

JPRS-CAR-89-040  
8 MAY 1989



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# ***JPRS Report***

# **China**

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

No 2, 16 January 1989

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U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL INFORMATION SERVICE  
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CONTENTS

8 MAY 1989

[The following is a complete translation of QIUSHI [SEEKING TRUTH], a semimonthly theoretical journal published by the CPC Party School in Beijing]

Tightly Grasp the Breakthrough Points—Study and Practice Optimum Organization of Enterprise Labor [Chen Xitong] .....	1
Secret Worries, Measures, and Hopes—on 'Education is the Foundation for a Project of Vital and Lasting Importance' [Tao Dayong] .....	6
Reflection on Our Education and Science—an Interview With Professor Qian Weichang [Yang Rupeng] .....	10
The Commodity Economy and 'Profiteering by Officials' [Ma Chuanjing] .....	15
Several Questions Concerning Scientific Analysis of Party Style [Shen Baoxiang] .....	19
Strange Thoughts Related to 'Liu Shaoqi's Line' [Hu Jiwei] .....	21
The Study of History Should Be Concerned With the Destiny of a Nation and Mankind [Liu Zehua] ....	25
Give Marxism a New Theoretical Form [Liu Gangji] .....	29
The Problem of Swelling Consumption Funds Should Not Be Underestimated—a Discussion With Comrade Yang Peixin [Shi Zhonglai] .....	32
We Should Correctly Appraise National Corporations [Pan Guangen] .....	34
Let the Past Tell the Present—About the 1988 National Party History Symposium [Li Jinsheng] .....	36
Eighty Years Since the Publication of <i>Ci Yuan</i> [Xu Zhensheng] .....	39
The Road of Philosophers [Xing Benshi] .....	41
Recollections on Reading Books in the 'Cowshed' [Shu Wu] .....	43
Autumn Moon on Li River [Ye Yanbin] .....	44

## QIUSHI

No 2, 16 January 1989

### **Tightly Grasp the Breakthrough Points—Study and Practice Optimum Organization of Enterprise Labor**

*OW0302130089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 2, 16 Jan 89 pp 2-7*

[Article by Chen Xitong 7115 1585 0681]

[Text] "Socialism with Chinese characteristics should first be socialism in which enterprises have plenty of vitality." ("Decision of the CPC Central Committee on Reform of the Economic System") From this viewpoint, China's reform of the economic system is a spectacular opera with invigorating enterprises at the center of the plot. With reforms over the past few years, enterprise vitality has been markedly enhanced. However, after the contract responsibility system in business management was widely implemented at enterprises, we have been faced with a major problem of how to further deepen reform. Studies and experiments conducted on this have proven that organizing labor in an optimum way is an effective way to solve the problem. Once we grasp this, we will have the key to deepening enterprise reform, which will enable us to broaden the scope of reform and achieve better results.

#### I

In the past few years, we have done a large amount of work on invigorating enterprises in the course of restructuring the old economic system and transforming the product economy into a socialist commodity economy. While readjusting the relations among ownership systems, reforming our planning, financial, tax, and foreign trade systems, and developing diversified markets, we have carried out a series of reforms, such as separating party functions from government administrative work; separating government administration from enterprise management; implementing the system of the factory manager taking full responsibility; and reducing taxes for some enterprises requiring assistance and letting them keep a higher percentage of profits. These measures have, to a certain extent, eliminated the shortcomings of a highly centralized management system, expanded the decisionmaking powers of enterprises, and initially aroused the enthusiasm of business operators and producers. In particular, since we implemented the various forms of the contract responsibility system in business management, which are based on the "two guarantees and one linkage," the right to operate a state-owned enterprise no longer means proprietorship of it, enterprises now have a relatively independent status of a legal person, and the competition mechanism is being introduced into enterprises; this has intensified competition among enterprises. These changes have, to a great extent, eliminated the system of the state providing "one big pot of rice" to enterprises. They have initially improved the

abnormal situation in which enterprises are treated the same without regard to their economic performance; in which enterprises are not allowed to have a bigger share of profits earned and receive the same amount of profits even if they run at a loss; and in which wages and bonuses of some money-losing enterprises are even higher than enterprises making profits. The changes have enabled enterprises to more closely integrate responsibility, power, and profits. These developments have created a mechanism that exerts pressure on enterprises and gives them a driving force. They have accelerated the process of transforming the product economy into a socialist commodity economy and created favorable conditions for developing a new economic system in which the market is regulated and controlled by the state and enterprises are guided by market demands.

Such being the case, can we say that enterprise vitality has already peaked and the reforms aimed at arousing the enthusiasm of enterprise operators and producers need not to be further deepened? Of course not. On the contrary, enterprise potential has yet to be fully tapped, and reform tasks remain extremely arduous. The contract responsibility system in business management and the other reform measures we have taken are mainly aimed at readjusting the relationship between the state and enterprises. The internal relations of enterprises are far from being straightened. For example, a very serious problem is that enterprises are usually overstaffed, which is a kind of "hidden unemployment"; many workers do nothing during work hours and effective work hours are usually less than 4 hours; surplus workers of some enterprises account for 25 or even 30 percent of the total workers, creating a situation in which people have nothing to do or no one doing the jobs needed to be done; low efficiency of varying degrees continues to persist widely in enterprises; and the number of enterprise employees continues to increase while productivity rises very slowly or even falls. There are many causes that led to this situation, of which the most glaring is the existence of the egalitarian "big pot of rice" at enterprises, which has prompted people to think that it makes no difference how much you do, how well or how badly you do, whether you do it or not, whether you are advanced or lagging behind others, and whether you do your work with a positive or negative attitude. There is no competition in an enterprise dominated by egalitarianism. How can producers and enterprise operators bring their initiatives into play under such circumstances? How can we talk about a sense of urgency or a sense of crisis in this situation?

Why has the "everyone eating from the same big pot" egalitarianism been hard to break for so long? The root cause is that our enterprises have long been using ossified, inflexible, and stagnant systems to handle matters concerning labor, personnel, and wages; namely, the "guaranteed post" in the cadre system, the "iron rice bowl" in the labor system, and the "fixed wages" in the distribution system. These three "iron pillars" sustain the big pot of egalitarianism. With such mechanisms in

effect, workers can enjoy the "iron rice bowl" when they work for enterprises because their "food, housing, health, and retirement" are basically guaranteed by the enterprises. With the life employment system, cadres can only be promoted and not demoted regardless of their ability, performance, or competency in their post; and if they fail to do their job well in one place, they can always go to another place and still be cadres. Under the same system, wages will only go up and not down whether there are changes in their posts or contributions in their work. Moreover, some enterprise and competent department leaders wishing to obtain the support of their workers even seek to protect this big pot, whether consciously or unconsciously, regardless of how bad or good enterprise production and management are. They always compete with each other when it comes to distribution, doing everything they can to catch up if they fall behind. Some enterprises, even when losing money, will try in every way possible to ensure that the workers get full pay, enough bonuses, and increased benefits, whether it means that they have to obtain loans or even draw on the funds earmarked for production development, thus creating budget deficits. It is evident, therefore, that with the "three iron pillars," the "big pot" will never break.

During the reform in recent years, we have tried to break the "iron rice bowl" by introducing the contract system among the tens of thousands of new workers in the entire municipality; we have tried to "govern the old workers with old rules and the new workers with new rules." However, the few contract workers with the "porcelain rice bowl" are surrounded by the sea of permanent workers with the "iron rice bowl" and soon become "assimilated" with the latter and change their "porcelain rice bowls" for the "iron rice bowl." Many enterprises have attempted to use bonuses to widen the distribution system or float bonuses and wages together; in the end, however, the floating wages and bonuses again gradually give way to the old "fixed wages." Some enterprises have tried to employ leading cadres through open bidding, hoping to end the situation in which leading cadres can only be promoted and not demoted and in which they are able to work at the top but not at the grassroots. Yet it has proven to be difficult to push ahead with the idea, and the "guaranteed post" is as firmly upheld as ever. In the past when we tried to stop the state allowing every enterprise to "eat from the same big pot," we had certain impact on the "three iron pillars" propping up the pot. However, we have failed to come up with forcible means to strike at the pillars or replace them with a set of new mechanisms. That is why the "everyone eating from the same big pot" egalitarianism has long been hard to break or has been established again after being broken.

Comrades from different trades and professions in Beijing Municipality who are keen on reform have taken bold steps to explore and experiment with the means of pushing forward enterprise reform. After a long period of anxiety, bewilderment, study, and pondering, they have finally found what they were looking for: a complete

system of work procedures for all the components of an enterprise, from its leading body to its departments and workshops and down to the work teams and groups. The system calls for clearly defining the jobs, responsibilities, and personnel and, on this basis, making public job qualifications. The system also provides for fair competition, the right of choice by both workers and enterprises, rational personnel flow, responsibility at every level for public recruitment and hiring, and the signing of contracts, all on the basis of clearly defined jobs, responsibilities, and personnel. People call this system of work procedures the optimum organization of the labor force. The essence of the optimum organization of labor is to introduce the mechanism of competition into the labor, personnel, and wage systems to make them more flexible, dynamic, changeable, and adaptive to the development of a socialist commodity economy. Under the new system, cadres will be recruited and hired according to the principle of fair competition. No longer will there be jobs created for particular individuals. Cadres will remain in their jobs only as long as they are qualified. Disqualified cadres will be transferred to posts where they are better qualified. People can truly be demoted as well as promoted, and they can be appointed as well as dismissed. Talented people can distinguish themselves through competition, not simply because they are recognized by certain individuals. As a result, the "iron chair" will cease to exist. With job qualifications and policies made public, workers can choose their jobs, and the enterprise can select the most qualified people. Labor contracts will be signed for both regular and temporary workers. The enterprise can dismiss, according to the terms of the contract, workers who violate work discipline. Workers can also resign in accordance with the provisions of the contract. When the contract expires, the enterprise can reorganize its labor force. The "iron rice bowl" can thus be broken. Workers on a job must work to the best of their ability and receive their wages according to the principle of more pay for more work. Their wages will truly be linked to their contributions. Dismissed workers who are waiting for new job assignments will receive a certain amount for living expenses. Wages will thus become something that can be changed. As a result, the "iron wage" will then collapse. The mechanism of competition promotes personnel changes, which will inevitably lead to system changes. The downfall of the "three iron pillars" will lead to the collapse and disappearance of egalitarianism, which has existed for a long time with the support of the "three iron pillars."

Along with the continuous development of the socialist commodity economy, it becomes more and more difficult for the old, rigid, stale, and fixed labor, personnel, and wage systems to cope with the new situation which requires the achievement of optimum results through fair competition and dynamic organization of the essential elements of production. We have come to the stage that we must reform the labor, personnel, and wage systems. We believe that organizing the labor force in an optimum way will enable us to make a breakthrough in

deepening enterprise reform. The reason is that optimum organization of the labor force will break the egalitarian mechanism of everyone eating from the same big pot supported by the "three iron pillars" and overcome the longstanding problem of finding a way to fully arouse the initiative of the people within the enterprise. The optimum organization of labor will not only lead to changes in the labor, personnel, wage, and social security systems of our entire society but will also lead to the optimum organization of men—or laborers—and materials—or the means of production. It will help allocate the means of production more rationally, thereby promoting the development of the productive forces.

## II

With the solicitude of leading comrades of the party Central Committee, the organization of labor has been steadily optimized in Beijing Municipality. This reform has already been carried out in 4,997 state and large-scale collectively owned enterprises, accounting for 56.3 percent of such enterprises. The enterprises that have carried out the reform employ a total of 1,587,000 workers and staff members, accounting for 81.4 percent of the workers and staff members of such enterprises. Accomplishing the first task in this reform (redundant personnel are reduced, and arrangements are made for their placement) are 1,681 enterprises which employ a total of 597,000 workers and staff members. The initial implementation of this reform has achieved tangible results.

1. Implementation of the contract system of managerial responsibility has been further promoted. In the past, we stressed on several occasions that the contract system in enterprises should be implemented thoroughly and extensively and that all those concerned must follow the system. However, at that time, we did not have effective means to achieve these objectives. When enterprise management was contracted out, it meant simply shifting the heavy responsibility from the leaders of competent authorities to enterprise directors (or managers). Through the optimum organization of labor and doing away with the practice of "everyone eating from the same big pot," the number of personnel is fixed, as are production quotas; everyone at each level is responsible for fulfilling his assigned task, and the total amount of wages is shared accordingly by all components concerned. Thus, responsibility, power, and interests are more closely linked to workers and staff members. Factory directors (or managers) and workers and staff members take pressure and risks together and share benefits. Thus, the heavy responsibilities of an enterprise are jointly shouldered by all its workers and staff members. Contract terms regarding the responsibility, power, and interests of workers and staff members are implemented in 93 percent of the workshops and 80 percent of the teams, groups, and sections of 250 industrial enterprises which have initially realized the optimum organization of labor.

2. The administrative structure has been streamlined and redundant personnel reduced, thus greatly raising labor productivity. In accordance with the principle of "streamlining the administrative structure and improving efficiency," a considerable number of enterprises have realized the optimum organization of labor by redesigning their organizational structures and disbanding or merging unnecessary departments or units. As a result, there has been a change in the long-standing situation in which "the workload is light on the front line, the burden is heavy on the second line, and the third line is overstaffed." According to a survey of 157 industrial enterprises under the municipal authority, 18.9 percent of their managerial sections and offices, 18.1 percent of their middle-level cadres, and 14.7 percent of their ordinary cadres have been reduced. In assigning middle-level cadres, many enterprises practice the system of one-man leadership in their sections, thus reducing the number of cadres and avoiding a "waste in manpower." By so doing, many outstanding personnel have been selected and promoted, strengthening the responsibility system and considerably raising work efficiency. By so doing, a new way has also been opened up for enterprises to select the best qualified personnel for employment, and this has also made it possible for cadres to work in a higher or a lower position and for workers to organize themselves according to their own wishes and characteristics as well as objective requirements. The widespread opinion of the masses regarding this is: The optimum organization of labor "gratifies those who are willing to work hard, reins in troublemakers, shows consideration for those who have rendered meritorious service, and promotes those who are intelligent and capable." Through the optimum organization of labor, the above-mentioned enterprises have reduced their workers and staff members by 12.4 percent (arrangements have been made for the placement of 90.7 percent of those removed, and 9.3 percent of them are looking for jobs), and their labor productivity from January to November 1988 increased 16.1 percent over the same period of the previous year.

3. The level of enterprise management has been raised. The process of optimizing the organization of labor is also one of strengthening enterprise management. In the course of optimizing the organization of labor, rules and regulations governing enterprise management have been amended, readjusted, or improved; many enterprises have introduced some advanced management methods and have reset the number of their personnel and their production quotas according to their actual conditions. They have set up and improved their accounting systems and original records, on which they evaluate their workers and staff members, promote them, and organize them for production tasks. As a result, enterprise management has gradually become scientific and systematic.

4. Favorable conditions have been created for the optimum organization of enterprises and the readjustment of the structure of production. Through the optimum organization of labor, the "unit ownership" of workers

and staff members has been eliminated. The ranks of workers and staff members remain relatively stable, but the optimum organization of labor accelerates the mobility of some labor. Such labor naturally goes to enterprises whose products are in great demand and which are highly competitive, achieve better economic results, and pay higher wages. Of course, qualified personnel will leave enterprises that turn out unmarketable products because of poor management and low efficiency. On the one hand, rational mobilization of workers and staff members will prompt such enterprises to quickly close down, suspend operations, be merged with others, or shift to the production of other products; on the other hand, this will make it possible to transfer property rights among enterprises and to merge enterprises. At the same time, most of the redundant personnel will go to work in commercial establishments, service trades, and other new trades urgently needed by society, and this is bound to bring about a vigorous development of the urgently needed tertiary industry and to further promote the rational readjustment of the production structure.

5. The optimum organization of labor has been pounding at old ideas, old customs, and the old way of thinking; this has greatly promoted the updating and changing of ideas. There has been a gradual clearing up of such misconceptions as "one can still eat whether he works or not" and that those who work poorly can with an easy conscience take the fruit of others' hard work without compensation, and that egalitarianism and "everyone eating from the same big pot" are socialism's superiority. The fair principle of socialist distribution that "those who work more are paid more, those who work less are paid less, and those who do not work shall not eat" has started to take root in people's hearts. The sense of competition and taking risks, which attaches importance to the right to work, is replacing the idea that "once one is employed by an enterprise, he is a government employee" and is thus provided for by the state all his life. People now have a concept of fair competition, in accordance with which "one seeks a job through competition and earns money through hard work," and with the idea that everyone should be given an equal job opportunity. This has aroused the people's enterprising spirit of assiduously studying culture, technology, and management and working hard for the prosperity of the country.

Although all this is just a beginning, it shows the tremendous effect of the optimum organization of labor. Facts have proven that the optimum organization of labor indeed represents a new way to deepen the reform of enterprises, to further arouse the enthusiasm of workers and staff members, and to improve enterprises' economic results. It is also an effective way to increase total supply, to curb total demand, and to promote rational economic readjustment in the new situation in which efforts are being made to improve the economic environment and to rectify the economic order.

### III

In the past year and more, Beijing Municipality's efforts to optimize organization of labor have gradually expanded from the industrial sector to the commercial and construction sectors, to rural enterprises, and to some schools, scientific research units, and other organizations, making the efforts of one industry become a general trend. This situation has emerged not because we have launched a campaign but because its development reflects the wishes of the masses, meets the demands of the time, is an internal requirement for the self-development of social productive forces, and is an inevitable result of our persistent reform efforts. Another reason Beijing's efforts to optimize organization of labor have expanded rather quickly is that the municipality possesses the following objective requirements:

1. Enterprises in Beijing, especially industrial enterprises, have widely implemented the contract responsibility system in business management, a major form of which is based on the "two guarantees and one linkage." These enterprises, while ensuring a steady increase in the state's income, are allowed to keep profits in proportion to their earnings but must make up losses they incur. This has provided them with a driving force to improve their economic results. With the implementation of these systems, wages are linked to an enterprise's economic results, and the enterprise is allowed to choose a form of wage distribution within the limits of the approved wages, to set its own wage standards, to increase the number of employees without increasing total wages, and to reduce the number of employees without reducing total wages. These systems give enterprises appropriate decisionmaking powers, are a prerequisite for optimizing organization of labor, and are also a strong driving force for enterprises and their employees to properly carry out the optimizing work.

2. Overstaffing and people not having enough work to do are a common phenomenon at enterprises and institutions in Beijing. Therefore, it is possible to markedly cut down the number of employees through optimizing organization of the labor force. The current situation can be improved in a short time and the economic results and productivity of enterprises can be further improved if we dare to stand up to realities, do not shirk difficulties, and dare to tackle hard problems, and if our policies are correct and appropriately carried out.

3. To solve the various inconveniences in the daily life of the capital's residents, the Beijing Municipal authorities have made great efforts in recent years to develop the service industry, implementing a policy stipulating that whoever sets up a service organization owns it, manages it, and benefits from it. Many enterprises have started in one trade and branched out to others in an effort to diversify their businesses. The industrial sector alone has set up more than 4,800 commercial and service enterprises, employing more than 70,000 surplus personnel.

This practice has provided an important way to place surplus personnel and the experience for continuing to open up other ways and spheres for placing these personnel.

4. In Beijing, a center for international and domestic exchanges, production and employment opportunities have increased, along with the reform and opening to the outside world and the continuous economic development, but much remains to be done in our society. According to statistics, there are several hundred thousand civilian laborers from other localities currently working in all trades and professions in the municipality. Moreover, with the urban industry spreading out to rural areas and domestic and the international labor exchange growing, it has become feasible to gradually transfer surplus personnel laid off by enterprises to new trades needed by society.

5. In recent years, as the government has reduced taxes on enterprises and allowed them to retain more profits under a policy of relaxing control and encouraging self-reliance, the enterprises have somewhat accumulated more funds at their disposal, thereby making it possible for them to appropriate a portion of the funds to support the reform and create conditions for setting up a factory labor market and solving practical problems for the unemployed.

#### IV

Organizing the labor force in an optimum way is broad, in-depth reform. It touches the hearts of millions of workers and their families and is bound to encounter all kinds of obstacles from traditional ideas, the force of habit, and the old systems. On top of this, the reform itself remains to be tried out and improved upon. Therefore, it is indeed not an easy job. The key to its success lies in the hands of the leadership who must have the determination to carry it out unswervingly, yet cautiously and steadily. This requires us to bring into full play the role of the party organizations at various levels and the exemplary vanguard role of party members. At the same time, it also requires the full cooperation and support of all quarters of society, especially the ideological, political, and general economic departments. To this end, we have paid special attention to the following areas:

1. We must make serious efforts to improve propaganda and public opinion work, heighten the consciousness of the leading cadres at various levels to organize the labor force in an optimum way, and make workers more capable of understanding the reform. Organizing the labor force in an optimum way affects the personal interests of every worker. Its ultimate goal is to bring the essential elements of production into an optimum combination to promote the development of the productive forces and create conditions for increasing social wealth and improving the workers material and cultural life. Thus, its ultimate goal is completely in line with the

fundamental interests of the workers. We must conduct thoroughgoing and painstaking ideological propaganda work to make the vast numbers of workers understand its meaning. We must do thoroughgoing and painstaking ideological work, particularly among the people who are laid off in the course of reorganizing labor. We should not make their dismissal from their jobs a burden; even less should we give them the cold shoulder. People change jobs to make better use of their talents or to seek better human relations or a more pleasant work atmosphere. They might fail to get the job they want because of limited openings or keen competition. These things are precisely what we have actively advocated. Of course, there are also a very small number of people who are excluded in the labor reorganization because of poor performance. This is also normal. We should educate them and encourage them to improve themselves. In short, there are a variety of reasons why people fail in labor reorganization. We must on no account indiscriminately treat them as being no good. Since the system of the "big iron pot" existed for a long time, we have had little personnel movement. As a result, people have the misconception that one who leaves his job is no good. To change this kind of social prejudice, we must make great efforts to create a different social attitude. Comrades engaged in reform, in both the practical and theoretical field, have had extensive discussions on the question of organizing the labor force in an optimum way. They have widely publicized experiences which have been proven good in practice. Their work has contributed to the smooth progress of reform. In the process of reorganizing the labor force, the industrial departments have sponsored more than 100 symposia and training sessions of different kinds. More than 5,700 factory directors and secretaries have attended the symposia and training sessions, exchanging their experiences, discussing issues, broadening their thinking, and increasing their consciousness to push forward the optimum organization of labor.

2. We must concentrate on work at selected units at each level, use the experience of selected units to promote work in the entire area, and steadily carry out the work in stages and in groups. The optimum organization of labor is a new area of work with strong political considerations. Hence, leading cadres of all commissions, offices, bureaus, corporations, districts, and counties should personally attend to the work at selected enterprises and go deep into the practice of reform to obtain firsthand information. The work must first be experimented with in a few better qualified enterprises and then, after summarizing their experience, carried out in stages and in groups. It is necessary to guard against the practice of rushing headlong into mass action. The director of an enterprise should be personally involved in the work of a selected office or workshop. To make it more acceptable to the large numbers of workers and staff members, the concrete work of achieving optimum organization of labor of an enterprise should be started with its leading body and carried out from top to bottom; i.e., cadres first and then ordinary workers, and offices first and then

workshops and production teams and groups. There are about 10,000 state and large collective enterprises in Beijing Municipality. We would encounter detours and waste time if we hastily demanded all enterprises to optimize their organization of labor at the same time regardless of their characteristic differences. The correct approach is to carry out the work in stages and in groups, in a strictly planned and systematic manner and according to the standards of optimum organization of labor. Efforts must be made to carry out the work in one selected enterprise or group of enterprises after another when the necessary conditions are ripe. It is necessary to actively help enterprises where the necessary conditions are not yet ripe, and to create the necessary conditions instead of demanding them to hastily carry out the work. Our persistence in concentrating on work at selected units at each level has enabled leaders at different levels to personally experience the merits and enhance their understanding of the optimum organization of labor, thereby quickly dispelling their misgivings over confusion in operations, failure to fulfill contracts, arrangements for laid-off personnel, and troublemaking that might arise as a result of optimizing organization of labor. With greater determination and confidence in the course of reform, the work has been carried out more smoothly.

3. We must set the standards and requirements for guiding the work of optimum organization of labor to reach the targeted goal. Based on the practical experience of enterprises, we have set forth six requirements for achieving optimum organization of labor: 1) It is necessary to streamline the structure and personnel and eliminate redundant organizations and overstaffing in order to stimulate labor productivity and economic efficiency. 2) All workers and staff members must sign job contracts with enterprises, and the practice of the "iron rice bowl" must be completely abolished. 3) The organization of labor must be a dynamic, not a fixed, arrangement. 4) Proper arrangements must be made for surplus personnel by exploring all sources of employment; the few personnel who really cannot find other employment should be placed on a waiting list inside the enterprise rather than be sent back to their original post for a job they do not deserve. 5) It is necessary to gradually set up a labor market mechanism offering job opportunities both inside and outside enterprises and to foster a competitive climate for the labor force. 6) It is necessary to establish and improve a social security system so that the work of solving the problem of surplus personnel can be gradually shifted, in the main, from the enterprises to society. The optimum organization of labor is neither a measure of expediency nor a matter involving only the streamlining of a few individuals. Judging from the current situation in Beijing Municipality, the process of establishing and fostering a social labor market will take a fairly long time. It will take a couple of years to complete and to genuinely set up the new mechanism of optimum organization of labor in all enterprises.

4. We must adopt necessary laws and regulations to ensure wholesome development of the optimum organization of labor. To optimize organization of labor will inevitably involve readjustment of the existing structure of interests and relations of distribution. In the process, frictions might arise between new and old systems, between enterprise managers and production workers, and among production workers themselves. In order to resolve such contradictions, we must not only carry out painstaking and meticulous ideological work but must also apply legal means to achieve standardization and readjustment. In view of the problems cropping up in the course of optimizing organization of labor, Beijing municipal departments concerned have successively formulated relevant policy measures, including the "Provisions for Protecting Directors and Managers in Exercising Their Functions and Powers," "Interim Provisions Concerning Several Policy Issues in Optimizing Organization of Labor," and "Trial Procedures for Dismissing Surplus Workers and Staff Members of Some State Industrial Enterprises," to assure enterprise managers of their powers and personal safety in carrying out reform in accordance with practical needs, as well as to safeguard the legitimate rights and interests of workers and staff members. We might well say that these provisions and procedures have played an active role in avoiding major deviation and error in Beijing Municipality's current efforts to achieve optimum organization of labor. However, the existing laws and regulations still cannot meet the requirements of reform. We should continuously improve and formulate new laws and regulations on the basis of conducting in-depth investigation and study and summarizing the experience of reform so as to more effectively ensure the smooth progress of reform.

The reform is progressing and strengthening. Under the new situation of improving the economic environment, rectifying the economic order, and readjusting the economy, we must lose no time in grasping the breakthrough point of optimizing organization of labor, meeting the challenge, and expanding the successes we have already achieved with firm confidence, thereby further harnessing the latent enthusiasm and creativity of workers and staff members and instilling greater vitality into socialist enterprises.

**Secret Worries, Measures, and Hopes—on  
'Education is the Foundation for a Project of Vital  
and Lasting Importance'**

*OW0302130089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 2, 16 Jan 89 pp 8-11*

[Article by Tao Dayong 7118 1129 6978]

[Text] Education is a project of vital and lasting importance. Educational development affects the scientific and technological progress, the revitalization of the economy, the growth of the next generation, the quality of laborers, and even the destiny of the motherland. China's education has undergone tremendous changes



since the 3d plenum of the 11th CPC Central Committee. Generally speaking, China has scored a marked achievement in education. However, the policy as proposed by the CPC Central Committee on the two "musts" ("that education must serve for socialist construction" and "that socialist construction must rely on education") has not been well implemented. Shocking social phenomena inevitably draw concerns and worries from various circles. When confronted with the reality, we must assess with sober minds the current educational situation. Some hold the view that China's education is experiencing its best development period since the founding of the People's Republic; others disagree, saying China's education currently is in a grave crisis. To be sure, it is not good either to assess as too high or too low the current educational situation; we should still seek truth from facts. In my view, with the poor work in the past coupled with the overheated economy, the spread of money-worship, and unhealthy social ethics, China's education, which has been developing in a normal course, has also been strongly impacted. As a result, a series of new contradictions and difficulties in education, which have evolved into potential educational crises, are exposed. The crises are conspicuously manifested in the following areas:

First, the problem of chronic shortages in educational funds is made worse by inflation. During the past several decades, China's investment in education has always been lower than the average international level. According to statistics by UNESCO, in 1985 the average world ratio of spending on education was 5.7 percent of GNP whereas China's ratio in 1987 was a mere 3.2 percent. The rate is not only lower than that of the average world level, it is also lower than the level of developing countries. Because of serious fund shortages, there are not enough school buildings in the country for primary and middle schools; ramshackle school buildings are not repaired; school desks and benches are lacking; and funds used for actual teaching show not increases but decreases.

Second, because of meager income and low social position, morale among schoolteachers is low. The situation of "soil erosion" among teachers is serious. More and more teachers quit teaching posts and turn to other professions (the more marked phenomenon is that a large number of teachers who teach English now turn to foreign trade, tourism, and work in enterprises and departments dealing with foreign affairs). According to state statistical bureau data, the average monthly pay of teachers ranks third in reverse order out of 12 professional trades surveyed. Under the pressure of rising commodity prices, school teachers generally feel the unbearable stress. Congested housing conditions, poor medical care, and heavy household chores quicken the aging process of many middle-aged teachers; there are numerous reports on the tragedy of early and untimely deaths among teachers. Particularly worrisome to educational circles is the phenomenon of "quitting." Teacher recruitment is made difficult with sources of

teachers drying up. Outstanding middle school graduates are unwilling to apply to teachers' colleges. Graduates from teachers' colleges do not want to teach in primary and middle schools. The trend has evolved to such an extent that even graduate school graduates are unwilling to continue to stay at higher institutes of learning. One of the legacies of the Cultural Revolution is that it created a "fault" among teaching staffs at all levels of schools (for example, higher institutes of learning are experiencing difficulty finding qualified lecturers). If the trend of the lack in continuity and the lack of successors in education is not reversed, the quality of the teaching staff engaging in basic education will be lowered; the training of qualified teachers will also be seriously affected; it will directly affect the success or failure of the four modernizations construction and even the rise and fall of the nation.

Third, because of the "depreciation of knowledge," the hard life of intellectuals, and the serious distortion in remuneration between complicated labor and simple labor, the theory that "education is useless" is again raising its head. The urge to quit school and go into business is affecting many areas. Frequently, we meet children who have turned into businessmen and child laborers in economic development zones in coastal provinces. According to reports, child laborers can be found everywhere in Shenzhen; child businessmen can be found in farming markets; even child craftsmen can be found in the streets. It is said the ratio of child laborers constitutes one quarter of farmers turned construction workers. The problem of primary and middle school students leaving schools is becoming more and more serious day by day. The phenomenon of school students quitting schools is spreading from south China to north China, from the cities to rural areas, and from the economically developed Zhujiang delta areas to Urumqi in China's great northwest. According to a random survey, the percentage of students who are leaving school in some rural areas in Guangdong, Liaoning, Jiangxi, and Hebei is between 30 to 50 percent (the rate is highest among youths of the 15-17 age group). Some 1.5 million school-aged children in Hubei do not go to schools. Reasons contributing to this distorted phenomenon are very complex, but it has much to do with the following: The aberration in the goal of education (for example, the single pursuit of high admission rates to good high schools or universities, the high elimination rate, the fear of "sour meat spoiling the whole pot of soup"); poor teaching staffs in rural areas; poor teaching quality; the heavy burden of tuition; weak ideological education; and money-worship (there is a popular saying going the rounds in society: "You may not know a single word, or how to count the day and number; but if you learn how to 'count money,' you will earn money"). Of course, relevant departments in localities cannot shed their responsibility because they have not whole-heartedly implemented the "law on compulsory education" and acted according to the law. Particularly worth mentioning is that the wind of quitting schools and entering into businesses has already blown through the doors into the

higher institutes of learning. Some students have evolved from muddling through in their study, to hating to attend classes, to finally quitting school. There are even reports of graduate students quitting schools to enter businesses or applying for hotel jobs. The phenomenon reflects a kind of social mentality which is thought-provoking. Since the summer of 1987, a new situation has become common in some major cities: graduates of junior high schools are unwilling to study at ordinary senior high schools. Instead they prefer to study at vocational schools (particularly those vocational schools which offer courses on tourism, finance, and accounting). Graduates of senior high school do not want to enroll in universities; they prefer instead to sit for examination to enter technical institutes. In the past, many students competed to study in college departments of basic theories; now those departments go begging. There is even an abnormal phenomenon in the admission to graduate schools: Candidates for admission are fewer than the number of graduate students to be admitted. These phenomena are worrisome, to say the least.

Of course, seen from the situation of the overall strategy for developing our country's education, there still are problems in the areas of readjusting educational structure, reform in teaching contents, raising quality in ideological and political education, and in the supplemented reforms in personnel, labor, and management structures. As a matter of fact, if we keep a clear head and are devoid of preconceived ideas, we will be deeply disturbed by the present educational situation and our minds will be vexed by unbounded hidden worries. At present, people are most concerned about the issue of commodity prices and agriculture. There is a saying: people's livelihood depends on food. Of course, the problem of food concerns every household: we should not treat it lightly. However, we should also see that the improvement of the economic environment, the rectification of economic order, checks on inflation, and the energetic development of agriculture can show results. The overall situation can be under full control in a couple of years or so if we are of one heart and mind, use well-chosen measures, and struggle hard. Regarding educational undertakings, often described with the phrase "it takes 10 years to grow a tree, but 100 years to cultivate people," we should not be overly eager to seek quick results; we should not expect to "win all honors in one battle." Only by showing great foresight can we neutralize potential crises at fundamental levels.

Then, what should we do? What countermeasures should we take? The medicine must be suited to the illness. In my view, all in all, there is only one important principle, that is, the whole party and the people all over the country must attach a great importance to education, and governments at all levels must earnestly undertake work on education. The report of the 13th National Party Congress has reiterated: "Education is of fundamental importance to the fulfillment of our great long-range mission. We must therefore continue to stress the strategic role of education and do a better job of tapping

intellectual resources." Comrade Deng Xiaoping has pointed out even more explicitly at a national educational work conference: "A local government which pays attention only to its economy, not to education, is one which fails to shift, or to completely shift, the focus of the work. A leader who neglects education is one who lacks far-sightedness and is immature, and therefore, cannot successfully lead the modernization drive." Several years have elapsed since then, and the "Compulsory Education Law" has been promulgated. What is the real situation? Has the concept on fundamental importance of education taken root among leaders at all levels? There is no need for us to conceal our shortcomings for fear of criticism. It should be pointed out that although people now better understand the important role and position of education in the socialist modernization drive, a good many leaders are still wavering and drifting with the general trend. They are the people whom Comrade Deng Xiaoping has criticized for "verbally acknowledging the importance of education but actually viewing education as secondary when it comes to practical problems." This is manifested most obviously in the allocation for education. Eager for quick success and instant benefits, they often regard economic production as a hard target and education as a soft task, failing to perceive education as a productive investment which yields tremendous, but long-term, returns. Short-sighted as they are, they enthuse over the construction of auditoriums, office buildings, and guesthouses, while ignoring the repair of school buildings that are in hazardous condition. They admire Japan's fast-growing post-war economy, but do not realize that the main reason for Japan's social and economic leaps forward since the Meiji Restoration, especially the marvellous economic development since WW II, should "be attributed to the popularization and development of education" (remarks by former Japanese education minister Masuo Araki). They admit, in an abstract sense, the strategic importance of education to China's modernization program, but fail to obtain a concrete understanding of education as a powerful positive factor and "ahead-of-time" element in improving the quality of the whole nation (especially the quality of the work force) and in stimulating economic development. They abhor undesirable phenomena and evil practices that have been brought to light in recent years, but are not truly aware that such phenomena and practices reflect, in a concentrated form, the deterioration of human quality. We may as well say that some leading comrades have underestimated the serious situation in education and remained indifferent to the latent crisis on the education front where teachers abandon teaching and students are reluctant to learn, and where there is no one to carry on the work. In a nutshell, they lack the sense of urgency and of crisis that is required for making large strides in the entire educational undertaking. Therefore, the top priority at the present is to enhance ideological understanding of the importance of education in the whole party and among all people, and especially to urge leading cadres at all levels to attach great importance to education. When a

general atmosphere of stressing the top priority of education prevails from the central to local governments, sufficient allocations for education will be made. With devastation everywhere and numerous tasks remaining after the war, the Japanese people saved all available resources for education and, after 2 decades of hard work, rose to become an "economic power." "Stones from other hills may serve to polish the jade of this one." Why is it impossible for us to ask for a 15-percent slice (the percentage of education allocation in post-war Japan was even higher) for education from the "big cake" of the state budget? I believe that "this is not a matter of incapability, but one of unwillingness!"

Of course, removal of the major ideological obstacle does not mean that everything will go off without a hitch. In order to extricate ourselves from the above-mentioned predicament, it is necessary that we adopt a number of special policies and flexible measures in reforming the educational system so that we can achieve practical results within a short period (or at least ahead of time). Because of the limitation of space, I will explore only a few major aspects:

1. Increasing educational funds is a key measure and material guarantee for promoting educational reform. According to an analysis of various countries by UNESCO, in countries with a per capita gross national product (GNP) of \$300 to \$500, investment for educational purposes should account for 4.2 percent of the GNP. This will be the most appropriate proportion. At present, our country's investment in education is far lower (about 1 percent of the GNP) than that level. We should understand that if we calculate according to our country's 1987 GNP (exceeding 1,000 billion yuan), 0.1 percent of our country's GNP means 1 billion yuan and 1 percent of our country's GNP means 10 billion yuan. In other words, our country's minimum investment for educational purposes should be a lot more than the original target of "increasing investment in educational purposes in two aspects." From 1988, the state budget for education should account for at least more than 4 percent of the GNP; otherwise it would be impossible to fundamentally change the entire situation in education.

2. Solving the problem of teachers is the core issue in popularizing compulsory education. Retaining contingents of teachers is an urgent task to solve the potential crisis in educational work. This is a practical problem and its solution must not be delayed for even a short moment. Only when we adopt resolute policies can we inspire the people and solve the problem. From 1972 to 1974, Japan increased teachers' wages three times and enacted a "law to protect capable people." As a result, large numbers of outstanding people have assumed teaching posts. In 1976, the number of applicants for the School of Education of Nagoya University increased greatly and the ratio of admission was 1 per every 15 applicants. In 1980, Tokyo Municipality gave public notice of vacancies to be filled at elementary schools. Many people applied for the jobs; the employment ratio

was 1 per 17 applicants. Under such an enthusiastic atmosphere, the post of "engineer for the soul" has become a job respected and admired by the people. Therefore, I suggest: (1) We should immediately establish a wage standard in conformity with the special characteristics of educational work and raise the remuneration of qualified teachers at various levels by a large margin. The average wage of educational workers should be higher than the average wage of staff members and workers of 12 trades. (2) In addition to wages and various living subsidies in accordance with regulations, teachers should be given allowances according to their seniority in teaching, and be promoted one step each year so such allowances will encourage educational workers. (We can use Japan's system of "annual increase of salary for teachers" for our reference.) (3) Teachers with 30 years of teaching experience should be given full salary after their retirement. (4) Wages for teachers of schools run by the people should be guaranteed by various localities and monthly payment of their wages should also be guaranteed. Prompt measures should be taken to ensure that their wages will be equivalent to those of teachers of public schools to avoid the loss of large numbers of teachers in rural areas and be conducive to implementing the "Voluntary Education Law" in rural areas. (5) Various localities may build "dormitories for teachers" (like Jiangxi's Linchuan County) and give priority to outstanding teachers and veteran teachers (those who have taught 15 or 20 years) in allocating housing units to teachers. This would not only show our respect to teachers and their teaching work but also enable teachers to live and work in peace and contentment. (6) Students of teachers' colleges and normal schools should be exempted from tuition and their financial aid should be increased. Graduates of teachers' colleges and normal schools should receive wages reasonably higher than graduates of other colleges and schools.

3. Middle and elementary schools are the basic links of the entire educational system. Strengthening basic education is the foundation work for the development of national education. This has become a world-wide trend in developing education today. I suggest: (1) We should carry out a general inspection of the implementation of the "Voluntary Education Law" and promptly formulate regulations to punish those who violate the "Voluntary Education Law." The regulations should stipulate that hiring child labor and child commercial workers shall be strictly forbidden. Violators shall be fined and investigated for their legal responsibility. (2) We should advocate work study programs at various schools and ban business activities there. (3) Various schools and educational departments should, as quickly as possible, stop collecting tuition from students of elementary and junior middle schools and must not wantonly collect miscellaneous fees or apportion students' expenses and work. Violators should be investigated and punished according to the law. Those who divert educational funds for other purposes must be severely punished. (4) In the course of changing from the old to the new system, it is necessary

to strengthen and improve ideological, moral, and political education for students in order to cultivate a generation of new people for the realization of the four modernizations and for revitalizing the Chinese nation.

Besides, I think we must place the work of educational legislation on the daily agenda as quickly as possible. In recent years, various units have mentioned this task quite often but so far no specific results can be seen. At present, we must promptly enact educational basic law, higher education law, educational investment law, and other related laws. Law has the nature of standardization, continuation, and stabilization. Through legislation, we can gradually "use the law to improve education," institutionalize educational work, and protect educational work. In particular, the law should clearly stipulate that educational work should be done strictly in accordance with the principle of education and the law of commodity economy must not be blindly applied to the educational field. Through hard work for a period, we will be able to gradually formulate a series of law for socialist education with Chinese characteristics. Only in this way can we truly implement our tasks of raising the quality of the whole nation and bringing up a new generation with "high ideas, moral integrity, a good general education, and a sense of discipline."

It must also be pointed out that to carry forward the spirit of "taking education as the foundation" and truly respect teachers and educational work, the central authorities should set specific rules, including whether or not paying attention to educational work is an important criterion in evaluating cadres' performances at various levels. These rules should be publicly announced at regular intervals and be implemented resolutely to foster a new style in building socialist spiritual civilization.

Building socialist modernization, in the final analysis, must depend on people with a socialist consciousness, knowledge of modern science and culture, and skillful techniques. Therefore, we must rely on education. In the face of challenge by a new scientific and technological revolution since the beginning of the 1980's, various countries in the world have entered into a new phase of vigorous development and major reform of education. Various developed countries have put forward new ideas and policies for educational reform to cope with the international situation of scientific, technological, and economic development. At a strategic discussion meeting on how to greet the challenge of the 21st century, a number of developed countries all admitted that "whoever can raise the quality of middle and primary school education in this century will have the initiative in its hands in the 21st century." How shall we take hold of the initiative? We should see that children in kindergartens and students at middle and elementary schools will be the main force on all fronts in the 21st century and so the hope of our motherland depends on them. Recently, Comrade Deng Xiaoping again emphatically pointed out, "We must try in every possible way to properly solve the educational question and we can be

patient in other fields, even at the cost of slowing down a little bit." This article has already made an analysis of the current educational situation with the conclusion that, although there is latent worry, we are not incapable of action. So long as we know the situation, make up our minds and adopt effective measures, we still can overcome our difficulties and cut through the waves to make progress. There have been old sayings: "A nation prospers through calamity." "It is a courageous thing to admit one's own shame." "A nation thrives when teachers are respected." We must never waste our valuable time. We must strengthen our confidence, do all we can to catch up with advanced countries, meet the historical challenge of science and high technology in the 21st century, reduce the gap between the developed countries and our country, and truly take our destiny into our own hands.

#### **Reflection on Our Education and Science—an Interview With Professor Qian Weichang**

*OW'0302130089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 2, 16 Jan 89 pp 12-15*

[Article by correspondent Yang Rupeng 2799 1172 7720]

[Text] "I am an honest person."

This was the first thing professor Qian Weichang said to me when I conducted an interview with him. A scientist-educator well-known at home and abroad, he developed in 1941 at the age of 28 the nonlinear differential equation of the theory of Ban Ke [2647 8199]—first in the history of dynamics, and known internationally as the "equation of Qian Weichang." In 1955, the large deflection of elastic circular thin plate developed by him was held by the dynamics establishment to be the "most practical, simple classic resolution"—"the method of Qian Weichang." He, together with Qian Xuesen and Qian Sanqiang, was called by Zhou Enlai one of the precious "three Qians" in the scientific circle of China. He has won people's respect even more from his love for his motherland and his high moral integrity than from his prestige and knowledge. In recent years, he has been vice chairman of both the CPPCC National Committee and the Central Committee of the China Democratic League, president of Shanghai Engineering University, and member of the Division of Mathematics and Physics of the Chinese Academy of Sciences. He has devoted himself day and night to the development of education and science in China, and to socialist modernization, as well as to the reversion to the motherland of Hong Kong and Macao and the early reunification of both sides of the Taiwan Strait—an apparent manifestation of his profound concern and noble responsibility for the present and future of the motherland. The "integrity" of this great master in education and science is his sincere patriotism for his motherland, selfless devotion to the people, incessant pursuit for truth, and deep search of his inner self. He has always been like this and has never ever regretted it.

In his interview with me, Professor Qian spoke widely about education and science. I used my pen and mind to take down his unforgettable words.

### What Is Missing in Our Education?

"I think that in the past 10 years of reform and opening up to the outside world, China's education has made great achievements, which should never be underestimated. Education in China is very promising and has a great future. All this is plain fact. Nevertheless, something is missing here. We have to reflect intensely to see what is lacking in our education."

With this, Professor Qian pulled himself up from the sofa and paced back and forth in his office. Deep in thought, he slowly began his talk:

"As far as the near future is concerned, we lack money and investment. Yet it is not quite right to say that we have very little money. In a certain sense we in fact have plenty. You see, we have 300 billion yuan of personal savings deposits in the country; that accounts for 300 yuan of savings deposit per person. Can you say this is little? No, but education in China is still short of funds.

"Many in our midst have received decades of education from the party. But why in a short period of 10-odd years, that is the period after going through the Great Cultural Revolution, have many people changed? Prior to the Great Cultural Revolution, we had as many hardships and setbacks as we do now. The 3 years of difficulties were harsher than now, yet very few people back then made any discouraging or pessimistic remarks. We are better off now, yet the society is plagued with many startling and shocking phenomena. Why? Where is our education? To be fair, our education is not loose at all, but something is missing somewhere. Would you agree that in our education there is something deficient, something missing? We need to think hard to see what in the world is missing.

"To be frank, I doubt that current education can go any further like this. I have taught in many universities. However, what I call education is not just college education, but the education of the whole society, of which universities are only a very small part. It is true that compensation for intellectuals has improved, and the central authorities are currently taking steps to further improve it. But why, even up to now, are the intellectuals still looked down on in many ways? Why, after years of implementing policies concerning the intelligentsia and emphasizing the importance of knowledge, are some leading cadres still paying no attention to knowledge or to intellectuals? These problems exist, and they cannot be solved only by administrative measures. We have to tackle these problems."

We need to actively lead the people to look ahead and, while pointing out the problems, we also have to investigate what caused them and formulate feasible countermeasures. Professor Qian's ingenuity and wisdom are again manifested here.

"It is not practical to try to solve problems in education simply by relying on some makeshift, short-term measures. We must go to the bottom to solve the problems. People are still calling for implementing the policy on intellectuals. Can we solve any problem by doing nothing except making some noises? You hear cries stressing the importance of education over and over again. When the cries die down, the schools remain as poor as before, and the buildings of primary schools continue to collapse. Collapse of school buildings does not happen in just one place. It happens in many localities. There is even a saying that if you want to see where poverty is, you should go to take a look at the primary and secondary schools. This may be an exaggeration in terms of the whole situation. Nevertheless, many primary and secondary schools are really too poor.

"Some say the reason the schools are poor is because the state cannot afford to appropriate funds. As I have just mentioned above, we are not really that tight. If the various localities could curb their extravagant ways by just a small measure, money would be available. I am referring to such extravagant practices as erecting office buildings, auditoriums, and guesthouses in a big way, importing high-class sedans in large numbers, making blind imports, and importing what have already been imported before. Also, judging from our current national strength, it will be very difficult to spend dozens of billions of yuan to build the Three Gorges Project in the near future.

"Our society does not have a universally accepted, correct moral standard—to put it modestly, a common concept of value, common criteria of right and wrong and a common code of conduct for everyday life. Just calling for actions compatible with Marxism without having something concrete that could provide a norm for people's spiritual activities makes it impossible to solve the various problems in present-day society and the society of tomorrow as well. It is reported in the press that a female postgraduate student was kidnapped to a village in Shandong. There was no one there in the village who would come out to speak on her behalf. We cannot help asking: Are there any morals left in this village? Is that village under the leadership of the party? Why didn't the party members and cadres there say anything? It is only natural for people to bear resentment against this kind of party members and cadres. Problems such as this are not isolated, and the consequence will be disastrous if such problems are not dealt with now. The socialist person-to-person relations should be maintained in such a way that one is accountable for what he says, one does nothing to harm others, each person is equal to the next, and each helps and is friendly to the other. This should be the common moral standard

applicable to us all. The reality today is, however, that there are many people who take pride in hurting others—hurting others so that they can climb higher. We must never allow such ugly, unethical phenomena to exist.”

### **Raising Moral Quality Is Most Important for Education**

Since the founding of new China, the education circles on several occasions have carried out discussions on the principle and purpose of education. However, different people have different ideas, and no consensus has been reached. As an educator, the revered Qian has his own views.

“The contention in our schools, primary and secondary schools in particular, has been that the purpose of education is to produce people of ability, good people of ability, as many and as quickly as possible. I said on many occasions as early as 1980 that even if we had 100 Einsteins, we still couldn’t solve our basic problems. Within these few years many people have begun running gifted children’s classes. I tell you, there is no such thing as a gifted child in the world. There are many of us who hold this view. In the ‘Famous Quotations,’ Zhu Kezhen is quoted as saying that if I am called a talent, then my talents are acquired in exchange for my labor. Isn’t this very well said? There are no talents. Even if the state has a few talented people, it still does not help in solving any problem.

“When we discussed the issue of principle of education a few years ago, I made the proposal that the principle of education should be changed to ‘raising the quality of the whole nation.’ Later, this proposal was accepted by the party Central Committee, with a few more words added to it. It calls for ‘raising the ideological and moral quality and scientific and cultural quality of the entire Chinese nation.’ In my view, ‘quality’ here refers to a broader sense of the word. In other words, our education should be aimed at enabling the educated to become useful people in society, people who can work together with other people. However, many people accept this principle only in word without actually practicing it. They contend, for instance, that the purpose of key schools is to bring up people of ability. It seems to them that only schools can produce people of ability. People of ability are so called only on the basis of the high examination marks and the diplomas they can earn. According to this logic, the workers, peasants, and skilled laborers are not people of ability. This is actually a negation of people of ability. I don’t believe this is a Marxist concept. We should see that people acquire their abilities through practice. No books can produce them.

“In our efforts to raise the quality of our whole nation through education, we must place great emphasis on ethical quality. We should make it our aim to cultivate a new generation with fine moral character—people that ‘wealth cannot corrupt, pressure cannot bend, and poverty cannot degrade,’ and who are upright, honest, and

hard working. The current education has difficulty turning out some one like that. I am saying this with good grounds. We must rely on the party and believe in the party, or else who can we count on? Every old person who has lived in the old Chinese society will surely agree with this. It is exactly for preserving the party’s prestige that I have made the above remarks. We are very much worried about the current situation of education.”

“We must teach our youngsters to be honest and to achieve success through their own labor. However, in real life it is not always like this, where the youngsters learn to depend on their parents for special privileges. Our society should let everyone have the same opportunity for education as long as he works hard for it. Only in this way can our society encourage people to strive to make progress. I would say it is still not an established fact in our society that everybody is equal as far as education is concerned. The examination that primary school students have to pass in order to enter middle school is made up of two subjects, math and language. Parents have to devote all their time and energy almost daily to assisting their children in preparation for the examination. Why can’t teachers solve the problem? If the youngsters are preparing for the admission examination of the key schools, the situation is even worse. Actually, life at the nonkey schools is as bad as that at the key schools. Students of the nonkey schools give themselves up as hopeless: ‘I might as well resign myself to the fact that I am useless.’ Of course, there are different levels of teachers, and there are bad and good schools. However, we should not arbitrarily designate some schools as key schools and others as nonkey. Why do we subsidize the key schools at the expense of nonkey schools in terms of manpower and financial and material resources. By so doing, are we not trying to destroy the nonkey schools? Any school must have some advanced personnel in its core to make the school run effectively. If we give all the good and advanced teachers to key schools, the nonkey schools are doomed to failure. This way education actually amounts to teaching students to read textbooks. Judging from this alone, we can tell that our education is faced with hard times. Even if such education produces students who write well, what is the use of it? In fact, not all students of the key schools are good students. Some of the students of the key schools have a lot of bad habits, too. We must attach importance to the all-around cultivation of talents and to the national education, or we will achieve nothing.

“Education consists of three parts: school education, social education, and propaganda education. The propaganda education has its greatest clout in movies, TV, videos, publications, and so forth. Right now violent movies, pornographic videos, and illegal publications are prevalent. The consequences may be very serious. I am not an old fogy, and I am open-minded. However, I oppose those pornographic, distorted, and harmful things, and I believe we must make strenuous efforts to address this issue.

"We must have a clear idea of what our educational policy is. Currently our educational policy is not on the right track. Some of the measures we are taking now are actually encouraging students to act on their own. We should make it clear that good school education hinges primarily on teachers. Teachers must earnestly practice what they teach, meaning that they not only impart knowledge but also educate people on how to conduct themselves. I acknowledge that we have many good and high-level teachers; nevertheless, on the whole, the cultural level of our teachers remains relatively low.

"When the price of cigarettes and liquor increases, people go out to buy them in panic. However, few well-educated people do this. Many people I know do not join the crowd in panic buying. Some ordinary people do this. The general mood in society is a big issue. It will affect our next generation. What I am worried about is this: We, people of this generation, are old, and time flies. People of your generation will soon become old. What will happen to the next generation? It really makes people worry."

#### Education Must Be Rectified

"Problems in our education cannot be solved by applying remedies here and there. We must thoroughly consolidate our education. It is known to all that at the end of the sixth grade, lessons are finished earlier to make preparations to take the entrance examination for the junior middle school. Close to the end of the third year of the junior middle school, students once again have to take remedial courses to prepare for the senior school entrance examination. Once they are in their last year in the senior middle school, they once again have no classes, but take courses to prepare for the college entrance examination. What is all this about? Is our education aimed at taking enhanced examinations to enter a school of a higher grade? We should not forget that we should promote national education. Many people do not know what national education means. National education naturally includes knowledge and skills, but we should not give knowledge and skills top priority. We should help citizens improve their qualities in an overall manner, and give top priority to helping citizens raising their moral standards. Or, we may say that we seek to train people to become 'persons of lofty ideals and moral integrity, well-educated and self-disciplined.' Naturally, they must strengthen their class and labor concepts. However, they must not become well-educated without knowing the correct relations between men. There is a set of principles in this connection. A person should not bully or cheat others. Nor should he tell lies. Those who work in the field of education should welcome any student who speaks the truth, because it shows that he trusts you. Naturally, you are wrong if you hit him. It is said that students have no experience of life. It seems that they may be forgiven for telling lies. Actually it is not right. The less people have had experience of life in society, the better off they are.

"I often visit foreign countries. I know many foreign school teachers. Nearly 80 percent of them told me that the Chinese students are capable students, but some of them have low moral standards. This means some of them often tell lies or say something bad about other people behind their back. It is impossible to develop science and technology single-handedly. Only by respecting each other can people develop science and technology. This is an important point. I will discuss this issue later. Right now, we lack training in this connection. Of course, not everyone is like that. However, there are many people who do not respect others.

"We must pay attention to issues regarding middle and primary schools right now, because it takes an entire decade to bring about changes. I do not need to point out the reason for this. You can see yourselves from the children. There are more girls than boys in our key schools. Why is that? The female students often follow rules and orders, and they maintain better academic standards. The teachers like them better. Actually, the period that is more important to them is after they have entered the college. My own records in middle school were not outstanding, and I studied hard only after I entered college. I would never be admitted into any college according to the current standards for college admission. Perhaps I am not the only one like this. Hua Luogeng did not attend a good school. This is a basic issue. There will be no hope if we do not pay attention to this issue. Things will become even more difficult later. Teachers pass on their experiences from one generation to another. Right now, the teachers of the older generation have already retired. If we do not earnestly consolidate our education, can people trained by this type of schools value knowledge and value intellectuals?

"To encourage primary schools to increase their revenue is wrong. The teachers have no time even to promote education. How can they spare some efforts to increase revenue! Primary school education is the foundation of our entire education. By the same token, the implementation of a contract system in promoting education is also infeasible. We must not use a purely economic point of view to run schools. We should give top priority to social benefit [she hui xiao yi 4357 2585 2400 4135]. When we talk about economic points of view, we mean that in running any enterprise, the state must attach importance to economic results and the quality of the work. Education is a basic undertaking of the society. How can we implement a contract system in promoting education? Even a hospital cannot implement a contract system, because it is a unit which should serve the society and an undertaking which serves the future of the society.

"How can we consolidate our education? We must, first of all, point out that we must rely on teachers and on the society for its supervision and support. We must pay attention to teachers' quality. Those with poor qualifications and low moral standards should be expelled, while those with good qualifications should be hired. We must

raise teachers' pay, so that they can lead a good life. We must consolidate our education by stages and in groups. We can strengthen our education first in several major cities such as Beijing and Shanghai. Provincial-level cities belong to the second group with county-level cities in the third group and counties in the last group. It is foolish to strengthen education at all levels simultaneously. We should not do things in such a manner. We ask the state for money while the state cannot come up with more money. It can only increase its appropriations gradually. The emphasis on consolidating education should be placed on helping teachers improve their qualities.

"Curriculum, teaching materials, and teaching methods must also be reformed. Right now, students taking courses in politics are told to recite lessons from memory, while they lose one point if they make one mistake in an examination. What is the use of reciting all the lessons from memory if the students do not understand them? In solving problems in mathematics, the students are permitted to solve the problems only in the way taught by the teachers. They lose points if they solve the problems in some other way. This is ridiculous. Some of the mathematics problems can be solved in a dozen different ways. Students should be encouraged to think independently. Also, there are so-called 'standard answers.' Facts prove that they have more disadvantages than advantages. We must carry out these reforms well. The main point is that the leading cadres must change their concepts. They should truly understand the significance in promoting education, and cherish knowledge and intellectuals. To cherish intellectuals does not mean to cherish a particular intellectual, but the scientific knowledge, the scientific spirit, the scientific ethics, the scientific methods, and other fine traditions and ethics that people of this particular social strata have.

"Efforts must be made to help students strengthen their concept of the legal system. We have not done enough in this connection. We have worked out regulations for students. However, such regulations are fairly abstract and vague. I understand that schools abroad attach great importance to the legal system. Regulations for students are quite specific and clear-cut. Whenever students are expelled, the students must be informed they are being expelled on the basis of article so-and-so of the regulations. Otherwise, the students may sue the school administration. Our schools are still mainly governed by men. They do not follow the legal procedure. Naturally, education is not the same as disciplinary action. It is mainly aimed at guiding the students. Confucius always called for efforts to give systematic guidance to students. He never took rash disciplinary action against any student. He always gave the proper guidance, played his exemplary role well, and believed that example was better than precept. When I was in middle school, all the teachers were good. I still remember the way they acted and taught me. They have greatly influenced me."

### **What Kinds of Things Should We Pay Attention to in Developing Science and Technology?**

The subject of our conversation shifted to science and technology.

Our revered Qian said: "Science and technology are developed because economic developments rely on science and technology. Also, we must follow the inexorable law in developing science and technology. Right now, we overemphasize the role of science and technology in serving economic construction, while neglecting the role of basic theoretical studies. Naturally, we are conducting basic theoretical studies, and the state is providing funds for the study of natural sciences. However, such funds are neither abundant nor sufficient.

"To tell the truth, I do not advocate the idea of encouraging research institutes to increase their revenues. After opening up companies, very few scientists and technical personnel will promote scientific and technological developments. They are mainly interested in doing business. Some companies have bought goods with foreign exchange they obtained from the state at the official rate, but they sold what they bought at a negotiated price. Some companies have also made some technical developments. For example, they have added some software on their computers. However, this cannot be regarded as a basic development in science and technology. Imagine, if the state has unified all prices for foreign exchange, these companies will not be able to do illegal businesses. How can they survive? Some companies have attracted workers from other enterprises with higher wages. Many workers have thus left their original enterprises for these companies. This practice is not good. I think we should unify all prices for foreign exchange and open up the foreign exchange market. We must not allow this type of company to find loopholes."

To develop science and technology, we must create a fine atmosphere and environment. Our revered Qian pointed out: "People in the field of science and technology must display the spirit of seeking truth from facts, bringing forth new ideas, closely coordinating with each other and dedicating themselves. We must respect each other and carry out coordination. Under no circumstances should we create factions. I hate factionalism most of all. Science and technology cannot be developed by one person or a few people. Without mutual respect and coordination, nothing can be accomplished. Right now, factionalism prevails everywhere. This has something to do with the general mood in society. It is necessary to permit people to express different views. You may criticize these views or refute them if you disagree with them. However, some people do not act like this. They criticize people right from the beginning as if they are judges who pass verdicts. They are arrogant and domineering. Neither of the two practices is good—neither the practice of bludgeoning people to death or the practice of praising people to the sky. Academic contentions are totally different from political struggles. Legal



and administrative measures should not be adopted in dealing with those who are involved in academic contentions. They must not praise each other to the sky. Nor should they bitterly condemn each other. Only by competing with each other and exploring new ways for further development can we promote science and technology.

"We must also realize that science and technology are being continuously developed and improved. You made something 30 years ago. Thirty years later, some people think they can improve on what you made. What is wrong with this? However, some people cannot be reached. I know some people who cannot be reached. They will take offense whenever someone tries. People in the field of science and technology should welcome other people to amend, supplement, develop, or even overthrow what they had developed. This is the kind of concept, ethics, and attitude that all scientific and technical personnel should have. Only this is conducive to the development of science and technology."

### **The Commodity Economy and 'Profiteering by Officials'**

*OW0302130089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 2, 16 Jan 89 pp 16-20*

[Article by Ma Chuanjing 7456 0278 2529]

[Text] There are at present two seemingly opposite views on the nature and effects of "official profiteering." Some people believe that "official profiteering" is an inevitable outcome of the development of a commodity economy and a focal problem caused by reform. Therefore, the only way to do away with "official profiteering" is to return to the old system of product economy. However, some other people hold that "official profiteering" is a normal phenomenon of the commodity economy and an outcome of reform. Therefore, negating or restricting "official profiteering" means negating the commodity economy and reform. Actually, the two views are based on the same understanding: On the one hand, they confuse "official profiteering" with normal circulation of commodities; on the other hand, they lack an accurate understanding of the nature and requirements of the commodity economy. It is, therefore, necessary to proceed from the relationship between "official profiteering" and the commodity economy and make a serious analysis of the nature and effects of "official profiteering."

#### **A Sketch of "Official Profiteering"**

To accurately grasp the nature and effects of "official profiteering," one must first understand what "official profiteering" means in order to differentiate it from normal commodity circulation. It must be made clear that "official profiteering" is an illegal business activity. Let us draw a "sketch" of "official profiteering" and point out its main features. First, as far as its major means are concerned, "official profiteering" is not

aimed at raising the level of management and providing quality service as a means of competition, but at using power, a means transcending economic measures, to engage in monopolistic business activities. Backed by power, such "officials" seem to be very capable of maneuvering among various kinds of people. It is very easy for them to obtain commodities in short supply and even licenses, and to get documents approved. By so doing, they are able to get large amounts of money into their pockets. Those who engage in normal business activities cannot expect this. Second, as far as their scope of activities is concerned, such profiteers are engaged mainly in buying commodities that are in short supply and then selling them. Marx said that converting commodities into money is making a breath-taking leap. However, the market for commodities in short supply in our country is characterized by buyers dominating sellers. The main problem in such an exchange is not that commodities in short supply are not selling well but that it is very hard to buy such commodities. Thus, the effect of "official profiteering" is not accelerating the circulation of commodities and promoting the conversion of commodities into money and vice versa, but is increasing the number of circulation links, prolonging circulation time, and hindering normal reproduction. Third, unlike profits made through normal commodity circulation, profiteering gains are not determined by how much money one pays but, to a considerable extent, by how much power one has. Therefore, we cannot be accurate in discussing profiteering gains. In this connection, the fourth characteristic of "official profiteering" is that since such profits are not entirely determined by how much money one pays, increasing the amount of funds is not the only means to increase earnings. This is why most of such profiteers' earnings become consumption funds rather than ordinary commercial enterprise funds.

Having described the characteristics of "official profiteering," we now have a better understanding of its difference from normal commodity circulation. Government-run companies in which administrative and business functions are not clearly demarcated, that have the same groups of people managing multiple operations and specialize in hoarding of and speculating on commodities in short supply, all fall in the same category of "official profiteering" and need no further elaboration. Companies which may not appear to be "official" but which have actual "official" backing—companies run by children and relatives of cadres or by retired cadres—are also unlikely to engage only in normal commodity circulation. On the contrary, although some administrative enterprises have no clearly demarcated administrative and business functions, they should not be considered as being engaged in "official profiteering" if they conduct normal wholesale activities, handle distribution, and regulate surpluses and shortages as necessary for developing a commodity economy, even if these enterprises are government-run.

By separating "official profiteering" from normal commodity circulation we will be better able to analyze how it is related to the commodity economy.

### Is It a New Object of the Commodity Economy or Historical Retrogression?

Division of labor in society is a precondition of a commodity economy. One of its characteristics is that the producer no longer produces to meet his own needs but those of the market. Therefore, the development of the commodity economy and the expansion of commodity production imply the expansion and development of division of labor, the expansion of the market, and the development of circulation. Because of this, brisk circulation can be said to be a symbol of social progress. The question now is: As a type of circulation activity, is "official profiteering" in line with the nature of the commodity economy?

First, the basic principle of the commodity economy is exchange of equal value and fair competition. Except for recognizing the right of ownership a producer has over his properties and products, it does not recognize any other privileges. Whether a producer can sell his product depends on the availability of money. On one hand, it also depends on whether there is a need in society for his product. On the other, it depends on whether the quality of his product is good. Whether a producer can recover the cost of producing his product or make a huge profit in selling it depends on whether the time needed to produce his product is the same or less than that of other producers. Therefore, the fortune of a producer depends entirely on his competitiveness in the market. The reason why "official profiteering" can flourish is not because it depends on advanced technology, equipment, and management methods to enhance productivity, not because quality service is provided to gain an advantage in circulation, but mainly because power is used to achieve economic objectives and monopolize the market. Therefore it is densely colored by the characteristics of a feudal economy.

Second, in Volume 3 of *Das Kapital*, Marx put forward the following concept: When the commodity economy dominates in socio-economic relations, one important characteristic will be the dominance of production over circulation. "Before the appearance of capitalism, commerce dominated production in society. In modern society, the situation is reversed." "In places where mercantile capital has the upper hand, a state of obsolescence will be dominant."<sup>1</sup> Capitalism is a socio-economic structure, in which commodity economy is in a dominant position; one can see production being dominant over circulation everywhere. For example, 1) the market price of a commodity is determined by its production price, which consists of the production cost and profit. When demand for a certain commodity exceeds supply, this will be reflected first by an increase in the production price. This can help effect a reasonable transfer of social resources and bring about an equilibrium in supply and demand. The commercial sector can only raise prices to a reasonable level based on the average profit margin in society, and should not determine prices at will. 2) The function of circulation is to

serve production; it should help the conversion of commodities into money, and vice versa, thereby easing the way for and speeding up reproduction. 3) Value is created during the process of production. The amount of profit for a producer and the commercial sector depends on the surplus value created during the production process. The profit of the commercial sector should be about the same as that of the producer, and not more. If we take a close look at "official profiteering" we will discover that one of its important characteristics is the dominance of circulation over production. For example, 1) to some extent, "official profiteering" has been dominating the market price. Owing to the serious shortage of certain commodities in China, "official profiteering" have used their authority to speculate in commodities obtained at the original price. After changing hands at many levels and after speculators have made their profits, the goods are then released on the market. By then the price has reached a frightful level. For instance, sheep farmers sell a kilogram of wool at 3.5 yuan. But after passing through "official profiteering," the price will rise to 10 yuan. The list price of an 18-inch color television is 1,800 yuan, but "official profiteering" can force it up to over 3,000 yuan. Therefore, people are saying: Prices at present are not determined by producers, the market, or the state, but by "official profiteering." 2) As mentioned earlier, the profit made by "official profiteering" corresponds closely with their their power, and this power can be converted directly into money. As a result, the profit they make is very much higher than that of industrial enterprises. "Official profiteering" can make tens or hundreds of thousands of yuan by using their power to jack up prices of certain materials, selling permits, issuing approvals, or simply making a telephone call or sending a note. During our investigation, we came across the following case: A three-man company made a net profit of 3.96 million yuan between July 1987 and July 1988 simply by speculating in textile raw and semiprocessed materials. According to reports from comrades of relevant departments, the profit margin of some of the "official profiteering" companies is as high as 25 to 30 percent while that of industrial enterprises is generally less than 15 percent. Currently, the public has come up with a jingle: "A year's hard work cannot be compared to one telephone call by a 'profiteering official.'" 3) They use raw and semiprocessed materials under their control to control and blackmail production enterprises. Normally in a commodity economy, traders treat customers like gods. They try to secure and expand their share of the market by continuously improving their service. The shortage of certain capital goods in China has given "official profiteering" the opportunity to hoard them, and wait for the highest bidder. To maintain production, enterprises must enlist large numbers of employees to keep track of "official profiteering" and tolerate exploitation by them. As a condition for supplying at the original price, a certain company, dealing in industrial raw and semiprocessed textile materials, demanded from enterprises as payment 2 to 5 percent of their sales revenue and another 0.7 to 2.2 percent of it as consultation fees.

Through this method, this 60-man company was able to make, between January 1987 and August 1988, a profit of 3.4 million yuan and to earn technical fees amounting to 920,000 yuan.

This analysis shows that allowing "official profiteering" is like having "a society before the appearance of capitalism," or in other words, an economic "state of obsolescence." It is a kind of historical retrogression.

#### **Is It a Catalyst or Encumbrance to Commodity Production?**

Marx coined a famous phrase: Commodities love money, but the road of love is by no means smooth. To a commodity producer, the most difficult thing is to convert commodities into money. With the expansion of commodity production and the popularization of commodity exchange relations, division of labor in society has become more and more elaborate, demand has become more and more diversified and changeable, and commodity marketing has become more and more complex and difficult. When commodity production develops to a certain extent, it makes marketing a special profession for some people. As a result, commerce becomes an independent economic sector. The specialization of commercial activities plays a great positive role in the development of commodity production. First, it enables production departments to concentrate on production and pay more attention to improving management and technology. Second, marketing by full-time personnel enables those persons to gain more experience and knowledge concerning commodity circulation, become experts in the trade, and know in a timely fashion about the changes in supply and demand. Besides, commerce as an independent economic sector facilitates the formation of an excellent, highly efficient transport, storage, marketing, and service system. All this will help shorten the time of circulation, meaning that the production time will account for a larger proportion in the entire reproduction process, more funds will be available in the production sector, and expansion of reproduction and total wealth in society will be promoted. Third, specialization of commodity circulation will save a large portion of transport, storage, and marketing expenses, as compared with direct marketing by producers.

Let us analyze the effects of "official profiteering" on normal commodity production. First, under a situation in which the total social demand is larger than the total social supply, particularly when important means of production are in short supply, the problem in circulation is not that commodities are unsalable, but that there are no commodities for people to buy. "Bureaucratic racketeers" are engaged mainly in the resale of commodities in short supply. They don't deal in unmarketable goods. Therefore, we may say that "bureaucratic racketeers" help neither the conversion of commodities into money nor the conversion of money into commodities; they are out-and-out parasites living in a system of

rational division of labor in society. They do not contribute to reproduction; on the contrary, like a cancer, they constantly draw nourishment from the reproduction process. Next, "bureaucratic racketeers," in order to reap staggering profits, take advantage of the shortage of some commodities to resell things over and over again, increasing prices with each resale. Some commodities which normally change hands once or twice before getting into the hands of the user now change hands five or six, or even more than a dozen, times before reaching the user either in the production or consumption sector, thus causing "long journeys and snowballing prices of commodities." Such repeated resales, in addition to speculative hoarding, cause a large quantity of commodities in short supply to remain long in circulation and directly harm reproduction. 1) Means of production have become even more in short supply and their prices have become too high for enterprises to endure and to be able to carry on normal production. According to press reports, after Jiangsu Province's Yizheng aluminum products plant stopped operation due to shortage of raw and processed materials, half of the aluminum products plants in China either suspended production for a period of time or are still suspending work because of shortage or excessive prices of raw and processed materials. 2) There are more intermediate links in the circulation process, the circulation time has become longer, and more capital funds are tied up in the circulation sector. As the total amount of resources in society is fixed, this means less production time, fewer resources being used in the production sector, and a smaller scale of reproduction. According to Marxist economics, products and value are created in the production process, and circulation time and circulation expenses are minus factors in the total product of society. Therefore, the direct harm caused by "official profiteering" is that it reduces the scale of production of social wealth and lowers the rate of accumulation and increase of social wealth.

This proves that "official profiteering," as compared with normal commodity circulation, is an encumbrance and not a catalyst to commodity production.

#### **Serious Obstacle to Economic Structural Reform**

The goal of China's economic structural reform is to smash the system of product economy and establish a vigorous and dynamic operational mechanism based on the commodity economy. Then, what are the effects of "official profiteering" on China's economic structural reform and the continued deepening of this reform?

First, one of the basic principles of the commodity economy is competition on an equal basis. Only under conditions of competition on an equal basis can the law of value display its normal role and people be prompted to make strenuous efforts to improve management and adopt advanced technology and equipment for the purpose of achieving greater economic results. Only under such circumstances can our country's economy be full of vigor and vitality. "Official profiteering" means using

official power as a means to do monopolistic business, completely violating the principle of competition on an equal basis. This is diametrically opposed to the requirements of reform carried out in our country.

Second, "official profiteering" is one of the reasons for the skyrocketing prices in our country undermining the external environment for our reform. There are a number of factors contributing to the big price increases in our country in recent years. One of the major factors is the high production costs caused by the sharp rise in the prices of raw and semifinished materials and other means of production, while "official profiteering" has added significantly to the rising prices of the means of production. Because of unbridled "official profiteering," the price per metric ton of electrolytic copper rose from 6,000 yuan at the end of 1987 to 17,000 yuan in mid-1988, the price per metric ton of zinc from 3,000 yuan to 6,000 yuan, and the price per metric ton of nickel from 70,000 yuan to 130,000 yuan. If we do not resolutely ban "official profiteering" but allow prices to rise, when the impact of the high prices has reached such an extent that society can no longer bear it, our reform will stop half way because it will lack the support of the people.

Third, it will obstruct the continuation and deepening of the enterprise reform being carried out in our country. 1) When "official profiteering" occurs in the distribution area of means of production, large quantities of means of production will be held up. This will further aggravate the existing shortage of the means of production and make it hard for enterprises to carry on normal production. Recently, newspapers have often carried reports about enterprises suspending production due to lack of raw or semifinished materials. This shows that the problem is rather serious. At the same time, because of the effects of "official profiteering," the prices of means of production have climbed to a level that enterprises can hardly bear. According to a report in the 3 September 1988 JIEFANG RIBAO, a Shanghai factory is using 20,000 metric tons of electrolytic copper annually for its production. Because the price of electrolytic copper rose from the 1987 level of 6,000 yuan per metric ton to 17,000 yuan per metric ton, this enterprise's profit was reduced by some 200 million yuan. This reduction far exceeded the 160-million-yuan profit and tax contributions it made to the state in 1987. Quite obviously, under such circumstances, an enterprise cannot fulfill the tasks specified in its contracts. If contracts are changed because of this, the contract system will lose its meaning and usefulness, much less its ability to further deepen enterprise reform on the basis of the contract system. 2) With the continued price hikes and the uncertain changes in the external environment for their operations, enterprises may easily resort to irrational actions. Some enterprises may bargain with the competent authorities, asking them to lower the contract work target and requesting preferential treatment such as tax reduction or exemption on the pretext that they cannot bear the impact of the fast-rising prices. They may try this

method to get out of their predicament instead of devoting efforts to improving their operations and raising their level of production technology. Other enterprises may try to protect their interests by raising the prices of their products rather than striving to improve their operations, management, and technology. Those enterprises which turn out urgently needed products may use every conceivable way to underfulfill their quotas or delay the fulfillment of their quotas so that they may sell more products at negotiated prices and make more profits. All this runs counter to the objective of letting enterprises develop themselves in the commodity economy and has a serious adverse effect on the improvement of enterprise quality. If enterprises, as the mainstay of commodity production, cannot effectively improve their quality to cope with the market environment, China will never secure the conditions for the establishment of a genuine commodity economy mechanism, and will always remain at the threshold of a commodity economy.

"Official profiteering" not only is a serious obstacle to the development of the commodity economy and to reform, but also seriously corrupts party style and the standards of social conduct, hurts the reputation of the party, the government, and reform, and increases unfairness in the distribution of income. For this reason, we must adopt resolute and unyielding measures to stop it. The question is how to solve the "official profiteering" problem. Some people blame the emergence of "official profiteering" on the commodity economy and believe that in order to prevent "official profiteering," it is necessary to stop reform and restore the old system of product economy. Such a view is untenable. I believe that commodity economy has its fixed economic contents. For instance, under a commodity economy: a quite perfect market system can be established, enterprises truly become commodity producers, economic readjustment and control and economic legislation are comparatively sound, and government economic management functions and means meet the needs of development of the commodity economy. Thus, we do not yet have a commodity economy when only some factors of the commodity economy appear in our economic life, and any economic problem at this stage should not be blamed on the commodity economy before we make an analysis. In China's economic structure at the present stage, there are factors of both the commodity economy and of the product economy, forming a structure of mixed economic mechanism which is neither a commodity economy nor a product economy. Therefore, the only way out is to further deepen reform and establish the commodity economy structure. Of course, reform is a long-term program and it is hard to establish a commodity economy structure in a short time. For this reason, it is entirely necessary to take such effective measures as screening companies, strictly enforcing party and government discipline and law, banning party and government cadres from engaging in business operations, and strengthening economic supervision.

**Footnote**

1. *Complete Works of Marx and Engels*, Vol 25, pp 366, 369.

**Several Questions Concerning Scientific Analysis of Party Style**

OW0302130089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 2, 16 Jan 89 pp 21-23

[Article by Shen Baoxiang 3088 1405 4382 of the CPC Central Committee Party School]

[Text] 1. Our party style has become an issue of keen public concern, both inside and outside the party. People have different opinions when assessing and evaluating the present state and questions of party style. In analyzing questions concerning party style, it is necessary to apply the tenets of Marxism, assessing the questions with scientific methods and acknowledging reality and reflecting the masses' opinions.

2. What are the contents of party style? "Party style" was first conceptualized by Comrade Mao Zedong. In his article "Rectify the Party's Style of Work," he said: "Fight subjectivism in order to rectify the style of study, fight sectarianism in order to rectify the style in party relations, and fight party stereotypes in order to rectify the style of writing—this is the task before us." He added: "The style of study and the style of writing are also the party's style of work."<sup>1</sup> "Party style" is a scientific concept which has enriched Marxist theory on the party. Party style is comprised of many components, referring to the style both of party organizations and of individual party members. Party style, as explicitly pointed out in our party literature and party leaders' speeches, includes: "The styles of integrating theory with practice, forging close links with the masses, and practicing self-criticism";<sup>2</sup> "the style of being modest and prudent and refraining from arrogance and rashness" and "the style of arduous struggle";<sup>3</sup> "the democratic style" and "the style of seeking truth from facts";<sup>4</sup> "the fine tradition and style of following the mass line," "the fine tradition and style of seeking truth from facts," "the fine tradition and style of criticism and self-criticism," "the fine traditions and styles of being modest and prudent, guarding against arrogance and rashness, and working hard," and "the fine tradition and style of democratic centralism."<sup>5</sup> Although we cannot find an authoritative standard for stating the components of party style, one thing is clear to us: Party style is by no means limited to the three important styles of work. Perceiving the contents of party style in a narrow sense inevitably restricts our vision and reduces the scale of party building tasks.

3. How can the party's three important styles of work be revived? In discussing party style in recent years, people have often agreed that the three important styles of work have been restored since the 3d plenum of the 11th CPC Central Committee. In my opinion, in affirming the

restoration of the three important styles of work, we should not be content with the current level, but rather should concretely analyze party style.

Since the 3d plenum of the 11th CPC Central Committee, the style of integrating theory with practice has been revived, carried forward, and enriched in its contents. This is manifested mainly in the emphasis and establishment of the criterion of practice and verification and development of truth in the course of practice, and thus in the formulation of the scientific theory on building socialism with Chinese characteristics.

Since the 3d plenum of the 11th CPC Central Committee, the style of following the mass line has been revived to a certain extent. It is noteworthy that the masses are rather satisfied with the party's political line, which reflects the masses' interests and aspirations and has benefited the majority of people in practice. However, unhealthy tendencies and corruption within the party have aroused strong popular resentment. In some localities, relations between the cadres and the masses (actually between the party and the people) are rather tense. The masses are extremely unhappy with inflation, which has damaged the interests of the majority of people and conspicuously undermined the party's relations with the masses.

The elimination of chaos and the restoration of order was also a self-criticism by the party. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," adopted by the 6th plenum of the 11th CPC Central Committee, is in itself a serious and earnest self-criticism of the party organization. However, criticism and self-criticism are not effectively practiced by lower levels of party organizations. A few important party meetings were devoid of criticism. In fact, criticism and self-criticism were almost never practiced at these meetings.

The fine styles of forging close links with the masses and practicing self-criticism have not been revived as much as the style of integrating theory with practice. This is primarily because as our party has been the only ruling party for a long period of time, we are liable to divorce ourselves from the masses and find it difficult to criticize ourselves. We should keep this in mind and pay attention to practicing self-criticism.

4. Why, despite repeated prohibitions, have unhealthy tendencies and corruption spread unchecked and even escalated? People have pondered and aired all kinds of views on this question. Two merit our attention:

According to one view, during the transition between two systems, friction between the new and old systems opens loopholes that allow some people to engage in unhealthy practices. This is the root cause of widespread corruption. Hence, people who hold this view believe that the solution to this problem lies in strengthening

reform and accelerating the transition from the old system to the new. They seem to think that this problem would basically be resolved once a new system replaces the old.

According to the other view, unhealthy tendencies and corruption such as graft and bribery are inevitable products accompanying the development of a commodity economy in its initial stage. Once the commodity economy is developed and a new order of socialist commodity economy established, such problems will eventually go away, or at least not be as serious as they are now.

These two views share a common point in trying to identify the objective causes of problems without examining whether or not shortcomings in the construction of party organizations exist, party members uphold the principle of party spirit, and party organizations effectively combat unhealthy tendencies and corruption.

A review of history shows that current unhealthy tendencies and corruption are not chance occurrences: They are the extension and development of unhealthy tendencies over the years, and are linked to various evil practices and economic and political conditions in different times, or at least in the past decade. Despite prohibitions, all kinds of evil practices continue to spread. When one problem is solved, another crops up. The concept of a commodity economy did not take shape at the beginning of reform, and there was no friction between new and old systems. Therefore, we must not consider unhealthy tendencies and corruption apart from the historical context.

As a matter of fact, unhealthy tendencies and corruption are the results of the exploiting class' decadent ideology and of small producers' selfish ideas making inroads in the party. Specifically, they are the results of a few Communist Party members with weak party spirit losing their ability to resist monetary and material temptation; the friction between new and old systems, which facilitate the growth and spread of such unhealthy tendencies and corruption; and the party organizations' failure to adopt effective measures to maintain high party standards and improve the quality of party members for a long period. Interpreting such phenomena from their objective causes and structures alone is rather incomplete and of course makes it difficult to find an effective cure for the problems. Interpreting the growth and spread of unhealthy tendencies and corruption with an abstract (or general) law on the development of the commodity economy and without regard for the differences between socialist and capitalist commodity economies and the special characteristics that distinguish the socialist system and the Communist Party from other political parties seems to be a low style of interpretation.

5. What is the relationship between party style and political style? The Communist Party has party style issues, while organs of political power, particularly administrative organs, have political style issues. In the

past, we talked only about party style without emphasizing political style. Indeed, we did not cover the subject in an overall manner. Now, it is necessary to clearly point out issues with regard to party style. Logically, party style and political style should be discussed from different angles. They must not be confused. However, in our country, party style cannot be completely separated from political style. They overlap in some places. Ours is a ruling party. The overwhelming majority of responsible people in the organs of political power, particularly administrative organs, are party members. Most administrative personnel are also party members. Corruption and unhealthy tendencies among members of the Communist Party pertain to political style. Naturally, they are also party style issues. We say that party and government organizations should remain honest and clean. Naturally, party and government organizations' efforts to remain honest and clean are political style issues. The efforts of government organs is of course a matter of political style; is it then possible to say that the efforts of party committee organs is also political style? Afraid not. We can view them only as party style issues. In paying attention to political style issues, we do not mean to pay less attention to party style issues or to exert less effort in rectifying party style. On the contrary, we should exert even greater effort to develop party style. Party organizations must do a good job in developing their own work style, while leading other organizations develop their political style.

6. What is the relationship between system development and ideological development? In the past we stressed the need to strengthen party building both ideologically and organizationally. After the founding of New China our party became the ruling party. It did not outline the requirements for a system, and later suffered setbacks. Learning a profound lesson from this, the "resolution" of the 6th plenum of the 12th CPC Central Committee pointed out: "Ideological education is very important in developing good party style. Setting up a good system is also important in this connection." It is absolutely correct that we strengthen ideological education and set up a good system. In view of our negligence in setting up a good system, it is important for us to pay attention to developing one. However, we can go to another extreme: If we believe that a good system prevents unhealthy trends and corruption from emerging, we might pay little attention to ideological education.

It is essential to ideologically strengthen party building. Correct and healthy thinking is a solid basis for working out and implementing a system. First of all, it is impossible to strengthen the party's system if we do not have correct guiding ideology. For example, we cannot work out a sound system to eliminate special privileges if we do not discard the practice of enjoying special privileges. Right now, some of the localities fail to quickly come up with plans for reform (including an important system) simply because some leading cadres are unwilling to give up their special privileges. Next, without a high level of political awareness it would be difficult to implement a

good plan, even if we had one. Even the best system has some loopholes. Right now, unhealthy practices prevail within the party. There is a system to follow and people can clearly distinguish right from wrong. However, many people knowingly violate discipline. In addition, a system cannot possibly cover all situations. New situations constantly crop up. If one has high political awareness, one can do a better job in handling various situations and issues not covered by a system.

7. Since the party style is the "style or work of the party and Communists," what is the essence of party style? Party style is the specific manifestation of the party's fundamental nature and purpose in practice and a reflection of party spirit. Therefore, party style is an issue of the quality of the party itself (party organizations and party members). Improving the party quality is the foundation for tackling party style issues. Naturally we must not study party style without considering the political and social environment in which the party acts. We must focus our attention on the party itself, look for answers (for example, why have so many problems cropped up as the old system is replaced by a new one?), and maintain high standards and improve the quality of party members. As a matter of fact, the style of work of party organizations and members differ even when placed in a similar environment. The more complicated the environment, the more it tempers and tests party members, and the more we should maintain high standards and improve the quality of party members. During the difficult years of the revolutionary war, the great majority of party members did their work well. The party's fine traditions were established during this period. Why can't we strengthen our party style in the complex environment of reform, opening to the outside world, and developing the socialist commodity economy? If we overemphasize the presumption that our party style will improve after the new system replaces the old and that signs of corruption will fade away after our commodity economy is developed—if we say that this is the price we must pay—we will not be able to strengthen confidence, because this is equivalent to saying it is impossible to improve our party style under present conditions.

8. In November 1980, Comrade Chen Yun pointed out: "The question of party style in the ruling party is a question of life and death for the party. Therefore, we must pay full attention to this question and tackle it forever." This remark reflects the great importance of the question of party style under the present conditions. It also shows the pressing and protracted nature of this issue. However, it seems we do not quote this remark very often. We should still quote this remark from time to time. Naturally, quoting this remark from time to time is not enough: We should earnestly put this into practice and firmly implement the principle of maintaining high standards and improving the quality of party members.

#### Footnotes

1. *Selected Works of Mao Zedong*, Vol III, p 770.

2. *Ibid.*, p 1043.

3. *Selected Works of Mao Zedong*, Vol IV, pp 1376-77.

4. *Selected Works of Liu Shaoqi*, Vol II, pp 376, 386.

5. *Collection of Documents of the 11th CPC National Congress*, pp 130-131.

**Strange Thoughts Related to 'Liu Shaoqi's Line'**  
*OW0302130089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 2, 16 Jan 89 pp 24-28*

[Speech by Hu Jiwei 5170 4921 0251]

[Text] Note—This is Hu Jiwei's revision for publication in this journal of a speech he gave at the 26 November 1988 "Academic and Research Symposium on Liu Shaoqi."

"Liu Shaoqi's line" had been criticized over 10 years of turmoil. Actually, there never was any such line. At this symposium in commemoration of Liu Shaoqi's 90th birthday, I want to raise this question: Why was there no "Liu Shaoqi's line"? I have some strange thoughts: If there had been a Liu Shaoqi line, the Great Cultural Revolution might not have taken place. I will discuss this question and my thoughts in the following.

The clarion slogan to launch the unprecedented Great Proletarian Cultural Revolution was aimed at criticizing "Liu Shaoqi's counterrevolutionary revisionist line" and overthrowing "the chieftain of the counterrevolutionary revisionist clique in the party": "Liu Shaoqi, the country's biggest capitalist-roader in power." This is why this "counterrevolutionary revisionist line" was called "Liu Shaoqi's sinister line," which was generally referred to as "Liu Shaoqi's line."

In those tempestuous 10 years, some people described "Liu Shaoqi's line" as mysterious, all-embracing, and omnipresent. Agents of "Liu Shaoqi's sinister line" were in the party, the government, and the army; among workers, peasants, businessmen, intellectuals, soldiers, and other people; and in all trades, professions, regions, and departments. This "sinister line" had tens of thousands of accomplices and countless henchmen. All "advocates of the sinister line" were ferreted out to be criticized and struggled against. Thus, China became a dark land under a murky sky.

Those advocating the Great Cultural Revolution described the 17 years before it as a dark period. They completely negated all the achievements made in those 17 years in two ways. On the one hand, they negated such achievements province by province: All provincial leaders were called "agents of Liu Shaoqi's sinister line," all provincial party committees and provincial governments were destroyed, and so-called "revolutionary committees" were set up, province by province. When a "revolutionary committee" was established in a province, it was ceremoniously celebrated and a message of

greeting was sent to the "great teacher, great leader, great supreme commander, and great helmsman." Chairman Mao, saying that that province had gotten rid of the sinister line and become Red. When all provinces had set up "revolutionary committees," RENMIN RIBAO published an editorial saying that the whole country had become Red. In other words, the country had been dark in the 17 years since the founding of the PRC. On the other hand, they completely negated the preceding 17 years' work in all fields: They said that the sinister line exercised dictatorship on all fronts; the sinister line prevailed in agriculture, education, literature, and the arts, as well as in public security, procuratorial, and judicial organs. "Liu Shaoqi's sinister line" was criticized for exercising dictatorship in all such fields and departments. In short, the "sinister line" was exercising dictatorship across the country.

A serious question can be seen from here. The "Central Cultural Revolution Group" (the "supreme headquarters" for the Cultural Revolution) held that Chairman Mao's revolutionary line had remained in a dominant position and his Red line had been in command of everything and had gone through everything in those 17 years, but they also said that the whole country was dark and the sinister line was exercising dictatorship in all fields of work. Then, what happened to the dominant position in which Chairman Mao's Red line had remained? By completely negating everything in those 17 years, they also completely negated the leadership of the party and Chairman Mao. For this reason, after the "gang of four" was smashed, and around the 3d plenum of the party's 11th Central Committee, "dictatorship by the sinister line" was denied and the "counterrevolutionary revisionist line" was also finally denied. This shows that there was no such thing as "Liu Shaoqi's line" in the history of New China.

In February 1980, following the rehabilitation of Comrade Liu Shaoqi by the 5th plenum of the 11th CPC Central Committee, RENMIN RIBAO unequivocally declared in an editorial: "There has never been a 'counterrevolutionary revisionist line' represented by Comrade Liu Shaoqi; a 'counterrevolutionary revisionist clique' with Liu Shaoqi as the 'chieftain;' a 'bourgeois headquarters' headed by Liu Shaoqi; or a number of 'capitalist-roaders in power in the party,' of whom the 'biggest' was Comrade Liu Shaoqi. This is the truth in history."

It should be noted that Liu Shaoqi held Mao Zedong in high esteem. During the Yanan period, it was he who first suggested the term "Mao Zedong Thought." Although they had differences about some major issues concerning principles and policies, in the 17 years before the Cultural Revolution they agreed on the general line. Liu Shaoqi always respected Mao Zedong's views. Although he disagreed with some of Mao Zedong's opinions, he still went along with them—albeit reluctantly—even to the extent of compromising his own

views. Some of the so-called counterrevolutionary revisionist viewpoints of Liu Shaoqi that came under attack during the Great Cultural Revolution had even won praise from Mao Zedong. Take the viewpoints on work in the white areas, on self-cultivation by communists, and on inner-party struggle, for instance. Some of them were originally Mao Zedong's, but Liu Shaoqi further expounded on them, such as "consolidating the order of new democratism." Some were opposed by Mao Zedong, and Liu Shaoqi accepted this criticism even though he did not agree with Mao Zedong's stand, such as in the case of the principle for socialist construction—which was more in line with the principle of seeking truth from facts and the main theme of which was opposition to premature advance—and so on and so forth. Liu Shaoqi offered many very good viewpoints concerning work in the field of education, the field of literature and art, and other fields. However, since he was not specially responsible for the work in these fields, it was impossible for any Liu Shaoqi line to take shape in education, literature and art, or other fields. Therefore, during those 17 years before the Cultural Revolution, there was in fact no such thing as a Liu Shaoqi line that was independent from Mao Zedong Thought, nor was there any so-called Liu Shaoqi line that could contend with Mao Zedong's line. Our party made some serious mistakes during those 17 years, especially after the "Great Leap Forward." Liu Shaoqi and other leading comrades were of course responsible for these mistakes, to a certain extent. But Mao Zedong was chiefly responsible. It was precisely because he opposed and suppressed the correct views of Liu Shaoqi and the others that those serious mistakes were made. Therefore, it is even more unjustified to claim that a "sinister Liu Shaoqi line" exercised dictatorship throughout those 17 years and to hold Liu Shaoqi responsible for all these mistakes. During these 10 chaotic years, blaming Liu Shaoqi for all the mistakes was actually aimed at shifting blame for Mao Zedong's serious mistakes onto Liu Shaoqi.

Today, when we are commemorating the 90th anniversary of Liu Shaoqi's birthday and emphasizing and studying Liu Shaoqi's revolutionary contributions and revolutionary thinking, I have a fantasy: How nice it would be if we actually had a Liu Shaoqi line! It is regrettable that in the 17 years after our party seized political power, life within the party became increasingly abnormal; democracy within the party was disrupted; and the party was dominated by a personality cult, a patriarchal system, and the practice of one person alone having the say. It was very difficult for people in the party—even members in the top leadership—to get a chance to discuss differences on an equal footing and speak out freely, let alone to form factions. Of course, it would have been even more difficult for them to formulate different lines. Moreover, for many years we indiscriminately regarded all differences in the party as non-party activities and launched "cruel struggles and relentless attacks" to suppress them. This made it even more difficult to form different factions and lines.



When our party began to build socialism with Chinese characteristics after the First 5-Year Plan, there were differences among the top party leadership over some important issues. For instance, the views of Comrades Liu Shaoqi and Zhou Enlai on opposing adventurism were entirely different from those of Mao Zedong. Mao Zedong agreed with others at the 8th National Party Congress [NPC] in September 1956. However, at the 3d plenum of the 8th CPC Central Committee only 1 year later, he openly made policy decisions in violation of the 8th NPC's line. By the time the 8th NPC held its 2nd Session in May 1958, Mao Zedong's "Three Red Banners" [the General Line for Socialist Construction, the Great Leap Forward, and the People's Communes] had gradually taken shape and replaced the 8th NPC's line.

Looking back now, suppose the democratic life within our party had been quite normal at that time and different principled opinions could have been debated—it would be so nice. As everyone knows, correct principled opinions are often regarded as erroneous at the beginning, when they have just been put forward. Correct opinions are accepted by the majority if people are convinced by reason, in a debate conducted on an equal footing. We still should permit the minority to reserve their views and we should respect their views even if they are not accepted by the majority. Policy decisions should be made through democratic procedures: The minority is subordinated to the majority in practice after a vote is taken. We should let people express their views freely in the party, even if their views have been repeatedly proven erroneous. Under no circumstances should we attack them, and still less should we suppress their views by labelling them as antiparty. On the one hand, this way, the differences affect neither our policy decisions nor our unity in action, because even if the differences remain after a fair discussion, decisions are made by majority vote in accordance with Lenin's principle of "freedom of discussion and unity in action." On the other hand, differing opinions are not suppressed, and correct opinions that look erroneous at first still have a chance to get accepted. Historical facts have repeatedly shown that many correct opinions have been strangled by undemocratic conditions. High-level leading party organs should encourage different views, not suppress them. The party constitution and the guiding principles for life within the party should clearly and definitely stipulate that we in the party should not only permit different opinions, but also permit some to uphold their differing opinions. We should even permit opinions of different lines, as long as the principle of "freedom of discussion and unity in action" is upheld. In this way, when a wrong line is pursued, our party will have a self-correcting force within it and will not cling to the wrong line for a long time, or make a wrong line even worse.

Of course, it is both inevitable and normal for different views to coexist within the party. As long as freedoms of speech and criticism are guaranteed, it is inevitable for

different views—even different lines—to emerge within the party. Freedoms of speech, criticism, and discussion have always been upheld, from Marx and Engels right up to our present party constitution. Marx and Engels were most articulate, vigorous, and resolute in advocating these freedoms. Engels points out: "The exchange of views with absolute freedom inside the party is necessary."<sup>1</sup> and "Since criticism is the essence of life in the labor movement, how can the labor movement afford to shun criticism and ban discussion? How can we eliminate freedom of speech within our own ranks while we ourselves ask others to give us freedom of speech?"<sup>2</sup> Regarding disputes and criticism within the party, Engels clearly pointed out: "Of course, there must be a publication within the party that is not directly subordinate to any executive committee, or even the party congress. That is to say, within the bounds of the guiding principles and the established strategem, the publication can freely oppose measures adopted by the party without violating the guiding principle and strategem on free criticism within the party's moral bounds."<sup>3</sup> Lenin also said: "Free discussion and unified action are what we ought to strive for." "The most extensive and free discussions and criticizing measures, decisions, and tendencies we regard to be harmful are not matters under the jurisdiction of unified action. Only by carrying out such discussions, adopting resolutions, and lodging protests can genuine party public opinions be formed. Only under such conditions can there truly be a party that is good at expressing its own views at any time, and that can employ correct methods to turn established views into resolutions at the next Party Congress."<sup>4</sup> Liu Shaoqi also said: We "do not advocate blind execution and obedience. What we advocate is conscientious and earnest execution. That is to say, we must seriously study the situation, as well as the resolution and directive. Should mistakes be found in the resolution or directive, or should the resolution or directive be found unsuitable to local conditions, we must have the courage to express our views and ask higher authorities to recall or change the resolution or directive." "In so doing, the lower level does not rebel against the higher authorities, nor is it trying to act independently. Rather, it is earnestly and sincerely trying to carry out the resolution or directive. Only this kind of party member can be called the best party member. They not only independently ponder a problem, but also help higher authorities correct their mistakes and shortcomings." "Leading organs must permit lower level organs and party members to offer views, express doubts, and suggest changes concerning resolutions and directives. If a resolution or directive truly contains mistakes or deficiencies, leading organs must accept the views of lower levels and make necessary changes. Should the views of lower level organs be found to be incorrect, the higher authorities should carefully explain it to the lower level—but under no circumstances should they wrongly punish the lower level organs."<sup>5</sup>

Therefore, a good party member should be capable of independent thinking, as well as being a conscientious, responsible, and active fighter. Good party members,

particularly those inside the party's high-level committees, must not only engage in criticism and discussion of a general nature on party matters but must also think independently concerning the party's line, principle, and policy during a certain period. Thinking produces different views. Some of these are identical, while others may be different. Different systems of views may take shape, particularly among the principle responsible persons, when these principled but different views are discussed and no one side can convince the other. A split between different lines or even a situation in which two different lines coexist or compete with each other may take shape.

Such a situation existed throughout the democratic revolution period. While an erroneous line held the dominant position before the Zunyi Meeting, there was indeed also a correct political, military, and organizational line, which was presented by Mao Zedong and had a great impact on some base areas and troops. The "Resolution on Certain Questions in the History of Our Party" adopted by the 7th plenum of the 6th CPC Central Committee pointed out: "The various 'Left' lines of the period of the Agrarian Revolutionary War were opposed to Comrade Mao Zedong's organizational line, as well as to his political line.... In particular, in order to enforce their will, the exponents of the third 'Left' line invariably and indiscriminately branded all party comrades who found the wrong line impracticable and who therefore expressed doubt, disagreement, or dissatisfaction or did not actively support the wrong line or firmly carry it out. They stigmatized these comrades with such labels as 'Right opportunism,' 'the rich peasant line,' 'the Lo Ming line,' 'the line of conciliation' and 'double-dealing,' waged 'ruthless struggles' against them, and dealt them 'merciless blows,' even conducting these 'inner-party struggles' as if they were dealing with criminals and enemies."<sup>6</sup> After the Zunyi Meeting, the correct line presented by Mao Zedong gradually took the dominant position. In the meantime, there were also struggles against Wang Ming's Right opportunism.

However, even when Wang Ming's "Left" line was using extremely undemocratic means to launch cruel struggles and relentless attacks against Mao Zedong's line, Mao Zedong was not expelled from the party, and he even retained his high leading posts as member of the Political Bureau and chairman of the Soviet. Therefore, he still could publicize his views and seek support in the leading group. As the situation changed his views proved correct and his line was accepted by the majority and won.

It would have been impossible for Mao Zedong's correct line to be accepted by the majority and very difficult for it to win victory at the historic turning point of the Zunyi Meeting if he had been expelled from the party, removed from his high positions, and deprived of his right to speak in the leading group and if all those who agreed with him had been treated as an antiparty clique at that time.

When summing up experience and lessons at the 7th NPC, Mao Zedong harshly criticized the lines of Chen Duxiu, Wang Ming, and Li Lisan, but he still considered them to be acceptable under the major anti-imperialist and antifeudal principles. He did not describe them as counterrevolutionary antiparty lines. When the 7th NPC was electing leadership, he repeatedly asked the delegates to elect comrades who had committed errors in their line. It was very normal for him to do so.

Comrade Mao Zedong himself said it would be extremely strange if there were no factions within a party, and it is the thinking of absolute monarchy to have only one party. He also said there were always other parties outside a party and factions within a party. This was a reflection of his brilliant thinking. In the revolutionary war years, erroneous lines presented by Chen Duxiu, Li Lisan, and Wang Ming emerged within our party. Our party was not totally destroyed by those erroneous lines. It recovered and was rejuvenated. This was precisely because the correct line formed by Mao Zedong within our party contended with and corrected erroneous "Leftist" and "Rightist" lines.

Regretfully, after our party seized political power and Mao Zedong obtained the leading party position because of his correct line, his personality cult, in which one person alone had the say, and serious paternalism rejected different opinions. In particular, following the "striking at the 'Rightists,'" he restrained, suppressed, attacked and persecuted many comrades who had different opinions. At the Lushan Conference he opposed the so-called "Peng Huang-Zhang Zhou antiparty clique." He cast those comrades who had different opinions as an antiparty clique within the highest leading group and launched an "anti-Rightist" campaign from the top to the bottom. This campaign almost totally destroyed democracy within and outside the party and ushered in the 10 years of internal disorder, which almost destroyed our party and country. The resolution of the 6th plenum of the 11th CPC Central Committee pointed out: "The gradual establishment of a socialist political system containing a high degree of democracy is one of the socialist revolution's fundamental tasks." At the founding of New China we attached too little importance to this task. This was one of the important reasons the Great Cultural Revolution emerged. In that 10 years of internal disorder cruel struggles and heartless attacks were launched against those who had differing opinions, which far exceeded the intensity of the struggles in the civil war period. Our party's vice chairman and the president of our country was denounced as "the chieftain of the counterrevolutionary revisionist clique," labeled "renegade, traitor, and scab," and expelled from the party once and for all. He was persecuted to death. A large number of leading comrades and tens of thousands of cadres of our party were also implicated.

Therefore, I think that it would be a wonderful thing if during those 17 years there had been no such autocratic system as that gradually formed by Mao Zedong, where

one person alone had the say...if the correct opinions of Liu Shaoqi and other comrades could have been heard and if there had indeed been a "Liu Shaoqi's line" that could argue and contend with Mao Zedong's line. If that had been the case, very likely the Great Cultural Revolution would not have happened, or the Great Cultural Revolution, if it did happen, would not have lasted 10 years. For instance, at the time of the so-called "February adverse current," a lot of members of the Political Bureau opposed the Great Cultural Revolution. If at that time they could have held democratic discussions and done things according to the principle of allowing a minority subordinate to the majority, in the spirit of democratic centralism, they would have been able to correct Mao Zedong's mistakes and form a correct line, thus ending this calamity earlier.

I think that, in studying party history and theory, comrades who are engaged in the study of Liu Shaoqi's revolutionary thought should consider the specific content of the so-called "Liu Shaoqi's line." What are the differences in principle between "Liu Shaoqi's line" and "Mao Zedong's line?" Why was the so-called "Liu Shaoqi's line" never really formed? What experiences and lessons can we draw from these past events in reforming our party's democratic life? I am convinced that the study of these questions has not only historical but also practical significance. In fact, Liu Shaoqi made many incisive expositions on democracy and struggles within the party. It is particularly important to study these questions when studying his viewpoints.

I present these questions for consideration by the participants in today's symposium on Liu Shaoqi. Am I right or wrong? Do these questions merit attention? I welcome you to comment on my viewpoints, and correct them if they are wrong.

#### Footnotes

1. *Complete Works of Marx and Engels*, Vol 37, p 435.
2. *Ibid.*, p 324.
3. *Complete Works of Marx and Engels*, Vol 38, p 517.
4. *Complete Works of Lenin*, Vol 18, p 615).
5. *Selected Works of Liu Shaoqi*, Vol 1, pp 367-368.
6. *Selected Works of Mao Zedong*, 1953 Edition, the People's Publishing House, Vol 3, p 1007.

### The Study of History Should Be Concerned With the Destiny of a Nation and Mankind

OW0302130089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 2, 16 Jan 89 pp 29-33

[Article by Liu Zehua 0491 3419 547; author's unit: Tianjin Nankai University]

[Text] Since the 3d plenum of the 11th CPC Central Committee, the policy of reform and opening to the outside world has brought new vitality to the whole society. The study of history has also achieved unprecedented development. However, while rejoicing over the achievement, we still find there are many areas in the development of history which are far from satisfactory. Many people sound the alarm that the study of history is faced with a "predicament" and that "the study of history is in crisis." The alarm has been particularly strong in recent years. Of course, not everyone agrees with this kind of assessment. Judging from the study of history in colleges and universities, and from the demand on the study of history in society, I think there is no harm in acknowledging the existence of the "predicament," at least for the time being. This, then, gives rise to a question. Why, in the present day of reform and opening to the outside world, when "taboos" are falling down one by one and when the academic environment is getting better and better, does the study of history still walk into "predicaments" and fall into "crisis"? People who are involved in the study of history should seriously think over this question.

#### I. Satisfying the Demand of Society is the Foundation for the Development in the Study of History

The birth, development, and blossom of a particular discipline or the fall of it are conditioned by social factors and internal factors of this particular discipline. However, the most decisive significance for vitality of a discipline is the demands of society on this discipline and the degree of satisfaction with which this discipline meets the demands of society. If society has no corresponding need for a particular discipline, or if this particular discipline is divorced from the needs of society, then this particular discipline will be bound to lead to predicaments or even end in downfall. In the last decade, the foundation for the development in the study of history has not all been identical to such disciplines as economics, social science, and law. The latter disciplines are closely related to our country's reforms, opening to the outside world and to social changes. In contrast, the study of history keeps a far distance from social reality. Here I do not mean that the development in the study of history has been totally unrelated to the changes in the past decade. Speaking as a whole, we may say that, the study of history in the past decade was merely the deepening of the model in the study of history which characterized the period prior to the Cultural Revolution, the somewhat conceptual modifications, and the expansion of study scope. By deepening the model of study, I mean the more in-depth study of history than

prior to the Cultural Revolution; by modification of concept, I mean the gradual liberation from dogmatism as well as some new theoretical explorations; and by extension of scope, I mean somewhat of an expansion in the scope of history study as compared with the past. Generally speaking, the development in the study of history in the past decade mainly filled the gap created by the Cultural Revolution. However, it failed to closely integrate with reality; it failed to catch up with changing times. Therefore, the study of history, left behind by times, ends up in predicament. I will elaborate on this point.

First, historians say their responsibility is to study the law of historical development. But, have our historical circles ever asked themselves the following question: Has anyone ever proposed the "laws" that are related to mankind, to the real life in our country or have any of them proposed any "theoretical law"? Undoubtedly, the discussion on the laws of yesterday or the day before yesterday is important to the understanding of today. But if the discussion is confined only to yesterday or the day before yesterday, the so-called law will become pale and impotent. Man lives in reality and for today. It is very natural that people will not be interested in or take note of the laws spoken about by historians if the "laws" are not related to or divorced from reality. Honestly speaking, if the cognition to the law of history is merely confined to the past and can not be applied to reality, (though we should not belittle its scientific significance) it is at best an unprovable hypothesis or an intellectual game. If historians say their responsibility is to study social laws, they should be concerned themselves with earthly things. The so-called law should, in varying degree, be extended to real social life. Perhaps I am speaking a little bit harshly. Until now, the "laws" about which our historians speak were rarely their discovery; they mostly repeat the laws that classic Marxist writers spoke about—laws that are applicable to various disciplines; our historians at best furnish some explanations to the laws already discovered by others or do some verification work on historical materials. Furthermore, historians speak mostly about laws that are unrelated or slightly related to reality. In short, a law that lacks originality and practicality may look like a flower in outward appearance; but in fact it is without much vitality. It really pains me to say that.

Second, regarding voices expressing current concerns, how many voices were uttered from the ranks of our historians? Where will our nation end up? What will be the destiny of mankind? Without the concerns, participation, and discussion of our historians, these problems will not be understood in depth. Regrettably, like spectators, most people involved in the study of history are unconcerned about these problems. To be sure, there are many causes leading to this kind of situation. I do not mean that all people involved in the study of history should engage in this aspect of work. As an independent scientific research worker, he or she has the right to arrange his or her own kind of research; nobody has the

right to interfere with his or her arrangement. However, if most of the people in historical circles are indifferent to reality, it is natural that society should be cold to them. To be fair, if historians are not concerned with the times, they do not have the right to expect the times to be concerned with them. Historians should carry out a fair exchange of their wisdom and knowledge with the needs of the times. If the contents of historical study are not related or rarely related to contemporary issues, and if the study of history is rarely concerned with contemporary problems, then this kind of historical study will inevitably end in "predicament" and in "crisis."

The kind of historical study which is concerned with reality and which meets the needs of contemporary society is, figuratively speaking, like the head of the dragon; other studies are no more than the body of the dragon. If the dragon does not raise its head, then the body will trail in the water. Seen from the present situation in the study of history, we cannot say that the body of the dragon is too large; as a matter of fact, the dragon's head is small, weak, and unable to move the whole historical circle. As far as I know, in our country there are very few historians who engage in the study of contemporary history and historical study of major social issues. Among the precious few, those who are bold enough and do not hesitate to touch on sensitive social issues are negligible. Glancing through influential historical journals, we can hardly find articles dealing with major contemporary issues. The first historical work making the Great Cultural Revolution as a theme was not written by a historian.

Seen from this light, it is no wonder that many comrades feel that the study of history is in crisis. The crux of the problem is that historians are divorced from reality; likewise, reality abandons the study of history. What our historians need most is to make an in-depth reflection on this point. The answer to the problem is here; I am afraid the exit for our study of history is also here.

## **II. Promote Research in Subjects Related to the Fate of Mankind and People**

The so-called "crisis of historical science" in recent years does not mean a decline in the value of historical science. As long as the human race exists, there shall always be history. If there is a "crisis," it can mean only that old phenomena have lost their vitality, and breakthroughs in new areas are imminent. I believe that promoting research in problems related to the fate of mankind is the only way for historical science to eliminate a "crisis" and revitalize itself.

First, vigorously promote research in contemporary history. Contemporary history means the entire world history since WW II. This period, which is filled with constantly changing events, may be called the richest and most colorful historical period and the one that has had the greatest impact on the present time. Yet it is precisely this period that represents the weakest link in our study

of history. Regarding changes in the social, political, and economic structure and in ideology and ideas, and even the causes and effects of important historical events in that period, Chinese historians have failed to give them the attention they deserve. This deficiency is partly attributed to the political environment of the past. But a lack of vitality on the part of historians is also to blame. The subjects to study in contemporary history are too numerous to mention one by one. We will mention only a few here.

Vigorously promote research in the history of the development of contemporary capitalism. In the past, we always made unreserved criticism of contemporary capitalism. But, frankly speaking, after so many years of criticism, we are still unclear as to what contemporary capitalism really is. In the past several years, the other branches of science have begun to look reality in the face, but our historians have not yet done so. Therefore, it is urgent that we promote, from a historical viewpoint, an extensive, thoroughgoing, and meticulous study regarding the social structures, political and economic systems, ideological concepts, and ways of life of contemporary capitalism.

Vigorously promote research into the modernization process of developing nations. The issue of modernization may be termed a common subject shared by all developing nations of the world. China is also a developing nation and faces problems in many areas similar to those faced by the other developing nations. Many of the ways, policies, and measures for development adopted by other nations can be used by us or serve as warnings to us. Good research work in this regard will be of great help to China's modernization and construction.

Vigorously promote research in the socialist nations' history of reform. The tide of reform started in some socialist nations in the 1950's has nearly engulfed the entire socialist world today. It has become an important part of modern history. This socialist tide of reform is bound to bring tremendous changes to the political, economic, cultural, and international relations of the whole world. Socialist reform is by no means a short-range action. An overall historical study of the socialist reform movement will be of tremendous significance.

Vigorously promote research in the history from the founding of the New Republic to the present. From the founding of New China in 1949 to the present, we have traversed a tortuous course. Looking back in retrospect, we find that the "Great Leap Forward" was very ridiculous, and the Cultural Revolution very terrifying. But, outside of an instinctive tragic feeling, has anyone made a detailed overall study and description of the causes and effects of this historical period? The current young generation, which has not personally experienced this historical period, knows little about that tortuous course we have traversed. Is this not an abnormal phenomenon? Can our historians shirk their responsibility regarding this phenomena? Right now, our reform is met with

tremendous resistance from the old system and old ideas; these systems and ideas were to a very great extent formed in the historical period right after the founding of the New Republic. Reflecting on the past 30 years not only is a task for political scientists, economists, and theoretists but also a task for the historians.

Become pioneers in the historical science of tracking [ZHUI ZONG SHI XUE 6620 9338 0570 1331]. Reform and opening has brought tremendous changes to Chinese society. Its economic system, political structure, social class, ideology, and ideas are all undergoing tremendous changes. Under such historical conditions, we must have a sense of news and history, combine the two, focus our attention on the direction of social movements, and promote research in the science of historical tracking. I feel it will be a very meaningful task, because what happens today will be history tomorrow. The study of the science of tracking history is of great significance in understanding the current situation and in predicting the future or even in simply collecting historical data. Take individual businesses for example, which became nearly extinct during the campaign to cut off the tails of capitalism, but have come back to become a formidable social stratum both in number and economic clout that cannot be ignored today. I believe that if we make a thoroughgoing study of the development, status quo, and future of this social stratum, we will reach a valuable understanding.

Engaging in research in contemporary history is a locomotive pulling the entire historian circles onto a new stage. Some people may say there is no need for research into contemporary history because it is something with which everyone is familiar. But after all, things familiar or experienced with and historical science are things belonging to different strata. Historical science as knowledge is the product of special labor by historians. Contemporary history is presented to the people by historians only after a process called reunderstanding. Since contemporary history records the joys and sorrows of our times, it is therefore of great importance to the people, enjoys wide mass support, and meets the needs of society. In times before modern history, the difference between the real events and historical records was small because social progress was rather slow, and people could understand the present by examining the past. However, in a modern society, particularly contemporary society, when major changes often take place in only decades or as little as dozens of years, the practice of "understanding the present by examining the past" is essentially no longer suitable, and we must examine the present to understand the future. We can even say that in-depth and wide-ranging research into contemporary history is the major characteristic of the modernization of historical science.

Second, promote historical research in important issues related to contemporary society. In short, face reality and look back at history. Both the world and our own nation are facing many important problems awaiting

solutions such as the relationship between socialism and capitalism, war and peace, progress and justice, classes and harmony, revolution and reform, equality and efficiency, civilization and barbarism, morality and coercion, cultural exchange and conflict, and socialist development and pluralism. To solve them, first of all, one must understand them. To understand them, historical study is indispensable, and historians are duty-bound to do this work.

A certain view maintains that linking history with present reality seems to be hurting the noble image of historical science. But this is only prejudice. Historians are also human beings like us. How can the study of history closely related to human affairs be described as vulgar? On important matters concerning the fate of the whole nation or even the entire human race, historians can never be unconcerned onlookers. Of course, these issues are not the only ones studied by historians, and they must also be issues of very high academic value.

Some people may criticize facing reality and looking back at history as practicing "realism." But what's wrong with realism? Do these people mean that only things that are devoid of any practical value and unconcerned about the fate of the nation and the entire human race can be called genuine, pure science? In the final analysis, even if some people do engage in research in realist historical science, they should be allowed to do so because it is in line with "letting a hundred schools of thought contend."

Currently, there is a tendency among historical science circles, namely, emphasizing the method while neglecting the subject. Overemphasizing the method and neglecting the selection of subject is tantamount to putting the cart before the horse. Both theory and method are important, but they must be integrated with the careful selection of a subject to make the work more meaningful.

Only by promoting historical research fully linked with contemporary issues of importance can historical science truly demonstrate its scientific effectiveness. History is a science, and science is a system of knowledge that can make contributions to the historical development of the human race. The spirit of science lies in the fact that it can propel the human race forward. Divorced from real life, history will decline in scientific value. Conversely, when closely related to life and reality, the science of history can gain unprecedented vitality for development.

The study of important contemporary issues is of great significance in the nation's democratic construction. It can be regarded as a driving force as well as a symbol of democratization. Historians have both the obligation and the right to boldly touch on important subjects in contemporary social history.

In short, vigorously promoting research in important issues in contemporary history and society is a responsibility entrusted to the historian by the times. It should also be regarded as a turning point for historical science to free itself from a predicament and enter a new period of prosperity.

### **III. Renew the Concept About Historical Study and Improve the Work Method**

There is no denying that a breakthrough in historical study depends to a great extent on the change of the general environment outside the circles of historical researchers. However, the efforts made by historical researchers themselves are also quite necessary. Here I propose that efforts be made to "renew the concept about historical study and improve the work method." The purpose is to stir up a force from within the circles of historical researchers to reform the study of history.

Those engaged in historical study should have a deep concern about the fate of our nation and all mankind and a strong sense of fulfilling missions. In a certain sense, the characteristic of historical researchers is that they can look at life as outsiders and they are calm rather than fervent. Mentally, however, they should in no way isolate themselves from the realistic world. In other words, they should take their concern about the times, sense of responsibility, and sense of fulfilling missions as a primary motive force for their research work. A few years ago, some people advocated the study of history for the sake of history. Here, I do not want to discuss whether the subjective view can be avoided in studying history. While it is permissible to hold an objective view, it is inappropriate to deny people's concern about reality, nor should we lead people to go away from reality. For some time, the style of "studying history for the sake of history" was rather prevalent. We should make a self-examination in this regard.

Those engaged in historical study should possess a sense of positive participation. That is, they should let their research results affect the policy makers and the public. In general, citizens of the present era have a clear sense of participating in various activities. Shouldn't history researchers, who are characterized by rational thinking, behave as active citizens? Of course, their participation should have a scientific basis. In recent years, many people have written articles against using historical study to explain current policies. I think that this criticism may not be appropriate. Using historical study to explain current policies is also part of historical study. As long as this is done by historical researchers of their own accord, it is not only permissible but should also be viewed as their right as citizens. As to whether this is right or wrong, all people are free to express their opinions, and our readers can make their own judgment. Although we have had some sad experience in this regard, we need not refrain from doing anything because of that experience. At least some of those engaged in history study should link the sense of participation to the study of history and

should do their research work in the spirit of summing up the past and serving the needs of the present and future. They should gear their work to realistic needs as much as possible, thus showing the value of the study of history in meeting social requirements. Now, our news reporters, writers, politicians, and economists have all fixed their eyes on realistic sensitive areas of one kind or another. What they have done has drawn wide attention from society. If those engaged in historical study are still hesitant, what excuse do they have? As long as we really pursue the goal of benefiting our country and people, our efforts will be recognized by society.

Those engaged in historical study must uphold the idea of working independently and in the spirit of dedicating themselves to science. In our history study circles, however, many people still lack this kind of spirit. On the contrary, two kinds of thinking opposed to this spirit are rather popular among them. One is that the crisis of historical study is due to the lack of attention on the part of the leadership. People with this kind of thinking believe that historical study will prosper once it receives the attention of the leadership. The other thinking is that if a history scholar is too concerned about reality, he will be in danger of death on the ground that, as viewed from Chinese history, most of those who study contemporary history came to no good end. In my opinion, both kinds of thinking are open to question. The former thinking puts history scholars in a subordinate position, while the latter is a kind of thinking cherished by the subjects of a feudal ruler. Both lack courage and a spirit of dedication to science and truth. History scholars should use the results of their work to win respect from society and build up their own value. They should use their industrious work to conduct exchanges with society on the basis of equality instead of merely hoping to receive the attention of others. If one is doing too much to ask for others' attention, he can only belittle himself. As observed from history, except for elementary material conditions, the place of a science discipline or a field of study can never be determined by an administrative force. On the contrary, it is often true that the more administrative intervention, the more likely the decline of academic studies. At all times, such examples are not uncommon in China and in foreign countries. We should promote the style of regarding ourselves as the masters of knowledge in our specialized fields. In historical study, there is no already fixed conclusion! History scholars are only responsible for facts. History scholars are only faced with science and real evidence. They should put forth whatever conclusions they have reached. To them, the most authoritative is science, not the various restrictions and restraints imposed on them.

Those engaged in historical study should have the confidence and capability to absorb and assimilate all new academic disciplines and new methods. Now, the development of new academic disciplines has a tendency to divide up historical study. That is, with the appearance of each new academic discipline, more often than not a new specialized history study will emerge. This state of

affairs does not indicate the dwindling of historical study; on the contrary, it shows that historical study is one of the basic studies for all academic disciplines. Hence, it is indicative of the importance of historical study. The question at present is that history scholars should not allow historical study to be divided up by other academic disciplines. Under the circumstances where new academic disciplines and new study methods have provided a new foundation for the development of historical study, those engaged in historical study should carry out more comprehensive research and go ahead in a more intensive and extensive way to find out a mechanism for developing this study.

With regard to the work method for historical study, here I wish to offer my opinion. I think many history researchers (including myself) in our country have a common problem: that is, they use their hands often, but seldom go out. Their typical method for historical study is to sit in a room, reading and writing notes on index cards. They seldom go out of their studies to look for historical materials from real life. It is understandable for those studying ancient history to do so. But if a scholar of modern history or contemporary history always stays in his study, he will lose too many things. History scholars should plunge themselves into real life and society. This is the only way for them to more accurately and intensively feel the pulse of the times and grasp their research projects. As far as collection of historical materials is concerned, this will enable them to provide more materials of evidence to be used as reference by later generations.

**Give Marxism a New Theoretical Form**  
*OW0302130089 Beijing QIUSHI [SEEKING TRUTH]*  
*in Chinese No 2, 16 Jan 89 pp 34-37*

[Article by Liu Gangji 0491 4854 4764 of the Department of Philosophy at Wuhan University]

[Text] Reforms in China and in many socialist countries have given us the very urgent and important task of vigorously developing Marxism.

Marxism came into being from a capitalist society. Its historical mission is to scientifically explain the essence of a capitalist society and to find a practical solution for the contradictions of that society. The society from which Marxism came into being and its historical mission determines that it is different from some doctrines that merely one-sidedly reflect in an exaggerated manner a certain period or an aspect of a historical movement. Marxism will not suddenly be in vogue and then suddenly disappear from the scene, but if it is not further developed in conjunction with the development of history, it will degenerate into a rigid dogma and lose its powerful influence on the historical progress of mankind. At the present time the development of Marxism is at a critical juncture.

After reviewing history, I think the development of Marxism has gone through the following periods: The first period is the one in which Marx and Engels founded Marxism, disseminated it, and called on the working class to get organized to struggle for their own emancipation. The central issue in this period involved the founding of Marxism, the struggle within the workers movement against non-Marxist or anti-Marxist ideas, and the establishment of the guiding status of Marxism within the workers movement. The second period is one in which Russia and a number of other countries waged a struggle to seize political power. During this period, the Marxist theory of class struggle and the theory on states became the focus of attention. The third period is one in which the Soviet Union, China, and some other socialist countries carried out socialist construction after seizing political power and before any reforms were launched. During this period, the theories on socialism and political economics, but not the Marxist doctrine of class struggle or the doctrine on states, began to become the focus of attention. The fourth period is the present one in which reforms are being carried out. The central task in this period is to review and sum up past experiences and successes or failures in building socialism, and to find a correct way to advance socialist construction in a historical condition that has changed significantly. Actually, this means to reexamine the Marxist theory on the basis of long years of past practice and in the face of contemporary new situations and new problems. Therefore, wider and deeper changes will occur in Marxism during this period than in other periods. It can be predicted that the reforms undertaken by socialist countries will advance Marxism to a new period and enable it to develop more than in any other period. It will be impossible for the closed, rigid, and unrealistic dogmatic ideas which existed for a long time in the past to continue any longer. History itself compels Marxism to put an end to the state of rigidity and stagnation of the past and to squarely face and boldly answer the challenges of the contemporary world. It can be expected that the period of reforms in socialist countries will be one of unprecedented development for Marxism.

Precisely because of this, we hold that the development of Marxism in the present period should not be limited to reexplaining and revising certain theories or tenets, but that it is necessary to take into consideration all the historical experiences of socialist countries in seizing political power, their experiences gained since the seizure of political power, and the practical problems confronting them in the contemporary world. It is necessary to reexamine Marxism as a whole and give it a new theoretical form in keeping with the development of economics, politics, culture, science, and technology in the contemporary world. Historical facts tell us that any theory that has a far-reaching influence must adapt itself to historical changes and take on new theoretical forms. In a situation where major historical changes have taken place, if a theory merely continues to repeat its original views, or if, at most, just a few changes have been made concerning particular issues, the theory is going to lose

its vitality and influence and become outmoded. Ancient China is an example: The fact that Confucianism could exert such a long-standing and important influence was determined by the economic foundation of ancient Chinese society on the one hand. On the other hand, its influence is great because Confucianism continued to take on new theoretical forms in line with the changes that took place in ancient Chinese society. For example, Confucianists in the Han Dynasty were different from those in the Qin Dynasty, and those in the Song and Ming Dynasties were obviously different from those in the Han Dynasty. If, after its inception, Confucianism had always remained at the theoretical level reached in the Qin Dynasty, it would not have been able to adapt itself to the changes that took place in the long history of ancient China. In other words, it would not have been possible for it to exert such a long-standing and important influence.

The same idea applies to Marxism. We know that Western Marxists have called the Marxism of Marx and Engels "classical Marxism" while calling their own theories "new Marxism." In the sense of giving Marxism a new theoretical form that is in keeping with the development of the contemporary world, do we need a kind of new Marxism? I believe this is absolutely necessary, and urgently so. If the Marxism we are practicing today differs from the thought of Marx and Engels only on some particular doctrines and viewpoints, and if we fail to give it a new theoretical form, then it will not be able to fulfill its historical mission today. Therefore, I think the development of Marxism we are talking about today should be basically understood as giving Marxism a new theoretical form. In this sense, a new Marxism that differs in theoretical form from the thought of Marx and Engels will be gradually created. Chinese history serves as an example: Confucianists in the Qin Dynasty and in the Song and Ming Dynasties were all Confucianists, but the thought of the latter was no simple repetition of the thought of the Confucianists in the Qin Dynasty. It was a new kind of theoretical form of Confucianism. I think history demands that we thoroughly do away with the useless idea and habit of deifying and dogmatizing the thought of Marx and Engels. It demands that a new form of Marxism be created. We should make long-term, unyielding effort to this end.

For a long time, there have been some people who hold that the basic tenets of Marxism are unshakable and unchangeable and that only some particular tenets and conclusions can be changed. The root of this problem is to define what the basic tenets are. Is it necessary to develop these basic tenets? The latter is easy to answer, because it is unreasonable to assert that the basic tenets need not be further developed. The former requires careful study. Referring to the philosophy of Marxism, what are its basic tenets? We believe that the first is the Marxist viewpoint on practice and second is the dialectics of Marxism. If these two basic viewpoints are abandoned, it means abandoning the philosophy of Marxism. However, are other viewpoints besides these



two also unchangeable? I think they are not unchangeable. For example, Engels held that the relationship between thought and being is "the basic issue of philosophy." This viewpoint is worthy of discussion. What I want to point out is that the relationship between thought and being is no doubt a question of great theoretical significance to philosophy, but it is difficult to say that it is the basic question of philosophy as a whole. This is because the basic question of a science should include the basic contents of research. The relationship between thought and being does not include the basic contents of research in philosophy. Referring to Marxist philosophy, one cannot assert that its basic issue is merely the relationship between thought and being. This is because the issues of practice and dialectics are also very important issues studied by Marxist philosophy. Although it is closely related to the question of relationship between thought and being, Marxist philosophy cannot be summed up as, or taken to mean, the question of relationship between thought and being. Moreover, the question of practice is of extreme fundamental significance to Marxist philosophy. Obviously, this point was neglected by Engels when he expounded his viewpoint on the basic issue of philosophy. He mentioned practice only when he expounded the method of verifying true knowledge. This was a major theoretical oversight and in the course of time led to incorrect understanding of Marxist philosophy and gave rise to undesirable effects. If the specific development of philosophies in different countries and different periods is surveyed once again, we can say that each philosophy follows its basic question with interest (this is determined by special, specific historical conditions). Although the solution of its basic question is often related to the question of the relationship between thought and being, we cannot simply sum up a solution as the question of the relationship between thought and being. This question does not occupy the principal, prominent position in many philosophies, and sometimes this question is neither raised nor answered. If all basic questions of philosophical research in the entire history of philosophy are summed up as the question of the relationship between thought and being, they are no doubt trying to simplify and impoverish the rich contents of the history of the development of philosophy.

In connection with the relationship between thought and being, there is another question about the distinction and confrontation between materialism and idealism. Engels pointed out that this kind of distinction and confrontation is significant only when it touches on the scope of possible answers to the question of which is the origin, thought or being. However, for years we have exaggerated immeasurably the significance of this kind of distinction and confrontation by forcibly squeezing every thought and theory in philosophy into the frame of the confrontation between materialism and idealism and by using it as a fundamental criterion for comments on every type of philosophy. As a matter of fact, a primary philosophy that affirms existence may be one that is meager, shallow, and empty; while a primary philosophy

that negates existence may be one that is profound, creative, and rich in contents (such as the philosophy of Hegel). The value of a philosophy is not determined entirely by the primary issue of whether it recognizes existence. It is thus obvious that we should not deal with the question of the relationship between thought and being by itself nor enhance it to the level of "the basic question of every type of philosophy," even though it is a major question in philosophy.

While talking about being or the material aspect, we have more often than not overlooked the fact that the material world in which a man lives is one that has been transformed and created for himself through his practice (which is mainly material production and labor). This has been so for a long time. Thus, man and his state of being a subject is annulled or relegated to an insignificant position, while the abstract material aspect becomes the master of the world. For instance, Lenin said: "The view or prospect of the world is one of material movement and material thinking."<sup>1</sup> This passage, which was quoted by Stalin and others, is obviously not clear and not to the point, as it neglects man's state of being a subject. (However, the passage cannot be interpreted as representing all the philosophical thinking of Lenin.) We must realize that we study the material world and philosophy from the standpoint of mankind, not from the standpoint of material. It is a fundamentally wrong assumption to use abstract material movement as the supreme subject to take the place of man, or to look upon the material world as one that has nothing to do with the consciousness, desires, will, and feelings of man as the subject. In fact, man lives in his relationship with the material world; that is, man lives in the realistic relations between his consciousness, desires, feelings, will, and activities and the material world. Although the material world may exist as usual without this kind of relationship, it is not a world which has to do with man or in which man lives. Only when the material world becomes an object in which man's life and intrinsic strength are fulfilled can it be a meaningful world that is related to man. Therefore, philosophy must concretely study in depth the interaction and interrelationship between man and the material world. It is by no means enough merely to affirm the primary aspect of the material world. The mission of philosophy is not to negate or belittle man or to make man bow down and worship before the material world. Rather, it is to give a positive assessment of man, uplift his status, and make the material world serve the purpose of man. However, the materialism that we have advocated for years is basically one that completely disregards man's state of being a subject, that makes man lose his abilities of critical thinking and being the master of his own fate, and that leads to stupid superstition, worship, and fatalism. As a result, we witness a strange phenomenon. Although we talk about materialism every day, we are full of idealism in seeking solutions for various practical problems. In the advanced capitalist

countries of the West, although it appears that idealism prevails in philosophy, their handling of various practical problems is frequently much more materialistic than ours.

It is clear from the above analysis that we must not call every important viewpoint presented by Marxism an unchangeable fundamental principle without a proper analysis. Instead, we must carefully analyze to determine which viewpoints belong to the fundamental principle and which do not. The so-called fundamental principle here, in my opinion, can only mean a principle whereby, once we are divorced from it or negate it, we are divorced from or negating Marxism. Any viewpoint without this characteristic, in my opinion, cannot be called a fundamental principle. It can be changed completely or even abandoned on the basis of historical or scientific developments.

In order to develop a new type of Marxism, we need to use the principles in Marxism which are indeed fundamental as our guidance to make a scientific summary of the developments in science and philosophy since the end of the 19th century. This is a difficult topic that has not been completely handled by Marx and Engels and that has been delayed for a long time since their death. In addition to this, I believe that we must also pay attention to the following three aspects.

First, we must restudy Marxism systematically. In studying Marxism, we must give primary importance to the study of the complete works of Marx. Compared with Marx himself, Engels and Lenins' exposition of Marx' teachings really did enrich Marxism but were also at odds with and even deviated from Marx' thought. This is not to say that what Marx taught is always true, but I think that only Marx himself made a profound scientific exposition of Marxism. For example, in "Natural Dialectics," Engels' exposition of the Marxist viewpoint on practice no doubt enriches and develops Marx' thought, but in "Fuerbach and the Conclusion on Germany's Classical Philosophy," his exposition of the above "basic issue of philosophy" obviously neglects the fundamental importance of practice in Marxist philosophy (not just limited to verifying true knowledge). This later produced a bad effect on the study of Marxist philosophy. Furthermore, Stalin's "Dialectical Materialism and Historical Materialism" seems to have made a systematic exposition of Marxist philosophy, but in fact it contains many simple and unscientific things and completely neglects the fundamental importance of the viewpoint of practice in Marxist philosophy. For many years, the Marxism we have been practicing has been Stalin's Marxism to a large extent, not Marx' Marxism. This merits special attention. When studying Marx' works, we should not pit his earlier works against his works written during a later period. We should not think that his later works are completely correct and mature and that his earlier works are immature and incorrect. This is a simplified dogmatic viewpoint. I think that in some respects Marx'

earlier works are more important than his later works. Whether they are early works or later works, we should affirm them if we think they are realistic and correct today.

Second, to develop a new form of Marxism, we should allow different schools of thought in regard to Marxism. These schools of thought should gradually arrive at an identical viewpoint through practice. We should not think that all theories taught by a Marxist can serve as an unchangeable model. This is a dogmatic mentality that impedes the development of Marxism. In regard to ideologies in ancient China, Confucius, Mencius, and Xun Zi were Confucianists of the Qin Dynasty. They were unanimous on the fundamental points, but their thinking was obviously very different. Why can't Marxism be the same? Is Marxism more narrow-minded than Confucianists to the extent that different schools of thought are not permitted? At present, Marxism is in an important period where exploration is being made to create a new theoretical form for it. Therefore, permitting different schools of thought of Marxists to exist is very important for the development of Marxism.

Third, to develop a new form of Marxism, I think it is necessary to carefully study criticisms made by Western scholars against Marxism. We should give really convincing answers to their criticism. For example, Karl Pobol's criticism of Marxism is a case in point. However, we should be aware that these criticisms sometimes touch upon the existing problems and weak points of Marxism. Earnestly studying and answering these criticisms constitutes an important task for developing a new form of Marxism and for expanding the influence of Marxism in the contemporary world.

#### Footnote

1. *Collected Works of Lenin*, Vol II, p 361.

#### **The Problem of Swelling Consumption Funds Should Not Be Underestimated—a Discussion With Comrade Yang Peixin**

OW0302130089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 2, 16 Jan 89 pp 38-39

[Article by Shi Zhonglai 0670 0022 0171]

[Text] The article "Effective Measures That Must Be Taken To Control Inflation" by Comrade Yang Peixin, published in Issue Number 9 of QIUSHI, 1988, is a good article, and deserves attention. This article is not stereotyped and does not attempt to sidestep problems. I found that it analyzed problems directly and suggested specific measures for controlling inflation, all of which had been well considered and were feasible. I agree with the fundamental viewpoints of this article, but hold a different view on one issue, and hereby raise it for discussion with the author.

The article states: "The expansion of consumption funds has been experienced in East European countries, whereas China has imposed a bonus tax since 1985. After linking contracting, total wages, and realized profits in enterprises in 1987, the expansion of consumption funds has been basically checked." "The phenomenon of inflated personal consumption funds no longer exists." I think this assumption does not conform with reality. During the past few years, in addition to the acute swelling of investment, a rather serious swelling of consumption funds has also been present in China. The following two sets of figures support this point. According to statistics, from 1984 to 1987 China's national income increased by an average annual rate of 9.9 percent, whereas total wage payments increased by 19.1 percent. After adjustment for inflation, the real average annual increase rate was 10.7 percent. On the surface the real wage increase rate is roughly the same as that for the national income. But the truth is that the real income of workers, besides basic wages, also includes various allowances and subsidiaries, and the latter amount to over 40 percent of total wage payments. In addition, looking at the trend of development, because of the effects of price hikes, the latter's increase rate is likely to continue to be higher than the basic wage increase and will be difficult to bring under control. As a result, during the first 3 quarters of 1988, wage payments increased by 20.1 percent over the same period in 1987; bonus payments increased by 46.6 percent; and other cash incomes, in addition to wages and bonuses, increased by 37.5 percent. It can be assumed that the increase rate of wage payments and other incomes is similar to that of investment in capital construction and public buildings. It has reached a degree where the national income can no longer sustain it. Second, the increase rates between wage payments and productivity. Take, for instance, enterprises under public ownership. From 1983 to 1987, the real wages of workers in industrial enterprises under public ownership increased by an average annual rate of 7.5 percent, while productivity increased by 6.9 percent. It is also abnormal for the former to be higher than the latter.

Since the 3d plenum of the 11th CPC Central Committee, China has made great strides in agricultural production and the people's living standard has clearly improved. This is apparent to all, but owing to uncoordinated reform measures and propaganda, such as "high consumption is justified," as well as other reasons, swelling consumption funds have become an increasingly prominent problem in recent years. Comrade Yang Peixin argued that imposition of the bonus tax and implementation of the contract system linking total wage payments with realized profits in enterprises have brought swelling consumption funds under control. This in fact is not the case. Although the imposition of bonus tax and introduction of a contract system linking wages with profits have somewhat reined in swelling consumption funds, they also have many shortcomings which need to be closely scrutinized. The introduction of the

contracted managerial responsibility system has generally allowed enterprises to retain more profits, and plant directors have been given the power to deal with retained profit. Although, in reality, some of the well-structured and strictly-managed enterprises have made proper use of retained profit, a considerable number of them have acted otherwise and used a large portion of this profit to increase payments through wages, bonuses, and articles. In other words, production funds have been converted into consumption funds. People have also resorted to various methods to evade the bonus tax. It is obvious that some of China's enterprises have not accorded priority to the expansion of production or introduction of advanced technology. Instead, the suppression of accumulation, expansion of consumption, squeeze on production, and increase of short-term, nonproductive activities have been getting more serious and widespread. Some enterprises have even resorted to fraud, used loans and directors' funds to increase wage payments. They have also hidden incomes, forged production costs, and evaded tax to provide more benefits to workers. Some enterprises, which have been losing money for years, not only continued wage and bonus payments, but also distributed other benefits in full. How long can enterprises and society tolerate such actions? To what extent has linking wage payments with realized profit controlled swelling consumption funds also need further observation and study. To begin with, we should examine the contents in realized profit. Is it normal profit or falsely "realized" profit? Is it profit from activities benefiting social development or only that particular sector? The results of these two aspects in relation to wage payments will differ greatly. For example, when the construction industry completes a project ahead of schedule, thus making higher profit during the construction of office buildings, hotels, auditoriums, and other public buildings, it can increase wage and bonus payments, based on the increased returns from a given asset. From the view of the construction business, this is proper, because the payments made are based on the principle of distribution according to labor. But, from the view of society as a whole, many of these public buildings should not be built in the first place. Therefore, such investments and the increase in wage and bonus payments are irrational. Another shortfall of linking wage payments with realized profits is that it only takes an individual enterprise or locality into account, and not the overall sectorial and industrial structures. If the overall sectorial and industrial structures in society are irrational, it is very dangerous to increase wages and bonuses without restraint on account of the realized profits of an individual enterprise or locality. This will not only cause an imbalance between accumulation and consumption, but also lead to a further distortion of the industrial structure.

The swelling of consumption funds is not only caused by excessive growth in wage payments, but also excessive growth in the incomes of township enterprises, Sino-foreign equity, and contractual joint ventures, wholly foreign-owned and private enterprises, as well as in

institutional buying power. The loss of control over, and improvement in, these areas warrant greater attention.

Therefore, we should look squarely at the problem of swelling consumption funds, and seriously analyze the reason why the control over consumption is lost. We must also understand, ideologically and theoretically, the gravity and damage caused by the protracted swelling of consumption funds and the failure to bring it under control. The normal growth of consumption funds is entirely different from its inflated growth. In the short term, expansion of consumption funds means higher income for workers and more cash in the people's hand. That may seem fine, but because it runs counter to the principle of a balanced development of the national economy and overburdens the productive forces, it harbors a great danger. First, if consumption grows faster than productivity, wages can only be met by issuing more money. On one hand, this will lead to workers having more money while their actual wages will be lower than the nominal wages because the extra cash cannot buy more on the market. The value of money will then diminish, making workers feel insecure. On the other, it will create shortages in the market, thereby driving up prices. Generally speaking, the lower the production cost, the lower will be the price. If cost remains unchanged, while the amount of goods is stagnant or increases slowly, an increase in the amount of cash will cause price to rise. If wages increase by 10 to 30 percent or more each year and productivity fails to rise correspondingly, it will be very dangerous to rely on printing more money to meet wage increases. Second, increase in production costs will not help reproduction expand. Currently, labor constitutes less than 10 percent of the production costs for industrial goods in China. Cheap labor is one of China's advantages in industrial production. China's cheap labor cost is related to its low production standard. Although China's nominal wage cost is low, its relative wage cost is not, because productivity is low, and the constitution of wage per unit product is higher than many advanced industrial countries. Currently, many enterprises have failed to recognize this point. If enterprises continue to increase labor costs by vying with each other to increase wage and bonus payments, China will lose its relative advantage in cheap labor costs. The disadvantage of higher relative cost will then become more prominent. This will hinder not only exports, but also the expansion of production. All this worries us. Third, although many enterprises have currently increased wage and bonus payments, they have not implemented the principle of more pay for more work, but instead continued to practice egalitarianism. Many enterprises have ignored the production situation and paid floating wages and bonus to all workers. Such actions will only cause workers to demand more money, and produce no results, because there is no incentive to work harder. Fourth, we should note that swelling investment in capital construction is directly related to the swelling of consumption funds. Currently, China has not overinvested in necessary capital construction. However, there is overinvestment in certain

processing industries and in the construction of public buildings. This is caused by excessive consumption demand and abnormal growth. If we do not straighten out the consumption structure and the relations between consumption and accumulation, it will be very difficult to control the rapid expansion of capital construction.

### **We Should Correctly Appraise National Corporations**

*OW0302130089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 2, 16 Jan 89 pp 39-40*

[Article by Pan Guangen 3382 1639 1869 of the Office Party Committee of the China Petrochemical Industrial Corporation]

[Text] The No 9 issue of 1988 of QIUSHI published an article by Comrade Yang Peixin entitled "Effective Measures That Must Be Taken To Curb Inflation." In the sixth measure (how to fundamentally deal with the shortage of commodities and raw materials) suggested in the article, the writer attributed shortage of commodities and raw materials to the systems of a few large corporations of the state. He said "...the responsibility system for the output of an entire industry is still being practiced in the petroleum, petrochemical, nonferrous metal, and coal industries. The respective national corporations in these industrial fields still have the entire charge of the personnel, financial, materials, production, supply, sales, domestic marketing, and foreign trade affairs of their subordinate enterprises and still maintain the systems of the big common pot and arbitrary directions. This has resulted in the rigidity of the operations of the enterprises and choked their initiative and vitality." I think this conclusion does not conform to the actual situation.

First, setting up these few national corporations is an important decision of the party Central Committee and the State Council after considering the long-term development of reform and construction. The China Petrochemical Industrial Corporation [CPIC] was set up in 1983. Then, some petrochemical industrial enterprises began to associate with one another while carrying out reforms. Such association improved economic performance, demonstrating the advantages of association. The central authorities approved association of petrochemical industrial enterprises and decided to set up a national petrochemical industrial corporation. The establishment of the CPIC has eliminated problems between petrochemical industrial departments at higher and lower levels and in different localities, and set a trend of integrating the petroleum, chemical, and fiber industries, creating favorable conditions for making better use of our precious petroleum resources, for improving economic results, and for ensuring the central government's financial revenues. As an economic entity, the corporation's centralized management of personnel, financial affairs, materials, production, supply, marketing, and domestic and overseas sales is just the power

delegated by the state to enterprises to run their businesses. The CPIC and the China Coal Industrial Corporation were set up in 1988 in accordance with the policy decided by the 13th CPC National Congress to strengthen reform of the economic system and to initiate reform of the political system. The policy was suggested by the State Council, discussed by the central authorities, and approved by the 7th NPC Session and is a big step forward in the course of reform. Accusing these few corporations of attempting to maintain the systems of everybody eating from the same big rice bowl and the system of giving directions blindly is not in the spirit of the central authorities.

Second, the 3d plenum of the 13th CPC Central Committee has already clearly pointed out that the root causes of the current inflation are an overheated economy and the outstripping of social total supply by social total demand. The correct policy adopted by the central authorities to improve the economic environment and to rectify the economic order is just designed to slow down the overaccelerated development, to check the excess growth in social total demand, and to increase social total supply. All the few corporations mentioned here produce material resources, and are backbone forces for increasing social total supply. For example, the CPIC supplies about 80 million metric tons of petrochemical products to the society, making a fair amount of contributions toward satisfying the needs of people's lives and economic construction. One of the measures to curb the current inflation should be showing greater concern for these few state corporations and helping them develop, improve, and make better use of their combined force to enable them to provide more effective supplies to the state for alleviating contradictions between social total supply and demand.

Third, social economic life in the past few years shows us that, to invigorate the economy, we should not only develop rural enterprises and give them a free hand to run their business, but also pay attention to developing large enterprise associations and enterprise groups. We should adopt a centralized management system at industries that affect the national economy and people's livelihood, particularly in a period when the old system is being replaced by a new one. This is also in the spirit of the policy decided by the 3d plenum of the 13th CPC Central Committee to improve the economic environment, rectify the economic order, and strengthen macroeconomic control. Let us cite the CPIC as an example. It must not be compared with rural enterprises. Rural enterprises' production may be completely guided by the market while the CPIC has to consider the overall needs of the national economy, and follow the state's plans and arrangements. All products of the corporation are energy sources and raw materials that are inseparable from the people's daily life and the national economy and are materials in short supply. If petrochemical industrial enterprises are given full power to operate as rural enterprises are, panic buying and price hike of petrochemical products and corruption practices that will

follow might become more serious than they are now, not to mention that there would be no guarantee for the supply of materials and funds much needed by the state. Therefore, the idea that all enterprises be given full power to operate as rural enterprises are is impractical for the time being.

Fourth, the only criterion for judging if an enterprise's system meets the needs of reform is to see if the enterprise's productive forces are developed. The CPIC is an economic entity majoring in petroleum processing, which consists of petroleum, chemical, and fiber industries and engages in industrial, trade, and technical activities; and which operates in various localities, branches out to various industries, takes responsibility of its own profitability and losses, and is given a free hand to operate its business. Such organization meets modern production needs and enables itself to make better use of resources, make advanced processing of resources in a better way, and exploit various resources. The corporation is well equipped and has the ability to undertake the construction of key projects. Since the establishment of the corporation 5 years ago, China's petrochemical industry has developed steadily, and its economic results have been improved markedly. In the past 5 years, the amount of crude oil processed has increased by an average of 3.4 percent annually, the corporation's output value has increased by an average of 8.8 percent annually, and its profits and taxes paid to the government have increased by an average of 10.2 percent annually, making it a major pillar of the national economy and the central government's financial revenues. The corporation has used its own ability and credibility to raise funds at home and abroad to ensure the construction of state's key petrochemical industrial projects. The putting into production in 1987 of the Daqing, Qilu, and Yangzi 300,000-metric-ton ethylene projects alone increases China's ethylene production by more than 100 percent. Facts have shown that the system of the CPIC has played an active role in developing productive forces.

Fifth, the few national corporations mentioned above were born in the great tide of reform, and have continued to carry out internal reforms to increase their vitality. Since it was established 5 years ago, the CPIC has always regarded strengthening internal reforms as the center of its work, as demanded the party Central Committee and the State Council. As a large enterprise, the corporation has drawn up contract plans for making proper use of the state's investments and for delivering the corporation's output. These plans, after they are approved by the State Council, have been implemented by the corporation's subordinate enterprises, and have been turned into the contract responsibility system in business management for these enterprises. To give the subordinate enterprises greater power to operate their business, the corporation, based on the State Council's 10-point regulations on broadening enterprise power, has drawn up 40-point regulations on broadening its subordinate enterprises' business-management power. The corporation also has asserted the central position of the manager (director) of

a plant at all levels. All enterprises of the corporation have encouraged competition among workers, optimized production operations, linked wages to economic results, and done away with the practice of everybody eating from the same big rice bowl. Organs of the corporation's headquarters are required to do a good coordinating and service work, and adhere to the "three not's and one do" (i.e., not to vie for power with subordinate enterprises; not to scramble for profits with subordinate enterprises; not to compete for fame with subordinate enterprises; and do a good service to subordinate enterprises) policy. The steady development of the petrochemical industry in the past few years negates the allegation that the corporation is still practicing the system of everybody eating from the same big rice bowl and the system of giving directions blindly. Giving directions blindly can only collapse an enterprise. It is just that the corporation has continued to strengthen internal reforms and adopted a scientific and effective management system that it has aroused the enthusiasm of petrochemical industrial enterprises, injecting new vitality to China's petrochemical industry.

The reforms currently carried out in China are an unprecedented great revolution. In carrying out these reforms, no one can avoid suffering some kind of setback. Likewise, the few national corporations also have felt their way forward in carrying out reforms. They too have been unable to avoid taking the wrong paths and making mistakes of various natures. Problems and contradictions arising in the course of advance are just problems and contradictions we have to solve in strengthening internal reforms of enterprises. Improving an enterprise's internal environment, rectifying an enterprise's internal order, and strengthening an enterprise's internal reforms in the spirit of the 3d plenum of the 13th CPC Central Committee will enable us to solve existing problems and contradictions, and to develop and improve an enterprise's mechanisms.

**Let the Past Tell the Present—About the 1988 National Party History Symposium**

*OW0302130089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 2, 16 Jan 89 pp 41-43*

[Article by correspondent Li Jinsheng 2621 2516 3932]

[Text] In November 1988, eight units in all, including the Chinese Communist Party History Society, the Party History Research Center under the CPC Central Committee, the Yunnan Provincial Party School, and the propaganda department under the Yunnan provincial party committee, held "The 1988 National Party History Symposium" to discuss the history of the party focusing on the 10-year period (from January 1957 to April 1966) when all-round socialist construction began. Participants in the symposium put forward numerous inspiring ideas and views. Below are excerpts of the major topics discussed at the symposium:

1. Reviewing the party history before and after the eighth party congress, some at the symposium pointed out that our party did some correct exploration of the ways of undertaking socialist construction at that time. The eighth party congress in 1956 indicated that the principal contradiction in the country was that while the economy and culture were developing rapidly, they still fell short of meeting the people's needs. Accordingly, the congress determined that the central task of the party as well as the whole country was to concentrate on developing productive forces of society. Around the same time, the central leading body of the party laid down our nation's economic strategies: First, to lay a foundation of modern industrialization with three 5-year plans; that is, within 15 years; second, to build a great socialist nation, realizing "four modernizations" and surpassing even the most industrially advanced country in the world, in 50 to 100 years, or 10 to 20 5-year plans. With this goal in mind, our party has done much useful exploration in economy, politics, and other fields.

a. Resort to new thinking in the policy of economic development, according to which agriculture is the foundation and industry the leading factor. The party advocated that the economic construction must have "both aggressive and stable and reliable" policy and the scale of the economic construction must match national strength. It also broached its famous idea of maintaining the three balances; that is, the balance of material resources, finance, and credit.

b. The preliminary probe into the economic structural reform includes: 1) letting the central government delegate power to localities; 2) expanding enterprises' self-management rights; 3) implementing the "three main bodies, three supplementaries" management system in production, circulation, and ownership systems; that is, state- and collective-run business as the main body, and private business as the supplementary; planned production as the main body, and free production within the limits permitted by planning as the supplementary; and the state market as the main body, free market within certain limits as the supplementary.

c. The preliminary probe into democracy includes: 1) stressing collective leadership, dividing power of the highest party and state leadership equally between the chairman of the CPC Central Committee and the president of the state; 2) enlarging the role of the congress of people's deputies to effectively enforce the system of supervisory work carried out by the people's deputies; and 3) strengthening the building of legal system. The 2 years from 1956 to 1957 saw the enactment of 359 laws by the National People's Congress Standing Committee, the highest number in any period, or 24 percent of all of the laws enacted during the 30 years (1949-1979) since the founding of the nation. Of course, from what we see now, this kind of probe has greater historical limitation: 1) it lacks understanding of the development-by-stage and long-term nature of the development of socialist society and of our nation's historical bearing in the

socialist development; and 2) on the whole, it did not transcend the traditional socialism with commodity economy as its core. The guiding ideology of reform basically is to improve this.

2. After the 8th Party Congress, the effort to explore ways of undertaking socialist construction was interrupted by a struggle against the rightists in the summer of 1957. Later, the scope of that struggle was greatly broadened. What were the causes for this? The following is an analysis by participants in the symposium:

a. Analyses of and judgments on a new international situation brought about by the 1956 20th CPSU Congress and the ensuing Polish and Hungarian Incidents as well as workers' and students' strikes which had occurred in various parts of the country in the second half of 1956 were made not according to objective realities but the view that the bourgeoisie and the antisocialist forces were running increasingly wild.

b. By changing his view on the principal contradiction in the country, Mao Zedong caused the scope of the struggle against the rightists to be further broadened.

c. The influence of feudalist ideas and the backward concepts of peasants and small producers had a extensive foundation in the party. Many party members and cadres were incompatible with and very averse to correct opinions calling for doing away with longstanding malpractices and strengthening and developing socialist democracy in the party and regarded such opinions as opposing party leadership and the socialist system. They even waged ruthless struggle against and dealt merciless blows to those who had expressed such correct opinions.

d. In the wake of victory, the ruling party became conceited and arrogant. Many party members and cadres were increasingly used to ordering people about, encouraged and appreciated singing the praise for them, and were no longer accustomed to accepting criticism and supervision by the masses.

e. Why were most of the targets of the struggle against rightists democratic personages and intellectuals? It is because all national industrialists and businessmen, 5 million intellectuals, and their family members were classified as members of the bourgeoisie. Hence the revolution was directed against wrong targets.

3. With the intensification of the struggle in the ideological and political spheres after 1957, our guiding principles for socialist construction deviated farther and farther from the line laid down by the eighth party congress. Some participants in the symposium held: The general line laid down at the second meeting of the 8th Party Congress in May 1958—"Go all out; aim high; and achieve greater, faster, better, and more economical results in building socialism"—indicates that the party's guiding ideology for socialist construction fell into "utopianism." It is because the theoretical basis for this

general line was this: Socialist construction and the development of the national economy were mainly determined not by objective conditions but by whether or not the broad masses of people would go all out; aim high; and achieve greater, faster, better, and more economical results in doing everything. It can be said that speed was the essence of the general line. Regardless of objective conditions, the theory that only will power should be taken into account inevitably led to utopianism. This means: a series of unrealistic targets were set in the development of productive forces and in the strategy and annual plans for economic development. In the change of production relations, the transition from a small to a big commune, from collective ownership to ownership by the whole people, and from socialism to communism was forcibly effected despite poor conditions, in an attempt to skip stages of social development and to enter the communist stage in 10 to 15 years. The "big leap forward" and the people's commune movement were a practice of strong utopianism at that time. Such practice presented a utopian picture before the people: replacing the unitary economic and political organization with the people's commune, a comprehensive primary social organization and a primary communist unit of state power with which to eliminate the differences between town and country, between worker and peasant, and between mental and manual labor; laying an economic foundation for communism through the transition from collective ownership to ownership by the whole people; instituting a communist system of distribution by changing the wage system plus the supply system to a full supply system and the system of distribution according to work to the system of distribution according to need; and enabling people to acquire a strong communist consciousness and morality through thoroughgoing ideological remolding and the abolition of classes. The primary means to achieve all of these was to effect "communization"—to practice equalitarianism and wage class struggle.

4. The readjustment of the national economy in the 1960's: Three years of the "great leap forward" and the switch over to the people's commune did not bring prosperity and abundance to the people. On the contrary, they had pushed the national economy to a serious predicament. This grim fact prompted people to examine the causes that led to the tremendous difficulty. However, differences in the analysis of the causes led to differences in the following issues: a) does socialism incorporate different stages of development? b) should we link the changes in the relations of production with the promotion of the development of the productive forces and use the productive forces as criteria in readjusting the relations of production? c) should we allow the existence of different economic sectors other than the public sector and regard these different economic sectors as necessary supplements to the socialist economy? d) does socialism mean blind pursuit of high-speed development or planned, proportionate development? e) should socialist economic management model be unitary and rigid or diverse and flexible? f) is class contradiction



the principal form of contradictions in socialist society? Differences on these issues had obliquely manifested themselves as early as the "Lushan Conference" of 1959 and the "Seven Thousand People Conference" of 1962.

Participants in the symposium believed that the readjustment of the national economy undertaken in the early period of the 1960's was, in essence, the practice of a new understanding of socialism within the party. However, this new understanding met with profound opposition and deeply conflicted with the existing utopianism and the erroneous "leftist" theoretical system. Mao Zedong, the principal leader of the Party Central Committee, had strong faith in the utopian theoretical system which he founded and, therefore, would not tolerate anyone questioning the "Three Red Banners" [the general line for socialist construction, the great leap forward, and the people's communes], which had served as the ideological guide. As the readjustment proceeded and as some exploratory reform measures were taken, Mao Zedong, who was on the second line of leadership at the central level, became more and more unable to tolerate the readjustment and some of the reform measures undertaken by comrades on the first line of leadership. The outbreak of the Great Cultural Revolution ultimately prevented the new understanding of socialism inside the party in the early period of the 1960's from being translated into the practice of all-round socialist reform in China.

5. Some participants pointed out: In the 10 years between 1957 and 1968 [as published] Mao Zedong's theory on class struggle in socialist society led to major mistakes in both the ideological - political and economic fields. It is, therefore, necessary to profoundly analyze and think about this theory.

a. The formation of the theory: The first stage was ideological preparation. Under the influence of the Hungarian Incident abroad and the struggle against the rightists at home, Mao Zedong in the second half of the 1950's drew up theoretical conclusions about revolution in the ideological sphere and developed the idea of inner-party struggle, which laid the groundwork and provided the materials for the formation of the theory of class struggle in socialist society. The second stage began from 1960 to the holding of the 10th plenum of the 8th CPC Central Committee in 1962. This was the stage in which the theory was presented. The erroneous judgment on the Soviet economic and political reform played a key role in this stage. The third stage, from the Sino-Soviet controversy of 1963 to the eve of the Great Cultural Revolution, was a period in which the theory was further refined and perfected. This was followed by a new stage in which the theory developed into "the theory of continuing the revolution under the dictatorship of the proletariat."

b. The causes for the formation of this theory: First, Mao Zedong one-sidedly understood the theories of classic Marxists on scientific socialism. Second, he erroneously

observed the practice of international communist movement and, particularly, the practice of Soviet reform. Third, he erroneously judged the social contradictions in the country and the state of ideology within the party.

c. How to view this theory? The tragedy of Mao Zedong in his later years was not merely his personal tragedy. Just as his scientific thinking crystalized the collective wisdom of the whole party, his systematic development of the theory of class struggle in socialist society reflected in a nutshell the state of thinking of the whole party at that time. Mao Zedong's mistakes, after all, represented the mistakes of the whole party. In this sense, we need to study, with concentrated efforts, Mao Zedong's theory on class struggle in socialist society.

6. Several points of enlightenment from history:

a. The development of human society is a natural historical process. Man's will and force can only push forward the development; they cannot break themselves away from or exceed it. To make socialism scientific, we must proceed from the reality and study and understand the conditions of our country.

b. History has told us that utopian ideas will not disappear once we have scientific socialism. Upholding scientific socialism is a process of creative practice in which utopian elements are overcome continuously. This, however, does not mean that it is inevitable to commit the errors of utopianism and other kinds of mistakes in socialist construction. If we truly foster democracy, respect science, and act in accordance with the law and economic rules, it is possible to make fewer mistakes or even make no mistakes at all during a certain period.

c. We should get away from the habitual way of thinking, which makes us analyze things from the angle of class struggle. The ongoing economic reform has led to a major restructure of our society and economy. The forms of management within each economic sector and the mutual relationship between various economic sectors are undergoing increasingly complicated changes. Under these circumstances, we will get nowhere if we continue to define classes on the basis of the ownership of the means of production. It is meaningless to try to argue on the basis of the form of labor and distribution that intellectuals are part of the working class.

d. Socialist construction is not the pursuit of a unitary economic norm. Instead, it should be an all-inclusive target, incorporating political construction, the building of democracy and the legal system, and the construction in education and culture, as well as economic construction. In a country which is ruled by one political party, we must pay particular attention to the building of democratic system in the party and the country and perfect the appropriate mechanism of check and balance and supervision.



**Eighty Years Since the Publication of *Ci Yuan***  
*OW0302130089 Beijing QIUSHI [SEEKING TRUTH]*  
*in Chinese No 2, 16 Jan 89 pp 43-44*

[Article by Xu Zhensheng 6079 2182 3932 of the Commercial Press]

[Text] There were two publications dealing with vocabulary, words, and phrases which combined the characteristics of both a dictionary and an encyclopedia and which were widely used across the country in old China: One was *Ci Yuan* published by the Commercial Press in 1915, and the other one was *Ci Hai* published by the China Book Store [zhong hua shu ju 0022 5478 2579 1444] in 1936. Both publications enjoyed sales of over 1 million copies and played an active role, to some extent, in promoting the advance and development of the undertakings of culture and education at that time. After China was liberated, the two publications on vocabulary, words, and phrases underwent an overall revision in accordance with the comprehensive plan drawn up by the Publication Department. The new *Ci Hai* has become a new medium length encyclopedia. The new *Ci Yuan* has become a comparatively large special dictionary on the archaic Chinese language as well as a reference book for researchers on classic literature and history. This article will try to briefly review the history of the compilation of *Ci Yuan* and the process of its evolution.

The Commercial Press was established in 1897 (in the 23d year of the Guangxu Emperor of the Qing Dynasty). At first it mainly ran a printing business. Mr Zhang Yuanji, a pioneer of China's publication undertakings in modern times, began to work for the Commercial Press in 1901 (in the 27th year of the Guangxu Emperor of the Qing Dynasty). A compilation and translation department was set up the following year. The Commercial Press gradually shifted its endeavors to publications as the main business. All his life, Zhang was dedicated to "tapping intellectual resources and educating qualified personnel." To coordinate with the reform of China's educational system, the Commercial Press invited a group of experts and scholars to work together on the compilation of textbooks, which were the first of their kind in China. Meanwhile, it stepped up its efforts in translation and publications to introduce the works of Western culture and scholastic thought. A few years later, Commercial Press presented its plan for the compilation of *Ci Yuan*.

Before that, there was no dictionary that gave modern definitions in China. The only ones available were books about explanations of words in ancient books, with the book *Er Ya* [1422 7161] being the best representative example in this category; wordbooks on the form and structure of written characters, with the book *Shuo Wen Jie Zi* [6141 2429 6043 1316] being the paragon in this category; books on phonology, with the book *Guang Yun* [1639 7301] being the best example in this category; and reference books with material taken from various

sources and arranged according to subject. The purposes and applications of the compilation of these books were limited to preservation, notes, and commentaries on the works of classical cultural traditions.

During the mid 19th century, "a great change in 3,000 years" took place in China. China was forced to open its doors wide to the outside world, thus ending an era of closing the country to international intercourse. Its political, economic, social, and cultural systems sustained tremendous impact. Under such new circumstances, the old books on words, phonology, and reference material taken from various sources and arranged according to subject could no longer meet the needs of people in their quest for knowledge. A reference book that combines ancient knowledge and modern learning, that deals with comprehensive categories and subjects, that has full, accurate, and credible contents, and that is handy for looking up new words and phrases was badly needed. The compilation of *Ci Yuan* began in 1905.

Concerning the compilation of *Ci Yuan*, Mr Lu Erkui, chief editor of *Ci Yuan*, wrote the forward "A Few Words on *Ci Yuan*" to the original edition. An excerpt from the article will help readers roughly understand the intention and process of its compilation at that time.

"The reason for this book's compilation is that translated books began to circulate in the coastal regions and colloquial expressions suddenly began acquiring new meanings in 1903-1904. Newspapers advocate civilization, the science of law, and philosophy. Their pages are full of new terms and phrases. All the people in the hinterland do not know their meanings. As a result, the country squires criticize new information. When young scholars who have studied abroad return home and want to learn anecdotes of their hometown and the country, they find ancient books and records as vast as the open sea. Research work at home is more difficult than in foreign countries where people have easy access to material on politics, education, etiquette, and customs. People want to destroy everything to pave the way for reform. Culture comes to a standstill when ancient thought can not assimilate new ideas. Some friends of mine who live in Europe and the United States and who know everything about other countries talked with me about education and dictionaries, saying that the level of a country's culture is frequently compared to its dictionary. Since museums and libraries are not widely set up in our country, the compilation of a dictionary is a top priority for meeting the needs of those who are anxious to improve their knowledge. They added that when accumulated doubts find no answers, people's minds become tired and withered and people then have strained interpretations and draw farfetched analogies, thereby acquiring specious learning. Our ancestors regarded inquisitiveness as a virtue. How can we have our industrious students ask questions whenever they are in doubt? And how can we have well-read scholars answer questions whenever they are asked? A country has no culture if it has no dictionary. My friends' words

were very clear.... At first we had five or six comrades. Then scores came to join us. We collected and used more than 100,000 volumes of books. It has taken us 8 years to complete the work."

Thus, China's first modern dictionary dealing with the Chinese language and literature, and also functioning as an encyclopedia, appeared. *Ci Yuan* was formally published in five different editions: Jia, Yi, Bing, Ding, and Wu [equivalent to A, B, C, D, and E in English] in 1915.

The sequel to *Ci Yuan* was published 15 years later (in 1931). The forward to "The Sequel to *Ci Yuan*" reads as follows: "More than 10 years have elapsed in a twinkle without our notice. It goes without saying that a great number of new terms have come into being in the names and descriptions of things and in science due to the evolution of the world and political changes during the past 10 years and more. We have received thousands of letters from various circles requesting revision and supplementation. Corrections in merely a couple of places in the original edition can by no means meet the demands of our voracious readers. Therefore, we have collected new terms from every possible source and added over 30,000 words and phrases to make the original edition a repertoire for research in classical learning and the sequel a bridge for achieving mastery through a comprehensive study of both classical and modern learning." The two editions complement each other. They were combined into one volume and published under the name *The Combined Volume of Ci Yuan* in 1939.

The characteristics of *Ci Yuan* are that it inherits the traditions of explanations of words and phrases in ancient books provided by the wordbooks on the form and structure of written characters, the books on phonology, and reference books, with material taken from various sources and arranged according to subject. It has the characteristics of a modern dictionary, and it collects words, phrases, and encyclopedic items systematically. It includes both ancient and modern words and phrases which are used in China and foreign countries, thereby creating a new kind of comprehensive dictionary "that deals mainly with words and phrases while touching on encyclopedic items at the same time." It is a cross between a dictionary of language and literature and an encyclopedia. Since it incorporates both ancient and modern words and phrases and since it stresses practicality, to certain extent it can meet the needs of scholars doing research into ancient learning and extensively acquiring new knowledge of that time.

After the founding of the People's Republic of China, Comrade Chen Hanbo was entrusted with the management of the Commercial Press. He undertook the task of the revision of *Ci Yuan* and began the work in August 1958. It was determined then that *Ci Yuan* would be revised to become a reference book for reading general ancient books and for researchers on classical literature and history who have received education at the level of senior middle school or above. After 7 years of hard

work, Volume I of the Revised Edition of *Ci Yuan* was completed in 1964. While preparation for the preliminary draft of Volume II and collection of the preliminary material for Volumes III and IV were completed, the revision of *Ci Yuan* was forced to be suspended due to the advent of the Cultural Revolution.

In 1975, the publication of the *Revised Edition of Ci Yuan* was included in the plans for the publication of dictionaries. This plan designated the four provinces (region) of Guangdong, Guangxi, Henan, and Hunan to set up separate organizations for the revision work. The editorial department of the Commercial Press was also designated to coordinate and assume the work of revision. After the "gang of four" was overthrown, those work personnel who had taken part in the revision reached a common understanding once again on the basis of the 1958 guiding principle for the revision work. The four provinces (region) were each assigned a portion of the work to produce the first draft from the published Volume I of the *Revised Edition of Ci Yuan*, the drafts of the other three volumes, and the cards and material accumulated over the years provided by the Commercial Press. After the first draft was produced in separate batches, the Commercial Press took over the finishing job. Its three editors examined and revised the first draft and finalized the text. The editors were Wu Zeyan, a noted scholar and veteran editor of the Commercial Press; Huang Qiugeng, a man of letters versed in Chinese and Western literature; and Liu Yeqiu, a scholar with great learning. Volumes I, II, III, and IV came off the press one after another from 1979 to 1983. The work of revision and publication was completed.

The revised edition of *Ci Yuan* has 12,890 individual characters and 84,134 phrases, totaling 97,024 entries in 12 million characters. Its main characteristics are as follows:

1. It is different from the old *Ci Yuan* in structure, which had been an encyclopedic lexicon collecting phrases and entries of information on all branches of knowledge both Chinese and foreign, and modern and ancient. In line with the principle of revising the old lexicon into a special dictionary for studying classical Chinese in general, all entries on natural and social sciences and applied technologies were deleted, while phrases frequently seen in the Chinese classics were added. After the deletion and addition, the revised edition of *Ci Yuan* is roughly the same volume as the main body of the original lexicon.

2. It is enriched with new substance. More than half a century has elapsed since *Ci Yuan* was first published. During this period, we have accumulated a host of linguistic data and improved our Sinology research level. Judging from the academic standards today, the old *Ci Yuan* had quite a few shortcomings in its contents (phonetics, form, definition, explanation, documented proof, and examples). The revised edition has corrected errors and shortcomings that were discovered in the old

*Ci Yuan*, and has assimilated, as much as possible, the fruit of research made by linguists, men of letters, and historians on classical Chinese over the past half century. Moreover, each individual character is given in both the Mandarin pinyin and the phonetic alphabet, as well as "fanqie" [0646 0434—an exact but cumbersome system of giving the pronunciation of a character by giving two other characters, the first giving consonant formation and the second giving vowel formation] from the *Guang Yun* [1639 7301—a rhyming dictionary authorized during the Song Dynasty], with its key sound (consonant) marked. If a character is not included in *Guang Yun*, its "fanqie" in *Ji Yun* [7162 7301—another rhyming dictionary also authorized during the Song Dynasty] or other rhyming or language dictionaries is given. The explanation and definition are generally arranged in the order of original meaning, extended meaning, metaphor, and interchangeable use for other characters. Attention has been given to the origin of phrases and their development and evolution in the course of use. The documented proof of all entries has been verified against original sources, with the title of each chapter added, or has been replaced with one that is closer to its original language, thus enhancing the subordinate position of documented proof and giving further prominence to the original characteristics of *Ci Yuan* in "tracing back and finding the source" and "investigating each character through its source."

3. It gives new styles and examples. While retaining the existing pattern of arrangement for a dictionary, the revised edition of *Ci Yuan* provides systematic information in the relevant branches of knowledge. The styles of "see also" and "read also" are more frequently used in the revised edition. The purpose of "see also" is to connect all pertinent entries, while that of "read also" is to supplement the explanation and documented proof of some entries, which are too much to be included in the available space. General background information provided for an entry does not necessarily come from a single book. A character or phrase sometimes has many explanations. Consulting textual research often provides only a conclusion. The origin and vicissitudes of traditional institutions cannot all be included in the generalized explanations of the dictionary. Therefore, listed under "read also" are relevant books providing the source of information and relatively complete information.

The editing and compilation of a dictionary are undertakings by successive generations. The revised edition of *Ci Yuan* may still have problems or even errors of one kind or another. Much remains to be done to make it a standardized lexicon. The new generation of lexicographers are confronted with the task of further improving the quality of this dictionary.

#### The Road of Philosophers

OW0302130089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 2, 16 Jan 89 pp 45-46

[Article by Xing Benshi 6717 6321 1835]

[Text] On a drizzly afternoon in the mid-autumn of 1985, my friend Teng Ying (Motoko Fujiwara) accompanied us to the "Road of Philosophers" near the famous

Ginkakuji Temple in Kyoto, Japan. At first glance, the scenery was too monotonous and could in no way be compared to the Arashiyama Mountain nearby. On the one side was a not-so-clear brook, and on the other was a thin forest, with the path in the middle meandering for about 3 or 4 km. Judging from the landscape, I reckoned that similar roads could be found in almost all countries in the world. According to Ms Teng Ying, it has been named the "Road of Philosophers" because many years ago the scholars of the Kyoto School studied and explored truth and learned by mutual discussions there. The "Road of Philosophers" was not one built by the philosophers, but one by which they sought knowledge and truth. After her explanation, I could not but be filled with profound veneration, and the seemingly monotonous path suddenly appeared sacred to me. I could imagine the philosophers of the Kyoto School, in threes and fours, walking back and forth, talking volubly and in whispers or arguing loudly on the road. Hence, the ordinary path became the best venue for academic discussions of the prestigious school. Although in 1982 I met the last leading representative of the Kyoto School, Keiji Nishitani, a member of the Japan Academy and professor emeritus of the Kyoto University, I was not very familiar with the School and its philosophical attainment. However, the spirit of democracy in academic discussion embodied in the "Road of Philosophers" gave me a certain good impression of the School. As I know, in ancient Greece Aristotle and his disciples liked to debate while taking a walk, thus winning the laurel of "Peripateticism" from later generations. Surprised that in the Oriental Japan, a country with deep-rooted feudal tradition, there was a "Road of Philosophers" for scholars to engage in free discussion of issues, I could not but redouble my admiration.

In China, the tradition has always been "engaging in academic discussion while seated," and the habit of holding discussion while walking like the "Peripatetics" and the "Kyoto School" probably does not exist. Hence, the Chinese history of philosophy has never recorded things such as the "Road of Philosophers." Engaging in discussion in a seated or walking posture is, of course, a matter of style, which should not be a criterion for evaluating the quality of discussion. What counts is whether the discussion is on equal footing and imbued with a democratic spirit. There are quite a few successful examples of seated discussions in Chinese history. However, there are also some unsuccessful examples, although I didn't have time to do a thorough investigation. The Ehu Meeting is one of the unsuccessful examples. History has recorded that in the Second Year of Chunxi of the Southern Song Dynasty (1175) [AD], Lu Zuqian sponsored a debate of philosophy in Ehu Temple in Xinzhou, in order to mediate disputes between the two schools of Zhu Xi and Lu Jiuyuan. As far as the scholarship is concerned, Zhu Xi advocated "seeking of principles," that is "studying principles in the lower realm to attain knowledge in the upper realm" and "taking up a matter and then thoroughly reasoning out its principles." In other words, Zhu Xi wanted extensive

reading and observation of the outside world in order to enlighten man's inside knowledge. However, Lu Jiuyuan called for "respect for moral integrity," that is, "importance of basing oneself on major principles" and the "capability of moral integrity to enlighten one's mind." In other words, Lu Jiuyuan maintained that "the mind is capable of reasoning" and, therefore, it is not necessary to read books in order to reason things out. Actually a calm debate was entirely possible between these two different views. However, the self-proclaimed authoritative masters, both of whom had a bad temper, escalated the debate to attacking each other with poems. Zhu ridiculed Lu's scholar as one of the "zen," while Lu criticized Zhu's for "being fragmentary." Lu said in his poem "simple and easy work over a prolonged period of time can produce a significant result, but fragmentary undertaking only drifts along." Zhu said in his poem: "discussion of outdated scholarship can only lead to abstruse knowledge, cultivation of new knowledge should be based on profound foundations." On the surface the two masters appeared rather gracious in repudiating each other with the poems, but actually they were criticizing each other. In my opinion, such a way of engaging in seated discussion may probably be not as good as the walking discussion practiced by "Peripetecism" and the "Kyoto School."

I am not old enough to have personally seen the big debates before liberation. Although I have looked into some aspects of those debates, still I have no idea of them because they are not within my specialty. So I cannot say anything about those debates. But I "personally saw" the several big debates that appeared after liberation. Compared with those before liberation, the postliberation debates were, of course, quite different in content, but they were very similar in form because in both cases articles were written to discuss questions. As far as the forms of debate are concerned, it is hard to say which is better, written polemics or debate in other ways. However, the question is that in written polemics, sharp words were often used in a saber-rattling manner, and there was more emotion than reasoning. This is what philosophers should avoid. What is more, if opportunities arise for this kind of debate to be linked to a certain political climate, the written polemics, originally on an equal basis, will become an encirclement-and-suppression campaign in the ideological sphere. As a result, one side may have a good argument but can say nothing because the political climate is not favorable for them. The argument of the other side may have insufficient justification, or even is absurd and illogical, but they can speak plausibly and at length simply because their argument is compatible with the political climate. This is to use politics to suppress academic studies—a state of affairs that philosophers should especially guard against.

As can be seen from both Chinese and foreign histories of philosophy, a close connection has always existed between philosophy and politics. Despite their connection, philosophy should never become a vassal of politics. In Europe during the Middle Ages, philosophy was

a maidservant of theology, or in other words, a maidservant of religious politics. This is what everyone knows. This maid-servant status caused the deplorable fate of philosophy in the Middle Ages. At that time, some wise people spent their energy probing into such pointless questions as whether a camel can pass through the hole of a needle. Once philosophy becomes a vassal of politics, its knowledge-seeking function will degenerate, and it will have an effect on values based on a certain kind of politics as the yardstick. It can be envisaged that such philosophy can never be a means to seek truth or a science to probe the universe and human life. I have no intention of negating the academic discussions since liberation, but I feel that there have been, indeed, very, very few discussions in a democratic, equal, and cordial spirit that is in line with the "Road of Philosophers." On the other hand, there are too many instances where politics has taken the place of academic findings, and the advantage or disadvantage in politics has swayed the right or wrong in the academic field. Of course, we cannot just hold one side of the debaters responsible for this. The state of affairs described above was a miniature of the Chinese history at that time. It was a result of the long-time precipitation of the "left" ideology in the academic and cultural fields, followed by a resurfacing of that ideology.

In the past few years, I had many opportunities to take part in international academic meetings. I discovered that at formal meetings, every participant sat there with all seriousness and spoke and behaved very cautiously. The atmosphere was dull and even strained. Since more formal writings than real knowledge were presented, the meetings produced little or no result. At the intermissions of the meetings, however, scholars used to gather in small groups in the corridor or in the courtyard to freely exchange opinions. Though they might still dwell on academic questions, they were now in a relaxed mood, and so the atmosphere was also relaxed. Some foreign scholars who had been very serious at the meetings now talked cheerfully and humorously as if they were different people. It was under such circumstances that some scholars could present their innovative ideas and excellent knowledge. I have not studied neurophysiology, but I can imagine that when a man is very nervous, his muscles will be in a strained state, and his countenance will look stiff. When his mind is relaxed, the muscles in his whole body are relaxed, and his countenance is much more natural. I think that since the purpose of probing an academic question is to seek truth, even scholars with different stands and viewpoints should calmly express their opinions and, through discussions, make a clear distinction between what is right and what is wrong. There is no need for a situation in which the people's nerves and muscles are strained and the atmosphere is serious. As for discussions among scholars of the same school, they should be more willing to learn from each other than contest against each other. This is because even though they have different opinions, they often share common ground on major issues, and their differences are only on minor points. Through discussions,

they may either overcome or still reserve these minor differences. In either case, the purpose is for them to maintain their common ground on major issues.

It has been 3 years since I personally saw "the Road of Philosophers." I have forgotten most of the scene there, but its democratic academic spirit remains deeply impressed in my mind and seems to be more and more attractive. I appreciate the "Road of Philosophers," but I do not suggest that such a road be built in Beijing or some other localities so as to provide Chinese philosophers with a place for academic discussions (we have much better conditions in this regard than ancient philosophers). What I feel is that we should advocate the spirit expressed by the "Road of Philosophers."

Let bygones be bygones. I hope that in the academic activities of our country in the future, the spirit of the "Road of Philosophers" will be recognized by the broad masses of people in the academic community and, first of all, by those comrades who are responsible for leading the academic and cultural fields. I hope that this spirit will be further developed. If this is the case, it will be a great fortune for our country's academic cause and for Chinese philosophers.

**Recollections on Reading Books in the 'Cowshed'**  
*OW0302130089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 2, 16 Jan 89 pp 46-47*

[Article by Shu Wu 5289 5617]

[Text] An out-of-station friend of mine, after reading my article "Poetic Notes on 'Lu Xun Beheaded'," wrote to tell of an incident: During the Great Cultural Revolution, he wanted to read books in his spare time after feeding pigs and sweeping away their dung all day long. "There were no other books that I could read. Luckily, there was a volume of *Collected Works of Lu Xun*. I thought to myself there would be no problem in reading this book. As I was reading the book one day, I was discovered by a capitalist roader, as well as a rebel. After opening the book, he said: 'Oh! You like to read Lu Xun's book?' I said, 'Yes.' Unexpectedly, he said: 'Do you know? Without Mao Zedong Thought, Lu Xun's articles are reactionary!' After he finished speaking, he went away, taking the book with him. I was dumbfounded, not knowing whether to laugh or cry."

Later, that friend of mine made an analysis: He said he did not know whether the so-called "without Mao Zedong Thought" meant that Lu Xu was without Mao Zedong Thought, or that the person who read Lu Xun's book was without Mao Zedong Thought. If it meant the former, then Lu Xun had already been dead before the system of Mao Zedong Thought took shape. How could he rise from his grave to memorize the "three old articles" and the "four new articles"? If it meant the latter, ...

I don't want to discuss his analysis in detail. I think he used the stupid method of beating around the bush common to essayists. In fact, what the "capitalist-roader" and rebel meant was very simple. What he meant was this: There is poison in Lu Xun's article, and it is necessary to counter it, or guard against it, using Mao Zedong Thought. As for a fellow like you, you do not have Mao Zedong Thought in mind, so you should not read Lu Xun's book, because the more you read the book, the more reactionary you will become. Let me, armed with Mao Zedong Thought, confiscate the book!

The friend of mine intentionally beat around the bush in his analysis. In fact, he mentioned this point in his letter: "The fact that these revolutionaries feel that Lu Xun's articles are 'reactionary' show that they, like a pack of leopards, have been hurt by the sharpness of Lu Xun's pen. It is not without reason that there is pessimism in the poem 'Lu Xun Beheaded.' It is precisely because of this that Lu Xun commands admiration."

During the initial stage of the Cultural Revolution, I had already lost my job. For a while in the office, I read a volume from the *Collected Works of Lu Xun* every day, waiting to be "dragged out." An "order" was posted one morning, requiring me to report immediately at the "cowshed" (officially called the "group training detachment." After completing the necessary procedures, I asked the "revolutionary," who was the head of the group training class: There is a book in the drawer of my office desk. Could you bring it to me, please? On hearing that it was a book, the "revolutionary" became very vigilant. With a sharp voice, he asked me: "What book?" I said: "*The Collected Works of Lu Xun*." He remained silent for a while, and then said: "All right." Not long after that, I was given the book. So, I was luckier than that friend of mine. I could still openly read Lu Xun in the "cowshed." I was in Beijing, and at that time was with the People's Literature Publishing House. The rebels there were quite intelligent. They knew very well whoever dared openly say that "Lu Xun's articles are also reactionary" would certainly incur trouble for himself. By contrast, the "revolutionary" confronted by that friend of mine in a certain county of a province was more frank, because he dared openly to say the words. This has to do with the educational level of a person and also with the environment. He was in a far-off county, and was probably not aware of the seriousness of what he had said.

However, what he said was true. When I read Lu Xun during the initial stage of the Cultural Revolution, I frequently restudied the article "Knowledge and Crime." I felt that our "cowshed" was very much like "the little hell full of slippery beans." During the later stage, I and a few friends always exchanged these words with one another: "Do you still remember Lu Xun's article 'Ah Jin'?" "It was very well written." When we laughed, we all knew who "Ah Jin" was meant to be. In fact, it was a prediction about Jiang Qing. Such a thing was truly

“reactionary,” because it went against the Cultural Revolution. If one openly said it at that time, one could be accused of committing a crime of launching a “sinister counterattack.”

I may be too “reactionary.” I still have a notebook containing notes on studying the *Collected Works of Lenin*. In fact, I did not take many notes on what I had gained from studying the works. My notebook contains summaries of what Lenin had said. I took down those notes when I studied the *Collected Works of Lenin*, volumes 1-19, before the start of the Cultural Revolution. When I read them again today, I discover that most of the notes are about the progressive role of the bourgeoisie in the struggle against feudalism, about the significance of studying the contradictions within the ruling class, and about the significance of lawful struggle. I took those notes, obviously, because I was disgusted with the “revolutionary” theory of that time, or at least because I was apprehensive of it. The criticism of Wu Han and then Liu Shaoqi at that time was, in fact, a complete negation of the progressive role of the bourgeoisie in any period, was a ban on studying the contradictions within the ruling class, and was to warn that the very mention of lawful struggle would be equivalent to committing the crime of surrender. When I found that Lenin’s words were in conflict with the prevailing theories, I could no longer bear it, and so I summarized his words in my notebook. Nobody interfered with me at that time. Now, when I recall what happened, I think that, even if I had met that “revolutionary” in a certain county of a province, he would not have dared to interfere with me. However, if he had said “without Mao Zedong Thought, Lenin’s books are also reactionary,” I would have asked him to give an example. It is needless to say that the so-called “Mao Zedong Thought” he mentioned is, of course, his “Mao Zedong Thought.”

Originally, reading books was banned during the Cultural Revolution, but, in fact, the majority of people still read. Some read openly; some read secretly; some read only a few permitted books; some read banned books; some read with particular intent and purpose; some banned others from reading, while they themselves read; some ordered people to read only a few selected books, while they themselves did not read them. ...things kept changing, and all kinds of queer phenomena occurred. I hope a lot of people will recollect their experiences in reading books during the Cultural Revolution and write down their recollections in order to preserve them as historical material. I wonder if my little article can be counted as a minor contribution.

#### Autumn Moon on Li River

OW0302130089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 2, 16 Jan 89 pp 47-48

[Article by Ye Yanbin 0673 1693 3453 of Sichuan “Xingxing” Poets’ Association: “A Moonlight Autumn Evening on the Lijiang”]

[Text] I silently stood at the bow of the ship.

I could almost hear my own heartbeat. As a bright autumn moon suddenly appeared from behind the clouds and cast its full silver light on the Lijiang, I felt my blood rushing to my cheeks.

This was a Chinese ink and wash, with dark mountains, light water, and even lighter clouds. This poetic tranquility completely soothed my nerves, recovering from a full day’s excitement. When we sailed to Yangsu during the day, those fairyland peaks in dark green hues made me mad with a poetic mood. But, right now, the Lijiang was so beautiful and its water so clear that I felt almost mad with happiness. Two verses suddenly came to mind: “Please forget about all the poetic verses, lest they spoil the whole landscape.” Yes, indeed. What a landscape poet seeks is an artistic concept that integrates feelings with scenery and makes one forget one’s own existence and become a part of the landscape. This has been a tradition for thousands of years. It reflects the flesh-and-blood relationship between the Chinese people and the environment in which they live. Maybe it was precisely because of this relationship that, on my first trip to Guilin and after so much excitement during the day, I began to awaken to this artistic concept while sailing on the scenic Lijiang and letting my thoughts and feelings follow the quietly flowing waters of the river under a bright autumn moon.

But I could not stay quiet and enjoy my own thoughts.

My trip to Guilin was not to imitate Li Bai, who would, under the present circumstances, sail alone in a small boat and chant: “Raise my wine glass to invite the moon; then the three of us—me, my shadow, and the moon—would have a party.” Because, in this happy get-together on our yacht, there were, besides myself and my beloved wife, who was accompanying me to make up for our unfinished honeymoon, Luo Fu, Xin You, and Guan Guan, poets from Taiwan, and Li Qing, poet from Hong Kong, and his wife. It was a reunion of poets from both sides of the Taiwan Strait to enjoy the mid-autumn moon festival on the Lijiang for the first time in 40 years.

The mountains, the water, and the moon were all so poetic. The moonlight tightly hugged the mountains and water, and the mountains and water in turn tightly hugged the poets from both sides of the Taiwan Strait. Looking at the reflection of a full moon in the water, Mr Luo Fu, who was sitting close by me, was also deeply immersed in thought. Should I ask him what he was thinking about or what he remembered? Luo Fu, a native of Hengyang, Hunan, is a very influential poet in Taiwan. His works include 10 volumes of collected poems and 16 volumes of prose and commentaries. He is also the chief editor of CHUANG SHI JI, a poetry magazine. He has retired and is now wholly devoted to writing. After visiting relatives in his native land, he met with poets from Hunan, Shanghai, Beijing, and other localities. Luo Fu said to me: “My trip was meticulously planned even before I left Taiwan. I insisted on spending the mid-autumn festival on the Lijiang in Guilin.” This

arrangement was indeed very poetic. But, without the tremendous changes which have taken place in our times, could the dream have come true? Could we poets have had such a happy get-together in this dream-like environment tonight? It reminded me of a collection of Luo Fu's poems, "Because of the Wind," which were selected and given to me by Luo Fu himself. What a meaningful gift, the wind of the times.

Poet Guan Guan is a cheerful person with a great sense of humor. He is also a well-known television actor in Taiwan. This evening, he was reciting his own poems in the way of a comedian, filling the yacht with laughter. In my contact with him over the past day or so, his talks had been mostly about environmental protection. He said: "Industrialization is necessary. So is opening. But, the problem of environmental protection must first be solved. It is a problem of concern for generations to come." Those words were from his heart. The thought that this land has nothing to do with him had never crossed poet Guan Guan's mind. Forty years of separation has not severed the roots from these people's hearts.

Poet Xin Yu sang a Gansu love song to the tune of "Huaerdiao." The sentimental attachment between the lovers depicted in the song, like a cup of strong spirits, intoxicated us. Who could fully depict their love? And who could fully sing the praises of their feelings? I cannot help but look at Li Qing and his wife, the couple who had stood together through thick and thin. Forty years ago, Li Qing traveled along the coast, writing poetry. Today, he has become an entrepreneur, yet he has not forgotten to render service to the motherland. His investment projects include the Kairui Restaurant, the hotel where the poets from both sides of the Taiwan Strait stayed during their trip to Guilin. In recent years, Li Qing has written a lot of poems, speaking of the mountains and rivers of the motherland. In Sichuan, I had read collections of his poems on the landscapes of the motherland, which he sent me as gifts, including "In Praise of the Admirable Scenery a Thousand Li Long," "Profound

Feelings Everywhere," and "Li Qing's Mountains and Rivers." His poems disclose the patriotic feelings of an overseas Chinese. He and his wife accompanied Luo Fu and others during their trip to the mainland to visit their relatives and friends. It was at the invitation of Li Qing and his wife that I went to Guilin from Sichuan to meet with the poets from Taiwan.

I was unprepared when they asked me to read a poem of my own. Recalling the two verses which came to my mind early in the day when we traveled to Yangsu and the poem by Li Qing entitled "I Am Waiting for Your Arrival; Youth Will Come When You Come," I read an extempore verse in front of the friends from the other side of the Taiwan Strait:

I wish to forget all the verses,  
Lest they should spoil the whole landscape;  
I am waiting for your arrival,  
And you will bring the bright and clear moonlight.  
From now on, we shall not fear  
How high the mountains rise,  
How long the rivers stretch,  
Lijiang water will always run through our veins,  
Run through our veins...

I recited the lines as they occurred to me. The poem was not sophisticated, but I felt it nevertheless expressed my feelings. I copied the poem today without any change to the wording, because it will always remind me of the gathering.

It was already midnight, with the moon hanging high in the sky and our boat anchored in the middle of the river. People gathering on the beaches to enjoy the full moon held a fireworks display. The singing and laughter coming from the pleasure boats seemed to stir up the moonlight shining on the surface of the river...

I will never forget this mid-autumn night on the Lijiang. It was 25 September 1988.