first of all realize the transformation of the price mechanism and implement the market price system. The price signals are the most important market signals. If we can have a good understanding of the price signals, the law of value will be able to play a positive role in regulating the social economic life through the market so as to push forward with the market-oriented reform.

When discussing the relationship between enterprise reform or the reform of ownership relations and price reform, the comrades who advocate carrying out the reform of the economic structure without carrying out price reform usually stress the importance of enterprise reform or the reform of ownership relations, but play down the importance of price reform. It is generally believed that enterprise reform is aimed at re-creating the commodity producers and operators which can have decisionmaking power in their operations and can assume full responsibility for their own profits and losses to enable these commodity producers and operators to swim in the vast ocean of the commodity economy and compete with one another on the market by increasing their respective economic results. However, if we did not carry out price reform and did not smooth out price relations, the prices of some commodities would be extremely high while the prices of other commodities would be extremely low. Under such circumstances, it would be impossible for the enterprises to truly assume full responsibility for their own profits and losses. As a result, the enterprises whose product prices are low and profits are small would become loss-making enterprises due to some non-operational factors while the enterprises whose product prices are high and profits are big would become big profit-making enterprises. Thus the economic results of the enterprises would not be determined by the operation and management of the enterprises, but by the opportunities the enterprises actually had. Under such circumstances, it would be impossible for us to realize the real market competition on the basis of equality and it would be impossible for the enterprises to become the real commodity producers and operators.

From this, we can see that the actual results of carrying out the reform of the economic structure without carrying out price reform would be contrary to the original wishes of the comrades who advocate carrying out the reform of the economic structure without carrying out price reform and would be contrary to the fundamental goal of the enterprise reform. As a matter of fact, enterprise reform and price reform are the two important component parts of the reform of the economic structure. The enterprise reform and price reform condition each other and promote each other. Therefore, enterprise and price reform should be simultaneously carried out. The transformation of the enterprise property ownership and the establishment of the position of the commodity producers and operators demand the implementation of price reform and the formation of a competitive market. In order to relax control over prices and smooth out price relations, we should carry out the transformation of the enterprise behavior mechanism to enable the enterprises to really become the principal body of the market activities.

If we carried out the reform of the economic structure without carrying out price reform, we would naturally strengthen the administrative coordination and the relations between the government and the enterprises. If the price relations could not be smoothed out, we would not be able to find a standard method of coordination and a rational criterion of assessing the economic activities. Under such circumstances, we would have to use administrative methods and administrative force to control and readjust the individual economic activities. In this sense, we can believe that if we did not carry out price reform and did not establish a competitive market, enterprise reform would naturally lead to the implementation of the contract system. Since we could not find a standard method of carrying out the economic coordination and could only adopt the non-standard method of one-to-one negotiations in deciding the amount of taxes and profits a particular enterprise implementing contracted operation has to turn over to the government. Although in the near future, the implementation of the contract system is conducive to separating the ownership from the management right of the enterprises and increasing the independence and vitality of the enterprises to a certain extent, the contract system has the following two major defects: First, the implementation of the contract system might help to strengthen the administrative mechanism rather than the market mechanism. The so called "appointed contract," "internally decided contract," and "contract through human relations" are practices free from the influence of the market factors. At present, because the market competition mechanism has not yet been well developed, it is still difficult to introduce the competition mechanism into the contract system and strengthen the competition mechanism. Second, the implementation of the contract system makes it difficult to enable the enterprises to assume full responsibility for their own profits and losses, have real decisionmaking power in their operations, and carry out independent development. The

frequent "bargaining" between the enterprises and the government officials will naturally induce both sides of the negotiation to have short-term behavior to accelerate the expansion of the demand. Therefore, the contract system can only be adopted as an interim measure. Greater efforts should be made to create conditions to enable the enterprises to gradually transform from the implementation of the contract system to the implementation of the joint stock system.

In essence, reform logic has shown that it is impossible to make headway with the reform of the economic structure without carrying out price reform. In order to further the reform of the economic structure, we should first carry out price reform. Only by successfully carrying it out will we be able to bring the law of value into full play.

#### **It Is Necessary To Rationalize the Production Structure and the Consumption Structure by Relying on the Market Mechanism**

Through the market mechanism, the law of value regulates social production, circulation, and consumption. The reform of the price structure is directly aimed at expanding the role of the market mechanism and perfecting the production and consumption structures.

Through the market mechanism, the law of value can microscopically urge the various economic units to improve their operations and increase their economic results. This is quite understandable. Thanks to the role played by the law of value, only by continuously improving their operations and management will the enterprises be able to survive and develop themselves in the market competition, otherwise they would be annexed, suffer losses, or even go bankrupt. If the market relations are better developed and the price relations are relatively rational, all the enterprises face equal opportunities and the same environment when participating in the market competition. Thus the successful enterprises will survive and the unsuccessful enterprises will be eliminated through the market competition. Privileged positions, human relations, "bribing high officials in the ministries," and some other non-economic practices and factors will therefore become insignificant. When all the enterprises have equal opportunities in participating in the market competition, it is quite rational that enterprises with different production capacities will earn different amounts of profit. The phenomenon of enterprises with different production capacities earning different amounts of profit is the strong motive force promoting the advancement and development of the enterprises.

Through the market mechanism, the law of value can also help to improve and rationalize the disposition of resources. Marx once said: "The law of value determines the amount of labor time the society has to spend on producing a particular commodity"<sup>2</sup>. The market mechanism can also enable the social resources to flow into the departments, professions, and trades whose

developments are strongly demanded by society to link social production with social demand. However, in the realistic life, because the market signals are sometimes unreal signals (false demand and short-term surplus are the common phenomena in the market competition), the enterprises will turn to seek immediate and short-term interests, the aggregate social supply and the aggregate social demand cannot coordinate well with each other, the market relations are still not well developed, and the market transparency is low, it is very difficult to realize the rational disposition of the scarce resources through the market price mechanism and to achieve the so called "best state of pa lei tuo [1584 4797 2094]." Therefore, in a socialist planned commodity economy, in order to rationalize the disposition of resources, apart from relying on the market mechanism, we should also rely on the state's correct and planned regulation, control, and guidance. Especially in a big developing country like ours, the market maturity cannot be achieved within a short period of time and the money market is not well developed, it is necessary to maintain the state's planned distribution and regulation of capital, including the foreign exchange, which will continue to be the most scarce and important resource in our society for a long time to come. Therefore, it is necessary to formulate correct financial policies, currency policies, industrial policies, investment policies, foreign trade policies, and some other policies. Once we have formulated these correct policies and established the market mechanism, we will be able to achieve good results in the macroscopic disposition of resources and increase the economic results of the entire society.

Through the market mechanism, the law of value can correctly guide consumption and help to set up a relatively rational consumption pattern. We should pay attention to this important role of the law of value. The long-distorted prices have made our country's consumption structure irrational. Because the prices of grain, which is the most precious commodity, has been very low, a lot of grain has been wasted. People have not only wasted a lot of grain but also a lot of food made of grain. Over the past few years, the grain consumption of our country has exceeded the increase in our country's grain output. There has also been a short supply of pork in our country. People's food consumption has also rapidly increased. In order to correctly guide consumption and set up a rational consumption pattern, we should respect the role played by the law of value, gradually rationalize price relations and price differences, enable all the consumers to arrange their consumption and expenditure under the guidance of the correct price signals, and set up a consumption structure and a consumption pattern which conform with the development of our country's productive forces and the actual situation of our country's resources. In the near future, we can adopt the following measures: To relax control over the prices of all types of grain, except the prices of grain ration; turn the invisible state subsidies on non-staple food into the visible state subsidies on non-staple food; raise the prices of grain products; and further enlarge the difference

between the prices of consumer goods of different qualities, and so on. It is predicted that by smoothing out price relations, introducing the market mechanism into the market of consumer goods, and enabling the law of value to not only regulate production and circulation but also regulate consumption, we will certainly be able to rationalize our country's consumption structure and realize the rational integration between production and consumption.

#### Footnotes

1. "Complete Works Of Marx And Engels," Volumc 23, Page 394

2. loc cit

#### Competition, Examination, and Rate of Students Entering Schools of Higher Grades

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[Article by Yang Xuewei 2799 1331 3634 of the State Education Commission]

[Text] According to the statistics of the State Education Commission, the 1978 enrollment in primary schools was 20,945,700; junior middle schools, 13,943,000; regular senior middle schools 2,551,600; and regular institutions of higher education, 616,800. The enrollment rate of primary schools was over 95 percent. Therefore, the enrollment of primary schools can be regarded as the number of people of the same age (according to a report in RENMIN RIBAO on 14 May: The actual live births in China was 22,580,000 in 1987). If both the birth rate and planned enrollment rate increases were zero, only 67 percent of people of the same age could enter junior middle schools, 12 percent could enter regular senior middle schools, and only 3 percent could enter regular institutions of higher education.

Under the three kinds of differences, graduates of institutions of higher education have higher social status and material income in society. That is why the "3 percent" is so attractive. In China, graduates of institutions of higher education are guaranteed to be assigned to work. Even if their work is no longer guaranteed in the future, still they need not worry about work when looking at the total demand for graduates of institutions of higher education in society. As to the senior middle school graduates, it is difficult for them to find jobs. To those graduates living in the rural areas, entering schools of higher grades is the only way for them to get out of the village. This makes the already strong attraction of entering schools of higher grades even stronger. In order to become one of the "3 percent," many people cannot but join the enormous, persistent and keen competition. Competition is inevitable unless higher education is made universal. In recent years, it seems that everybody favors competition. However, some people only favor its

positive effects. Once they discover its negative effects, they will take the opposite view. In other words, "they all hope that there is competition without tragic consequences." <sup>1</sup>

Today, the competition in the entrance examination of institutions of higher education is too keen because the 3 percent admission rate is too low. A more important reason is that in our basic education structure, nearly all primary, junior middle and senior middle schools provide only general education to their students. Vocational education is very inadequate. In 1987, the enrollment of junior middle schools for agricultural and vocational training was 166,300, only about 1.18 percent of the total enrollment of junior middle schools; the enrollment of senior middle schools for teachers training, technical training, and agricultural and vocational training totalled 1,680,600, only about 40 percent of the total enrollment of senior middle schools. A regular junior or senior middle school graduate can hardly receive any vocational training. These graduates can do nothing but join the competition for entering schools of higher grades. Such enormous attraction, massive numbers of competitors and over-keen competition leads to many abnormal phenomena: Students are overloaded with studies; teachers familiar with the education pattern adopt measures which are against the pattern in order to get a high percentage of students entering schools of higher grades; "revision classes for senior middle schools undergraduates" continue to exist even after repeated prohibition and so on. These phenomena specifically manifest the undue emphasis that people put on acquiring a high percentage of students entering schools of higher grades. We can say that such emphasis will never be restrained if the structure of secondary education is not changed and the training target of regular senior middle schools is not rectified.

If competition is inevitable, the institutions of higher education should have clear and objective enrollment requirements, which are mental, intellectual and physical qualities, so as to "select the best students by examining their mental, intellectual and physical qualities." Nevertheless, as most candidates' mental and physical qualities are up to standard, the competition for entering schools of higher grades inevitably becomes competition in examinations and marks. Marks become the final determinant of admission to such schools.

Some people dislike this phenomenon and always criticize examinations. They even ask for their abolition.

One of the reasons is that people's mental and physical qualities are being ignored. Undoubtedly, the goal of socialist education should be the overall development of mental, intellectual and physical qualities. Even the capitalist countries do not ignore people's mental and physical qualities. The problem does not lie in a comprehensive theory or good wishes, but actual situation.

Concrete measures and measurable standards are created through keen competition in examinations to evaluate people's cognitive ability, but there are no such methods or standards to evaluate people's mental quality. Though there are similar methods or standards to evaluate one's physical quality, most people possess the necessary quality standard (for schools other than physical training and vocational schools). So is it the fault of examinations? Actually the assessment on examination methods and the system and method of admission by examination on mental and physical qualities should be improved. In recent years such improvement has been carried out and has scored definite achievements. During the Cultural Revolution, examination was described as "giving first place to intellectual development" and "putting school marks in command"; the abolition of examination as a "breakthrough" in "educational revolution." As a result, competition was not eliminated, nor were "mental and physical qualities" strengthened. People only got in by the back door instead of taking intellectual examinations.

The second reason is people's "unscientific attitude" towards examinations. Examination is just one of the methods to evaluate people's cognitive ability, and it is unscientific to regard it as the only one. It is also unscientific to misinterpret examination marks. At all times and in all countries, the methods of evaluating people's cognitive ability are limited to two: Recommending students for admission to schools (or the previous recommendation system), and examinations (or imperial examinations). The former is flexible while the latter is strict. In the previous recommendation system, there were situations where "a person who knew nothing about the Four Books was selected as xiu cai [name of graduates of the former first degree]; and a person whose father lived alone was honored for his filial piety and honesty"; while imperial examinations made rulers feel that "all the talented people of the world are under their arms." (Of course we should not totally believe in such arrogant ideas. Actually there were a lot of malpractices in the examination halls thereafter.) That was why the recommendation system was replaced by imperial examinations in the Sui and Tang Dynasties. Under keen competition, if there is not a clear and objective standard for recommending students, it will provide more opportunities for people to get in by the back door. People should still remember that the recommendation method did not work during the Cultural Revolution. Examination is the most basic method for evaluating people's cognitive ability in large-scale selection work such as the enrollment of institutions of higher education. Up to the present, there is no other method that can replace examination. There may, of course, be some outstanding students who are specially talented in their "mental quality," or in either their "intellectual" or "physical" qualities. In this case, such students can be recommended for admission to schools of higher grades. This is the existing admission system of institutions of higher education under which "examination is predominant while recommendation is complementary."

As a large-scale selection examination, the explanation of marks given in the entrance examination of institutions of higher education gives rise to two kinds of problems. First, with only the original marks (the marks on examination papers), people cannot know the actual performance of the candidate among other candidates. If 70 is the mark that a particular candidate obtains, it may be a fairly bad result when the questions are easy and the majority gets 80 or above, but it may also be an excellent result when the majority gets around 30 marks. Therefore, as a selection examination, the original marks in the admission examination should be replaced by standard marks. This year, Guangdong will experiment with such replacement. Second, the marks received in the entrance examination of institutions of higher education can be used to examine a candidate's cognitive ability and to identify his right to admission. Generally speaking, as an identification of one's cognitive ability, the higher the marks one receives, the higher level one has. But all evaluation methods have deviations, they cannot be a hundred percent correct. Examinations also have deviations. What I mean by deviation is not fraudulent practices or mistakes made in marking papers or counting marks, which are not allowed. Here deviation refers to the point that no examination paper, even if it is very well-designed, can measure a person's cognitive ability accurately and on all sides; there may be difference in marks given when marking subjective questions (in contrast to objective questions, this usually refers to questions requiring explanation of concepts or commentaries) caused by the marker or his environment which cannot be overcome by subjective desires. Such inevitable deviations are called standard deviations. Some people conducted a random survey and found that the standard deviation in the total marks was once 16-20 marks. So as an identification of one's cognitive ability, the difference of a few marks or even 20 marks should not be regarded as a great difference. Neither should we treat the one with higher marks as absolutely excellent or the one with lower marks as absolutely poor. Under this argument, the view that "it is unscientific to admit 1 candidate and refuse the other by the difference of only 1 mark (or 20 marks)" is reasonable. However, as the entrance examination of institutions of higher education is a selection examination and the examination marks are the final determinant of admission, the marks given should be regarded as the identification of a candidate's admission right. Those with marks above the criteria should be admitted while those with marks below the criteria should be refused. People should not be too particular about marks above the criteria. Marks within the standard deviation should be treated equally. In order to absorb candidates with higher mental and physical qualities, candidates whose total marks in the examination are 20 marks below the criteria but have better results in subjects relevant to mental and physical development should be admitted. However, the difference of even one mark should not be permitted in regard to the minimum criteria that decides the admission or refusal of candidates to institutions of higher education. The reason is that there are more than one hundred or

hundreds of candidates with differences of one mark only in each province (autonomous region, municipalities directly under the Central Government). It is a matter of fairness in deciding who is to be admitted and who is not. More and more people will try to get in by the back door if we strictly adhere to the belief that "it is unscientific to admit 1 candidate and refuse the other by the difference in 1 mark (or 20 marks)" in regard to the minimum criteria. It is unscientific for us to do so from the sociological point of view. Also, as we can regard people obtaining marks within the standard deviation as people with equal cognitive abilities, it is equally scientific to admit the candidate with one mark more and refuse the other with one mark less.

The third reason is "mechanical memorizing." This phenomenon does exist. It was especially serious a few years ago when the examination questions were always a few particular subjective questions. Now the phenomenon is particularly serious in certain subjects. The reasons for this are quite complicated. For example, if the questions and answers are based on coordinated teaching materials, the textbook itself is the answer and mechanical memorizing is enough to cope with examinations; if there is no outline for the examinations, the candidate will not be able to know what should be memorized and what abilities should be acquired; and more seriously, if the candidate does not know how to prepare for the examination and uses the wrong methods, he will be unable to overcome the habit of mechanical memorizing, nor will he be able to lay a good foundation for future intellectual development.

The fourth reason is that "the entrance examination of institutions of higher education is the cause of the overemphasis on acquiring a high percentage of students entering schools of higher grades." So a lot of people who are against such practice have written many articles about the entrance examination of institutions of higher education. There are many reasons causing the overemphasis on acquiring a high percentage of students entering schools of higher grades. We cannot say that the entrance examination of institutions of higher education has nothing to do with such practice, but it is specious to say that it is the cause of such practice. Strictly speaking, it is not caused by the entrance examination of institutions of higher education, but by the attitude which treats the examination as the only way to evaluate secondary education. This will inevitably cause serious consequences. We can see that the educational aim of the entrance examination of institutions of higher education is different from that of secondary education. When selecting students, the institutions of higher education aim at selecting those who have acquired the knowledge taught in secondary schools and have a better knowledge pattern and sound foundation, and those who have outstanding achievements in subjects relevant to the profession they are going to learn; while the entrance examination of institutions of higher education only aims at selecting the latter ones. If we use the entrance examination of institutions of higher education as the



only standard to evaluate secondary education, then, under keen competition, it will only force the senior middle schools to divide the classes into arts and science streams. Those studying in the arts classes cannot learn chemistry, physics and biology, and those in science classes cannot learn history and geography. This will make the knowledge pattern of senior middle school graduates incomplete. Also, though most senior middle school graduates can pass the examination, only 20 percent of these graduates can be admitted (in 1987, among the 2.47 million candidates who sat for the examination, 420,000 were admitted, the percentage was only 17 percent). Therefore, the admission level must be far above the level of senior middle school graduates. Under such circumstances, the students will only be forced to work blindly in order to catch up with the level of the entrance examination of institutions of higher education if the examination is regarded as the only standard to evaluate secondary education. This is both irrational and impossible. With the exception of a minority who can reach the level the examination, most students will be overloaded with studies. To them, the contents taught in class are too difficult to understand. They just feel like "riding on a cloud" when attending lessons. Contents which are suitable to them are not taught in class, or are not treated as key subjects. Students will then graduate without knowing what they have learned. They do not possess a good foundation in cultural knowledge, nor do they have any professional skill. Study then becomes painful and useless. Due to the overemphasis on acquiring a high percentage of students entering schools of higher grades, students who are admitted to universities possess incomplete knowledge and have no special skill, and those who are not admitted are not qualified to be a laborer.

So, what is the reason causing the above problem? It should be the unhealthy examination system. We all know that all examinations are under constraints. No examination is perfect. The entrance examination for institutions of higher education is used to select the best students among the many candidates through examination in a few academic subjects. Of course it should be beneficial to secondary education, but it cannot be regarded as an overall evaluation of secondary education. The aims, contents and level of the examination should be consistent with that of the education. This is an objective rule. If the examination conforms to this rule, it can improve education. If not, it will then destroy education. Examination is an important method to examine and evaluate education, and a baton of education when it is linked to career. We should design different examinations as equally authoritative as the entrance examination for institutions of higher education so as to form a complete and complementary examination system to enable every candidate to find a job most suitable to himself and society; to allocate jobs to people according to their abilities.

In order to overcome the above inadequacy, we should build up a system of "regular senior middle school passing certificate of provincial (autonomous region,

municipalities directly under the Central Government) level." Public examination is not a selection examination, but an examination in the academic level of senior middle school graduates. The contents to be examined should be consistent with the contents taught in schools. Open examinations should be as strict and authoritative as the entrance examination for institutions of higher education. The certificates obtained should be regarded as a qualification for sitting for the entrance examination for institutions of higher education, seeking employment, recruitment, and so on. At the same time, various levels of education departments should regard public examinations as the basis for examining and evaluating senior middle school education. With the existence of open examinations, the entrance examination for institutions of higher education can reduce its subjects to be examined and only those relevant subjects should be examined.

Shanghai began to conduct public examinations in 1985. This year, the senior middle school graduates who have gone through the public examination only have to sit for four subjects and have no arts and science classification in the entrance examination of institutions of higher education in Shanghai. Recently, some secondary schoolmasters commented that the curriculum was difficult, students were overloaded and their knowledge pattern was irrational in the past. As a result more and more contents were included in the curriculum. Now, though the level of the public examination is lower than that of the entrance examination for institutions of higher education, the quality of most students can be guaranteed. Students can therefore study other optional subjects so that the special ability of both the school and the students can be fully developed and the burden of students can be reduced. The percentage of students entering schools of higher grades is the only convenient and feasible standard of evaluating secondary education in the past, but now the passing rate of public examinations becomes an additional standard. This is particularly welcome by regular middle schools. In the past, these schools would abandon "students with poor results" in order to maintain a high percentage of students entering schools of higher grades, but now, they will conduct revision lessons for these students in order to safeguard the passing rate.

Through the above analysis, I came to the conclusion that examination is necessary and essential under the keen competition in recruiting students for institutions of higher education. The abolition of examination cannot solve the existing contradiction, but rather leads to worse consequences. That is why in all times and at all places there were a lot of people who criticized examination but were not successful in abolishing it. During the "Cultural Revolution", people tried to abolish examination without success, but did not succeed in improving the education. We can only insist on having examinations and also introduce reforms into the examination system before we can find a more suitable method.

China is the homeland of examination. Examination is a science. However, due to the "Left" influence, examination has for a long time been criticized, causing the lacking of examination theory, backward examination method and unhealthy examination organizations. At the same time, Chinese society and education have been suffering greatly from the bad effects of examination (including the suffering caused by the non-existence of examination). In fact, the sufferings of examination is a punishment of a backward system. So we must develop the study of examination before the examination system is reformed. For example, to overcome the habit of mechanical memorizing, a standardized examination has been conducted in Guangdong on an experimental basis since 1985. Outlines for examination were given to students; and matters like the function of different types of questions in evaluating students' cognitive ability and the ratio of different types of questions on different subjects were studied. The State Education Commission also established an examination management center to conduct studies on examination and to train staff to be responsible for conducting examinations. It can be expected that a standardized entrance examination for institutions of higher education will be created under the proper guidance of the Central Government. Of course, nothing is perfect in this world, including examination. However, surely a standardized entrance examination of institutions of higher education is better than the existing entrance examination.

The above is just a discussion on examination based on examination itself. Examination is only one of the problems being studied in education reform, and examination itself has limitations. If we want to solve those synthetic problems such as the overemphasis on acquiring a high percentage of students entering schools of higher grades, the reformation of examination and the enrollment system are only part of the solution. We have to conduct reforms on other sides to get a better effect. After the examination system is strengthened and the method of examination improved, together with the reforms in other areas, we do not need to wait a long time before we can eliminate the practice of chasing a high percentage of students entering schools of higher grades. Although this habit is not correct, those who are against such practice should oppose neither competition nor examination.

#### Footnote

1. "Selected Works of Marx, Engels", Chapter 4, p 328

#### **A Brief Talk on the Relationship Between the Party, Science of Marxism**

*HK1208133088 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 3, 1 Aug 88 pp 19-21*

[Article by Wu Jiang 0702 3068 of the Central College of Socialism]

[Text] Everyone hopes and believes that the new theoretical journal QIUSHI can present a new face in line with the new situation. Taking advantage of this opportunity, I want to raise a problem that I think should

arouse our attention that we must properly handle the relations between the party and the science of Marxism. Experience over a long period of time shows, just as experience in theoretical work in the past 10 years similarly shows, that this is a major problem existing in regard to guiding the thought of the party.

This problem was first raised by Engels to Bebel [bei bei er 0223 0223 1422], leader of the German Social Democratic Party, and others in 1891. At that time, the German Party turned down Engels' request to publish Marx's work "Critique of the Gotha Program" in the party's magazine NEW TIMES. Engels therefore made a severe criticism, saying: The party "needs the science of socialism. Such a science cannot exist without the freedom of development." The least amount of disharmony between the German Party and the science of German socialism is the greatest misfortune and shame"<sup>1</sup> The next year, Engels again wrote to Bebel suggesting that within the party there should be set up a magazine, which is under the leadership and supervision of the party in a certain form (such a fundamental standpoint cannot be given up), but which is "not directly under" the party's executive committee, and still less, under the leaders of the party. This magazine can freely discuss problems and freely make criticisms within the scope of the party's program, and to the extent of not running counter to the party's moral standards.<sup>2</sup>

I broach the subject here again, because I feel that what Engels said is still of significance to our work today (and not confined to the publication of magazines). The problem of the relations between the party and the science of Marxism (and contradictions arising therefrom) especially cannot be avoided. I venture to give some personal views on this problem here.

The proletarian political party itself is a product of the actual worker movement guided by Marxism. All the party's activities are guided by Marxism. The combination of general theory with concrete practice is a fundamental basis for the party's formulation of programs and general and specific policies. But the party, at the same time, assumes the main responsibility of applying Marxism (mainly through its own policies) in actual activities and stimulating free development of the science of Marxism. Therefore, the responsibility for coordination falls on the party. This is to say that the key to coordination lies in how the party leads this science that guides its own activities.

As far as the leadership of the party is concerned, we must assume a scientific attitude toward Marxism and toward the relations between theory and political practice, and provide guidance for the party's theoretical activities that fits in with the laws governing the self-development of this science. First, we should realize that it is not easy to learn how to apply Marxism in analyzing social and political situations and make correct policy decisions. It is not that "an official being what he is has truth in his hands." No leader can guarantee that what he

suggests is 100 percent compatible with Marxism. Therefore, a leader in his own activities should not only respect practice and the masses but also respect theory and adopt a humble attitude in applying theory. In this regard, we can in no way take things for granted. Therefore, we should give ourselves some theoretical training, acquire theoretical foresight (which means being good at pondering problems theoretically), and show necessary theoretical tolerance. In our approach to different opinions theoretically, we "must not be that narrowminded," as Engels said. Only by really upholding a democratic and scientific spirit can we create an atmosphere for free discussion and contention of all schools of thought. The Party should naturally strengthen guidance over theoretical activities, but should not freely intervene. Such guidance does not mean exercising control at all levels, from top to bottom. For example, if even an ordinary academic meeting cannot be freely held, then things are obviously not in order. (As to whether meetings of this kind are called excessively, with too much time taken up with sightseeing, it is up to academic circles themselves to raise the subject, if a criticism is to be made.) A very important aspect of party guidance over theoretical activities calls for nothing but creating conditions, so that this science can independently explore and discover new knowledge in its practice and study. The leadership should not find the least excuse to impose its own judgment or decision. Mao Zedong said that the matter of a Soviet scholar presenting a differing view "On New Democracy" should be treated as a case of differences in academic thinking. Anyone can talk freely. He especially pointed out: "If there is any suggestion in the country that differs from ours on academic problems of this kind, or on any leader, it should not be prohibited"<sup>3</sup>. There was a debate on the matter of logic, in which such problems as whether logic has class character, whether logic plays the role of a world outlook, and so forth were raised. When asked to give his opinion, Mao Zedong declined to do so. He said that a debate was being held; it was inappropriate for him to intervene. This attitude should be considered correct. This is to say that there should be no imposition of "an official's will." Leaders should not freely interfere in the matters of theoretical and academic problems. Even if a view is given, he is only doing so as a member involved in the discussion on an equal footing. He cannot impose his personal viewpoint on others in the name of the party, or in the role of a leader.

Second, an unusually important point is that workers involved in theoretical activities (including the operation of journals) and party theory workers (not including those theory workers outside the party) should, in my opinion, be guided by a principle. This is to say that we should properly unify two things—maintaining identical views with the party on the political line and the political guideline and maintaining identical views on fundamental Marxist principles in regard to theory and thinking. The Marxist party has the right to call on its own members to be at one with the party in political action, or in regard to general and specific policies, and carry out

a collectively adopted decision, instead of going his own way. No matter what independent views you embrace, party action must be unified. But the party cannot call on its members to stop independent thinking on Marxism, or give up the right to put forward or reserve his own views in line with the Marxist principle and the party Constitution. Theory itself has the function of preaching and "verification." More important, it has the function of criticism and guidance. So in carrying out publicity, we must also uphold principle and pay close attention to actual conditions. We must show courage and skillfulness in discovering problems and putting forward views. In light of experience, I believe that here we should pay particular attention to guarding against a certain tendency. That tendency is to treat theory as just a vehicle for propaganda and explanation, or to treat theory as just a tool to serve a certain prevailing movement, or a certain concrete policy. In light of a person's own needs, individual terms or lines are freely cited, with things freely interpreted to meet his own needs. This inevitably incurs the risk of reducing Marxism to pragmatism. Erroneous things cited may result in theory being used to suit a person's own purpose and to defend certain subjectivist strategies and ideas of his own. There is no denying that our theory has suffered from such a misfortune more than once. Some people are even accustomed to playing such a role. I think that this is perhaps an important reason why Engels specially pointed out that the party's theoretical journals should not be placed under party leaders.

Some of our comrades have a suspicious attitude toward the free discussion of theory. They are in the habit of setting the "maintenance of unanimity" in opposition to free discussion. In such a case, they often use discipline to justify their doing so, as if discipline means the negation of freedom. Let us take a look then and see what discipline is after all. I once touched on this matter in answering a reporter's question. I cited an article on party discipline written by Lenin in 1906 in which he had a definition for party discipline. Lenin wrote: "We have more than once in principle given the significance and concept of the workers' political party a definition. Unanimous action, freedom of discussion and freedom of criticism—this is our definition. Only such discipline is discipline that the democratic political party of an advanced class should have." Lenin said: "Organization means unanimity of action and unanimity of practical action." But "without freedom of discussion and freedom of criticism, the proletariat cannot recognize the unanimity of action"<sup>4</sup>. Here it is made very clear that unanimity of party action must be built on the basis of free discussion and free criticism within the party. Under the principle of maintaining unanimous action, within the framework of the party Constitution, party members still have the right of freedom of discussion. This refers to strictly organized party activity. We can imagine that party activity itself being so, how can theoretical activity be an exception? Engels aptly said: Such a science as Marxism cannot exist without the

freedom of development. How can we in party theoretical activity set the "maintenance of unanimity" in opposition to freedom of discussion and attempt to use the former to ban the latter?

Party theory workers (including, of course, editors) should of course also assume the responsibility of reconciling the relations between the party and the science of Marxism. In my opinion, as far as party theory workers are concerned, we must first require them not to take theory as dogma and to uphold the Marxist stand and oppose inflexibility and also liberalization. They must respect practice and put practice first. The principles of theory must be combined with concrete practice under concrete historical conditions. They must proceed from reality and seek truth from facts. (Here we must also avoid one-sidedly stressing linking things with reality and overlooking scientific and academic leanings.) Otherwise, it cannot be called genuine Marxist theory. Nor can theory be made compatible with actual party activity. At present, our version of socialism is placed in a new period of reform. The socialist system is capable of self-criticism and self-perfection, as brought about by men and especially by the party leadership. Efforts by theory workers are also involved. Just as the 13th National Party Congress pointed out, Marxism being in the stage of new practice calls for new development. New development must naturally be achieved. This development must of course do away with the interpretation of Marxism in a dogmatic way. From this, it can be seen that there is much that theory workers can do. Party theory workers must actively work on preaching and explaining the party's line of construction and reform. This is a very big area. Reform is a new thing. It will naturally run into many new problems and difficulties and even risks. There is the need to make convincing analyses and explanations theoretically. More important, we must, from the standpoint of party involvement in reform and the standpoint of the science of Marxism, show diligence in making investigations and studies and skillfulness in raising questions—creating a new horizon for theory and putting forward new viewpoints. Meanwhile, we must also dare to seek truth from facts and uphold a scientific spirit. We must avoid repeating such unhealthy tendencies of the past as catering to the whims of the leadership, swimming with the tide, doing things all at once, writing articles to promote the interests of officials, and even peddling theories as a way to enter officialdom, and so forth. Theory work should be "free from the least scruple and be selfless" and "free from any worry about position and interests."<sup>5</sup> Even when placed in "the climate of a prevailing influence," we should also show restraint, keep a cool head, and refrain from leaning to one side.

The party needs a reliable and mighty contingent of Marxist theory workers. This contingent must similarly be formed and upgraded in handling the relations between the party and the science of Marxism correctly; in creating an environment for closely linking theory with practice and letting 100 schools of thought contend;

and in the process of continuously providing conditions for the free development of Marxism. Any disharmony between the party and the science of Marxism will hurt the theory contingent, undermine its unity, and weaken its strength, with even the formation of an acceptable theory contingent made impossible. This has also been proved by many years of facts, especially in the past 10 years.

Judging from the history of the development of Marxism, various phenomena of disharmony between the science of Marxism and politics in real life have traditionally existed, with differences only in character and in conditions. The phenomenon of disharmony encountered by this generation of ours, in my opinion, is traceable to the kind of dogmatism, personality cult and despotic leadership style beginning with the period of the Communist International led by Stalin. Of course, there are also causes of our own. Such disharmonious relations sometimes assume unusually serious proportions, causing a great misfortune and a loss. This situation was not definitely envisioned by Engels at that time. Now I feel that we should put this problem forward in a clearcut manner, so that everyone can give it attention and thought and sum up experiences and lessons in time.

#### Footnotes

1. "Collected Works of Marx and Engels," Vol 38, p 88
2. See "Collected Works of Marx and Engels," Vol 38, pp 517-518
3. "A Selection of Mao Zedong's Letters"
4. "Collected Works of Lenin," Vol 11, pp 301-302
5. "Selected Works of Marx and Engels," Vol 4, p 254

**Development of Theory of Disequilibrium in the West and Its Significance as a Reference for the Economic Construction of Our Country**  
*HK1608140888 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 3, 1 Aug 88 pp 22-25*

[Article by Li Yining 2621 0110 1337 of Beijing University]

[Text]

#### I

Since the late 1960's, one of the important advances made in the study of ordinary economic theories in the West has been the perfection and systematization of the theory of disequilibrium and the expansion of the study of the theory from the single market economic field into the areas of market economy and planned economy.

Disequilibrium is the opposite of equilibrium under the supposed condition of a perfect market, which refers to the situation like this: The market is supposed to be perfect, that is, everyone involved in the market has access to complete information about the current and future prices and a full understanding of the current and future situations in supply and demand. As prices are readjusted at any time along with the change in the supply-demand situation, total demand is bound to be equal to total supply. Hence, society's excess demand and excess supply will not exist and regular unemployment and inflation will not occur. For a considerably long time in the past, this equilibrium based on the premise of a supposed perfect market has been the starting point of many Western economists in their studies.

This equilibrium analysis that does not conform to economic reality has been long sharply criticized by some Western economists who held different views. Moreover, in his book "General Theory of Employment, Interest, and Money" published in 1936, John Maynard Keynes specially expounded the issues, such as regular unemployment, in the capitalist society. However, before the early 1960's, the study of disequilibrium by Western economists was fragmentary and unsympathetic, and no one had ever paid any attention to the relationship between the study of disequilibrium and that of economic policy. There were even completely different views on the interpretation of Keynes' own economic theories. The mainstream interpreters of Keynesian theories contended: Keynesian economics remains to be equilibrium economics. Keynes made some revisions in the theory of equilibrium based on the supposed condition of a perfect market and did not negate it as a whole. Some other interpreters of Keynesian theories argued: Keynesian economics has broken through the demarcation line of the theory of equilibrium and made the most initial and systematic expositions on the theory of disequilibrium. The specific manifestations are that as Keynes saw it, market mechanisms will not necessarily function to the full and it is difficult for the market to coordinate various business activities. Output, the size of employment, and the amount of investment are all fluctuating. Under capitalism, overproduction, unemployment, and investment demand shortages are frequent occurrences.

Since the late 1960's, relatively big advances have been scored in the study of the theory of disequilibrium by some Western economists. Their study results revealed: Disequilibrium refers to the fact that when the market is not perfect and prices cannot play the role of automatically regulating supply and demand, various economic forces will be readjusted to a position commensurate with each other in light of their own actual conditions, in which an equilibrium will be achieved. Apparently, the equilibrium reached by disequilibrium is not the equilibrium based on the premise of a perfect market but an equilibrium based on the premise of an imperfect market and not the equilibrium existing side by side with a zero

unemployment rate or zero inflation rate but an equilibrium accompanied with unemployment or inflation. This is the meaning of disequilibrium. The study of disequilibrium since the late 1960's shows that disequilibrium assumes many forms. If we say that Keynes already made expositions on the theory of disequilibrium in his book "General Theory on Employment, Interest, and Money," then, what he analyzed is just one form of disequilibrium, namely, disequilibrium in which there is overproduction (demand restriction) in a commodity economy and there is unemployment (demand restriction) in the labor market. In addition to the form of disequilibrium analyzed above by Keynes, there are other forms of disequilibrium, such as disequilibrium in which there are shortages (supply restriction) in the commodity market; disequilibrium in which there are shortages (supply restriction) in the labor market or disequilibrium in which there is either a surplus of one market (demand restriction) or a shortage of the other market (supply restriction) in the commodity and labor markets. All these forms of disequilibrium may likely exist in the real economy. It is believed that one important task of studying economics is to squarely face economic reality and to work out countermeasures in light of different forms of disequilibrium to solve the problems of unemployment, shortage, and inflation.

In the countermeasures drawn up by Western economists for different forms of disequilibrium, the regulation of the economy by the government occupies a relatively important position. This is because the questions of a perfect market, responsive prices, and unimpeded information, are not important. It is the degree of government regulation of the economy that is important. It can even be said that equilibrium based on a perfect market can be achieved without government interference, but things are different with regard to disequilibrium. In this connection, since the market is not perfect and prices are not quickly responsive, apart from regulating demand and supply according to the information about market prices (price signals), traders should also obtain quantitative signals from the market's supply quantity (supply of goods) and demand quantity (sale) so as to regulate their own supply-demand activities. In other words, in a disequilibrium economy, quantitative regulation and price regulation are equally important. Moreover, the greater the extent of disequilibrium, the greater the proportion of the use of quantitative regulation will be. In this connection, quantitative regulation means distributing the limited sources of goods (supply) to various demanders in the form of quantitative quotas and through certain procedures or distributing the limited market (demand) to various suppliers by following certain procedures. In the absence of government intervention, quantitative quotas can be carried out completely in accordance with the laws governing the market and when the role of market mechanisms is excluded, they also can be carried out completely using a centralized and planned distribution method. However, they are two extreme cases. In most cases, it is wise to distribute the limited supply and limited demand by

combining the use of government regulation and market regulation to a certain extent so as to achieve an after-the-event equilibrium subjected to quantitative restrictions. This is the policy meaning of the Western theory of disequilibrium.

## II

The development of the Western theory of disequilibrium since the late 1960's means in reality raising the study of Western macroeconomics and microeconomics to a new height. Although many researchers pointed out the deficiencies or limitations of the theory of disequilibrium, such as that the theory of disequilibrium underestimates the influence of such factors as system or structure on economic operation, disequilibrium analysis evades the differences between various departments, regions, and technological structures which objectively exist in the economy, and more often than not, in making an equilibrium analysis of quotas, the theory returns to the equilibrium analysis position based on the premise of a perfect market. However, these shortcomings or limitations mainly show that the theory of disequilibrium is still not mature in some ways and has yet to be continuously improved and developed. Many researchers have agreed that compared with the traditional Western theory of equilibrium, the theory of disequilibrium more conforms to the realities of economic life and the economic countermeasures worked out in accordance with the theory of disequilibrium may possibly be more effective than those adopted following the traditional Western theory of equilibrium. This is where the fundamental reason the influence of the theory of disequilibrium is expanding day by day lies.

Specifically, as far as macroeconomics is concerned, as the traditional Western theory of equilibrium interprets, both overproduction and unemployment are partial, local and temporary in nature and this helps develop the capitalist economy steadily. Even if there are overproduction, stagnation, unemployment, and inflation in the economy, these problems can impossibly occur simultaneously. If there are overproduction, economic stagnation, and unemployment in the economy, inflation will no longer appear and vice versa. Of course, this is not the real case of economic life. The emergence of economic issues that have not been envisaged or studied by the traditional Western theory of equilibrium is precisely a confirmation for its shortcomings or limitations. It is precisely because it is considered helpful to giving solutions to the problems in macroeconomics left unanswered by the traditional Western theory of equilibrium that importance is attached to the theory of disequilibrium.

Concerning microeconomics, the analysis of market mechanisms, costs and earnings, and the remuneration of production elements by the traditional Western theory of equilibrium is still viewed as useful. However, these analyses are based on the premise of supposing the market is perfect and prices are quick to respond. The

realities in life are not congruous with what the traditional Western theory of equilibrium depicts. Hence, there is the question of using the theory of disequilibrium to re-discuss microeconomic issues, such as enterprise operation. For example, since there are various uncertainties in the economy and it is impossible for each trader to keep abreast of all current market developments, in particular, future market changes, therefore, in enterprise operation, it is necessary to adequately appraise the consequences brought about by unresponsive prices and the restrictions of supply and demand. Only in this way can leaders of a modern enterprise approach the market, competition, and enterprise internal and external relations from a new viewpoint of operation and make policy decisions commensurate with the disequilibrium economy.

Moreover, the development of the Western theory of disequilibrium is also viewed as a new attempt to combine macroeconomics with microeconomics. Just as many researchers of Western economics pointed out, there is a dislocation between Western macroeconomics and microeconomics. In other words, macroeconomics confines itself to the study of the operation of the national economy and bases its own analyses on the inherent principles of microeconomics regardless of whether these microeconomic principles are suitable for analyzing the operation of the national economy. Microeconomics confines itself to the study of the economic activities of enterprises and individuals and supposes that the macroeconomic environment is already established, but neglects to observe and study to what extent the economic activities of enterprises and individuals can be adapted to the established microeconomic environment. Therefore, since macroeconomics was established in the West in the 30's of the twentieth century, the question of microeconomic foundation in macroeconomics has all along attracted the attention of Western economists and more and more works have appeared attempting to expound on the question. Moreover, the development of the theory of disequilibrium has provided Western macroeconomics with another microeconomic foundation, accelerating the combination of macroeconomics and microeconomics. For example, why does unemployment or inflation exist and even the two exist side by side in society? According to the Western theory of disequilibrium, if the economic behaviors of trades are taken as the starting point in making any analysis, consideration should be given first to the quantitative restrictions on the commodity and labor markets and then to the irresponsiveness of prices and wages on the two markets. With this analysis done, a further effort can be made to analyze the economic stagnation or inflation caused by the demand element, the economic stagnation or inflation generated by the supply element (cost element), and the coexistence of economic stagnation and inflation brought about by both demand and supply (cost) elements. At a time when the traditional Western theories of equilibrium are confronted with difficulties, although the theory of disequilibrium has inadequacies of one kind or another, this

analysis has more or less provided another way of analyzing the economic problems which the theory of equilibrium found difficult to solve. Hence, a further step has been made in the study of the combination of macroeconomics with microeconomics.

In this sense, the development of the theory of disequilibrium is regarded by some Western economic researchers as one of the latest achievements in the study of Western economics and even praised as a "revolution" in Western economics. This is by no means groundless.

### III

In the Western theory of disequilibrium, there are expositions on macroeconomics and microeconomics. Therefore, they are of significance for our country's socialist economic construction as reference. This is partly because modernization can be achieved only through the development of a planned commodity economy and Western economics (including the theory of disequilibrium) directs its expositions at commodity economy and partly because what the Western theory of disequilibrium observes and studies is the process of economic operation in which the market is not perfect and price signals cannot automatically regulate the supply-demand relations, and our country's socialist economy at the present stage is precisely in this process of economic operation. As such, if we admit that some contents of Western economics can be used for reference, then, compared with the theory of equilibrium, in the theory of disequilibrium, there are surely more things that we can use for reference. In other words, as far as our country's socialist economic construction is concerned, the Western theory of disequilibrium is of greater significance as reference than the Western theory of equilibrium.

Let us start our discussion with the actual conditions in China's economy. Just as the theory of disequilibrium summed up, the disequilibrium economy is characterized mainly by an imperfect market and irresponsive prices. This is precisely the case with our economy at the present stage: The market is not perfect, price parities between different commodities are irrational, price signals are twisted, the supply of resources is tremendously handicapped, and society's total demand exceeds its total supply. Simply put, the basic characteristics of the disequilibrium economy can be found in our country. However, the problem is not limited to this point. Suppose imperfect markets and irresponsive prices are the characteristics of the operation process of our country's disequilibrium economy, then, behind the operation of the economy there is a more important fact—enterprises (in particular, state-owned ones) in our country at the present stage have not yet broken away from the status as appendixes to administrative departments and they are still not commodity producers able to make their own decisions and assume full responsibility for profit and loss. Therefore, their investment and business behaviors are twisted to a considerable extent.

It is precisely because they are still not commodity producers able to make their own decisions and assume full responsibility for profit and loss that the market will certainly be imperfect, price signals will certainly be unable to give play to their proper role in regulating supply and demand, and the price system will certainly have grave defects.

From this we would like to make further research and exploration. According to the theory of disequilibrium, in the economy there are uncertainties, every trade lacks complete information, and in the market there are simply not any kinds of "auctioneers" capable of conveying information on supply and demand at all times. Therefore, not only may supply and demand not be coordinated in the economy but once it occurs, it will not easily disappear and instead will last long. Since "auctioneers" do not exist in the market, do they exist outside the market? For example, can government departments play the role of "auctioneers" in conveying information on supply and demand at any time? The answer is negative. The government can play a certain regulatory role but on no account is it all-powerful. Government behavior is not idealized. The government cannot play the role of "auctioneer" and moreover, its information can only come from an imperfect market and therefore, such information is just part of incomplete information obtained from the imperfect market. Compared with the incomplete market information, the information obtained by the government is less incomplete. This analysis by the theory of disequilibrium is equally applicable to our country's economy at the present stage. In our country where the market is characterized by all kinds of contingencies, when every trader copes with uncertain events that may likely occur with his short-term behavior, the information that the government can grasp is very limited. This being the case, the government's short-term behavior is bound to be subject to its limited information and bound to be not ideal. On the one hand, the existing phenomenon of "you have your policies and we have our countermeasures" has weakened the functioning of our policies. On the other hand, the existence of uncertain factors and the occurrence of all kinds of unpredictabilities in the economy have progressively impaired the effectiveness of our policies. All these are phenomena hard to avoid in a disequilibrium economy.

So long as we have a relatively profound understanding of our country's actual economic conditions and solve economic problems proceeding from the knowledge that economic disequilibrium and government behavior are not idealized, we will naturally come to a conclusion like this: Price reform is not where the key to the current reform of our country's economy lies and therefore, it cannot be the breakthrough of our reform program. The truth is very clear: At a time when enterprises have not yet become commodity producers able to make their own decisions and assume full responsibility for profit and loss, it is impossible to carry out price reform smoothly. Why? It must be understood that as the reform

of the economic structure is aimed at changing economic operation mechanisms rather than readjusting subordination relations or management jurisdiction (such as moving from "central ministries" to "local governments" or vice versa) while the objective of price reform is to reform price operation mechanisms or pricing mechanisms rather than to readjust price parity. So long as enterprises remain to be appendices to administrative departments and cannot make their own decisions and assume full responsibility for profit and loss, what is reformed in prices is price parity rather than pricing mechanisms. This kind of "price reform" will result only in "price parity regression," that is, price parities will return to abnormal as before not long after they are readjusted and moreover, prices will go up from what they were before such a price parity readjustment. In addition, the notion of taking price reform as the key link or the breakthrough means in effect idealizing government actions in price reform. Can the government really act so ideally in making price reform? It cannot. With incomplete information at hand, the government is in no position to predict the new developments that may occur following price changes and therefore, more often than not, the government will find itself in a passive position. However, being quickly responsive, enterprises and individuals can take precautions. Their spontaneous economic behavior may likely make it difficult for the government's price reform plan to materialize or at least to produce the desired results. As a consequence, the carrying out of price reform before the others may possibly lead the economy to greater confusion and make it impossible to bring about any improvement in the situation of enterprises.

All this shows that in carrying out the economic structural reform, we should proceed from actual conditions and take the fact that the economy is of disequilibrium and the government's behavior is not ideal as the starting point and the reform of the enterprise structure as the key link or the breakthrough. Through enterprise structural reform, we should clearly define the relationship of property rights, separate the functions of the government from those of the enterprises, and promote the growth of the market and perfect it. After property rights are clearly defined and the market gradually perfected, the situation will eventually appear in which prices are deregulated and fixed by the market. To put it another way, in the general design for our country's economic structural reform, we should start from reforming the enterprise structure, giving them the status of legal entities, and enhancing their vitality and end in reformed price operation mechanisms which are the result brought by the reform of pricing mechanisms to enterprise structural reform. If things are done in an inverted way, that is, if attempts are made from the very start to establish markets and price controls are lifted before others, the results will turn contrary to what is expected. Not only will this be of no help to the enhancement of enterprises' initiative but it will only cause an endless price rise. Consequently, price parities between commodities remain abnormal. When it comes to a

market system, in the absence of enterprises able to make their own decisions and assume full responsibility for profit and loss, the system will hardly take shape. Now that enterprises cannot become independent commodity producers and there is still no way to establish the market system, the model of "the state regulates and controls [tiao kong 6148 2235] the market and the market guides enterprises" designed to be established following the reform will surely be just an assumption that cannot become a reality.

Hence, a conclusion can be drawn: The concept drawn from the study of the disequilibrium for the general plan concerning our country's economic structural reform can only be that the failure in our country's economic structural reform may possibly be contributing to our wrong choice of the line of thinking that regards price reform as the breakthrough. To make our country's economic structural reform a success, we should choose a line of thinking that takes enterprise structural reform as the breakthrough.

#### IV

As we have pointed out above, suppose we base ourselves on the theory of equilibrium, this will lead us either to the argument that "everything must comply with regulation by market mechanisms rather than regulation by the government" or to the thesis that "even if regulation by the government is needed, it is confined to such matters as prices and interest, tax, foreign exchange, and wage rates." In fact, the regulation of interest, tax, foreign exchange, and wage rates belongs to the price regulation in a broad sense, because interest, tax, foreign exchange, and wage rates can be viewed separately as a form of prices in such markets as money, public products, foreign exchange, and labor services. Hence, the argument that bases itself on the theory of equilibrium and asserts that regulation by the government is necessary in reality admits that a mere regulation of prices by the government (including the price regulation in a broad sense) will suffice. Of course, if we act according to the theory of disequilibrium and in the light of our country's economy being of disequilibrium, we will reach a different conclusion on the issue of regulation by the government.

When there are demand and resource restrictions in the economy, the role of price regulation (including price regulation in a broad sense) is limited. Quantitative regulation plays an important role in this respect and the combination of quantitative regulation and price regulation becomes the necessary means for regulation by the government. For example, in controlling the scale of investment, we should not just rely on the rise and fall of prices on the commodity market and the regulation of interest rates on the money market. Instead, we should rely, to some extent, on the regulation of financial expenditures, the scale of investment and on the change of the tax structure. They are all forms of quantitative regulation. Again for example, in readjusting the balance



of international payments, we should not rely exclusively on the rise and fall of foreign exchange rates (including the regulation of fixed foreign exchange rates and the practice of floating foreign exchange rates) because they cannot produce desired results. Instead, we should rely on the regulation of the retention ratios of foreign exchange. This is also a form of quantitative regulation. As far as enterprise structural reform is concerned, the reason it is necessary to start the ongoing reform with a non-standard contract system instead of a standard one in its very outset lies in considering the limitations of price reform and the necessity of quantitative regulation. Under the non-standard contract system, in defining contract base figures, considerations are given to the irrationality of prices in actual life and the status of specific trades and enterprises in an unfair competition. Base figures fixed in such a way can help minimize the existing differences between trades and enterprises and enable them to compete with one another quite fairly after the contract system is implemented. Such being the case, the non-standard contract system is a form of quantitative regulation with which we can make up for the limitations of price regulation, a form commensurate with our country's national condition. Contract systems applied in finance and trade sectors and total wage contracting are also effective forms of quantitative regulation. The argument asserting that these contract forms do not conform to a perfect market system and proceeds to reject or negate them precisely ignores the fact that our country is in the stage of a disequilibrium economy at present and fails to understand that only when these forms of quantitative regulation are adopted can a perfect market system be created.

The theory of equilibrium regards fair market competition as a precondition. However, in real life there is unfair market competition. Under these circumstances, what countermeasures should be taken? It must be understood that unfair market competition is the result of an imperfect market and the existence of monopolistic elements in the market. The perfection of the market needs a process of natural growth. Monopolistic elements in the market can be restricted by legislative measures but more importantly, by the reliance on the market's natural growth so that monopolistic elements can be gradually weakened and competitive elements steadily strengthened. Therefore, according to the theory of disequilibrium, the role that the forms of quantitative regulation play in unfair market competition cannot be replaced by price regulation. For example, when demand exceeds supply or supply exceeds demand, to carry out distribution according to the short-line [where demand exceeds supply] method and make the volume of transactions equal to the limited demand or limited supply, it is wise to choose such forms of quantitative regulation as egalitarian distribution, distribution in proper order, proportional distribution, and target-based distribution. Although quantitative regulation is not an optimum choice, in unfair market competition in which any optimum choice is unlikely, egalitarian distribution, distribution in proper order, proportional distribution, and

target-based distributions may after all be accepted as second optimum solutions to choose. In economics, we are often confronted with a case like this: An unfair phenomenon, suppose it can hardly be eliminated instantly should be allowed to be offset by another phenomenon or several other phenomena. For example, that price parities between commodities are irrational is an accomplished fact. If they cannot be done away with in a certain period of time, preferential tax and interest rates might as well be used in varying degrees as a means to cushion and offset them. The theory of disequilibrium has proved that this method is feasible.

An analysis by the theory of disequilibrium gives us an important revelation: Whether in reforming the economic structure or in managing the national economy, we should proceed from the disequilibrium stage in which our country's economy is at present and refrain from madly pursuing a perfect market and quickly responsive price system. In making reform, we should start with enterprise structural reform and in managing the national economy, we should put equal stress on the use of quantitative regulation and price regulation. Just as a relatively perfect market system and fairly quickly responsive price system can be established only after the enterprise structural reform has been carried out to a certain extent and has produced fairly remarkable achievements, the phenomena as resource restrictions and commodity shortages can disappear only after achievements have been made in the whole economic reform centering on enterprise structural reform. We should refrain from cherishing an illusion that resource restrictions and commodity shortages should be eliminated before reform is carried forward. This absolutely cannot be achieved. The seriousness of economic disequilibrium can only be alleviated gradually as the reform of the economic structure deepens, the market gradually grows to maturity, and market-pricing mechanisms steadily develop. Our ultimate goal is to establish a new structure conducive to the stable growth of the economy, under which the role of quantitative regulation will gradually diminish. However, only when the quantitative regulatory means is not discarded today can we use it less frequently and even abandon it in the future. There is no other way than this.

**A Brief Appraisal of Nietzsche's Concept of Value**  
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[Article by Wang Keqian 3769 0344 0578 of the Shanghai Academy of Social Sciences]

[Text] Nietzsche (1844-1900), a philosopher who died so long ago, has, through the large-scale reprinting of his works in recent times, again attracted people's attention. Some people who are now reading his works for the first time, often ask the same questions as people did decades ago: "What view should we adopt in respect to Nietzsche's theories? How much truth is there in these theories? Are they just a sick person's illusions of power? I

feel that it is insufficient, when looking at questions such as these, to simply cite a few sentences or passages and draw conclusions on the basis of a few of the philosopher's words. If we want to appraise him, then like appraising any other philosopher, we need to examine the whole process of his philosophical development, in terms of the integral whole and in terms of its nature. Based on this idea, this article will attempt a concise appraisal of Nietzsche's value concepts.

## I

The life of Nietzsche the philosopher and writer was not very complex. Apart from having been recruited into the army on two occasions, where he served as an artilleryman and an orderly, he passed most of his time in schools. He did not enjoy family happiness, wealth or rank. After the death of his father when Nietzsche was 5 years old, he and his younger sister Elisabeth grew up under the care of their mother. In 1864 (when he was 20), he entered Bonn University, initially studying theology and classical philology. Later he dropped theology and specialized in philology. In the 56 years he spent on this earth, his health was never good and following a period of sick leave he finally resigned his post in 1879. He subsequently spent 10 years wandering in Switzerland and Italy. In 1888 he became mentally imbalanced, after which he was sent to the Jena University asylum. He died in Weimar in 1900.

People often divide the ideological evolution of this philosopher, who lived at the end of the 19th century and entered the 20th century, into three periods—the early, middle and late.

During his early period (from approximately 1869, when Nietzsche was appointed as a professor at Basel University until 1875), he showed outstanding ability in the study of ancient Greek tragedy and philosophy. This is thus often called his tragedy period. At this time, his philosophical ideas were not completely formed and, while being influenced by Schopenhauer and Wagner, he was not satisfied with their theories, and thought that from their ideas emanated "crisis, death and the smell of the grave." He wrote "The Birth of Tragedy" (1872) and also issued four articles under the title "Untimely Meditations." The most important of the four were "Schopenhauer as Educator" and "Richard Wagner in Bayreuth." In these articles, Nietzsche began his attack on German culture, holding that it was "without meaning, without content and without aim," and sought an avenue by which to overcome Schopenhauer's pessimistic philosophy of life.

The period from 1876 to 1881 was his middle period and in this period Nietzsche the non-rationalist began to appear. In his literature there was revealed a mysticism and in his philosophical cognition, he resorted to intuitionism and moved close towards scepticism and nihilism. Proceeding from his tragic sense, he entered the field of theoretical criticism and criticized traditional

metaphysics, successively publishing "Human, All Too Human" (1876-1879), "The Dawn" (1880-81) and "The Gay Science" (1881-1882). Within these works there is found a trend of anti-romanticism, which sees art, religion and philosophy as illusions which assist people to endure life, and which sees these things as controls over the loss of hope.

In the later period, Nietzsche's major philosophical ideas were gradually enriched and developed, creating his own "superman ideology" and seeking in "the revaluation of values" a cure for the cultural decline of the West. In this, his value concepts reached a new height. The major works of this period include "Thus Spoke Zarathustra" (1883-1885), a book written in the style of the "Old Testament," "Twilight of the Idols" (1888), "The Antichrist" (1888) and "Ecce Homo." (1888). In addition, after Nietzsche's death, Nietzsche's sister Elisabeth collected and arranged other works he had written during his life and published them under the title "The Will to Power." This is also considered a work of the later period.

Of those ideological tides of the philosophy of life which were on the upsurge in Germany at the end of the 19th century, Nietzsche's ideas played a stimulatory role in the development of the non-rationalist ideological tides both in Germany and other European countries. However, in his ideas, which are full of contradictions, one of his most influential aspects is his concept of value. In fact, Nietzsche's philosophy can be called a philosophy of values. This being the case, we must carry out an analysis of his value concepts.

## II

Nietzsche's concept of value is mainly elucidated in the works of his later period.

Nietzsche said: "A revaluation of all values: That is my formula for mankind's highest activity of self-affirmation. For me, this formula has become concrete life" ("Ecce Homo"). These words note the basic essentials of Nietzsche's philosophy of values.

Nietzsche wanted a reappraisal of all values. That is, he wanted to break down the values manifested in the religion, morality, philosophy and art found in the traditions which had developed up to the 19th century, to topple the idols erected by those people who had gone before, and to replace them with new values, that is to achieve a complete change of all values. However, if one is to change, naturally there will be the question of standards, the question of value appraisal. Nietzsche held:

First, it is necessary to abide by the value standards of the philosophy of life. He held that life itself is a standard of value. In his view, "When we talk about values, we are speaking under the inspiration of life, under the illumination of life. Life itself causes us to establish values.

When we establish values, life itself is appraised through us." ("Twilight of the Idols") That is to say, as far as value is concerned, life alone is the final determinant.

Second, Nietzsche held that values are bestowed by man. He held: "Things of value in today's world do not, as far as their essence is concerned, have value in themselves—essence is always without value. Rather, they have a bestowed and given value, and it is we who are the bestowers and givers." ("The Joyful Wisdom") Thus, in his view, people primarily place value on things to preserve themselves. People create a human significance for things. Thus "man" is the judge of value.

Third, the relationship between the real world and phenomena is only a value relationship. In his view, we in the actual world "believe certain things to be so." This appraisal is the essence of "truth." Our cognitive organs and sensory organs only develop along conditions for maintenance and growth. Our trust in the rational and its categories, our trust in dialectics and our respect for logic only show that these things have empirical effectiveness in life. They do not prove that these are "truths." Thus, he held that these things were real only because it is necessary to see them as "real." The relationship between "the true world and the apparent world" is a value relationship. ("The Will to Power") The criterion of truth is "only the biological utility of a system of systematic falsification."

Fourth, value is determined by "place" and "time" and has no fixed standard. For example, what civilized man believes to be good, uncivilized man does not consider to be good. Something which someone considers to be good will not be considered to be good by someone else. Something which is considered to be good at some time, will be considered to be not good at other times. Thus, there is no fixed standard for good or bad. In the same way, truth is not fixed, and all values manifested in religions, morals, art and philosophy are all subject to revision at any time through man's creation. However, Nietzsche wanted to establish standards. He wanted to set new standards of value in accordance with his own theory of will to life. He wrote: "What is good? All that enhances the feeling of power, the will to power, and power itself in man. What is bad? All that proceeds from weakness. What is happiness? The feeling that power is increasing, that resistance has been overcome." ("The Antichrist") He held that if there was a morality which could enhance the richness of life, it did not matter if it involved cruel, unkind, cheating or strange behavior.

In the above-mentioned ideas of Nietzsche, the good and the bad, the right and the wrong, exist together. That is, there are some rational aspects and there are also some irrational parts. First, as far as the call put forward by Nietzsche to "revalue all values" is concerned, it is truly inspirational. He held that the attitudes to life in a particular culture depend on the values in that culture, but that the values of Western culture—truth, good, beauty—were all false and harmful. Thus, he held that

the cultural world of Western man needed to be corrected and thus it was necessary to carry out a new reappraisal of values. This idea of Nietzsche's has some significance for the understanding of capitalist society. However, Nietzsche's call to "reappraise all values" is but a call of grief and indignation. Its essence was an absolute negation of Western civilization aimed at destroying traditional ideas and cultural traditions. This is undoubtedly a twin for nihilism. Second, Nietzsche placed stress on people's lives and their values. This in general is correct. However, in Nietzsche's eyes, a person and their life was dissociated from the masses, stood above society, was abstract, an individual will, and this will was the absolute authority determining the person's value. This assessment seems to be a little lop-sided. Value certainly is not purely something of the subjective will. Likewise, its yardstick is not individual will, but rather the objectivity of social progress. Third, he saw the relationship between the actual world and the phenomenal world only as a value relationship. This is both incomplete and incorrect, because the relationship between the real world and the phenomenal world is not only a value relationship. There is also a subjective practical process from cognition to transformation, a practical relationship of transformation of the value object and the transformation of the subject. Nietzsche did not recognize dynamic practical activities by people and thus he did not recognize the objectivity and absolute nature of truth. He held that truth is a tool for damaging will and is a function. He even goes so far as to not recognize truth itself. This is rather odd and inconsistent with facts. It is also absurd.

Fourth, Nietzsche proposed that value is decided by "place" and "time," and thus proposed that value is relative. This proposal is above criticism. However, he does not recognize that the relative is a relative within an absolute and that in the relativity there is an absoluteness. Thus he negates the absoluteness (objectivity) of truth. This is one of the causes of the nihilism in Nietzsche's ideas of value.

### III

Nietzsche's theory of revaluation of all values was an attempt, through destroying all traditional beliefs, that is through destroying the existing idols, to allow a person to be able to freely establish convictions to rely upon in life. To achieve this, it was first necessary to break through the fetters of the mythology and traditions of that time. On this premise, Nietzsche mainly criticized the beliefs and traditional morality of Christianity which fettered Germany. He held that the values of Germany and Europe were no longer things which advanced life and instead they had made life foolish and absurd. Nietzsche tried to reveal this anti-value phenomenon to the masses so that people would understand the value and function of belief. Thus, Nietzsche put forward two denials in his anti-moral stance: "I first of all deny the type of man who has hitherto been regarded as the highest—the good, the kind and the charitable; and I also deny that kind of

morality which has become recognized and paramount as morality-in-itself—I speak of the morality of decadence, or to use a still cruder term, Christian morality.” (“*Ecce Homo*”) Nietzsche held that “the second denial is more decisive.” The summation of this second denial was the proclamation “God is dead!”

Nietzsche’s cry that “God is dead” is of definite significance.

For many years previously, in the hearts of those Christian believers in Europe and Germany, God was a coordinate in life, and it was as if man’s life always revolved around this axis of God. However, during the years of the Renaissance, Europe began to deviate from this coordinate, resulting in the gradual weakening and disintegration of Christian belief. At the end of the 19th century, Nietzsche cried “God is dead,” and determined to sweep him into the garbage-bin of history. This was indeed something of no small significance. It not only dealt a heavy blow to the spiritual belief of Christianity but also stimulated various people to bring into play the spirit of subjective creation, self-development and diligence.

In Nietzsche’s view, as God was already dead, the whole of Europe’s moral concepts had to be changed. Thus people had to bravely leave the moral labyrinth of Christianity and conduct a thorough cleaning-up of Christianity and Christian morals. It seemed that only thus would it be possible to truly achieve “a revaluation of all values.” However, this resistance and indignation by Nietzsche was feeble and weak and even had a certain falseness and deceitfulness about it. Nietzsche’s opposition was restricted only to the cultural and moral spheres. He did not understand and could not accept that: “All previous moral systems were in the end products of the social and economic situations at that time.” (Engels: “*Anti-Duhring*”) If one wanted to change the traditional morality of Europe, it was necessary to carry out criticism of the economic situation and the capitalist system itself which reflected traditional morality. That is to say, Nietzsche did not understand that the answer to the contradictions of culture, history and the times should be sought in the economic foundations of that “building” which is society, sought in the economic relationships in which people are situated, rather than just in culture and morality themselves. Thus, while Nietzsche to a certain degree showed some spirit of resistance, his power in this was very weak and his ideas could not detach themselves from historical idealism. Thus, in the end, he did not achieve his goals and therefore it was difficult to establish completely new moral concepts.

#### IV

Nietzsche wanted “a revaluation of all values” and the establishment of new moral concepts. Who was going to accomplish this historic mission? In Nietzsche’s view, it was the “superman.”

Nietzsche provided a multi-level explanation and description of the “superman.” However, overall, the so-called “superman” was, on the philosophical level, a special category of “man.” That which was created on the literary level, in accordance with this category, was “Zarathustra.” His prototype was based on Nietzsche’s experiences. That is, it drew on Nietzsche himself. Zarathustra was the founder of the Zoroastrianism of ancient Persia and Nietzsche chose this name for the mouthpiece of the “superman.” This was meaningful. It had both abstract and formal implications. As Zarathustra spoke, “so spoke the superman” and “so spoke Nietzsche.” Nietzsche’s concept of the “superman” was a concept for people in a world where “God had died”. Thus he had characteristics which were different from those of ordinary people. “The transcending of today’s man is his ideal.” In the process of realizing this ideal: 1. In terms of his physiological situation, he had a powerful “life force” which was different from those of other people, and he had a more healthy, sensitive, daring and joyful constitution. (“*Ecce Homo*”) His life was always full of flaming desire, he constantly struggled with the environment and constantly created the future. He was the criterion for truth and morality and was the creator of norms and values. 2. In his psychological structure: His heart was constantly being torn apart. In this pain and contradiction, “There is a contradiction in every word he utters. Through him all contradictions are bound up in a new unity. The loftiest and the basest powers of human nature, the sweetest, the lightest and the most terrible, rush forth from this one spring.” ( Ditto) He is free, selfish and self-contained. 3. In terms of man’s situation and self-existence, his fate is tragic and his life experience is also absurd. He is doomed “to become an individual.” However, he does not conceal himself nor lose hope. Rather, he struggles alone and in different favorable and unfavorable turns of life, he does not use ethical or religious principles to fetter himself or restrict other people. Rather, he always believes that only if one “risks danger” does life have meaning. He is always a “destroyer of morality.” 4. The instincts of the superman always bring into play his primary will—the will to collide (the will to power), so as to plan for his own future and to instruct other people in becoming “supermen.” He is the embodiment of violence against, and the enslaving of, other people. In realizing the will to power, he does not scruple to use any means, and he is not subject to the reproach of his conscience. He is no different from a “wild animal” and is a “magnificent blonde beast.” He is “a prime evil-doer.” For all ignorant people, he is like “a wild storm.” “He can sacrifice other people without being disturbed, ashamed or restricted in the least, causing these people to be trampled underfoot, reducing them to incomplete people, to slaves, to tools.” (“*Collected Works of Nietzsche*” Vol. 2) Nietzsche’s superman is in a world in which there is no God ruling. He is an idealized “man,” a complete “man,” a “non-man.” This sort of person is of a type ordinary people cannot become, a type which can only be manifested in a higher race of man.

If we leave aside Nietzsche's raving, his concept of the superman had both a realistic aspect and a nihilistic hue. The former can give people inspiration, while the latter can be used by reactionary rulers and self-centered people, and bring great damage. Saying it has a realistic aspect is to say that it was put forward in the situation at the end of the 19th century when science and technology were making rapid progress. At that time, Western civilization had entered a new crisis. Affected by this crisis, Nietzsche tried, through the image of the "superman" to transcend those years of decline and proposed a spirit of bitter struggle for "self-transcendence." That is, he wanted to "let all values be regenerated through one's own re-creation." He proposed that apart from "life" and "life force" people had no other elements for support. It was with the support of these props that man had "great prospects." Thus, he felt dissatisfied with the mankind of the day. All these points naturally have an inspirational role. However, when we look at this concept of Nietzsche's from the plane of traditional culture, the "superman" he originally envisaged never appeared. It was but Nietzsche's idea, his ideal, a concept. It was a dream. The superman delineated in the dream was an amoral person who does not rely on ethical norms of the past. He is also a nihilist who ignores modern culture and civilization. He does not rely on any traditional beliefs and only damages and negates things through the "force" of his own instincts. In particular, he has given this destroyer a thick political coloration. He is the natural ruler of mankind, the true "essence" of the Universe. He is a madman. "He himself is madness." His "strongest, highest will to life is not manifested in a pitiful struggle for survival, but manifested in a will to do battle, manifested in a will to power, and a will to dominance." ("Collected Works of Nietzsche" Vol. 9) He held, "Life is the result of war, society is the means of war and all those who say that peace is more desirable than war are violating biological principles." (Ditto) "War is the source of happiness in the world." ("The Gay Science") Such words can easily become a theoretical basis for people to launch wars of aggression.

Of course, the "superman" as proposed by Nietzsche on the basis of the "will to life" seems to be aimed at affirming freedom, affirming the individual, affirming people's real life. However, the prescriptions Nietzsche provides for these are ineffective. Nietzsche did not understand that an individual life and the will to life cannot exist divorced from the group, divorced from society. That is to say, Nietzsche did not understand that individual freedom and people's real life were inseparable from the private ownership economic and social systems which restricted this freedom, and caused people to be separated from real life. Without smashing the system, one could only seek extrication and freedom from individual life itself, but could never achieve the aims sought. Basically Nietzsche did not understand that the preconditions for the freedom of man and individual freedom were the development of material production and making the social system more just and perfect. He

did not understand that man lives in social relationships and thus he did not understand and was unable to explain man's real life from the angle of social history and social relationships. Thus, although he struggled and sought truth, until the end the free person he affirmed remained an abstract person. "Man is but a rope between the beast and the superman." ("Thus Spoke Zarathustra") It was because of this that in Nietzsche's philosophy the difference between man and animals and between man and general living things is very little. In Nietzsche's view, people live in the world mainly existing and competing. Those who become strong abandon the weak. This is precisely Darwinism implemented in his social views. We can see that Nietzsche's meaning of the "life" of the "superman" is actually man's capacity for overcoming. That is, it is a biological instinct and also an animal's will to benefit itself. Such a "superman" can only be the embodiment of irrational character. It is difficult to say he is very different from "the dead God."

## V

Nietzsche said: "The story of Zarathustra and its basic concept is the concept of 'eternal recurrence.' That is, the highest form of affirmation obtained by man." ("Ecce Homo") This concept of his is close to the idea of all things being in a state of flux put forward by the ancient Greek philosopher Heraclitus. He said: the affirming of the change and destruction of all things, that is, the affirming of the determining elements in any Dionysian philosophy, the affirming of contradiction and struggle, that is the affirming of the concept of "change" and even basically negating the concept of "being"—these things have all caused me to believe that this person (Heraclitus) came closest to my ideas. The theory of "eternal recurrence"—that is, the theory of an absolute and eternal cycle of all things—this doctrine of Zarathustra's might, is the theory advocated by Heraclitus. "Ecce Homo" does not say that Nietzsche's theory originated with Heraclitus or resembled it. The "eternal recurrence" idea he advocated was, for him, "the heaviest burden." ("The Gay Science") He felt: "This life as you now live it and have lived it, you will have to live once more and innumerable times more; and there will be nothing new in it, but every pain and every joy and every thought and sigh must return to you—all in the same succession and sequence—even this spider and the moonlight between the trees and even this moment and I myself. The eternal hourglass of existence is turned over and over—and you with it, a dust grain of dust." ("The Gay Science") He felt that life recurred like this, and that the universe also revolved like this. It seemed that everything was observing the law of conservation of energy, and that those things which already existed and which were always reappearing were circulating and changing forms while the total volume did not change. In this universe "there is a play of forces and waves of forces, at the same time one and many, increasing here and at the same time decreasing there; a sea of forces

flowing and rushing together, eternally changing, eternally flooding back, with tremendous years of recurrence, with an ebb and a flood of its forms; out of the simplest forms striving toward the most complex, out of the stillest, most rigid, coldest forms toward the hottest, most turbulent, most self-contradictory, and then again returning home to the simple out of this abundance, out of the play of contradictions back to the joy of concord, still affirming itself in this uniformity of its courses and its years, blessing itself as that which must return eternally, as a becoming that knows no satiety, no disgust, no weariness." ("The Will to Power") The world is an eternally recurring will to collision, "a Dionysian world of perpetual self-creation and self-destruction." (Ditto). Mankind is not moving forward, but always circling historically.

However, in Nietzsche's view, faced with this "Dionysian world" mankind will one day feel fed up. If man feels fed up, he will forever be stuck in a nihilistic knot. If he wants to escape this nihilistic knot, man need only bravely accept this fate, not curse it and must engender a love of it, "a love of fate." "Mankind's greatness lies in love of fate. No person, regardless whether we are speaking of the future, the past or eternity, should seek to change anything. He not only must accept inevitability, and actually has no reason to conceal it—when facing inevitability, all idealism is false—but, he must love it." ("Ecce Homo")

It is extremely clear that in Nietzsche's concepts of value, his will to life, the concept of the superman and his ideas of "eternal recurrence" and "love of fate" form many acute contradictions. On the one hand, the superman proposes the continual overcoming and creation of life and life's continual struggle with the environment, giving life a new meaning and goal. On the other hand, the theory of "eternal recurrence" advocates that in life "there is absolutely nothing fresh," that life is without meaning, and that the affirmers of life should, in accordance with the true features of life, precisely accept this life of no meaning. That is, it rejects the creating and overcoming of life. In order to break away from these two difficult situations, Nietzsche proposed the "love of fate," so that he could lay down his "heavy burden" and reduce his pessimism. However, the conceit of extreme wildness and happiness and absolute self-abasement, depression and bearing the situation are two antagonistic sentiments and ways of life. Nietzsche's left foot wanted to shake free from the fetters of the pessimism of his teacher Schopenhauer, while with his right foot he stepped into the knot of nihilism. This psychological structure and theoretical framework of Nietzsche's, encompassing division, pain and contradiction, reflects the feebleness and weakness of his philosophy, and reflects the nature and forms of the dual personality and dual understandings and experiences of a German in the age of empire. As Nietzsche himself recognized: these dual experiences, this method of two almost completely different worlds are clearly reflected in my instincts. I have an "other me." I have a "second" vision and I even

have a "third" vision. My inborn instincts cause me to have a vision which transcends place, nation and restrictions. Without effort, I am a "good European." In another respect, I am perhaps more German than modern Germans—mere Imperial Germans—can hope to be. ("Ecce Homo") Nietzsche lived in an unbalanced German society and his ideas and philosophy are certainly refractive lenses of this abnormal society. Through these lenses, we can see many irrationalist arguments and very many negative and damaging things. There are even things linked with the reactionary Fascist theories and things used by them. We can also observe some positive aspects which can be deeply thought about. As a philosopher, Nietzsche did not leap beyond the German bourgeois ideological system, and in his works there are the undoubted brand-marks of the historical culture of German capitalism and his own psychological structure. Thus, when we read his works, we should not adopt an attitude of "taking all" and completely adopting everything. Rather, as Lu Xun said, we are the "new masters," and we should "calmly, boldly, discriminately and without selfishness" take the essence and discard the dross according to our own taste, in order to develop the new culture of our Chinese nation.

#### **New Methods and Carriers in the Political and Ideological Work of Students in Institutions of Higher Learning**

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[Article by the Political Group of the Investigation and Study Office of the General Office of the CPC Central Committee and the School Department of the CYL Central Committee]

[Text] Since the reform and opening up of China, post-secondary students have had deeper and broader contact with society. Student thinking has become increasingly active and students have become more selective about studying, life, and future occupations. Ideological and political work cannot be done by transmission of ideas only. It should be carried out in the direction of reform and opening up, and fostering student growth through practice in the environment of reform and opening up. Therefore, ideological and political work must adjust to the larger trend of reform and opening up. A new framework and methods must be developed to treat students as both actors in and recipients of ideological education. The basic method should be to lead students to carry out self-education through practice and to inspire each other through exchange as equals. New and effective carriers of ideological and political education must be developed from activities to further explore channels for social activities and exchange as equals.

**I. Social Investigations. Organize students to carry out educational activities in social investigation into China's economic, cultural, and political conditions, with a focus on the actual progress and results of reform and opening up.**

These activities can greatly expand student exposure, and help students to understand the conditions of the

country, experience and gain more understanding of the necessity and complexity of China's reform and opening up.

For example, last year the CYL Central Committee and the Rural Policy Research Center of the Secretariat under the Central Committee co-organized an activity to solicit papers from university students on their investigations in rural areas in the summer. About 10000 undergraduate and graduate students took part and produced about 7600 investigation reports. These investigations involved 78 topics in 14 aspects, such as rural economy, culture, nature, and population. Through the investigations, many students think more deeply about the issues and look at them from new perspectives. You Wenchang, a sociology student of Beijing University, carried out an investigation of a village in Shaanxi Province for a month. He ate, lived, and labored with the peasants there and had wide contacts with the rural cadres. Then he produced "A report on investigation into the present conditions of rural organizations at the grass-roots level" which won a first-class award. On his month-long experience, he said, "In the classroom we used to gaze at the ceiling trying to conceive reform and design a blueprint. We thought we would be qualified for the positions of premier or minister. From the investigation in the village I realized that my ideas would not fit the reality. They would not be able to resolve practical problems at all. Perhaps there was nothing wrong in our intention. However, our ideas were too superficial and we lacked practical experience. We would find it difficult even to be a village head."

**II. Scientific and Technological Service. Organize students to take part in technological transformation and development in enterprises and in the urban and rural areas with what they have learned, and to carry out re-education through practice.**

Such activities can help to raise students' ability and to link theory with practice, to resolve practical problems, and to intensify their impetus to learn. At the same time, they will educate the students in the process of applying their knowledge to work, overcome their problem of relying too much on books and ignoring practice, and strengthen their sense of responsibility.

For example, in recent years, many students have gained experience from social activities carried out by institutions of higher education which is, to apply knowledge to practice. We must first integrate all the book knowledge we have acquired and take into consideration all practical conditions. When some students of Inner Mongolia Institute of Technology first started to repair a machine for an agricultural machinery factory, they did not know what the problem was and so did not know where to start. So they had to take the machine apart and analyze how it worked with the help of a diagram. At the end, not only did they repair the machine, but they also overcame all the obstacles that their teacher had set there on purpose. Students of Xian Institute of Metallurgy were

to design work for the plant of the Shangnan Distillery. Once they entered the plant they realized how much more complex the work was than they had expected. With a limited budget and complex terrain, the students could not design as freely as they had done in class. Several designs that they thought were outstanding were rejected. It was only after many attempts that they completed a design that would fit the reality. They sighed, "It is more appropriate to call this activity re-learning through practice than technological service." A student of Qinghua University also said with deep feeling, "When our teachers tried to improve our style of study and repeatedly emphasized the boundlessness of learning, we did not take heed of it. After participating in the technological service, I feel guilty and deeply uncomfortable about my superficial knowledge. This feeling is 10 times stronger than the teacher's emphasis in class."

**III. Training With Job Titles. In the process of participation in social activities, organize students to be responsible for certain management and organizational leadership duties in units at the grass-roots level so as to strengthen their sense of responsibility in social life.**

This kind of activity can further change the student from the role of recipient of to that of actor in education. It can change their habit of criticizing without involving and bring them into practical roles that have to shoulder actual responsibilities.

For example, a few years ago some students from institutions of higher education in Beijing took up responsibilities as assistants in municipal enterprises and shops at the lower level. They shouldered actual responsibilities, comprehensively understood and analyzed problems, and trained their abilities. Their experience attracted attention from the press. Last year, some CYL committees of institutions of higher education in Beijing and Gansu again organized students to take up positions in the rural areas during their training there. Some students became secretaries for the county party committee secretary, some became associate secretaries for CYL committees at the county and village levels, others became assistant factory managers or assistant shop directors of village and county enterprises. Last year, Lanzhou University also sent 57 students to 47 units in 12 counties and districts for training with job titles. Students who took part in such training with job titles gained in-depth experience from their work. One student became a secretary for the county party committee secretary and had the duty of participating in and coordinating the inspection and implementation of birth control work. Having done some investigation on his own, he presented several proposals which to the leaders of the county Party committee were not realistic. He had to repeatedly go deeper into the investigations and discuss with comrades involved with the actual work. Although he was finally able to complete his job better, he was still not satisfied with it. He sighed with emotion, "In the past I never had any sense of responsibility and I always thought highly of myself. This time I took up

first line work and shouldered responsibility for the first time. Then I realized I did not have any substance. In the face of the society's supervision and selection, I must put more effort into study and practice and shape myself according to the needs of society."

**IV. Work and Subsidized Study. Organize educational activities for students to study and take part in paid labor and service at the same time, so that students can support their own education.**

These activities help students to overcome their habit of relying on the state and their parents financially. They also help to strengthen their ability and skills. Meanwhile, they help to build some psychological strength to support the reform.

For example, in recent years students taking part in work and subsidized study provided service for their institutions or units outside. In this way they also obtained some rewards to subsidize their studies and living. Moreover, they grew in ability and skills through practice. Fudan University had set up a "student consulting center for scientific and technological development" and a work and subsidized study group attached to it. In the past few years, a large number of students had been trained with specialized knowledge and skills. When these students graduated, many of them were recruited to important departments, enterprises, and undertakings. After a short time, they were assigned more important work. Leaders of schools and recruiting units feel that students that took part in work and subsidized study are generally more mature, less bookish, and are adjustable to the needs of society. Compared with other students, students from universities like Qinghua, Tianjin, and Fudan, and Dongbei Institute of Technology tend to have greater strength to endure the price reform. A student from the Computer Engineering Department of Beijing University who frequently takes part in work and subsidized study activities said, "Prices are increasingly decided by market conditions. This is an objective trend. Neither the president of the university nor the mayor can artificially set the prices. What to do? If we depend on the state to protect us, the price reform will fail. If we turn to our parents for financial help, it is not a good thing to do. So the only way is for us to adjust to and create a new life on our own.

**V. Self-Management and Self-Service. Organize the educational activities of the students for them to manage their own studies and lives.**

To organize students to manage and serve themselves helps to overcome their dependence and to increase their ability to discipline and improve themselves. They can also learn and practice democracy. This will also help to reduce pressure on school work and relax tension between students and the institution.

For example, in the past few years, the Kunming Institute of Technology has been introducing student self-management step by step. It organized students and

faculty and staff concerned to set up a management committee for the student cafeteria, one for the library, and one for the student dormitories, and to take part in educational reform. Through their work these committees lead the students to learn to manage themselves. The campus atmosphere has changed. Many problems of student life have been resolved. There has been change and improvement in much of the work of the institute and both the institute and students are pleased with it. As the student cadre of Kunming Institute of Technology analyzed, democratic management now prevails on campus. Also, although there are still some accumulated problems, there is not much complaint since students understand the institute quite well. Self-management has truly increased the sense of responsibility of the students as masters of Kunming Institute of Technology. Students involved in the management committees experienced even more. They had this to say, "We are masters of the institute. In the future we will be the masters of society. We have both the rights and responsibilities to change our own lives."

**VI. Training in and Guidance for Job Application and Employment. Create an environment and conditions for student job application and employment, and provide training and guidance through different channels for student in job application and employment.**

With the reform of the system of job allocation at graduation, the method of providing simple ideological education to students upon their graduation can no longer resolve problems. Measures must be made to adjust to changes in the system of job allocation at graduation. An environment and conditions should be provided for student job application and employment as soon as possible. They should be integrated with work and subsidized study activities so as to strengthen training for student job application and employment.

For example, Shenzhen University has explored many channels both in and outside the university for student practice so that students can enter the three-in-one market of "labor, job application, and employment." It also strengthened training in student readiness for employment, application methods and job selection skills by means of regulations and implementation, publicity, and appointments counseling. As a result, students' idea of and ability for the bilateral selection of qualified personnel has strengthened. This year, students who entered Shenzhen University in 1983 graduated. (That university practices the 5-year system.) Of the graduates, 80 percent were "booked" by recruiting units in March last year.

**VII. Voluntary Groups for Party Studies. Students who actively seek progress in politics form voluntary groups to study basic party theories.**

In encouraging the organizing of small groups for party studies and setting up part-time party schools, we can identify and train some youth of caliber. Voluntary groups for party studies can especially become a central political force and play an important role in uniting and recruiting students.



For example, the party studies group of students of the class of 1984 at the Economic Management group of the Institute of Economics, Beijing University has been active for almost 4 years. Many of its members have been nurtured into preparatory party members by the party branch or transferred from preparatory members into members. For several years the students of that year have won the honor of being an advanced group at the university. The experience of the group is strict observance of the principle of voluntariness, learning from and exchange with each other, raising the ideological level of one another, and sincere mutual encouragement. With this experience they try to attract more students to participate.

**VIII. Salon-Style Discussion. Allow the students to freely form salon-style groups according to their aspirations, interests, and hobbies to discuss and debate on an equal basis and study problems in theory and reality.**

There are two types of salon activities. One is convergence. Salon members have common interests and deal with a specialized group of questions. They try to continuously deepen their understanding of a question in the process of free discussion. The other type is divergence. Salon members have diverse interests that change all the time. The content of activities is often ad hoc, the purpose of them is for timely communications. Salon-style discussion and debate expand one's scope of knowledge and increases one's information. Also, from the discussion and evaluation of each other's ideas, one's ability to understand and analyze questions can be raised. Usually the party committee and CYL committee give some guidance to help these activities develop healthily.

For example, students of Beijing Institute of Broadcasting grasp three links in their salon activities. First, they prepare well so that the content and form of each activity are as attractive as possible. Second, they raise key topics and in invigorating the salon atmosphere they try to make the theme clear and the speeches concise so as to lead the group well. Third, they pay attention to the combination of different levels and types so as to involve campus cultural activities on multi-levels. Besides, the groups organize various other forms of activities for ideological, academic, and cultural exchange. Students can gain more in-depth knowledge from the exchange and raise their ideological understanding. Also, while they are actively involved in extra-curricular activities, their emotions and interest can become healthier.

**IX. Consultative Dialogue. Students exchange opinions face-to-face with authorities on questions of their concern.**

These activities are usually introduced in three aspects. First, students dialogue with different groups of society and their leadership. Second, students dialogue with leaders of party work on campus and related people. Third, students dialogue with the CYL and student organizations. Consultative dialogues can help students

to understand the goals, policies, and steps of the reform and the practical conditions of reform, and can in turn give students a new understanding of themselves. Meanwhile, they provide a channel for students to express their opinions and demands. This can help to resolve the questions of their concern and practical problems in their lives and studies. Therefore, this kind of activity is an effective way of carrying out ideological and political education. It is also an important form of promoting democracy at the grass-roots level.

For example, in recent years, many institutions of higher education have organized activities for consultative dialogue. Some even have "Meet The (College) President Day," news briefing, opinion collection day, and invitation for proposals. These activities have effectively improved campus work. The student union of the Central Institute for Minorities collects proposals from student representatives and has a system of dialogue with party and other departments of the institute to tackle common problems of students and problems that call for urgent resolution. The student union also puts up a bulletin board. On the "Responses" section of the bulletin board the results of the dialogue are conveyed to students. For 2 years, many difficulties in students' studies and lives have been resolved through the dialogue. The work of the institute has been improved. Some tension in student life has also been relaxed and students' understanding and emotions have been given timely guidance.

**X. Psychological Consultation. Develop psychological counseling and guidance activity to analyze the psychological health of individual students and answer their queries.**

Most university students are in the stage of "psychological weaning." Simplistic and formula-like ideological education can no longer meet the varying needs of individual students. In the past, we used to generalize student ideological emotion as ideological understanding and ignore their psychological state. Of the anxiety, frustration, and hesitation that often appear among students, some need to be resolved with ideological guidance, others have to be corrected or pacified psychologically.

For example, CYL committees of Shanghai Communications University and East China Normal University respectively have both gradually developed psychological consultation activities in recent years. Shanghai Communications University has even set up a center for psychological consultation and provides "out-patient" service at fixed intervals. They enjoy popular support from students. In the provision of consultation to individual students, East China Normal University has the "doctors" divide the characteristics of consultation into 11 categories. Each category is studied so as to find out methods to correct or guide. Some students have a vent for their emotions and become cheerful again after going through psychological "diagnosis" which clears their

psychological obstacles. Some experts believe that psychological consultation is a topic in both medicine and education and deserves attention. The 10 carriers of ideological and political education listed above are just some of the more effective elements of ideological work on university students. They are not all the methods employed in ideological and political work. These effective carriers of ideological and political education have played an important role in the process of educating students. However, certain problems exist in some of the activities. For example, in consultative dialogues, there are phenomena of formalism, and some acute questions raised by students are not responded to. Sometimes students' opinions and suggestions are not seriously dealt with, so that the dialogue becomes a one-way report in which one side talks and the other listens. There is no accompanying system and often there is an ad hoc element. However, to make these activities more effective, systematic and standardized, more experience has to be accumulated.

### **An Attempt To Invigorate the Right To Use Land in Rural Areas**

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[Article by Li Qing 2621 5464 of the Rural Work Department of the Guizhou Provincial CPC Committee]

[Text] Meitan County of Guizhou Province has been selected by the Rural Policy Research Office of the CPC Central Committee as a pilot area for rural reform. The major pilot topic is construction of the land system. The overall guiding idea is: firmly insisting on the system of collective ownership of land and invigorating the right to use land.

In nearly a year, from April 1987 to February 1988, the pilot area has accomplished seven projects:

1. Stabilizing the system of assignment responsibilities on the household basis with payment linked to output.

In 1980 when Meitan County enforced the system of contracting of land by households, land was separately contracted for on a per capita basis according to the population. In 1984, due to population changes, a "minor readjustment" was made on the contracted land, and 90 percent of the rural households either had to parcel out a portion of their land to give to the newly added population or supplied grain at parity price to the new population. Though termed a "minor readjustment," it practically involved all the peasant households and part of the work has still been left outstanding and uncompleted up to now. In 1987, after the members of the working team of the pilot area entered the countryside, the population continued to increase and those households which had contracted little land made loud cries for land readjustment. They made up roughly 5.8 percent of the total number of peasant households.

Nevertheless, the great majority of the peasant households were not in favor of land readjustment. The reason was that the government had previously announced that contracting of land would not change for a period of 20 years. To readjust land for the sake of a small number of households necessarily affected the majority of households and could be a cause of instability. As for the method of supplying mouth grain at parity price to the newly increased population, the great majority of the peasant households were opposed. They argued that by so doing the household doing the farming would be eating "risky grain," whereas households enjoying the supplied rice would be eating "insured grain." This would resurrect the practice of "everybody eating from the same big pot." In addition, cultivated land in Guizhou Province has always been scattered and piecemeal. If every 3 years a readjustment is made and every 5 years the land is divided or demarcated again, then the broken-up state of Guizhou's cultivated land would be further accelerated and it would be even more difficult to develop dimensional operations. After weighing the pros and cons, we came to the conclusion that it would be more reasonable not to readjust the land and hence we made a clear-cut announcement that from now on there will be no readjustment of land following population changes. By doing so, over 90 percent of the peasants had their mind at ease and their sense of safety and stability in land operations was augmented. Less than 10 percent of the peasants having their farming intentions cut short, generated a sense of urgency to find other means of living. Thus internally from the rural villages a motive force was generated for a labor force transfer.

2. A competitive mechanism introduced into land operations.

Regarding the four kinds of contracted land of peasants which had been taken back by the economic societies at grassroots level in the villages on account of farmers who had turned to non-farming, or who had abandoned farming and stopped opening up barren land, or who were alone or even passed away, or who had resisted the assigned tasks of selling grain at prices fixed by the state, it was decided not to accept contracting on an average basis according to the population but to shift to the method of inviting bids for contracting and to transfer them to the hands of farming experts. The whole country took back altogether, 2,211 mu of contracted land from these four categories of peasant households, being roughly 0.47 percent of the total area of cultivated land. The successful bidders, aside from fulfilling all the assigned tasks on the farm land they have taken over, are required to deliver to the grassroots-level economic societies each year, according to the grades of land, 50 to 150 kilograms of grain per mu or to pay to the societies the equivalent amounts of money at the market price of grain. Thus, "undercover taxes" are added to the open taxes and the per mu land rent collected from these categories of land was roughly equivalent to 40 percent of the autumn output.

Inviting bids for land contracting augments the power of the land-owner, that is, the grass-roots-level economic societies. It avoids the practices among the peasants of utilizing blood relationship to transfer land or to circulate land among the "related households." It provides those peasant households at a higher operational level with an even larger power over the utilization of land.

### 3. Readjusting the land contracting fees and perfecting the system of use of land.

Originally in the rural areas retentions for delivery to the collective were basically on a per capita allocation basis and the relation with land was by no means clear-cut. Hence, the pilot region decided to collect an additional land utilization fee. But since Meitan's current economy was still not developed and the income-level of the peasants was still low, the land-use levy was collected at a relatively low rate. The levy for a paddy field was 3 yuan a year per mu, for dry land it was 2 yuan a year per mu while on barren land developed below 25 percent and on self-retained land the levy was collected at a discount of 50 percent. For the county as a whole each year collection of the levy could amount to a total of 1.5 million yuan. Payment of this fee was stipulated (in the land contracting agreement) to be made in cash usually after the autumn harvest. In some cases, payment should be made at the time of signing the agreement.

The land utilization fee strictly enforced the principle of "collecting from the land and using it on the land," and was principally devoted to farmland capital construction which could be performed well, or performed at all, singlehandedly by a peasant household. This included repairing waterlogged and sandy land and transforming medium and low grade fields.

The peasants were concerned with the collection of the land utilization fee for two reasons: 1. They feared corruption and stealing of the funds; and 2. They feared egalitarianism and indiscriminate transfer of the funds. For this reason, many of the villages clearly specified (in the regulations governing management of funds for contracting for the use of land) that use of the funds when exceeding a fixed amount should be discussed at a congress of the village peasants and that funds not temporarily in use should be loaned to, or invested, outside the village so as to yield interest.

### 4. Compensatory transfer of the utilization right of land among the peasants was allowed.

Regarding the existing practice of transfer, with compensation, of the utilization right of land among the peasants, we have adopted guidelines permitting it. In the whole county, the number of peasant households transferring the use right of land amounted to roughly 1.1 percent of the total number of peasant households and the area of farmland thus transferred was less than 1 percent of the gross area of farmland. Of this, the great proportion was on a compensatory basis. The household

making the outward transfer could obtain from the household making the inward transfer a compensation equivalent of about 40 percent of the output in the autumn harvest. By so doing, it was an actual admission that the use right of land possessed value and helped in concentrating land in the hands of farming experts.

### 5. Systematically and in a planned manner advocating and opening up the resources of non-cultivated land.

In Meitan county, the per capita distribution of cultivated land was 1.27 mu. There was thus a shortage in cultivated land resources but in contrast the resources of non-cultivated land were plentiful. In the whole county, the area of land resources available for opening up and development was 610,000 mu, being 228 percent of the existing area of cultivated land. Moreover, here the quality of the rural workers was not high and their transfer to the secondary and tertiary industries would be fraught with difficulties. To transfer outward 40 percent of the current surplus labor force of the country, the best way was opening up on-the-spot the resources of the non-cultivated land.

In Meitan county the opening up of non-cultivated land had its start in Hetaoba village of the Lianhe countryside. Working on the principles of "united planning," "united technology," "united processing," "united marketing," and "return of profits," the village's economic societies at the grassroots level organized the peasant households to open up barren hills and barren slopes and to plant high-quality and high-yield tea. The initial results have now been seen. Starting last winter, in Meitan county and in the Zunyi region the experiences of Hetaoba village were pushed in an organized and planned manner. The peasants were led to open up whole pieces of non-cultivated land, sometimes as little as several hundred mu and sometimes as much as a thousand mu. The main objectives were to establish tea plantations, orchards, mulberry groves, and so forth as well as to establish animal breeding grounds of sizable proportions. This not only improved the ecological environment but also increased the output of forestry and sideline products. This was totally different from the past practices of planting grain to solve the food problem by blindly opening up barren land, destroying forests and removing grass from the land.

For the sake of doing a good job in opening up the resources of non-cultivated land, the pilot area also helped the county to set up specialized companies dealing in tea leaves, fruits, silkworms and mulberry bushes. It took up the responsibility for concretely organizing and guiding the work and, in liaison with the rural economic organs, provided the peasant households with funds, seeds, technology, chemical fertilizer, and so forth. Since last winter, the loans granted to the county at discounted interest rates amounted to over 1.61 million yuan and the new tea plantations, orchards and mulberry groves covered a total area of over 5,000 mu.

6. Encouraging the peasants to develop household operations of "five minor kinds," namely, small planting, small breeding, small fruit-tree planting, small processing, and small transport-marketing.

In addition to farming work, for the peasant households to engage in other pursuits is beneficial to the full utilization of the local resources, to increasing output, to improving the commodity rate, and to increasing income. It has good prospects in these respects. At present, there is still only a small number of households in Meitan engaging these "five small pursuits," but already they are commanding a great influence. In the past 2 years, the county repeatedly convened commendation meetings calling on peasant households to learn from their experiences. During the pilot period, the pilot region organized an on-the-spot exhibition. It aroused the extensive interest and the enthusiasm of the populace to learn from the grassroots-level cadres and delegates. The pilot region has planned that during the "seventh 5-year plan" period, the development of households engaging in the "five minor pursuits" should progress at an annual increase-rate of 10 percent and that on this basis specialized villages and specialized countrysides will gradually be formed.

#### 7. Reenforcing land control.

Since enforcement of land contracting by households, various kinds of disputes on land have occurred, these including destruction of culverts, destruction of roads, destroying forests to open up barren land, encroaching on others' contracted land, and so forth. Particularly serious were such practices as housebuilding on the contracted land and putting up brick-and-tile-making plants, causing a loss of about 1 percent of the cultivated land each year. In order to prevent land administration from getting out of control and to reduce the disputes on land, the pilot region has meticulously surveyed and handled each and every case of destruction and damages to land.

In the whole county, 416 households have been found guilty of having encroached on collective land or other people's contracted land to the extent of 208 mu, being respectively 0.5 percent of the total number of peasant households and 0.4 percent of the total acreage of cultivated land. Of them, the cases of 314 households, involving an area of 148.7 mu handled, accounting respectively for 75.5 percent of the total number of cases that should be handled and 71.5 percent of the cultivated land that should be returned. 1,096 households have occupied land to build houses, involving 283 mu of land. Of them, the cases of 465 households have been handled, 117.78 mu of cultivated land has been recovered, and collections of taxes on use of cultivated land and fines have amounted to 11,059 yuan. 530 households have been found guilty of occupying land to build plants making bricks and tiles, involving 99.67 mu of land; of them, the cases of 215 households have been handled and 72 mu of cultivated land have been recovered. At the

same time strict and stern investigation and handling of other relevant cases have been made including cases such as encroaching on land occupied by roads, highways and sewage systems, failing to pay the state's agricultural taxes, failing to fulfill the state's requirements of fixed purchases of grain, neglecting to make collective retentions, and disputes on creditors' rights and loan rights. On this basis, the populace have been extensively aroused to formulate and strengthen the rural regulations and civilian codes on land management and control so as gradually to have land management and control systematized.

From now on, the Meitan pilot region will continue to deepen construction of the land system. On the basis of a clear understanding of the collective ownership right of land, it will study the form of realization of the ownership right; and on the basis of stabilizing the system of contracting of land by households, it will probe into the form of invigorating the right to use land, gradually form a land market with intervention, and facilitate a superior combination of production's important elements. Its 1988 plan calls for performing well the following six tasks: further clarifying the belonging relations and the ownership right of land and the form of realization of the right to use land; augmenting the state's and the collectives' functions of management and control of land; forming county-grade land banks in coordination with the upbuilding of the land system; formulating a social protective system for peasants awaiting employment who have lost the right to use land; grasping well construction of the organs at grassroots level, and improving the cadres' management quality and their handling ability of the reform projects; and joining together reform with development and performing well the coordinating construction work on the commodity base areas.

From the very beginning, Meitan's pilot work was given guidance and support by the Central Committee's Research Office on Rural Policy and the Rural Development Research Center of the State Council. It has attracted the attention of Chinese and foreign specialists and scholars concerned with China's land problem. Some of them personally visited Meitan to carry out surveys. A team of specialists despatched by the World Bank believed, after making an investigation in Meitan, that reform of the land system is China's most important and first-rank reform project. When comparing Meitan's reform with similar reforms in other countries, Meitan's reform has the following special features:

- 1) Construction of the land system here is a comprehensive reform, whereas in other countries and regions, they frequently do not carry out his type of comprehensive reform. But comprehensive reform is necessary in the upbuilding of a land system. It helps in raising the productive forces, developing commodity production, expanding the scale of operation, and so forth.

- 2) To support the peasants in opening up non-cultivated land the government grants them loans at reduced interest rates. This is an extremely good protection for the system. In some places in the world, the peasants are entirely left alone to proceed by themselves. In this regard, Meitan has done better.
- 3) In certain countries, after land reform rural credit and loan work gradually disappears. But in Meitan and in other localities in China rural credit and loan work still exists and the granting of credits and loans takes a flexible form, depends on actual needs such as land reconditioning and is no longer based on order from above. This change of functions in credits and loans has been carried out in a rather outstanding manner.

Some foreign experts have offered certain suggestions on the future reform in Meitan. The principal ones are as follows:

Regarding land circulation and movement. Meitan has limited land; employment opportunities are scarce. But it has a large number of barren hills. The barren hills here are not of the impoverished kind but form a kind of especially good land resources. This large piece of undeveloped land provides a foundation for land transfer and gives the peasants large potentials for development in the direction of specialization and commercialization. It should be noted that land circulation and movement is a slow process and cannot take place quantitatively and in a short period of time. This is because employment opportunities can only be gradually offered and since there are large risks in land transfer, it can only be developed gradually. In carrying out this kind of work, patience is needed and we cannot pull up a plant's root to make it grow.

Regarding the determination of the prices of the right to use land, there are many ways. First, when a land bank grants a medium-term or long-term loan to agriculture, land serves as security and by means of this kind of loans the price of the right to use land can be determined. Second, peasants are allowed to transfer the right to use land and to use the funds obtained therefrom to engage in other pursuits or industries. This not only offers a good opportunity for surplus labor force to obtain funds but also, through the frequent occurrences of land transfer, it will be easy to rationally determine the price of land. Third, when the lease period of a piece of land expires, the cooperative organization can make an assessment of input into and output from the land and use it as a basis to fix the award or punishment for the lessee. By so doing, it will also be beneficial, when renovating the agreement, to protecting the new and old contractors' interests which they should have.

Regarding creating and perfecting a land registration system. At present, the leadership people of a village know to whom the right to use land belongs. But following the circulation and movement of land, it will be increasingly difficult for them to keep track. Therefore, it

is necessary to establish a land registration system. For Meitan's part, it has already done certain work in this direction, such as in signing with the peasants "land contract agreements," the village has a copy and the peasant has a copy. But this is only the first step. Setting up a land registration system must have drawing, measuring and surveying as basis. Once a land chart is on hand, land distribution can be done not on the basis of person but on the basis of land lots. Each lot of land is given a number, with the name of the person using it and so on. Following land transfer, the name of the person using it is changed.

**Comments on the 'Group Management Method'**  
*HK2208143088 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88 pp 37-38*

[Article by QIUSHI staff member Wang Jue 3769 6030]

[Text] At present in various parts of the country large, medium-sized, and small enterprises are confronting the problems of how to deepen the reform, strengthen management, and improve benefits. Many entrepreneurs; theorists; party, government, and labor organs cadres; and staff members and workers of enterprises have from different angles and different lines of thought done much probing work on these problems. The "group management method" created by Zhang Shilun, head of the Haihe plastics plant of Tianjin, may be said to be one of the pleasing results of this probing. Its appearance can possibly help us widen our lines of thought on these problems.

The so-called "group management method" is a method that aims to raise the understanding in management of the vast masses of staff members and workers, tap the potential talents and enthusiasm for management and operations of the staff members and workers, and absorb the vast number of staff members and workers into taking part in the management and operations of enterprises. It is called the "group management method" because, on the prerequisites of protecting the plant head's central position and unified command, the management and operation power of the enterprise is divided and distributed to the workshops, teams, and groups as well as the individual staff member and worker, and in the enterprise from top to bottom are formed management groups that carry out independent business accounting and that are positioned at different levels, employ different management forms and methods, and vary in size. In the words of plant head Zhang Shilun, this is a new attempt in reforming the enterprise management and operation mechanism or, rather, a new type of enterprise management and operation mechanism created by him in the course of reform. By means of this mechanism, he is gradually putting in order the complex relations in personnel, finance and materials inside the plastics plant. In fact, only 3 months after he was contracted to run this enterprise that was suffering a deficit he has succeeded in reversing the losses to gains and increased the economic benefits many fold.

Originally, in our enforcing the separation of the two powers, enterprise contracting, and the plant head responsibility system, the purpose was to make the enterprise a management entity that was independent and possessed decision-making power so that the enterprise's economic benefits could be improved. However, this does not mean to say that once the enterprise has been contracted and has in its hands the management decision-making power, the problem of benefits is ipso facto solved. Rather, reform inside the enterprise must be coordinated. If the management and operation mechanism remains unchanged as before, then even though the contractor of the enterprise has more decision-making power, this decision-making power still cannot become reality, or display its role, and the enterprise's benefits still cannot be improved. In Zhang Shilun's view, reforming the enterprise's internal management and operation mechanism and putting in order the various relations inside the plant are urgent needs in deepening the enterprise reform. The principal point of this reform is to start from the real conditions inside the plant and have the various distribution forms based centrally on the theme of distribution according to work which must be carried out in the initial stage of socialism as well as the principles of socialist commodity economy introduced into the various relations inside the enterprise and into the relations between the plant head, workshops, teams and groups, and staff members and workers, so that more and more cadres and staff members and workers will become concerned with and take part in the enterprise's operation and management. This will change the plant head's individual contracting to contracting by the whole staff of the enterprise; change the plant head's individual operations into joint operations by the vast number of staff members and workers; and also change the state of the plant head individually bearing the risks to the large body of staff members and workers bearing the risks. This is the "group management method" being enforced by him. It is his firm belief that enforcement of this method will transform an enterprise from the production-type to a production-management type. This method is an important link suited to the development of the socialist commodity economy, and it is also an important link to raise the enterprise labor productivity rate and economic benefits.

That the "group management method" can bring better economic benefits to the enterprise is not all accidental. Basically speaking it is because the method is built on the basis of respect for the individual and makes a better manifestation of the position and role of the staff members and workers as masters of the house in the enterprise's management and operations. In an enterprise, the plant head, or manager, is the representative of the legal entity and has the decision-making power in production and management; whereas the staff members and workers are masters of the enterprise and have the power and right as such. It cannot be said that these two facts are not at all apart from each other. If we fail to handle them well, respect for the status and role of workers and staff members, who are the masters of their own affairs, will

become an empty slogan. They will not like to listen to it. There is little doubt that carrying out democratic management and democratic supervision by means of the employees' representatives congress is an important aspect of manifesting the masters' position and role of the staff members and workers. But this still is not sufficient. There must be a kind of form or road whereby the status and role as masters of the house on the part of the staff members and workers can be manifested in the enterprise's daily production and operation and management activities. The "group management method" precisely has its special merits in this connection. Owing to the execution of this method, the enterprise's staff members and workers not only enjoy the rights and privileges of democratic management but also at different levels possess the right to participate in the enterprise's policy-making on management and in its management activities. As a result, this transforms the past simple relationship between the plant head and the staff members and workers of "I give the orders and you carry them out and I command and you obey" into a relationship of equality, mutual consultation, and joint management. This makes the staff members and workers feel that their status as masters is respected. Because the employment of this method can in the joint management activities integrate the interests of the three parties of the enterprise, the contracting entrepreneur and the enterprise's staff members and workers united into one body and dissolved and merged in the same furnace, the staff members and workers will no longer, as in the past, wrongly consider the plant head as the boss, that they are only employees, and that they were only working for the plant head. Rather, they will feel that working in the enterprise is the same as working in their own homes and will thus develop a sense of responsibility as masters. Owing to the employment of this method, the transparency of the policy-making activities of the management groups at various levels in the plant, the workshops and teams and units will be increased, the staff members and workers will be given greater freedom of choice regarding the work and operation activities at their posts. Thus, the feel pleasant and happy and are glad to offer plans and policies for developing the enterprise's production and management. Moreover, with good views and suggestions being more highly regarded than before, more readily accepted and allowed to play their role in the management activities and in producing economic effects, the staff members and workers are made to feel the role and function of being the masters of the house. This all the more arouses their enthusiasm and creativeness as masters of the house. It is, thus, not surprising for the staff members and workers to acclaim that since enforcement of the "group management method," they have felt that their status has been elevated and truly and verily elevated.

Regarding the problems of the sense of responsibility and enthusiasm as masters of the house on the part of the staff members and workers of an enterprise, no plant head or manager of a contracted enterprise will feel

unconcerned. However, the enthusiasm of an enterprise's staff members and workers can not be aroused or elevated simply because of a call by the contractor of an enterprise to have it aroused or stimulated. Some contractors do not have the least idea of the staff members and workers being the masters. Rather, they consider themselves to be the savior of the staff members and workers, having come to relieve the latter's distress and to convert losses into profits. They believe that since the enterprise has been contracted to them, the staff should obey their orders. Otherwise, they may be subjected to bonus deductions, or fines, or even dismissal. By thus placing themselves in the position of opposing the staff members and workers, naturally they cannot arouse but disrupt the enthusiasm of the staff members and workers. Some people, finding that the method of merely relying on giving money and material benefits to arouse enthusiasm is not as effective as before, have reverted to the past empty political doctrinairism and placed hope on incessantly muttering to the staff members and workers such rejoinders as "you are the masters of the enterprise and should have the master's sense of responsibility." Still, mutterings of this kind cannot arouse all too much enthusiasm. Here, there truly exists a problem of attaching importance to and doing ideological and political work for staff member and workers. If we take a look at the actual practices in Zhang Shilun's "group management method" at the Haihe plastics plant, we will obtain certain enlightenment. After acquiring the contract, Zhang Shilun took over the plant and, having in mind the plant's actual conditions first of all, he held consultative talks with the staff members and workers on the basis of equality and tried to get to know everyone. He then joined together the two jobs of rousing the staff's enthusiasm and establishing relations of mutual understanding and reciprocal confidence that were devoid of any misunderstanding or wariness, following which he opened up the staff's consciousness for operation and management and, in the course of absorbing them into participating in the enterprise's operational activities, led them to learn their own status and role as masters of the house and raised their sense of responsibility for being the masters. It can thus be seen that this management method of his did not only care for production and business or only talk about material interests. It neither neglected ideological work and the spiritual role nor was isolatedly following this bible of ideological and political work. Rather, he combined in a good manner ideological work and production and operation and management.

According to people in the know, in our enterprise circles, like in certain of our government organs, the phenomenon is rather prevalent of there being more employees than jobs and of never reaching the full-loading status. Some plant heads have often bragged: "In our plant we cut one-third of the personnel but continued operations just the same," or "we sent away half of the entire personnel but still managed to make money." that there are too many people is a national condition and is a condition with the plants. Having too many employees has been a dilemma that many plants cannot

get rid of. It has become an important reason for the low labor productivity rate and the low economic benefits in certain plants. this being the case, is there any way to solve the problem of surplus and superfluous employees in the enterprises? Actually allowing several people to do the work and letting others just watch are just what many plants are doing at the moment. In some cases, the surplus people are just given their basic wages or a portion of their living expenses and are allowed to roam about in society. The measure of sternly cutting the number of employees and allowing the surplus people to go into free competition for jobs in society and to look for themselves and find jobs has also been adopted by many contractors of enterprises. But Zhang Shilun's method was different from that of others. He made use of the "group management method" to guide the surplus personnel to open up new lines of business and to expand production. The staff members and workers were allowed to be based on their own different conditions and their different individual interest, likes, and volition and by means of varying forms to take part in the operations and activities. Some were allowed to leave their posts, but not the plant, to accept appointment from other units. Some posts that did not have a full workload were permitted to have half the post doing production work and half the post doing other businesses, and the staff members and workers could take up a second or concurrent job inside the plant. The staff members and workers could operate in cooperation with the plant, the workshops, and the teams and units, and they could also receive financial aid from the plant to take up individual pursuits. And so on and so forth. In thus widely opening the gates of operation, not only were the 70-odd surplus employees each given work to do but also some 20 staff members and workers were recruited from the outside. The writer talks with certain plant heads and comrades engaged in labor union work and found that in their opinion this method of Zhang Shilun's was better than merely sacking people. According to their analysis, at present the majority of staff members and workers, in their concept of jobs, hold the mental attitude of "not resting content with the insurance but are unwilling to lose all insurance and wishing to take risks but fearing to take too great a risk." As a result, the rank-and-file staff members and workers lacked the bearing capacity to find their way out and Zhang Shilun's method precisely fit well into such a situation. By means of this method, the staff members and workers had no fear of subsequent consequences, because they had not entirely left this basic insurance offered by the enterprise and at the same they had the enterprise's backing to take part in business undertakings that carried certain risks and could reap satisfactory benefits. Thus, it was a new method that could obtain the approval of the staff members and workers and at the same time could bring benefits to the enterprise.

The "group management method" was born in an enterprise under the collective ownership of several hundred people. It has not been in actual practice very long. it is

unavoidable that it is still imperfect. One point, however, is certain—its basic principle and basic line of thought are quite worthy of reference.

### Poem Satirizes Reform

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Aug 88 p 36

[Poem by Luo Qingpu [5012 19872613] and Picture by Xu Jin 1776 6651: “New Acrobatics, Old Tricks”]

[Text] The king of all animals, with its hundred legs,

Has caused great upsets in acrobatic shows.

With its toes touching their soles,

How it managed heaven only knows.

It is hard enough standing on top of a ball,

And to perform tricks as well is most difficult of all.

The ideal number of legs to have is four,

But on whose hands should the operating knife fall?

No one objects to streamlining,

As long as my legs are left save and sound.

The new acrobatics are really old tricks,

They fire empty shots each year several times round.

Dear lion, dear lion, please come back,

And show us your great skill on the performing ground.

### We Must Not Make Any More Mistakes on the Population Issue—Studying China’s Census and the Analysis of Its Results

HK2308052188 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88 pp 39-40

[Article by Wu Cangping 6762 3318 5493 and Du Peng 2629 7720 of the People’s University of China]: “There Should Not Be Any More Mistake in the Population Issue—Studying ‘Census in China and Analysis on Results’”]

[Text] Correct theoretical guidance is necessary for the study and formulation of a strategy for population development, and correct theoretical guidance first comes from a scientific analysis of the population and reliable data. Li Chengrui was a leader in the work on the third census. He has written a book entitled “Census in China and Analysis on Results” (hereafter called “Census”) which has been published by Zhongguo Caizheng Jingji

Chubanshe (China Finance and Economics Publishing House). This book is a great help to our understanding and studying the issue of population in China.

We all know China has a large population, but we do not know how large it is. Before the third national census, foreigners claimed that China was a country that lacked statistical data on its population, and were dubious of figures that China had published. After the publication of data from the third census in 1982, China gained world attention with its elaborate and reliable population data. Even those self-declared experts on China’s population statistics who used to nitpick had to admit that the data that China had published were unassailable.

China’s population census is the largest scale investigation of a country’s conditions. It is not easy at all to obtain accurate census data even in the developed nations. Census work in a developing country with a large population like China had to be a huge social engineering project with multiple layers and complex division of work. Several million people took part in the work that involved 1 billion people. Meticulous planning and scientific organization were all the more needed to obtain scientific data. “Census” summarized the experience of the work on the third census and adequately revealed that the success of this census is a product of combined advanced foreign experience and Chinese mass line.

Looking back at the three censuses conducted in China, we can see that the first census, conducted in 1953, brought China’s work on population statistics into a new historical stage and clarified the basic conditions of the Chinese population for the first time. The shortcomings of that census were the prolonged period of investigation which affected the quality of work, and that 4.3 percent of the nation’s population was not directly investigated. The second census, conducted in 1964, had improved on these points. However, there were still no criteria for occupational categories, the items studied were still simple, and the data were compiled manually. Compared with the two previous censuses, the third census had a larger scope of investigation and more items. The data were compiled with computers. Moreover, organizations were scientifically set up in ten aspects, including the establishment of census organizations, formulation of a census model, selection and training of enumerators, zoning and coding of each zone, and quality control of different parts of work. Criteria were set to categorize trades and occupations. Therefore, the scientific data were truly obtained from scientific organization. In this census, the computer was first used to compile vast data, which made the census considerably more scientific and reliable than before. Also, the census could be more comprehensive, accurate and timely. This book makes a concrete introduction to and analysis of China’s third census with a focus on the process of its organization and implementation. It contains comprehensive and accurate data and careful and objective analysis. It helps us



not only to understand in greater detail the current state of China's population and the work on the third census, but also to learn from a methodology in systems engineering.

After assessing the reliability of the census data, the book makes an elaborate analysis of the current state of China's population with census data in charts and words. The most important result and use of this census is to reveal the conditions of China with accurate and comprehensive data. A large population, a poor foundation, and "poverty and blankness" are major characteristics of the initial state of socialism in China. Through this census we can fully understand the scope, distribution, type of growth, average life expectancy, and educational level of China's population. With this knowledge we can formulate strategies for future socio-economic development, especially those for population development, and adopt measures to deal with socio-economic results that might come with population changes.

This census gave us a new understanding of the state of the Chinese population. When we talked about the characteristics of China's population in the past, we often mentioned its large number, its young age structure, and its rapid growth. However, such a description is not adequate as it does not cover all the characteristics and population changes in the past decade or so. For example, while the national age structure tends to be young, the populations of cities like Shanghai and Guangzhou are aging. In Shanghai, youth below the age of 15 comprise only 18.1 percent of the city's population, and those in the age range of 15-64 comprise 74.5 percent of the population. This phenomenon is pronounced even in the world. The previous description did not point out the appearance of the aging population in China. Nor did it mention that rural-urban migration still exists in China, a quarter of the population is illiterate, and the quality of the population needs general upgrading. Besides, when we talk about the characteristics of the Chinese population, we should add that the population is unevenly distributed, it changes fast, there is a surplus of rural population, and the geographical disparity is large. "Census" accurately reveals the extreme unevenness of China's population distribution. In the past, it was widely known that the south-eastern coastal region was densely populated and the north-western arid plateau region was scarcely populated. However, there was no reliable data on how uneven the population distribution was. This book uses accurate data to show that 80 percent of China's population is distributed on land 500 meters above sea level and 60 percent on land that is within 500 kilometers from the coast. The population varies a great deal between regions in China according to differences in economic and cultural development. General national average figures can easily conceal regional disparities. Therefore, in our analysis we must pay attention to regions. In particular, in formulating policies we must avoid generalization.

From the census results we can see that resolving the question of China's population is complex systems engineering. Accompanying the question of size of population are the questions of quality and distribution of population as well as the increasing age of the population. The emergence of a series of questions at the same time has not happened in other nations before. (In other nations usually one question follows another.) It is difficult to resolve all the questions at the same time. The priority at present is to control the size of the population. Currently, China's population still grows at the rate of 20 million births a year, with a net growth of 15 million a year. In some regions the phenomenon of a mother's giving birth to more than one baby is serious and early marriages never ceased in spite of government prohibition. To strictly control population growth, the present policy of birth control must be firmly adhered to, namely, advocate late marriage, late child bearing, and fewer but better babies, and promote the one child per couple policy. Emphasizing birth control does not mean ignoring the quality. On the contrary, it helps to resolve other problems, including the quality of the population.

China's population has doubled from the 0.54 billion at the founding of the PRC to 1.08 billion at the end of last year. In the age structure we can see that of the additional 0.54 billion, two-thirds came from two birth peaks. In retrospect, the drastic population growth is due to our failure to take preventive measures before the coming of the two birth peaks. Now, the population from the second birth peak is gradually entering the marriage and child-bearing phase. On the average, 11-13 million couples a year enter the marriage and child-bearing phase, which is twice the figure (5-7 million couples) before the two birth peaks. The emergence of the third birth peak is inevitable and it will be more drastic than before. Two years ago, China's net annual population growth had reached 15 million. This is a prelude to the third birth peak. Whether according to the 1987 growth rate or growth figures, by the end of this century the population will reach 1.3 billion. This has led to worries about drastic population growth. If we tighten the control on the population from now on, there is a chance of suppressing or weakening the third birth peak. This is yet another opportunity history has given us to regulate the population. If the third birth peak surpasses the second one, the consequences will be disaster. Even if it is on a par with the second one, it will still threaten the strategic goal of enabling the people to achieve a relatively comfortable standard of living by the end of the century and reaching the medium level of development by the middle of the next century. Therefore, the only choice is to control the number of births to a figure lower than that of the second birth peak. Only in so doing can there be a turning point in the state of China's population and can we master the situation in the next century.

Historically China has been the country with the largest population in the world. Its population comprises 22 percent of the world population of 5 billion, and

37percent of the Asian population of 3 billion. The population affects socio-economic development. Although we claim China to be a vast territory with varied and abundant resources, its average per capita land and cultivable land is only one-third of the world average, that of fresh water supply is only a quarter and that of forest land is only one-ninth of the world average. The mineral resources are also low if calculated according to per-capita averages. Moreover, due to geographical and climatic constraints such as deserts, the population capacity of most of the plateaus, mountainous regions, grassland, and the Gobi desert in China interior is limited. Mass population migration to the north-west is unrealistic. A large population has become a heavy burden on China's socio-economic development. Some people say that there are advantages of a large population since labor-intensive production can take place to raise the results of economies of scale. In reality, an excessively large population will only bring unfavorable influences. A large population alone cannot raise economic results. Today, exploration of resources and economic development increasingly depend on scientific and technological development, and there is a corresponding decreasing demand for labor power. In some developed countries, such as Canada and Australia, where the population density is only 2 people per square meter, there is no pursuit for more people. On the contrary, they have begun to check immigration. Some people maintain that with economic development the population problem can be resolved too. In reality, in the process of realizing a relatively comfortable standard of living for the people, any population growth will slow down the progress. To ease population control at the cost of delaying the realization of an economic goal is undesirable. Therefore, we must abandon inaccurate traditional ideas and look at population and development from a scientific perspective.

Both history and reality tell us that China cannot bear another mistake in population. This is perhaps the most important revelation for us from the census results.

### **Different Views on Some Basic Legal Principles in Law Circles in Recent Years**

*HK2308001588 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 3, 1 Aug 88, pp 41-43*

[Article by the Theoretical Group of the Research Office of the General Office of the NPC Standing Committee]

[Text] Recently, China's jurisprudential circles started a heated debate and an in-depth discussion on some issues about the basic juristic theory. The following are the summary of different views held by participants on several issues:

#### **I. On Whether or Not Jurisprudence is a Special Phenomenon of a Class Society.**

A group of people held a negative viewpoint on this issue. Their reasons were: First, both Marx and Engels repeatedly mentioned the activities of law and litigation,

as well as the adjudicative function, in a primitive society in such works as "Further Discussion on the Issue of Pu Lu Dong [5543 7627 2639] and Residence", "The Origin of Family, Private Ownership and Nations" and "Excerpts of the Book 'Ancient Societies' by Mo Er Gen [2302 1422 2704]". They also explicitly pointed out: "In the wake of development of the law, an organ responsible for safeguarding the law—the public power, that is a nation—will inevitably emerge." Second, being a means of ruling by a class, law only exists in a class society. However, it will become necessary in a society if it is taken as the social standards, yardstick and coercive norms for judging people's conduct. Third, it is necessary to develop social standards of a compulsory nature in order to maintain the order of work, living and society after the human society has reached the stage of communism. The law is therefore imperishable so long as it is taken as the necessary rules for maintaining the people's mutual living.

Another group held a different viewpoint. Their reasons were: Both law and nation were developed at the same time. The direct cause for this was the division of a society into different classes and that the class contradictions cannot be mitigated. In his work "The Origin of Family, Private Ownership and Nations", Engels explained that nation and law were the products of impossible mitigation of class contradictions. He used some legal jargon to illustrate the situation in clan society "for the sake of convenience" (in his wording). After a society has reached the stage of communism, the law becomes rules on mutual living jointly observed by members of society. Though Comrade Mao Zedong stated that "courts are forever needed," he continued and said that the current courts "have changed their nature." Thus, we can see that he simply continued to use the phrase "courts" in name.

#### **II. On Whether or Not the Law of a Class Society is the Manifestation of Wishes of the Ruling Class**

The first group held that the law of a class society was the manifestation of the wishes of the ruling class. This is because only when the ruling class has the state power in its hand can it manifest its wishes in the form of laws.

The second group held that some of the laws of a class society reflected wishes of the ruling society, while some, such as environmental law and laws on forestry, reflected the interests and demand of the whole society.

The third group held that, generally speaking, the law was the manifestation of wishes of the ruling class. If we specifically analyze each of the laws, however, we should acknowledge that some laws reflect wishes of all members of society in addition to those of the ruling class.

#### **III. On The Nature and Property of Law**

Comrades who held that law was not unique to a class society are divided into three different small groups.

First, the class nature is not the inherent property of the law. The class nature of a class society is embodied into the social nature of the law. The inherent property of the law is: It depends on the objectively existing social nature, and is different from the coercive nature of morality and the standardization of general habits. The social nature of law includes the economic, cultural needs and livelihood of the whole society. It also includes the need by the ruling class to suppress its antagonistic classes so as to establish social relations and social order which are favorable to itself.

Second, in a class society, law carries both the class nature and the social nature. Its class nature occupies a dominant position while its social nature plays a secondary and support role.

Third, in a class society, the norms and functions of law are divided into two: one of them carries the class nature, while the other carries the non-class nature. When a society reaches the stage of communism, the class nature of law will be eliminated and its social nature will become more apparent and prominent.

Comrades who held that law was a unique phenomenon in a class society propose the following viewpoints:

The first one is that the inherent property of law is class nature, and it has only the social nature but not the non-class nature. After China's exploiting class is eliminated as a class, class struggle will, to a certain extent, still continue for a rather long-time in the future. Ideology of the exploiting class still lingers on, and we are still in a complicated external class struggle. China's socialist laws, therefore, still possess the class nature of proletarians.

The other one is that the property of law is the unity of its social nature and class nature, only they are different in expression:

1. The social nature of law is in the class nature of law, and its social nature is manifested through its class nature.
2. The class nature and social nature of law are both sides of a coin. The class nature of law can be realized only by means of its social nature; whereas its social nature can be recognized as law only when it meets the requirements of its class nature. They are inter-dependent and share a unified system.
3. The class nature of law is in the social nature of law, which is subject to its class nature. When formulating laws, the ruling class adds their wishes and interests to the needs of society, and aims at transferring their wishes and interests.
4. Both the social nature and class nature are the basic properties of law. Though law is a peculiar historical phenomenon in a class society and is a special norm of

society, it is basically a social phenomenon and social norm. It reflects the wishes of the ruling class, though its contents are determined by the socio-economic relations on which the existence of the ruling class depends. These properties are unanimous while contradictory, are an unity of opposites.

5. The class nature and social nature of law are related while being different. They are unified under the wishes of the ruling class. Though there are laws which lack the class nature of suppressing the antagonistic classes, they still embody the wishes of the ruling class. This is because only that class has the power to formulate or accept, or to abandon or repeal a law.

#### IV. On the Definition of Law

In most teaching materials and works, the definition of law is: Law embodies the wishes of the ruling class, is formulated or accepted by the state, and is the collective norms of conduct, in respect of which the implementation is guaranteed by coercive means. Quite a number of comrades hold that this definition is still valid.

Some comrades, however, held that the concept of law, like all scientific concepts, changed in the wake of development of and changes in the objective conditions rather than remain unchanged forever. The traditional concept of law can no longer be to reflect the changed objective reality, and should therefore be replaced.

Some comrades attempted to propose their new explanation: "Law is a collective name of a code of conduct formulated or accepted by the state or administrative organs of society (this refers to a proletariat society) for the sake of readjusting the mutual relations among societies and people, in respect of which the implementation is guaranteed by coercive means."

In their discussion, people always quoted a statement from the "Manifesto of the Communist Party": "Your law is simply upgraded as laws of wishes of your own class; whereas the contents of the wishes are determined by the material and living conditions of your own class." There are different interpretations regarding this statement. One of them takes this as a classical definition of law, which is applicable to laws of all societies. Some comrades, however, held that these remarks made no attempt to provide a definition of law, neither did other Marxist works.

Moreover, some comrades held that we should have a concept of multi-level laws, such as the concept of law applicable in all class societies (the general concept of common law); that of law applicable in all class antagonistic societies (generally referred to three types of society based on private ownership); that applicable in a special social formation (such as the capitalist law); and that applicable in specific countries (such as the socialist law in China and the capitalist law in Japan).

Moreover, some comrades held that there may be two kinds of interpretation on the concept of law. One of them is at the macroscopic level, that is, the norms of conduct that every member of a primitive society and that of a communist society must observe are called laws, in addition to the laws in a class society. The other interpretation is at the microscopic level, that is, specifically the laws of a class society. The latter is unique in a class society. The law that we usually discuss is just this.

#### V. On the Property of Socialist Law in China

There is a viewpoint which holds that the law in China manifests the wishes of the masses under the leadership of the working class, and the class nature remains the property of the socialist law. Therefore, the premise that law manifests the wishes of the ruling class is still applicable to the socialist law.

Another viewpoint holds that the traditional concept of law is mainly applicable to laws of a class antagonistic society, and is not applicable to laws of a socialist society in which the exploiting class was eliminated. The socialist law manifests the wishes of the people, and its affinity to the people is its property. Its contents are richer and its implications are more comprehensive than those of a class society. Though the class nature is in law's affinity to the people, people are not a concept of a class, which include classes, social strata and other social forces. Therefore, it is illogical to collectively regard people as a ruling class.

The third kind of viewpoint holds that the socialist law carries both distinctive class nature and comprehensive affinity of the people, and is a combination of class nature and the affinity to the people.

The fourth kind of viewpoint holds that the class nature of law changes in extent in the wake of social development. Today, when the exploiting class no longer exists as a class in China, the class nature is sharply weakened when compared to that after the founding of the state; but the class nature still exists.

#### VI. On "Equality Before the Law"

The principle of "equality before the law" was erroneously criticized. Following the 3d Plenary Session of the 11th CPC Central Committee, the jurisprudential circle have proposed their viewpoints while fully confirming this principle. Their significant viewpoints include:

First, does "equality before the law" involve legislation?

A viewpoint holds: "Equality before the law" should be manifested in such areas as legislation, judiciary, law enforcement and law observance. This is because the application of law takes the formulation (legislation) of law as a precondition. There will judicially be no equality before the law without any legislative equality before the law. Marx said: "It will simply be stupid and an

impractical fantasy if one believes that there may be an impartial judge under a biased legislator! As the laws will be marked by absolute selfishness, what is the significance of awarding an impartial judgement?"<sup>1</sup> Therefore, the "equality before the law" refers to both judicial equality and legislative equality.

Another viewpoint holds that "equality before the law" only refers to legal (judicial) equality but not legislative equality. There cannot be class equality in legislation. This is because the application of laws is different from the formulation of laws. When formulating laws, we may provide different provisions for people of different classes, status and in different situations. In 1952, Comrade Mao Zedong said: "We must stress class inequality in legislation, and stress class equality in the judiciary." This is the basic principle of the socialist legal system.

Second, are the premises of "equality before the law", "uniform equality of citizens before the law", "uniform equality of citizens before the applicable law" and "equality of people before their own law" consistent? Some comrades hold that these four premises are slightly different, and their contents are completely unanimous. They are therefore interchangeable. That citizens are unvaryingly equal before the law means that people are equal before their own law. Their substantial contents require that all citizens must strictly observe the law, enjoy the rights provided under the constitution and provisions, and perform obligations stipulated by law. Any person who violates the law will be dealt with and punished by law without any exception.

Some comrades hold different viewpoints on "equality of people before their own law" and state that this premise is not precise enough and should be replaced by the premise of "uniform equality of citizen before their own law."

Moreover, some comrades advocate the premise of "equality before the law," and hold that only this premise rather than "uniform equality of citizens before the law" can be taken as the judicial principle. The premise of "equality of people before their own law" can only be used in a limited way within a certain scope.

#### VII. On the Relationship Between Policy and Law

Discussions on the relationship between policy and law were started in the 1950's. Some headway was made in this respect in recent years. We have basically clarified and corrected the "leftist" influence on this issue. For example, we held that policy was superior to law, that law was subordinate to policy, and that policy could replace law. However, we also held different viewpoints in this respect. They were mainly: What should we do if there were contradictions between policy and law? Should we handle matters in accordance with the policy or the law?

One of the viewpoints held that we should implement the policy. This is because policy takes law as the basis and is the soul of law, and policy can promptly reflect changes in the objective development.

Another viewpoint held that we should implement the law. This is because law is the wishes of a nation, which is generally marked by a binding force and stability. Therefore, one should abide by law whenever it is applicable, and implement the policy whenever it is not.

The third viewpoint held that we should proceed from reality, analyze the specific situation and implement policy or law whenever it is appropriate.

### VIII. On the Relationship Between Reform and the Legal System

Following the promulgation of the "Decision of the CPC Central Committee on Reforming the Economic Structure," the jurisprudential circle held discussions on the relationship between the legal system and reforms, and conducted profound studies on how to make the legal system serve reforming, whether or not reforming the legal system, and so on.

There are mainly three different views on the issue of whether or not reforming the legal system: The first one holds a positive attitude, holding that the legal system is unanimous with reforms, and is the guarantee of reforms. Reforms can only be carried out according to law; otherwise, no reform will be successful. The second one holds a negative attitude, holding that to reform is to break through the outdated conventions and should not be subject to law; otherwise, reforms will be hampered. Therefore, people holding this viewpoint advocate the practice of revising the law in order to reform. The third one advocates the practice of conducting analysis on specific issues.

The major viewpoints on how to make the legal system serve reform and how to ensure and promote reform are: (1) We should first replace our concepts with that about laws on the commodity economy; (2) we should reform the legal system itself, including reforms of the legislative system, judicial system and judicial supervision; (3) we should perfect the legal system, strengthen the legal work, and formulate a number of laws that serve the development of the socialist commodity economy, and protect people in exercising their democratic rights.

#### Footnote

1. "Completed Works of Marx and Engels" Vol 1, p 178

### A New 'Political Economy' Textbook Is Compiled in the Soviet Union

HK2508082288 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88 p 44

[Article by Dan Zhu 0030 4554 of the Chinese Academy of Social Sciences]

[Text] Recently, the Soviet Union organized a special group to compile a "Political Economy" textbook for students of tertiary institutions who are not studying economics as their specialty. This textbook has been highly appraised by academic circles in the Soviet Union.

The newly-compiled "Political Economy" textbook breaks through the former conventions of old, and has an entirely new structure. This book is made up of 25 chapters, divided into four relatively independent sections. The first section "The Economic Basis of Society" includes five chapters on the following topics: the factors and achievements of social production; economic progress and its motivation; the modern scientific and technological revolution and the new types of economic growth; man in the modern social production system; and the commodity form of the public-ownership economy and its role in socioeconomic development. The second section "The Capitalist Economic System" has six chapters: the formation of capital, the systems of exploitation and accumulation; the capitalist mechanism of competition and the forms of surplus value; monopoly capitalism; the development from monopoly capitalism to state monopoly capitalism; capitalist reproduction and economic crises; and the historical position of modern capitalism. The third section "The Socialist Economic System" is the section of the book with the most chapters. This section includes a "foreword" and 10 chapters: the formation of the socialist economic system; ownership, planning and commodity-money relations; the factors, achievements and efficiency of socialist production; distribution and social justice; socialist enterprises; socialist expanded reproduction; the socialist market in the system of reproduction; the economic mechanism and the planning work which forms its central link; financial administration, credit and the circulation of money; and the management of the socialist economy. The fourth section "The Modern World Economy" includes: the special characteristics and trends of the economic development of the whole world; socialism in the world's economic system; the world's capitalist economy; and the contradictions in, and prospects for, development.

This book sums up many new experiences in socialist economic development and revives and develops some basic ideas of Marxism. Each chapter and part has new contents and expositions.

The first section "The Economic Basis of Society" mainly investigates the general economic categories and economic patterns of man's economic development and

thus changes the formulations found in the old political economy textbook which placed the concept and category of "production in general" in the capitalist political economy structure. This section also includes a chapter on commodity production. The reason for this is that the commodity-money relations is a widespread form of the many production forms and notes that we cannot see commodity production as something only capitalism has and should study it as a general economic category in mankind's social development.

The second section discusses capitalist political economics and thus changes the former traditional method of discussing the two economic systems of capitalism and socialism in contradistinction. Rather, in accordance with the innate logic of the development of capitalism and money capitalism, it places stress on studying the changes in capitalist economic relations and in the productive forces and the relations of production.

The third section discusses socialist political economics and this is one of the most important parts of the book. Through placing stress on the study of the positive and negative practical experiences of the Soviet Union and international socialist countries, this section provides a quite overall analysis of the patterns of socialist economics, and appraises some of the mistaken theories in socialist economics in the past. For example, Chapter 12, "The Formation of the Socialist Economic System," discusses the necessity and nature of a special period of socialist transition, the characteristics of the transition period and the diverse economic components and contradictions of this period. Thereby, it analyzes the guiding role of socialist economic components at the present stage, private capitalism and small commodity components and the mutual roles between them. It also criticizes mistaken practices and mistaken theories of the past, such as seeing the building of socialism simply as a process of the development of state ownership, artificially reducing cooperative ownership, taking formalistic socialization of production as a sign of building communism, one-sidedly describing the socialist economy as a unified "large factory" and so on.

The contents of the fourth section are completely new. This section has been written on the basis of the diversity and contradictions of the economic development of the various countries of the modern world as well as the process by which mutual reliance has come about. Through analyzing the socialist economy, the capitalist economy and the economic characteristics of developing states, as well as the contradictions between and prospects for these three sides, it explains the role of the three in development and reveals the trends of social development throughout the world. At the same time, it also explores global economic problems which all mankind is facing and predicts a situation whereby the fate of mankind's progress will be determined by economic competition between the two types of social system.

**On 'Writings Outside the Zhitang Collection'**  
*HK2508062388 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88 pp 45-46*

[Article by Huang Chang 7806 5951 in "Green Fields" Column]

[Text] Zhou Zuoren [0719 0155 0086] published about 20 collections of essays in his lifetime. With the exception of his post-Republic writings, which have not yet been compiled into a collection, many early works were put into print by the writer himself. I think it a very worthwhile to systematically collect and publish these writings. They will provide important material for us to study the ideological transformation of this writer who degenerated from a fighter during the May Fourth Movement to a national sinner. In his Preface to "Tiger's Collection", he mentioned that he had written another 200 or so articles for the "Real Tiger's Collection." However, "because I am still too much of a gentleman (I was formerly an advocate of the Doctrine of the Mean), I thought it too self-debasing to publish them. Thus, I decided to follow the example of Confucius in slashing my writings. Thus, the 'Real Tiger's Collection' which has already been advertised has become a mere title." It is a real pleasure to see this collection restored to its original features. Of course this is done not merely to show his "small merits to the world of literature."

Speaking of gentlemanly quality, we cannot but notice that Zhou Zuoren has repeatedly brought up the question of the two ghosts. He used to say that there were two ghosts in his mind: the hooligan ghost and the gentleman ghost. In the "Tiger's Collection," the writings "advocated doing away with three cardinal principles and the feudal ethics, integrity and morals and manners associated with these moral codes." In his opinion, these could not be accepted by the scholar gentry of the old society. He called these writings the works of a hooligan. However, "there were times when I want to write something light and casual, the so-called familiar essays, just to amuse myself. That was when the gentleman ghost came out to haunt the place." Some general critics and readers valued these familiar essays by Zhou Zuoren. This was not what he had wanted. He declared: "Writing casual pieces to me is like drinking tea or wine, but formal articles are my buns and rice." He valued the latter. (See "The Writings of the Two Ghosts" written in 1945.)

This attitude of Zhou Zuoren remained basically unchanged all his life. Even after he had "fallen into the water" and became a collaborator, he still loved to write about big issues such as the cause of a country's order and disorder and the basic means of livelihood of the people referred to by Gu Tinglin [7357 0080 2651]. This phenomenon is not easy to understand. I remember the one and only time I interviewed him in Nanjing's Laohuqiao Prison. I reminded him that he once admired Ni Yunlin [0242 0061 2651] for believing that "explanations vulgarize everything" and asked him why he bothered to explain his actions repeatedly. He seemed

rather embarrassed and gave me a lame excuse. However, when I asked him about the abominable things he wrote to declare his stand and his disgusting performances after joining the enemy, he said calmly and without emotion that as a rule, those "courtesy writings" would not be compiled into collections. He also said that during those 2 years he was merely acting a part. He was very frank and at ease with himself, and did not seem to feel ashamed. I was indeed quite shocked by this downright expression of dual personality. During the day he painted his face and mounted the stage to "act." In the evening, he went back to his Bitter Rain Studio and "busied himself writing books under a candle by the south-facing window." What did he do this for? This was really a big and complex contradiction. Up to now none of the researchers have come up with a reasonable explanation. In my opinion, this mentality of "feeling comfortable with one's actions" was probably his "last resort" to keep mentally balanced, to maintain "harmony" between the inner self and the external world, however illusionary this "harmony" might have been.

This contradiction ran through Zhou Zuoren's life. He himself did not deny this fact. In 1933, he wrote in his Preface to the "Zhitang Collections" that "after briefly considering women's problems, it is my feeling that socialism is the only way for the present-day world. Burdened by hereditary concepts, however, I am constantly fearful of the old ghosts coming back to haunt me." He also said in "On Reading Under the Lamp": "Based on my years of experience in reading extensively, I have this observation to make about books: Good ideas are written in books, but they have never been put into practice. All sorts of bad things have been done in the world, but very few of them have been recorded in books." His conclusion was: "I do not know what kind of historical conception this is. If I must give it a name, I could only call it a gloomy kind of neo-fatalism."

This was a frank confession. The doctrine of the mean was helpless before this gloomy neo-fatalism. He could not fight against it, all he could do was to relish the sufferings of life. This was probably where the truth of his idea of "relishing the bitter aftertaste of herbal tea." In his Preface to the "Taste of Medicine Collection," he said: "My writings often give people the wrong impression that they are leisurely and relaxed. Only one or two of my old friends would be able to detect the bitter tone." These writings, which included familiar essays on nature and pleasure, merged the rebel and the recluse into one under the guidance of neo-fatalism. If we want to trace the evolution of Zhou Zuoren from a radical to a fallen person, we can perhaps see some obvious traces here.

Many of the essays written by Zhou Zuoren after the founding of the People's Republic are collected in this volume. It is interesting to compare his writings of the two periods. He praised the new society. Gone were the freezing irony and burning satire against Leftist literature which characterized his writings since the 1930s.

(He mentioned this in a letter to the state leaders on 4 July 1949, in which he admitted his mistakes, saying that he was "a bit funny in the region of the head.") Instead, he began to write profusely on the anti-feudal theme. In addition, he also wrote on a variety of topics ranging from cultural exchanges between East and West, Nature and dialectology, to the study of things in relation to their name. He showed his consistent ideas in many of these articles, ideas repeatedly touched on in his past writings, such as his criticism of Han Yu [7281 1937] and his promotion of "the functional values of morality and justice." A rough estimate shows that there were three booms in Zhou Zuoren's writing career after the founding of the People's Republic. The first boom occurred during the first post-Liberation years. This was what he called the "work-relief" period when he made his living purely by selling his writings. The second period lasted from 1956 to 1962 which, interestingly, corresponded with the fate of essays. Because the essays were short, the ideas expressed had to be terse and succinct. For example, in "Lessons Learnt from the Study of Classics," he had this observation to make after discussing the evolution of Confucianism: "Eventually something went wrong and there emerged a class of bureaucratic sages called the scholar gentry. They made use of the sacred teachings as a means to officialdom. Over the course of over 2,000 years since the Han dynasty, the two began to merge as one, dominating both politics and academic study and serving as the prop of the feudal system. The good name of the sages was thus smeared."

This statement, written in the language of the masses, was brief and to the point. He also said: "It is probably impossible for us to fish from the pile of antiques and heirlooms something that we can boast about before the rest of the world" (see "National Treasures"). This showed that he had a sober mind. He also objected to the cliché "it has been so since ancient times." The conclusion he drew was that we must "on the one hand overcome our inferiority complex and on the other rouse to catch up with new things and ways of reasoning as though we are pursuing the enemy" (see "China First"). He also exposed the falsehood of the "Siku Quanshu" ("The Encyclopedia") and sharply denounced the "Kangxi Zidan" ("The Kangxi Dictionary") for containing so many mistakes. His views, which were both correct and critical, are still of practical significance today. This is especially true when people are so keen on producing photolithographic copies of this fake antique which is full of omissions and mistakes. On Dong Zhongshu's [5516 0112 5289] "famous saying" that "we should not consider the benefits when working for a worthwhile cause, and we should not be concerned about the result when spreading the doctrine of the classics." He pointed out: "Morality and justice are admirable because they are of benefit and interest to people. If we merely talk about them but do not aim at translating them into reality, what use do they have? Would it not be the same as monks chanting the sutra?" This was the reharping of his old tune of "the functional values of

moral and justice." He also had a deep understanding of ghost stories and fairy tales in the operas and plays. In "The Ghostbuster Bidding Farewell to His Sister," he said: "The Chinese are a happy-go-lucky nation. They can produce excellent plays with superstitious materials. The audience forget about them right after the show. They regard these plays as entertainment... I think this is what ghosts in Chinese plays are all about. The ghosts are not frightening, and the gods are not awe-inspiring either. This is the characteristic of Chinese operas and plays." This was an interesting remark which was contrary to the criticism of "ghosts are harmless" which was launched shortly afterward.

On 25 April 1957, Zhou Zuoren published an article entitled "On Poisonous Weeds" in RENMIN RIBAO. This was probably his most pointed and pungent essay written subsequent to the founding of the People's Republic. He said: "Letting a hundred flowers blossom really means that each and every flower in the garden is to bloom at the same time. It is all-inclusive, a statement without any proviso. However, some people now say that there are 'poisoned weeds' inside this garden which should not be allowed to bloom. This statement is obviously wrong." Then he went on to say that the poison is in the flower, the leaves, the roots and the fruits. You had to eat them before you would be poisoned. "There is nothing there which will poison people on sight, like the so-called 'visual poisons' referred to in the sutras. Whatever the poisonous weed, it should be quite harmless just looking at it." However, he also admitted that some articles might have "visual poisons" and could poison the readers on sight. The importance lay in criticism. "Now, while advocating 'letting a hundred flowers blossom,' you are prohibiting them from blossoming on the ground where there are poisonous weeds. It was as if you imposing this ban because you know what you have are poisonous weeds. How can this happen?"

This is a good essay which is both quick in response and thorough in reasoning. It is a particularly noteworthy piece amidst the writer's profuse writings since 1949. In the subsequent big mopping-up operation which swept the country, this essay escaped notice and did not stir up any trouble. This seems an inconceivable turn of events.

**March Toward Epic Literature—Reading 'Red Streamer of the Earth'**  
HK2508064188 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88 p 47

[Article by Zheng Bonong 6774 0130 6593 in "Green Fields" Column]

[Text] In new literature, most novels on military themes tend to be devoted to fighters at the grassroots. Although some of them touch on the headquarters and the activities of ranking officers, the description is not very meticulous. Since the new period, writers have freed themselves from the shackles of "Leftist" ideas and

blazed new trails in characterization. However, the portrayal of generals in military literature remains ignored. In this connection, we also lack writings that present a macroscopic, panoramic view of war. While it is necessary to write about the commanders and fighters at the grassroots level, it will not be possible to present a full picture of wars if we describe these people alone, without portraying the high-ranking military officers. After all, the grassroots men have a very limited scope of activity and contact. Thus we need to have writings that devote a lot of pages to important historical figures and which directly present the complete picture of major historical events. This kind of novel cannot be produced within a short time. It is even more difficult to produce them when the war is still going on. In addition to having rich experience in combat life, the writer must also read and digest vast amounts of historical references. "Red Streamer of the Earth," as the first full-length novel about the Long March, has filled a major gap in China's military literature.

The story of "Red Streamer of the Earth" starts with the crossing of the Xiangjiang River and ends with the taking of Lazikou, the natural barrier, and portrays senior leaders on both sides, such as Mao Zedong, Zhou Enlai, Zhu De, Peng Dehuai, Liu Bocheng [0491 0130 2110], Ye Jianying, Bo Gu [0590 0657], Zhang Guotao [1728 0948 3614], Chiang Kai-shek and Wang Jiaxiang [3769 4471 4382]. In the history of new literature, it seems that there has never been any work of military literature which portrays so many men of the hour. Although I cannot say that the characterization is highly typical, no one would object if I say the description is both vivid and memorable. This novel is worth our attention in that it is a new attempt at presenting the complete picture of the war and portrays high-ranking military officers.

I agree with an old writer in calling "Red Streamer of the Earth" a combination of history and poetry. There is little room for fabrication in the portrayal of historical facts and characters through the novel form. The author of "Red Streamer" has gathered voluminous materials for reference and twice retraced the Long March route to carry out on-the-spot investigations. He strictly adhered to historical truth and did not pass judgement on the historical figures according to his own subjective will. In the case of Mao Zedong, for example, the author both describes how farsighted and highly competent he was on major matters, but also writes about the interesting anecdotes in his everyday life: from how he cared for the "four aging persons" and missed and showed consideration for He Zizhen [6320 1311 3791] down to details like having a hair cut and picking fleas. In the story there is a scene in which Mao Zedong was sitting by the fire-side thinking about important state and military matters, while unconsciously picking fleas from his body and tossing them into the fire. This could only happen in the exceptional circumstances of the Long March and on a "scholarly general" like Mao Zedong. With his resourcefulness, calm, humor and open-mindedness,



Mao Zedong left a deep impression on us. The author has neither portrayed him as a "god," nor depicted him as an ordinary person with "human emotions like any of us." As we all know, Mao Zedong made mistakes during the last years of his life. The Long March years were the most glorious years of his life. He had political insight and military talent, was able to seek truth from facts and was good at uniting people. These qualities were given full expression during this period. The image of Mao Zedong depicted in "Red Streamer" is of great significance in helping people of later generations see Mao Zedong in a correct perspective.

We cannot but notice the language of this novel, which is simple and unadorned, smooth and full of poetic images. We do not find any flowery descriptions. There is great passion in what appears to be prosaic accounts.

The inadequacy of this novel, in my opinion, is that as a miniature of the hour, it is still not all-round enough. At that time, the struggle for national salvation and resistance against Japan was already spreading like wildfire in many parts of the country. The novel is a little weak in its portrayal of this aspect. Furthermore, the style is a little too even and lacks variation. Some key passages could have been further developed. For example, the depiction of the struggle against Zhang Guotao seems to be too hurried. No sooner had the thoughts of the characters been touched on than the description stopped. With a little more artistic trimming, the novel could have been a much greater success. However, it still stands as the first full-length novel on the Long March. The portrayal of high-ranking generals is also a new topic for the creation of military literature. In this sense, it is already quite an accomplishment for this novel to have reached its present standard.

#### **Pitiable Alienation**

*HK2508065788 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88 p 48*

[Article by Zuo Qian 1563 6692 in "Green Fields" Column]

[Text] Many sports events are rather artistic, coming halfway between sports and creative art. In fact, some of them are art forms. Ballet on ice is an example. The performers can glide with such ease it seems that they are moving around in a genuine realm of freedom. This, in fact, is the self-realization of man's intrinsic strength. Their performance is not only good to look at but can inspire a sense of pride in the human race.

A few days ago I read an item in the newspaper which made me feel anything but proud. The headline read: "Olympic Star Conceive for Victory."

The item said: "Experts have discovered that women's muscles become much more powerful in the first few months of pregnancy." Thus, many "female Olympic start" are "vying to get pregnant" through artificial insemination. "Some even resort to lowly means of sleeping with strangers."

We used to hear about people resorting to irregular practices in sports competitions, such as trying to make the program of events more favorable to themselves, or taking stimulants and depressants before their races. Some female athletes, who play ball games are said to have had their breasts removed in order to achieve greater speed. All these for a gold or silver medal. Winning has reached a stage where the original meaning of sport is gradually lost. This may be called a kind of alienation from humanity. Even so, it was the first time I ever heard of people "vying to get pregnant" in order to win.

However, we were told that "the authorities concerned did not consider this a scandal."

Man is a social being. As the highest form of existence in nature, man is above all animals. However, the private ownership system will indeed generate alienation from humanity. "Vying to get pregnant" for the sake of sports competitions is but an example. My opinion is, for the sake of "man's value" and "man's dignity," such practices should at least be condemned by the media. If we have to bring humanism into this, then perhaps opposition to this kind of alienation should be a positive humanistic attitude endorsed by socialism.

#### **An Immortal's Complaint**

*HK2508071388 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Aug 88 p 48*

[Poem by Liu Zheng 0491 1767 in "Green Fields" Column written in the traditional style of storytelling to the accompaniment of drums]

[Text] Here, here among these heavenly palaces an immortal has made his home,

Banging, banging the Jade Emperor's dragon desk like banging his cowhide drum,

Now knitting his brows, now wiping his tears and then all of a sudden flying into a rage,

Listen, listen to him complaining about his sufferings in heaven as on earth.

"You have allocated me a small garden the size of my palm,

You have allocated me a small villa only two stories high.

You keep saying we have to abide by the system in the allocation of immortals' residences,

And you never give a damn about my problems in life.

“I owe my success in achieving immortality to many people.

Now that I have ascended heaven, how can I leave them behind?

I have three sons and three daughters-in-laws,

And two daughters and their husbands.

“I have granddaughters who are as lovely as flowers, and grandsons as strong as little tigers.

I have more relatives and friends than I can count,

And we are all very close and entwined like the roots of an old tree.

Now that I have achieved immortality, how can I ignore them and ascend alone?

“My donkeys, horses, chickens, dogs, geeses, and ducks,

Not to mention my pots, bowls, ladels, beds, curtains, mattresses and fans,

And the swallows on my eaves, and the rats in the wall holes,

They all want to follow me to heaven—how can I say no to them?

“The day of my ascent—it was a real parade of grandeur and style.

The crowd tried to grab my legs and hands and touch my long beard.

Ten planes were specially chartered for my ascent to heaven,

And the cabins were so packed there was nearly an accident.

“Have I come all this way to the Heavenly Palace to suffer?

My needs are quite reasonable, not difficult to answer.

Each of my offsprings and relatives and friends ought to have a home in heaven,

And it is not too much to ask for modernized dwellings for my cats and dogs.

“I have to chant the sutra, meditate and go vegetarian in my quest for immortality.

I can fill the pages of several glory registers with my hard and toilsome labor.

If you do not help me solve my problems you leave me with no choice,

I will just have to pitch my tent and camp inside your Celestial Palace.”

“Here, allow me to pause for a cigarette and puff for a while,

While you listeners tell me how this farce should end.”