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# ***JPRS Report***

# **China**

***QIUSHI [SEEKING TRUTH]***  
***No 3, 1 February 1990***

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## We Must Wholeheartedly Rely on the Working Class

HK1403032590 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 3, 1 Feb 90 pp 2-6

[Article by Ni Zhifu (0242 1807 4395)]

[Text] At the historically significant Fourth Plenary Session of the 13th CPC Central Committee, Comrade Jiang Zemin stressed that we must wholeheartedly rely on the working class and that nothing could be achieved without the resources of their initiative, creativity, and sense of responsibility as masters of the state. On another occasion, he reiterated that the necessity of relying on the working class wholeheartedly is determined by the nature of our party and the state and any disparagement of the status and role of the working class is absolutely wrong. At the present stage, reminding the entire party, in such a solemn way, of this extremely important issue concerning guiding ideology is not only in the immediate interests of improvement, rectification, deepening the reform, and overcoming the temporary difficulties in the economic sector, but also has far-reaching historical significance to our overall socialist cause.

The working class constitutes the class foundation of our party. It is the leading class in our country, the archetype of advanced productive forces and production relations, the determinant force in upholding the four basic principles and the reform and opening up, and the main strength in the socialist modernization drive. The nature of our party and the state and the class features of the working class determine that we must wholeheartedly rely on the working class. At the Second Plenary Session of the Seventh CPC Central Committee, held on the eve of national liberation in 1949, Comrade Mao Zedong, in view of a variety of hazy ideas that some comrades in the party had on the question of who should be relied on after the nationwide revolutionary victory was won, clearly pointed out that in the wake of revolutionary success the focus of the party's attention would switch from the rural area to the cities. We must wholeheartedly rely on the working class, unite laboring people from other walks of life, carry out struggle in the political, economic, and cultural domains, learn to administer cities competently, and normalize and develop production undertakings in the cities. This idea brought forth a consensus of understanding in the whole party and has become an important ideological guideline for our party in the socialist revolution and construction.

The history of the past 40 years has spoken volumes for the fact that so long as our party continues to rely on the working class wholeheartedly and unswervingly, consolidating the inseparable unity of workers, peasants, intellectuals, and people of all nationalities throughout the country, giving full play to the role of the working class as the backbone of the state, our revolution and construction cause will develop ever successfully. Even though difficulties or frustrations may appear along the way, it will be easier to correct the mistakes that have given rise

to them and we will therefore be able to move on with flying colors, surmounting all trials and obstacles. In the early years after the People's Republic was founded, we were faced with an awful mess of difficulties, as society was in a dreadful state of dilapidation and numerous thorny tasks were yet to be undertaken. Under such grim conditions, the working class promptly went into action. Rejoicing at their standing up as worthy people and with a master's mentality of responsibility, they ardently threw themselves into production recovery and various forms of endeavor in the political and economic domains. Our party, backed by the working class and the people of the whole nation, healed the wounds of war, brought the national economy back to normal, and consolidated the newly founded people's democratic government within only three years. Following this, the working class in our country, driven by their great enthusiasm in socialist construction and their strong desire to quickly rid our country of poverty and backwardness, exerted all their efforts selflessly to realize the party's general line for the transitional period. The "spirit of Meng Tai [1322 3141]," that is, the spirit of taking on the responsibility of masters and loving one's factory as one does one's home, showed the working class in a new shape of the times. The high-spirited workers in all fields throughout the country went in for large-scale socialist labor emulation of learning and catching up with the advanced, which centered around the promotion of technical innovation and revolution; and they unfolded an unprecedented mass upsurge of production and construction. The construction targets projected in the First 5-Year Plan were fulfilled within four years and, as a result, a large number of basic industries urgently needed by the country were set up and the backward situation of "poverty and blankness" in our country was initially modified. From the late 1950's to the early 1960's, the national economy was seriously off-balance for some time. To compound the difficulty, a chain of natural calamities occurred, together with an economic blockade and scrapping of foreign contracts. All this posed a severe setback to our country's socialist construction. At this moment of gravest difficulty, the working class of our country showed their entire trust in the party and the state, volunteering to live in austerity and not hesitating to sacrifice their own interests. All workers were strongly motivated to surmount all difficulties. Industrial workers led the way and started a communist-style campaign of technical cooperation. They made tremendous contributions by sharing the worries of the state, seeking solutions to problems facing specific enterprises, working in good cooperation with each other, and devoting themselves without considering their own interests. Exemplary among them was Wang Jinxi [3769 6651 0823], who lent his name to the "iron-man spirit," the shining banner that has inspired people of the entire nation in constructing socialism through self-reliant endeavor and tough pioneering. During the 10-year turmoil of the Cultural Revolution the national economy was seriously undermined. Under such circumstances, the working class, fully aware of their commitment as a

class and strongly resentful of the ultraleftist line, resisted the perverse acts of the gang of four through practical efforts. Especially praiseworthy are some outstanding members of the intelligentsia, a constituent of the working class, such as Deng Jiaxian [6772 4471 0341] and Jiang Zhuying [5592 4591 5391], who defied repression and hardship and devoted themselves heart and soul to key high-technology projects and the development of advanced productive forces. This spirit of self-devotion and taking the greatest pains demonstrates the heroic image of the genuine cream of society. Since the Third Plenary Session of the 11th CPC Central Committee, the working class of our country has given firm support to the line, principles, and policies formulated by the party Central Committee on reform and opening up. The hundreds of millions of workers all over the country have actively involved themselves in the reform and sped up progress in economic construction, science and technology, and other social undertakings. During the political turmoil of late spring and early summer last year, our working class was steadfast in its clear-cut stand, remained loyal to the basic party line, firmly supported party leadership, safeguarded the socialist system, resisted bourgeois liberalization, and played an important role in ending the turmoil and suppressing the counterrevolutionary rebellion. The glorious experience of struggle in the past 40 years has made it undeniable that the working class of our country has proved itself to be the leading class of the country and the mainstay safeguarding national political stability and promoting social progress.

Since some time ago, however, the sense of relying on the working class has indeed been losing its strength among some comrades, and muddled ideas and hazy concepts have emerged in theoretical studies and guidance of the media on the crucial question of who should be relied on in reform and construction. All these deviations boil down to a major misconception that the task of developing productive forces can be accomplished by exercising uncritically the top-downward management model of capitalist practice, and that the broad worker population no longer plays a role of any importance. Consequently, they speak highly of and are keen to sell the notion of "one man saving an enterprise," play up the importance and function of managerial personnel in enterprises, overlook the necessity to take policymaking into the scientific and democratic orbit, ignore the workers' status as masters of enterprises and their democratic rights, and even look upon "administration through punishment" as sound managerial strategy. Those who indulge in bourgeois liberalization seize the chance to advocate "dilution of the role of the working class" and promotion of "elitism," claiming that they will create a so-called "middle class" in China. Such mistaken ideas, social climate, and guidance of the media have adversely affected the formulation of some specific policies in our economic sector, seriously dampened the enthusiasm of the broad worker population as masters, and created tension between management and workers, which have all had a negative influence on

reform and production in enterprises. We cannot treat the matter lightly and instead must adopt a serious attitude toward the reality and conscientiously sum up and draw lessons from our unsuccessful experiences.

The reform and opening up that we have been advancing are under the prerequisite of upholding the four basic principles. They include the self-perfection of the socialist system, the reform of the old economic system in conformity to the socialist line, ideas, and principles, the acceleration of the development of social productive forces, and, concurrently, the promotion of advancement in social spiritual civilization and ideology. This is an extensive and thorough social reform. Leading and pushing forward this reform entail a clear understanding of whom we must rely on politically. The several speeches made by Comrade Jiang Zemin on the necessity of wholeheartedly relying on the working class have provided an unequivocal and exact answer and elaboration on this question. An important issue now facing us is to decide how to materialize in concrete measures and practices the party's guiding ideology of wholeheartedly relying on the working class. In view of the present situation, there are several important points to note.

**We Should Implant in All Party Members the Sense of Wholeheartedly Relying on the Working Class, Especially Those in Leadership Positions**

Relying on the working class wholeheartedly is not a guideline for concrete work in a specific field, but is a guiding ideology applicable to all fields, and it should be embodied in the formulation and implementation of all important policies of the party. For a guiding ideology of such weight, it is not adequate to understand it merely on the surface. All party members, especially leading cadres at all levels, must have a deep understanding of the necessity and importance of relying on the working class in a theoretical and historical context, implant this idea in themselves, and conscientiously guide their thinking and work with this idea. The party Central Committee is now calling for all party members to strengthen their theoretical studies on the basic doctrines of Marxism-Leninism-Mao Zedong Thought, a component of which is discussion on the historical status and role of the working class. Lenin made a thought-provoking remark: "What is the first major 'cornerstone' of Marxism? It is the concept that the proletariat is the only class in modern society that is committed to thorough revolution and is, therefore, the advanced class in all revolutionary struggles."<sup>1</sup> Only by studying and obtaining a good grasp of the theories on the working class can we become more conscientious in relying on the working class.

We should have a correct and balanced understanding of the working class. The working class comprises all physical and mental workers who live mainly on the payment they receive for their work. In China, this contingent has grown to a strength of 130 million. By relying on the working class we mean relying on the class as a whole. Within this strong contingent of the working class, industrial workers have an important place by virtue of

their close connections to modern manufacturing, their role of representing advanced productive forces and production relations, and their high sense of organization and discipline. Therefore, it is important that industrial workers, among those in other fields, are relied upon. There is a division between physical workers and mental workers within the working class as required by the social division of labor, but both are indispensable components of the working class. Members of different groups in the working class should learn from each other and work hand in hand to strengthen the cohesive force and fighting capacity of their class. Comrade Deng Xiaoping pointed out that science and technology are the prime productive force, that science is something magnificent and should be given special attention, and that science is often the final solution to problems. For this reason, intellectuals who are working hard on scientific and technological innovation in the forefront of production and experimentation, and their close allies, industrial workers, constitute the core force for developing social productive forces. This requires that all workers make efforts to acquire adequate education and scientific knowledge and that intellectuals integrate themselves better with workers. Management and labor are both masters of the enterprise: Managerial personnel, on the one hand, assume the important role of organizing and directing production, technical operations, and other enterprise activities, so they should show due respect for the workers' position as masters of the enterprise and their democratic rights. Workers, on the other hand, should honor the authority of management. In short, strengthening the integration of management, workers, and technical personnel is an effective means to keep productive forces in constant development.

#### **Reliance on the Working Class Should Find a Better Expression in the Political, Economic, and Social Undertakings of the State in All Respects**

The leadership role of the working class is brought into play with its vanguard, the Communist Party, leading the state. Meanwhile, we should also create conditions to enable workers to have a progressively larger and more direct part in the administration of state and social affairs and to genuinely enjoy their status as masters of the state. To this end, various laws, regulations, policies, and systems should be established and perfected to gradually define and guarantee the rights of democratic participation and social supervision enjoyed by the working class in state and social affairs. Various domains in society and the economic sector should invite efforts from more industrial workers and scientific and technological intellectuals who have rich practical experience, and give free rein to their talents and abilities. In the People's Congresses and political consultative conferences at all levels, an appropriate share of seats should be given to those working in the forefront, especially industrial workers and scientific and technological intellectuals. When making important policies, party organizations and governments should listen to the opinions of the worker population through proper channels. Such channels for collecting opinions and supervisory advice

from the worker population should be opened up, developed, institutionalized, and standardized by governments at all levels. In this way, the voice of the working class expressing its will and wishes can be better heard in the political activities and social affairs of our country. The party and the government can obtain support and supervision from the working class and, with their correct ideas and practices, influence all of society, so as to ensure the implementation of party policies.

#### **We Should Make Great Efforts To Perfect Grassroots Democracy, Putting the Guiding Ideology of Relying on the Working Class Into Effect in Enterprises**

The tens of thousands of enterprises, especially the modernized big and medium-sized ones, make up the most important cornerstone of the economy of our country. These enterprises are where the majority of our working class work and live, and are vital to the implementation of the party's guiding ideology of wholeheartedly relying on the working class. At present and for some time to come, we should attach great importance to this task, take pains to perfect the democratic system in enterprises, see to it that workers truly enjoy the status of masters in enterprises, and handle well the matter of running enterprises by relying on the working class. This is very significant in that it will help bring about better results in improvement, rectification, deepening the reform, and stabilizing the overall situation.

Priority should be given to upgrading the understanding of enterprise leaders when the guiding ideology of relying on the working class is to be implemented there. It must be made clear that what makes socialist enterprises, wherein production means are publicly owned, fundamentally different from capitalist ones is that workers are no longer ordered about, enslaved, and exploited, but instead are the masters of their enterprises. This is not to be overlooked, let alone forgotten. Otherwise the basic distinction between socialist enterprises and capitalist ones will be blurred. Socialist enterprises are naturally not without a worker-management distinction, but it is only a result of division of labor in the combined efforts of the entire society. Fundamentally, the managerial personnel in socialist enterprises are entrusted with their managerial duties by the state, responsible departments, and also workers. Therefore, they should not only be responsible to the state and their enterprises, but also to the workers. Only by looking at the matter from this point of view and constantly bearing in mind that he is a member of the worker population can an enterprise leader place himself in a proper position, correctly handle his relationship with the masses, and wholeheartedly rely on them. Implementing the policy of relying on the workers in enterprises should be institutionalized to ensure desired results, or else it will probably end in mere formality. In the past 10 years of reform, we have done quite a lot of exploration in this respect and have accumulated some successful experiences that serve as a good foundation and should now be further substantiated and improved. The way in which an enterprise is contracted and the person who undertakes it concerns

the future of the enterprise and the immediate interests of the workers. They are not only the business of the competent authority and the contractor, but something that the workers should have a voice in. The present move to perfect the contracted management responsibility system of enterprises should include improvement in the system allowing workers to have a say in drawing up contract plans, signing contracts, and selecting contractors. The workers congress is the basic form of enterprise management by all workers. The functions and powers of workers congresses stipulated in the "Enterprise Law" should be realized in an all-round way. However, the reality now facing us is not completely satisfying in that the system of workers congresses is, to various degrees, a mere formality in many enterprises. This situation should be changed. There is no difference between not abiding by the existing law and having no law to abide by. We should explore and set up necessary systems of scrutiny and supervision to furnish solid content to the democratic rights bestowed upon workers by the state for them to have a part in enterprise management. Only when they have democratic rights and powers that are visible, tangible, and of practical value can the workers truly recognize themselves as the masters of their enterprises and can their initiative and creativity be brought into full play.

**We Should Strengthen the Party in Organization and Ideology, Actively Encourage Workers To Continuously Carry Forward the Fine Tradition of Taking the Interests of the Whole Into Account, and Also Take Effective Measures To Protect Their Specific Interests**

In the past decades of revolution and construction, the working class of our country has always been unselfish and capable of taking the interests of the whole into account, and it possesses the spirit of arduous struggle and self-sacrifice for the good of the people. This is a great force that condenses the will of the whole people and overpowers any difficulty. We should encourage the working class to carry forward this fine and glorious tradition and give it a new lease of life. Some temporary difficulties are inevitable, particularly in the course of the present improvement, rectification, and economic readjustment. We should therefore more loudly advocate to the working masses all over the country the principle of taking the interests of the whole into account and giving first consideration to state interests, overall interests, and long-term interests. At the same time, we must also make a point of balancing the overall interests of the whole nation and the specific interests of the working class, taking good care of and protecting all that they are entitled to. Our party has always attached importance to the integration of relying on the masses and showing concern for them. As early as the Second Revolutionary Civil War, Comrade Mao Zedong made an incisive analysis of this principle, called for good party conduct from all members, with leaders setting fine examples and high and low levels being as one, and demanded that we concern ourselves with the hardships of the masses and problems regarding their daily necessities. Only by so doing, he said, could we have the care of the masses for

the revolutionary war. At present, we must strengthen the party in organization and ideology, refreshing it with good party conduct that has a cohesive and magnetic force, and lead the masses in overcoming all kinds of difficulties. We should listen to the voice of the workers, look into their sufferings, and do our utmost to help them overcome their misgivings and difficulties. In the course of improvement and rectification, we should make a careful study of the possible problems facing workers brought forth by the socioeconomic situation and various policy adjustments, so as to minimize the negative impact on the workers resulting from coordinated efforts among different social interest groups. Specifically, we should take proper steps to guarantee the basic livelihood of the workers in those enterprises where production has ceased or partly discontinued, make appropriate arrangements for the unemployed and surplus personnel from enterprises, gradually reform and perfect the social insurance system, and make sincere efforts to solve the problem of unequal distribution in enterprises. In this way, the worker population all over the country will be able to feel keenly the heart-warming concern from the party and the government, which are themselves part of the working class proper, and this will consistently incline workers to follow the central authorities with increasing trust and overcome all difficulties facing us with one heart and mind.

**We Should Make Constant Improvement in the Quality of the Working Class Proper**

Only when armed with Marxism and tempered in practice can the working class elevate itself from a free-will class to a class for itself. It is not in keeping with Marxist doctrines to glorify spontaneous worker movements which will lead only to "unionism" and economism and deviate from the scientific socialist movement. To rely on the working class wholeheartedly, we have to constantly improve the quality of the working class proper and enable it to measure up to the new expectations of the socialist modernization drive and to undertake new historical missions of great importance. Today, when 40 years has passed since the founding of the People's Republic, it is the high tide for large-scale personnel replacement of the old by the new in the laboring contingent of our working class, whereby a great number of well-tempered old workers retire and give their places to tens of millions of new workers. The fresh blood is full of vigor and vitality but has also been contaminated with various nonproletarian ideas. At the same time, under the negative influence of "diluting political-ideological work" in recent years, education in politics and ideology in enterprises has been somewhat relaxed and weakened. This situation gives a further indication that improving the working class proper and upgrading the political and ideological quality of the worker population are urgent tasks of great immediate significance. At the present stage, we should conduct among the worker population extensive and in-depth education in adherence to the four basic principles and the reform and opening policy, and against bourgeois liberalization; education in ideals

and life outlook; education in socialist democracy and legal system; and education in professional responsibility, professional ethics, professional discipline, and professional skills, which is abbreviated as the "four aspects of professional education." This campaign is to enable the worker population to have deeper love for our motherland, the party, and socialism; to carry on and develop the glorious tradition of the Chinese working class; and therefore to regenerate it with higher political consciousness and stronger fighting capacity. Along with upgrading the political and ideological quality of the working class, the task of improving its education and technical knowledge is also looming large in front of it. The present age is witnessing rapid progress in science and technology, and the working class, representing advanced productive forces, cannot manage well to convert scientific and technological innovations into productive forces until it has better education, keeps up with scientific developments, and masters advanced techniques.

#### **We Should Bring the Role of Trade Unions, the Mass Organizations of the Working Class, Into Full Play**

The working class organizes itself through its broadest bodies, the trade unions, and the party connects itself to the masses in its own class through trade unions, which serve as a bridge linking both sides. To rely on the working class wholeheartedly, we should pay attention to and bring into full play the role of trade unions. Study of our past experience gives us the important revelation that strengthening the party's unified leadership over trade unions must be well balanced with supporting them in their independent work. The party's leadership is the essential means to guarantee that trade unions consistently follow the correct political line in their activities. Trade unions must work under the unified leadership of the party and keep themselves in strict conformity with the party Central Committee in politics, ideology, and action. Trade unions can never have political programs detached from those of the party and will never be allowed to give any political views that contradict those of the party. Meanwhile, party organizations should encourage trade unions to help workers understand the interests of their own class and the whole nation and urge them to strive for the overall and long-term interests while making sure that the immediate interests of their everyday life are unharmed. The level of political consciousness and ideological understanding differs among members. With this in mind, trade unions ought to carry out their work mainly by persuasion and investing their topics with interest, seek appropriate forms and ways for their activities that are readily comprehended and accepted by workers, and realize the requirements of the party in the conscientious actions of the general worker population through democratic practices and procedures. The commitment of trade unions is by nature the mass work of the party, and giving full play to the role of trade unions means strengthening the party's mass work on the worker population. By developing trade unions into party-led,

independent, and fully democratic organizations with the confidence of workers, our party will have even better prospects of winning the great victory of the socialist cause with the support of the working class.

#### **Footnote**

1. *Complete Works of Lenin*, Volume 12, p 284.

#### **Strengthen Building of the Democratic Legal System, Consolidate Social Stability and Unity**

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[Article by Minister of Justice Cai Cheng (5591 6134)]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee the party and government have shifted the focus of work to economic construction, but building our country into a powerful modern socialist one calls for a stable social environment. China's most vital interest lies in social stability, but we cannot secure social stability before we strengthen building socialist democracy and a socialist legal system. This is a fundamental conclusion the Chinese people draw from their experience over the last 40 years.

#### **I. Social Stability Represents China's Most Vital Interest**

During the period of socialist revolution and socialist construction, Comrade Deng Xiaoping repeatedly stressed the great social and political significance of stability and unity. He further pointed out recently that China's most vital interest lies in stability. This is an overriding issue for China. The key to attaining success in the modernization drive lies in whether or not we can consolidate political stability and unity. Without a stable social and political environment we would achieve nothing either in economic construction or in reform and opening, or even lose what we have achieved. Comrade Deng Xiaoping clearly pointed out that achieving social stability is the most pressing political task for us at present and brilliantly illuminated the internal relations between social stability and China's future and destiny.

A country would accomplish nothing without a stable political and social environment. In China, a big developing country with a large population, a vast territory, a poor foundation to start with, and unbalanced economic growth throughout the land, the people would not apply their mind to construction and the four modernizations would become empty talk without a stable social environment. The facts over the last 40 years show that whenever we had a stable social environment our economic expansion was securely guaranteed. The world-famous gigantic achievements before the Cultural Revolution were made when we enjoyed a stable society. On the contrary, during the 10-year turmoil, society was thrown into confusion, and production, teaching and studying, scientific research, and people's lives were in

disorder, with the result that the national economy verged on collapse. After the 3d Plenary Session of the 11th CPC Central Committee we secured political stability, which was hard-won, and the reform and open policies considerably built up China's national strength and markedly improved the people's livelihood, pushing China into a thriving period. From their own personal experiences the broad masses profoundly realize the harm brought about by the turmoil and consider social stability to be the prerequisite for achieving success in the four modernizations.

We should be soberly aware that in China there are some people who are set to stir up disturbances and are diametrically opposed to the majority of people who favor social stability. The turmoil and counterrevolutionary rebellion which broke out as spring turned to summer last year is an example in point, showing the fierce struggle between the two completely different political standpoints. Our history shows that only socialism can save China and make it prosperous. China's political and economic systems leave much to be desired in many aspects and this is the objective reason why we carry out reform. However, only when we have a stable social environment can we solve our problems by means of the self-perfection mechanism and socialist democracy and legality. But those people who stubbornly adhered to bourgeois liberalization believed that socialism cannot improve on its own; the only way out for China was "wholesale Westernization," that is, only capitalism can save China. Their proposition went totally against the objective requirement for development of the Chinese society and against the fundamental interests of the broad masses. Therefore, they could not enlist the people's support and could not achieve their goal when society was in normal order. Consequently, they tried every means to attack the four cardinal principles, sedulously vilified socialism, decried New China's achievements, disrupted social stability, and prevented the reform and open policies from being correctly pursued. They left no stone unturned in creating ideological confusion and whipping up reactionary opinion to stir up political disturbances. They gave enormous publicity to absurd reactionary theories such as "all-out Westernization," and "democracy means as much to the East as to the West." They vigorously advocated practicing political pluralism and economic privatization in China and replacing collectivism and national unification with individualism and division of power, replacing socialist democracy and legal system with bourgeois democracy and freedom, and replacing the four cardinal principles with "privatization of property rights, freedom of speech, separation of executive, legislative, and judiciary powers, and multiparty politics." On the other hand, they took action in a bid to put their political ideals into effect, engaging in the "second revolution" to "rebuild the republic." They stirred up social disturbances and organized the counterrevolutionary rebellion to plunge our society into chaos so that they could take advantage of the chaos to seize state power, topple the CPC and the socialist republic, and

thus establish a capitalist republic. If the party had not shown great foresight, had a keen insight into matters, and crushed their political conspiracy in time, the political turmoil last year, during which the schools were paralyzed, there were traffic jams everywhere, the operation of party and government organs was disturbed, the social order deteriorated, and people could not work, study, and engage in scientific research and production, would have spread, throwing China into great disorder. As a consequence, the results gained in the decadelong reform would have come to naught, the endeavors to develop the economy, improve democracy, raise living standards, and build a powerful and prosperous country would have gone up in smoke, the great cause of modernization would have proved abortive, and a hopeful China would have changed into a hopeless China.

At present, China enjoys political stability. Since the quelling of the counterrevolutionary rebellion the Central Committee has led the whole party to make great achievements, winning wholehearted support from the whole party and people and thereby bringing about stability in policies, public feeling, and society. However, historical experience tells us that the enemies will not resign themselves to defeat. To pursue "peaceful evolution" in China, international hostile forces will certainly continue colluding with reactionary elements in the country, and those living in exile as traitors, who stubbornly adhere to their stand of bourgeois liberalization to carry out wrecking and subversive activities of every description. We must not lower our guard and become careless about them.

## II. Improving Socialist Democracy Constitutes the Basis for Social Stability

It should be pointed out that the stability we mention is that based on the people's democracy. Comrade Mao Zedong said that if the people do not enjoy extensive democracy we will not be able to consolidate the people's democratic dictatorship and state power will become shaky. The better we improve our socialist democracy, the more easily the people will express their opinions and desires through normal channels, creating "a political situation in which there is both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness." Therefore, an improved democracy will facilitate the proper solution of contradictions among the people and attract sufficient attention by the party and government to the people's demands. At the same time it will enable the people to close ranks and fight side by side against the enemy, crushing the plot by a small number of people to make trouble and subvert socialism by making use of the masses.

Currently, an important task for improving socialist democracy is to refute the slander against socialist democracy by a small number of people indulging in bourgeois liberalization and expose the nature of the capitalist democracy they preach and their plot to stir up disturbances under the pretext of "raising people's



awareness of democracy." After several hundred years of evolution, capitalist democracy has a comparatively complete form but, in the final analysis, it applies only to the capitalist class and their allies. The capitalist class, in fact, exercises dictatorship over the broad masses of the laboring people. Socialism enables the laborers to become masters of their country, practicing extensive democracy among the people and exercising dictatorship over the enemy to secure social stability. An extremely small number of people said that the socialist system "suppresses human nature," going against the law of democracy and freedom. But we must say: A very small number of people who stubbornly adhere to bourgeois liberalization are trying to introduce capitalism into China, allowing a handful of people to monopolize power and property and have their own way while subjecting laboring people to exploitation and suppression anew. If this is all their "human nature," "democracy," and "freedom" means, we should like to tell them in unequivocal terms that we just want to contain this kind of "human nature," "democracy," and "freedom" of theirs. If we should follow them, the broad masses of people would certainly live in an abyss of misery again. On this problem we must categorically tell them: This will not do! If they cling to their own course they will be punished by the people.

Another important task for strengthening socialist democracy is to tell the people to maintain sharp vigilance over and resolutely resist the ideological trend of ultrademocracy and anarchism. Though we handle contradictions among the people and those between ourselves and the enemy in entirely different ways, it does not mean that in our socialist society people can do whatever they like, free from the restraint of discipline and law. Since we live in a society consisting of many people, nobody is allowed to encroach upon other people's rights and freedoms while exercising their own rights and freedoms; and one must not place his personal demands above social stability and common ideals. Socialist democracy should see to it that policy decisions represent the desires of the people and that laborers act in line with the law, policies, discipline, and the principle of democratic centralism. If the people did not strictly observe discipline, or if we failed to handle contradictions among the people properly, social stability would suffer. In China, because the commodity economy develops unevenly and the evil legacy left behind by the Cultural Revolution is far from eliminated, the ultra-individualism preached by an extremely small number of people still finds support among the people and some people become impetuous over the problem of democracy. This shows that the tendency toward extreme democratization and anarchism has a wide social base in China. It is very destructive to social stability and liable to be exploited by a small handful of people. It is, therefore, essential to conduct education in democracy and the legal system among the people, including the masses of youths, so that they will know the correct way to exercise their democratic rights, fully understand that it takes a long time to perfect socialist democracy, and

value the results we have achieved in building socialist democracy. As early as 1986, Comrade Deng Xiaoping expounded profoundly that democracy can be developed only step by step; we must not copy indiscriminately the experiences of the West, otherwise we will get into a pretty mess. We must, following Comrade Deng Xiaoping's instructions, state these principles clearly among the people, and help them to respect other people's rights and interests when addressing specific problems, uphold social order, and observe the state law so that they act in the fundamental interests of the country. We must also help them understand that it takes time to develop socialist democracy and that they are not allowed to regard unrealistic fantasies about democracy as the guide for their conduct. Otherwise they will fall victim to a small number of reactionary elements who are set to stir up disturbances. In short, anyone who is determined to promote democracy in China is expected to work hard in a down-to-earth manner to create favorable conditions for building a high degree of democracy.

To achieve this, the basic task facing us is to raise, in light of the concrete conditions of China's society, the level of democratization in every field of social life. Economic expansion provides a basis for upgrading socialist democracy. It is necessary to carry out reform, develop socialist public ownership, develop the socialist planned commodity economy, elevate the social character of production, attach greater importance to the role of laboring people in production and management, and truly implement a distribution system with the principle of "to each according to his work" remaining predominant so that the people's democratic rights will have an increasingly solid and ample material base. It is necessary to vigorously improve the cultural quality of all the people and set great store by popular education in political ideology, legal knowledge, culture, and technology so that the masses will improve their ability to participate in and discuss political and state affairs, analyze problems, and distinguish truth from falsehood, defending the authority of the people's state power on their own initiative. It is necessary to improve China's People's Congress system, multiparty cooperation, and the political consultative conference system under Communist Party leadership; properly carry out the principle of separating the functions of the party from those of the government; make policy decisions in a more democratic and scientific way; institutionize, legalize, and regularize the procedure of applying democracy in making policy decisions and the practice of the people exercising supervision over the party and government; give play to the role of public opinion and mass organizations in supervising the government's operation; and to improve the electoral system. It is necessary to improve democratic management of basic-level units and allow the masses of workers, peasants, and intellectuals to have an extensive understanding of state affairs, to enjoy the right to discuss state affairs and participate in management, and to have unimpeded channels to communicate their opinions or suggestions, cultivating their democratic awareness in practice and improving their ability to correctly

exercise their democratic rights. It is necessary to carry forward the party's glorious tradition of following the mass line and to vigorously encourage party cadres, leading cadres in particular, to conduct investigations and studies, go down to the grassroots units and immerse themselves among the masses, do away with bureaucracy and commandism, expand the channels of contact and dialogue with the masses, listen attentively to the voice of the masses, have the well-being of the masses at heart, and really embody the purpose of serving the people in every party cadre's thinking and behavior at all times. Every party member should become a genuine pacesetter in enabling the masses to close ranks and developing socialist democracy.

### III. A Socialist Legal System Is the Basic Guarantee for Securing Social Stability

Social stability means that society is in order. By order, we mean that we organize individuals and social organizations into a body and carry out social activities in compliance with certain regulations and procedures (legal, moral, and conventional) and certain relations between rights and duties. Every society has its own particular order and code of conduct, which varies from society to society only in content and class nature. The socialist society just tries to use socialist ideals, values, moral standards, laws, and discipline to coordinate relations among the people so that the whole people will join hands in their efforts to build socialism and deal with the enemy effectively. A sound socialist legal system can, under conditions prescribed by socialist law, help the whole society to carry out all kinds of activities in an orderly way, effectively crack down on illegal activities, eliminate in time all kinds of phenomena that go against legal principles and compromise social stability, readjust and define controversial relations between rights and duties so that the relations between various aspects societywide will be set on the course of a legal system, and the factors affecting social stability will be minimized, facilitating orderly, coordinated, stable, and healthy development of the society.

A sound socialist legal system is a fundamental means of ensuring that the building of socialist democracy and socialist economic construction will go on successfully. It is also an essential condition for preventing a handful of hostile elements from usurping state power. To achieve their evil objective, some people with ulterior motives always direct their spearhead at the socialist legal system. They openly trample on socialist legal rules, distort the spirit of socialist laws, or avail themselves of loopholes in the law so that they will have high-sounding excuses to carry out counterrevolutionary activities. The turmoil at the turn of spring and summer last year was manipulated by anticommunist and antisocialist forces at home and abroad. Right from the beginning, they regarded their political objective to be the negation of the four cardinal principles enshrined in China's Constitution and the overthrow of the legitimate people's government.

Openly opposing the people, they set up illegal organizations, instigated illegal demonstrations, or even kindled the flames of counterrevolution, intercepted military vehicles, seized arms and ammunition, and killed soldiers from the People's Liberation Army and Armed Police. On the other hand, they demanded a dialogue and convocation of a so-called "emergency National People's Congress session in a bid to have their illegal organizations legalized and tried in vain to wage a "lawful struggle" against the people's government. No matter what tactics they resorted to, they had one goal in mind: To sabotage the socialist legal system and the people's government's lawful authority and to throw society into disorder so that they could fish in troubled waters and score success amid confusion.

This incident not only revealed that the reactionary forces at home and abroad cling to their ambitious designs to topple the People's Republic of China, a socialist country, but also brought to light the fact that some people's sense of legality was blunted and they were not in the habit of doing things according to the law. They severed the relationship between rights and duties and between democracy and freedom on the one hand, and legality on the other. Some people even regarded the Constitution and law as trifling matters. This is one of the important causes why some people, including some students from the Beijing Institute of Political Science and Law and a very small number of party and government cadres, became involved in the incident. This is a very profound lesson.

To conscientiously draw a lesson from past events and really cultivate the authority of the law, it is necessary to:

- 1) Make the whole party and the people of the whole country aware that without a sound legal system it would be very difficult to carry out the principle of "one center, two basic points," thwart the wrecking activities of the hostile forces, and effectively contain and eliminate all factors affecting social stability. When engaging in economic construction or reform we must pay attention to both construction and building of legal system as instructed by Comrade Deng Xiaoping. We must guide activities carried out by citizens and various mass organizations, pursue the party's and government's political line, principles, and policies, manage all kinds of public utilities, and build sustained, stable, and lively socialist order by legal means.
- 2) We must speed up legislation so that all units and citizens will follow the law in their work or when carrying out activities. A basic guarantee for social stability is to set social relations on the legal course and deal with all issues according to law. In the past 10 years since we introduced reform, our country has made marked achievements in the building of democracy and of a legal system and there are now laws to follow in almost all major aspects of government and social life. But we should realize that much remains to be done if we are to try to embody the principles of the Constitution and the party's and government's policies in our laws and statutes and provide legal protection for all measures for practicing socialist democracy, the

state's general control over and planned guidance for economic affairs, and the reasonable exercise of civil rights. 3) We must rigorously enforce laws, relentlessly cracking down on all illegal and criminal activities that endanger the socialist system and people's interests. Rigorous enforcement of laws and prosecution of all unlawful activities are fundamental principles of China's legal system. Many existing problems, such as the chaos in the economic field, corruption, and unfair distribution, have a great deal to do with our failure to enforce laws and statutes. Hence, we must bring corrupt officials to justice and straighten things out in all fields to pacify the people who are dissatisfied with our failure to enforce laws rigorously and foster the authority of the law. 4) We must conduct propaganda and education in the legal system in depth and in an all-round way, with emphasis on the Constitution, and enhance the people's awareness of socialist laws. We should communicate to the people not only legal knowledge but also the spirit of the socialist legal system. In conducting propaganda and education in the legal system it is necessary clarify the following points: China's legal system is of a socialist nature, China's basic political and economic systems will never change, and the four cardinal principles are the soul of China's socialist legal system; rights and duties are unitary and social approval can be obtained and legal protection provided only when rights are exercised within legal bounds and in compliance with legal procedures; socialist state power is the people's state power and the people are allowed to take part in government, discuss state affairs through many democratic channels, and express their opinion on the state's major issues by legal means, but they are not allowed to take illegal action; class struggle under the new situation assumes a special form and is complicated and it is necessary to maintain sharp vigilance and expose the vicious conspiracy of a very small number of people to incite the people to struggle against the government; and socialist reform can be carried out only through self-perfection of the socialist system, and it is necessary to carry out reform in the socialist orientation, in line with the socialist principle, and in the interest of overall stability and unity. Nobody is allowed to oppose the four cardinal principles enshrined in the Constitution or stir up social disturbances in the name of reform. In short, to preserve social stability it is necessary to strengthen all positive factors and forces that are conducive to carrying out the party's basic political lines and to contain and eliminate to the greatest extent negative factors and forces affecting the implementation of the party's basic political lines.

There would be no socialism without democracy and the legal system: This is the consensus of all Chinese Communists and people. Comrade Jiang Zemin emphasized in his National Day speech that building socialist democracy and legality, "like economic development, constitutes an important guarantee for our country's stability and prosperity." He also made a scientific analysis of the dialectical relations between socialist democracy and the building of the socialist legal system, stressing that we

must clearly distinguish between socialist and capitalist democracy, between socialist democracy on the one hand and extreme democratization and anarchism on the other. He emphasized that a socialist legal system is the expression and guarantee of socialist democracy and clearly pointed out that democracy toward the people and dictatorship toward hostile and antisocial elements are closely linked with each other and complement each other. We believe that, so long as we persist in strengthening socialist democracy and legality, vigorously develop social productive forces, and resolutely pursue reform and open policies while adhering to the four cardinal principles, we will certainly be able to consolidate and develop political stability and unity, and build China into a modern, prosperous, and powerful socialist country.

#### **It Is Imperative To Define the Role of Party Organizations in Enterprises as the Political Nucleus**

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[Text] Of the 3 million party organizations at the grassroots level in the country, some 800,000 units are located in the grassroots-level organizations of enterprises, comprising about 27 percent; of the 48 million party members, 24 percent are located in the enterprises. Enterprises are the centralized points of the working class and are also the centralized places of the advanced productive forces. The display of the role of party organizations and party members in the enterprises carries an emphatic and important influence, whether in regard to the reform and modernization construction or to the whole party's construction itself.

Over the past years, reform of the leadership structure of the enterprises and implementation of the plant head (manager) responsibility system have achieved success and produced experiences, and gained many lessons well worth summing up. Actual practice has shown that implementation of the plant head responsibility system is necessary and correct, and that this new structure still needs to be continuously perfected in actual practice. On 1 August 1988, the "regulations governing industrial enterprises under the system of ownership by the whole people" were formally promulgated and put into effect. This was the first time since the founding of the republic that our country's enterprise structure, including leadership structure, was designated in legal form. Naturally, in order for the "enterprise law" to be truly and thoroughly implemented, great efforts still have to be made. Moreover, with the reform itself still in continuous development, the "enterprise law" will follow the development of actual practice and be continuously perfected. After all, we now have an important basic law and this has not been an easy task.

During these several years, because Comrade Zhao Ziyang abandoned the four cardinal principles, was passively toward opposition to capitalist liberalism, and refuted the superior tradition of the party's ideological and political work, the role of basic-level party organizations has been seriously weakened and the party's construction and ideological and political work in the enterprises have been greatly damaged. Following the spirit of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee, it is extremely necessary to earnestly carry out a general summing up and rethinking of this work.

## I

In reviewing the reform of the leadership system of the enterprises in these years, there are the following two basic viewpoints:

1. Reform of the leadership structure of the enterprises and implementing of the plant head responsibility system are the objective demands of developing the socialist commodity economy and modernized large-scale production. Their direction is correct; they should be firmly insisted upon and be continuously improved in the course of actual practice. Why should we say this?

First, industrial enterprises under the system of ownership by the whole people constitute the main guiding force in developing our country's social productive forces and achieving economic and technological progress. To make our socialist economy full of vitality, we must invigorate enterprises, particularly the large and medium-sized ones. To invigorate them, it is necessary to gradually readjust relations between the state and the enterprises and between the upper-level departments in charge and the enterprises. Enterprises must be transformed from being the appendages of administrative departments to becoming relatively independent economic entities, becoming commodity producers and operators with the capacity to self-transform and self-develop, and also becoming legal persons possessing definite power, rights, and obligations. The plant head should ipso facto become the legal representative of the enterprises.

Second, the various links of production and operation in modernized large-scale production require centralized direction and unified coordination. Market changes are constant and instant, competition between enterprises becomes daily more serious, and new technologies are making their presence felt constantly. All these require the setting up of a unified, powerful, and highly efficient command structure with the plant head as the center and the presence of a stern responsibility system, thereby carrying out modernized scientific management. Just as Lenin emphasized at the time, modern enterprises demand unconditional, strong, and unified determination to lead and command the common work of several hundred, several thousand, and tens of thousands of people.

Third, implementing the plant head responsibility system delivers and extricates party organizations from the past situation of nonseparation of government from business functions and of the government taking charge of all, and it provides adequate assurance in organization and system. It enables party organizations to concentrate their energy on performing a good job of the party's organization, ideological, and political work, to do well in ensuring and supervising the thorough execution of guidelines and policies, and to display the role of political nucleus.

Hence, it may be said that implementing the plant head responsibility system in our country is a correct choice that is suited to the demands of the new situation and new tasks, sums up the historical experiences of past decades, and learns and copies from the advanced experiences of foreign countries in enterprises management.

2. Reform of the leadership structure of enterprises and implementing the plant head responsibility system must aid improved and strengthened party leadership over the enterprises, and should definitely not lighten nor weaken the role of the party's organizations at the grassroots level. It must be beneficial to arousing and displaying the activism and enthusiasm of the extensive masses of staff members and workers, and definitely should neither weaken nor abolish the position of the working class as the masters of the house.

Party organizations in the enterprises are the grassroots-level organizations of the Chinese Communist Party in the enterprises and are the party's fighting bulwarks in the enterprises. Of the enterprises' backbone cadres in production, technology, operation, and management, quite a large proportion are Communist Party members. The party's guidelines and policies depend on party members to take the lead in implementation and execution and the enterprises' various tasks in production and operation have to pass through the party members playing an exemplary role to lead the extensive masses of staff members and workers to fulfill their tasks. If the role of party organizations and party members cannot be fully displayed, then socialist enterprises cannot be run well.

In the socialist enterprises of our country, staff members and workers are the masters of the enterprises and masters of the reform. It is absolutely necessary to wholeheartedly depend on the working class. The staff members' and workers' participation in the democratic management of the enterprise, full exercise of their rights and privileges, and display of the role of masters of the house are the basic principles that must be followed in running socialist enterprises well. An important special feature of socialist enterprises is the unification of management power and prestige legally exercised by the entrepreneurs with the staff members' and workers' rights and privileges in participating in democratic management and democratic supervision.

Although the functions of the party, government, workers', and youth league organizations in an enterprise are different, yet they have the common purpose of performing a good job of socialist enterprises. Revolving around the enterprises' targets of production, operation, and development, they should strengthen their work and cannot merely arouse the activism of a single sector and depress or repel the enthusiasm of the other sectors, but should enable all sectors to display their enthusiasm. Compared with capitalist enterprises, our enterprises can count on the role of the party organizations and party members, the staff members' representatives' congress and democratic management, and the ideological and political work of closely uniting production and operation. These are our special features and also our strong points. In the reform, these special features and strong points not only should not be cast aside, but should be fully utilized and displayed, so as to manifest the Chinese characteristics of the enterprises' leadership mechanism. It is true that the advanced experiences in enterprise management of foreign countries should be learned from and taken as references, but they should not be copied wholly.

Several years ago, in the course of implementing the plant head responsibility system, a great error was committed, that is, the political core position of party organizations in the enterprises was not clarified; the role of these organizations was diluted; their guaranteed supervision could not be effectively carried out. During this time a large number of political work organizations and political-ideological workers were reduced, and severe damage was done to the construction of the enterprise party organization and political-ideological work. The appearance of such an error had many causes. There were problems of insufficient experiences and insufficient ideological preparation for such reform. However, an important cause was the serious error made by Comrade Zhao Ziyang in ideological guidance, throwing people's ideology into confusion.

Comrade Zhao Ziyang had a sort of saying to the effect that party committees were like party committees in government organizations. He likened the position and role of enterprise party committees to those of party committees in organizations, and thus departed from our country's realities. Despite the fact that both enterprise party committees and party committees in organizations are the party's basic-level organs, because of the differences in the tasks shouldered by the enterprise party committees and committees in organizations, in the nature of their work and in the conditions of the cadres, the contents of the work and the method of work of party organs in government departments and in enterprises are not entirely the same. Regarding this, the party constitution has made different stipulations. Casting aside the national conditions of our country and believing enterprise party committees to be in the same category as party committees in organizations is an error in understanding; in actual practice it necessarily weakens party's Leadership over the enterprises.

Comrade Zhao Ziyang further said that enterprise party committees should not discuss the enterprise's big and important problems in production and operation but should confine itself to minding the party members. This was also extremely erroneous. The central tasks of an enterprise are production and operation. In an enterprise, the party's work and ideological and political work should be conducted tightly around production and operation. If an enterprise party committee does not understand the conditions of the important decisions on production and operation, how can it carry out assurance and supervision? How would it be possible for it to grasp the correct direction of the development of the enterprise? And how could it effectively develop ideological and political work? Not to allow the enterprise party committee to discuss important production and operation problems is tantamount to basically abolishing the role of the party organs.

It is correct that the party should mind the party. This is said in connection with the past practice of nonseparation of party from government, and the party organ taking whole charge of administrative affairs and overlooking the party's self-construction. But if the party only minds and tends to the party then this is erroneous. There is no political party in the world that minds only its own members and thus does not, through the role of its organization and members, propagate the party's advocations and expand its influence. Our party represents the basic interests of the working class and the whole people, and is a ruling party that wholeheartedly serves the people. It cannot and should not "mind only the party's affairs" and close the doors to tend its affairs. According to the stipulations of the revisions of certain articles of the party constitution adopted at the 13th National Party Congress, enterprise party organs must ensure and supervise that the guidelines and policies of the state and of the party are thoroughly enforced in the enterprise, must perform the political and ideological work and work on the masses well, and must offer views and recommendations on the important problems of the enterprise. Therefore, the advocacy of "attending to only party affairs" is in violation of the party constitution.

Based on our party's position, nature, and tasks shouldered at the current stage, based on the actual conditions of the enterprises in our country, and also based on the experiences and lessons learned in pushing the plant manager responsibility system over recent years, it is entirely correct for the party Central Committee, in its circular on strengthening the party's construction, to clearly stipulate the political nucleus position in the grassroots-level structure of the enterprises. A clear understanding of this problem is the starting point of our consideration and study on strengthening the party's work in the enterprises, otherwise there will be no way of smoothing out the other relations in enterprise work.

Why is it necessary to stipulate the political nucleus position of party organs in enterprises? First, our party is the vanguard of the working class. The party should by

reason become the nucleus in the grassroots-level structure of the enterprises for propagating and executing the party's road, guideline, and policies, and for firmly insisting on the socialist direction. It should also become the nucleus for employing correct and effective political and ideological work, and rely on the party members' exemplary role of vanguards to unite and solidify the vast masses of staff members and workers. Second, the party is a unified body formed according to the principle of democratic centralism. Leadership by the party depends for its realization on the party's central organ, local organs, and grassroots-level organs displaying their distinct roles and none of them should be lacking. The theories of the so-called central authorities being the "ruling party," the localities being the "executive party," and the enterprises being the "opposition party," and of "the role of party organs in enterprises having no natural liaison with the ruling party," in reality attempt to weaken the party's leadership. If the party organ in the enterprise is not the political nucleus and cannot lead the ideological and political work and the building of spiritual civilization, being not much different from the rank-and-file people's bodies or democratic parties and cliques, then the party's political superiority cannot be displayed; there is no way to talk about the solidifying power, attracting power, and fighting power of the party organs; and the strengthening of the party's leadership over the enterprises would be just empty words. Third, we should note that our enterprises are socialist ones. Enterprises should not only provide materials and wealth for social development and progress, but also must train up a contingent of staff members and workers that possesses ideals, good morals, civilization, and discipline. Since enterprises are economic organizations and shoulder definite functions in social management and control, only through putting the party organs in an enterprises in a political nucleus position can there be an effective realization of these tasks.

It needs to be pointed out that the political nucleus position of party organs in enterprises is not contradictory to the central position of the plant head, and furthermore, that they are not opposed to each other. The central position of the plant head refers principally to the plant head having overall responsibility for the enterprise's production, operation, and administrative and management work, and that he exercises his authority as prescribed in the "enterprise law." The plant manager must also do ideological and political work and particularly must perform such work well in the course of production and operation, that is, he should connect ideological and political work when exercising his administrative power. The political nucleus position of the party structure is interpreted principally from the side of political ideology and refers to displaying the party's political superiority through strengthening its construction and ideological political work and relying on the role of the party organ and party members. Hence, the political nucleus position of party committees in the enterprise and plant head's central position entirely can and should be organically combined and united. The plant head and the party secretary have separate and different duties and responsibilities; the question of who occupies the higher position does not exist; there exists only the obligation to cooperate

closely, and there should be no comparing who has the most power. Naturally, in actual work, how to coordinate and fit into each other better will still have to depend on continuously summing up and accumulating experience.

## II

At the moment, around the tasks of definitely fixing the political nucleus position of the party organ in the enterprise and strengthening party construction, we should have a clear understanding of the following problems:

1. We should clearly define the tasks borne by the party organ in the enterprise in displaying the role of political nucleus.

Generally speaking, principally there are the following six tasks:

First, based on the demand of strictly and sternly dealing with the party, we should build up the party's ideology, organization, and behavior, and fully demonstrate the party organ's role as a fighting bulwark and the party members' role as exemplary vanguards.

Second, we should ensure and supervise the correct and thorough implementing of the party's and state's various guidelines and policies, and firmly insist on the enterprise's socialist orientation.

Third, we should lead and guide the enterprise's ideological and political work and the building of spiritual civilization, and fully display the important role of the enterprise's administrative body and various public organs such as labor unions and the youth league in ideological and political work, and building of spiritual civilization.

Fourth, abiding by the principle that the party controls the cadres, we should strengthen the education, control, evaluation, and supervision of the cadres, particularly leadership cadres. Middle-grade administrative and leadership cadres should be selected or recommended by the party committee and, following group discussions by the party and administrative leadership, be appointed or dismissed by the plant head.

Fifth, we should lead the staff member representatives congress and public organs like the labor union and youth league, to strengthen democratic management and support these organs to follow the legal provisions and their separate rules and regulations, to be independently responsible for developing their work.

Sixth, we should express our views, make recommendations concerning big and important problems, and participate in decisionmaking. We should support the plant head in legally exercising his rights and authority, assist in coordinating the relationship between the plant head

and the staff members' representative congress and other public organs, ensure mutual support and close cooperation between the party, administration, workers, and youth league in the enterprise, and join forces in making common efforts to perform a good job of building up socialist enterprises.

2. It should be clearly stipulated that ensuring and supervising are the political responsibilities of party organs in the enterprises.

Ensuring and supervising are the political responsibilities of party organs in enterprises. This is determined by the special features of socialist enterprises and the new leadership structure. The pivotal content in the structural reform of enterprise leadership is the plant head responsibility system, and includes at the same time the ensuring and supervising by party committee and democratic management of the staff members and workers. Seen from the actual conditions of enterprises in our country, the plant head responsibility system not only does not oppose, but also needs to be combined with, ensuring and supervising by the party committee and democratic management of the staff members and workers. Only by so doing will it be possible to arouse the enthusiasm of the various sectors of the enterprise and make the plant head responsibility system be more smoothly and effectively pushed.

To perform the job of ensuring and supervising, it is necessary to correctly understand the supervisory functions of party organs in enterprises. The behavior of the plant head and of the enterprise must be subjected to supervision from many sides, including supervision by government departments, by law, by the masses, by public opinion, and by the party organ. These supervisions, whether from inside or outside, are necessary. Supervision by the party organ is the internal supervision of the enterprise. It moves around the central task of production and operation. Supervision by the party organs in the enterprise has the nature of principle, service, and being advanced. The nature of principle implies that views and recommendations should be offered on problems of principle such as guidelines and policies; it does not imply intervention in everything. The nature of service means rendering service to the development of the enterprise and the plant head's correct decisionmaking. The so-called advanced nature means that more attention should be paid to giving views and recommendations in advance, preventing harm in advance, and refraining from complaints afterward.

For example, on the problem of the employment of people, according to the provisions of the "enterprise law," the plant head has the authority to appoint or dismiss and can employ or relieve from duty middle-grade administrative leadership cadres. After the plant head's nomination (the party organ can also recommend), the matter will be collectively discussed by the enterprise's party and administrative leadership. Views from all sides will be heard in full, and on such a basis the plant head will decide on appointments or dismissals. By

so doing, the plant head will be able to select and use well cadres who are good both in morals and talent, and avoid errors in employing personnel. As for the form of the collective discussion, it may start from reality and is not necessarily uniform. In some cases there will be an expanded or enlarged meeting of the party committee and a joint meeting of the party committee and the administration. In some cases the party committee and the administration will hold separate meetings. The meetings may be chaired by the secretary of the party committee or the plant head. Before the discussions, there should be other discussions by the party committee and the personnel department, and the principal leadership of the party committee and administration should freely exchange their views. In the discussions, democracy should be fully manifested and after hearing the views from all sides, the plant head, on the basis of the unanimity or majority of the opinions, will make the decision on the appointment or dismissal. If the views cannot be unified or if the plant head does not agree with the views of the majority, under usual conditions, there is no need to make a hasty decision.

Doing a good job in ensuring and supervising requires the enterprise's party organ and the plant head to make joint efforts. So far as the party committee of the enterprise is concerned, it should understand that the purpose of ensuring and supervising is to support the plant head in correctly exercising his power and to ensure that the enterprise will develop along the right track. Ensuring and supervising are the two sides of a problem and neither one should be lacking. There cannot be only ensuring and no supervising, nor only supervising and no ensuring. Correct decisions made by the plant head should receive the support of the party organ, and through the party members taking the lead their smooth implementation should be ensured. Against affairs that are antiparty and that violate the state's guidelines and policies, the party committee should clearly and openly express its views and cannot lay the principle aside, or just put them off without any dispute. Regarding the enterprise's big and important problems and important decisions, in the event that the party committee and the plant head cannot agree, the party committee should report to the upper level. Ensuring and supervising are the functions and responsibility of the party structure and do not constitute the secretary's individual supervision of the plant head. The extensive masses of party members should be mobilized to take part. So far as the party members and plant head are concerned, they should augment their party concept, earnestly fulfill their obligations as party members, take up the tasks assigned by the party structure, and consciously accept supervision by the party structure, so as to avoid or reduce the chances of committing errors in work. Many plant heads are precisely doing so. They correctly handle the relationship between the individual and the structure, correctly handle the relationship between exercising their power and accepting supervision, and look at ensuring and supervising by the party



committee as an important guarantee to performing a good job in running the enterprises.

In order to realize ensuring and supervising, it is necessary to gradually set up and improve the necessary systems and insist firmly on abiding by fixed regulations and procedure in doing things. According to the experiences of various localities, the principal systems are as follows: 1) The study and learning system of the factory-grade leadership cadres. Through earnestly studying and learning the basic theories of Marxism and the party's road, guidelines, and policies, raise the cadres' level in theories and policy, and augment their ability to depend on their own strength in solving contradictions and problems. 2) The system of the secretary of the party committee taking part in the factory's management committee, factory affairs meetings, and plant head's office meetings. This will enable him to learn and understand promptly the important conditions of production and operation, take part in decisionmaking, make recommendations, and give guidance. 3) The system of the plant head periodically rendering reports on work to the party committee. The party committee should then discuss the factory head's report, express views, and make recommendations. 4) The system of conducting democratic livelihood meetings of leadership cadres who are factory-grade party members. Through opening up criticism and self-criticism, supervision inside the party is reinforced. 5) The system of democratically evaluating party members and supervising cadres. Through democratic evaluation, strengthen the education and supervision of all party members, including the party-member plant head. The party structure should also support the staff member representatives congress in evaluating and supervising the administrative leadership cadres at various levels. Once we have definite systems, we should firmly insist on their execution. Some comrades say that the key to party-administrative relations in an enterprise is "fraternalism" between the plant head and the secretary. "Fraternalism" is needed, but mere dependence on it is insufficient. The necessary systems must be set up. We must emphasize the linking of friendship, mutual understanding, and quality of the cadres with the necessary regulations and systems. Neither one of the above can be lacking. The quality of the cadres is the foundation, and the necessary systems provide the guarantee.

3. We should make it clear that the party organ in an enterprise plays the leadership role in ideological and political work.

Ideological and political work is the party's good tradition and superior political strength, and is the basic guarantee of doing the economic work well. To strengthen and improve ideological and political work in the enterprise, much work must be done. First, the leadership structure must be clarified. In recent years, there has been considerable confusion in the theoretical understanding and guidance of ideological and political work in the enterprise. For a period of time, the party committee in the enterprise lost leadership power over

ideological and political work, and had no way to display its political supremacy. The plant head was fully occupied every day in solving the problem of funds, coal and electric power, and raw materials and had no time or energy to tackle ideological and political work. A situation developed where the "plant head was not up to his job and the party secretary was afraid of overstepping his authority." In certain localities and units the specialized political work corps, which had taken many years of effort to be built up, were seriously damaged. Actual practice has shown that the party organ was thrown into an assistant and subservient position. This sort of "transformation" brought about serious consequences and, in reality, basically dismantled the party's ideological and political work.

Ideological and political work in an enterprise is an important constituent part of modern management. That it is closely combined with production and operation is correct. But at the same time it must be seen that ideological and political work is not merely a management problem. First of all, the problem of political orientation must be solved, that is, it is necessary in an all-round and correct way and from beginning to end to firmly insist on "one center and two basic points"; to carry out education on patriotism, collectivism, and on arduously, diligently, and frugally building the nation and abiding by discipline and law; and to use socialist ideology to occupy the ideological front. It should also be seen that to perform ideological and political work well, it is most important to strengthen the party's ideological construction, educate the party members on communist ideology and morals, and carry out education on the party's basic line and the party's basic knowledge. All this determines that ideological and political work in an enterprise must be left to the leadership of the party organ in the enterprise.

As the party structure in the enterprise carries out leadership work over ideological and political work, what content should be included and what concrete measures should be taken? This will require further probing into actual practice. Seen from the actual practice of certain enterprises, the party committee's leadership over ideological and political work generally embraces the following: 1) Based on the party's tasks and the development target of the enterprise and starting from the need of training up "four have's" staff corps and the enterprise's actual conditions, fixing the long-term planning and yearly plans for the enterprise's ideological and political work, and organizing them for implementation. 2) Discussing and deciding on important problems of ideological and political work such as the guiding ideas, tasks, targets, guidelines, methods, and construction of contingents and corps of ideological and political work. 3) Strengthening the party's ideological construction, displaying the party branch's role as fighting bulwarks and the party members' exemplary role as vanguards, and mobilizing the entire body of party members to do ideological and political work. 4) Supporting, helping, guiding, and coordinating the enterprise's administration and various public organs such as



its labor union and youth league to develop ideological and political work, based on their own special features.

It needs to be emphasized that the plant head, as the legal representative of the enterprise, carries an important responsibility in the building of spiritual civilization and in ideological and political work. Doing well in ideological and political work on the staff members and workers and paying heavy regard to the building of spiritual civilization are the qualities that must be possessed by the plant head of a socialist enterprise. Plant heads should, summing up the realities in production, operation, distribution, and administrative management work, strengthen ideological and political work, combine administrative measures, economic measures, and ideological education and also combine solutions to ideological problems and solutions to actual problems and thereby raise the effective character and the countering or offsetting character of ideological and political work. Naturally, the plant head's responsibility for ideological and political work must be unified with the party committee's leadership in ideological and political work.

Setting up political work structures in enterprises and the installation of personnel with specialized duties should be governed by two principles: The first is that they must be keen-witted, capable, and highly efficient; and second, they must be beneficial to strengthening work. A large number of facts have shown that maintaining a contingent capable of high-quality, specialized political work is extremely necessary.

Several years ago, under extremely difficult conditions, the vast masses of political work cadres did a large amount of work and attained great successes. Actual practice has shown they constituted a backbone force in the party's construction and ideological and political work and were the participants in and promoters of enterprise reform and development. The labor of the political work cadres was both glorious and tedious, difficult work, and should be affirmed and respected by society. Their duties, treatment, and other factual problems should receive just and rational solution. They themselves in actual practice should continuously raise their own quality, and should sum up and accumulate new experiences to suit the demands of the new situation and new tasks. In reality, the party committee secretary and the extensive masses of party workers are doing precisely this. If only all of us could employ an earnest and solemn attitude to thoroughly put into execution the spirit of the party Central Committee's circular on strengthening construction of the party, the building of the party structure in the enterprises and ideological and political work would certainly show a new countenance.

### On 'Literary Pluralism'

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[Article by Yan Zhaozhu (0917 2507 2691)]

[Text] Over the last few years, some people have actively put forward the slogan of "literary pluralism." They have

not only said that a so-called "plural situation" in literary theory, criticism, and creation is a "pleasing result" of the development of literature in the new period, but also said that "literary pluralism" is the only road of development for "literature as literature." What is the essence of this slogan? What role will it play in the development of literature in the new period?

### I

The slogan "literary pluralism" was put forward in 1985 and 1986. In literary theory circles at that time, the so-called "methodological craze" was abating and the "conceptual craze" was gaining strength, and there widely existed a pressing expectation for conceptual renewal and theoretical breakthroughs. At the same time, the literary creation circles were facing a pounding by Western modernism and were engaged in reflection on the narrow realism that had existed for some time in the past. There also widely existed a pressing hope in the art world for exploration, experimentation, and the blazing of new trails. Literary theory, criticism, and creation awaited development. However, the direction in which to develop and how to develop were serious, unavoidable questions placed before us by the times. The putting forward of the "literary pluralism" slogan was a response by some people to this situation.

It must be pointed out that whether literary theory, criticism, and creation are to develop or not is one question, while the direction of development is another question and is, in fact, a more important question. This is because, if the direction is not correct, development will not be achieved and there might even be regression. Those people who promote "literary pluralism" advocate "academic democracy and creative freedom" and want "pluralism in aesthetic premises, the features of works, the modes of literary activity and so on." They say that, at the same time as wanting pluralism in creative methods, critical methods, literary concepts, value standards, aesthetic interests and so on, they advocate an "accepting cultural disposition." That is, in literary theory, criticism, and creation, they advocate "opposition to singularity," recognition of the "rationality of diverse elements," and so on. We need to carry out an overall examination of the slogan "literary pluralism" so that we can observe its essence.

Some people hold that the slogan "literary pluralism" and the party's "double hundred" policy are basically the same. This is an erroneous understanding. Actually, the party's "double hundred" policy advocates that different forms and different styles of art be able to develop freely and that different schools of thought in the sciences be able to contend freely. That is, it advocates creative freedom and artistic democracy. However, Comrade Mao Zedong long ago pointed out that "the two slogans of letting a hundred flowers bloom and a hundred schools of thought contend have, literally, no class character. The proletariat can use them, the bourgeoisie can

use them and other people can also use them. Each class, stratum, and social group has its own views on what are fragrant flowers and what are poisonous weeds." Thus, Comrade Mao Zedong, proceeding from "the views of the broad masses of people," proposed six political standards for differentiating fragrant flowers from poisonous weeds. The two most important of these standards are the socialist road and leadership by the party. He said, "The putting forward of these standards is intended to assist the people in developing free discussion about various questions, not to obstruct such discussion... In a socialist country like ours, can there possibly be any useful scientific or artistic activities that violate these political standards?"<sup>1</sup> Thus, the party's "double hundred" policy is essentially a policy to promote artistic development and scientific progress. It is a policy to promote the prosperity of our country's socialist culture and a very firm class policy of the proletariat. According to the party's "double hundred" policy, our literary theory, criticism, and creation can smoothly develop only under the preconditions of consolidating and strengthening ideological leadership by the party and following the socialist road.

It is on this basic precondition and basic orientation that the antagonism between the slogan of "literary pluralism" and the party's "double hundred" policy is revealed. People should note that this slogan uses the philosophical category of "element" [yuan 0337]. Elements are the source of all things in the world and the basis of ideology and culture. The slogan "literary pluralism," on the surface, advocates "acceptance," "democracy," "freedom," and so on, and, with a seemingly unbiased and fair attitude, wants recognition of the "rationality of various elements" and "the rationality of diverse elements coexisting." However, the essence of these high-sounding words is that it takes Marxism and its literary and art ideology, as well as the aesthetic premises and literary concepts of socialist literature and art and sums them up as one element in a "situation of diverse elements." They demand that we weaken and abolish the ideological leadership of Marxism over our country's literature and art sphere and strive to obtain for non-Marxist and anti-Marxist literary and art ideologies a position where they can claim to be equals of Marxism and finally replace Marxism, resulting in our literary cause deviating or diverging from the socialist road. How can such a slogan of "literary pluralism" be said to be basically identical with the party's "double hundred" policy?

## II

The slogan of "literary pluralism" has as its philosophical theoretical basis the so-called "plurality of truth." According to this, "If we accept that truth is a process, then we can accept the plural and multilevel nature of truth. Thus, we are allowed to query the premises from various angles."<sup>2</sup> Also, because "things in the world are complex," there is a need to go beyond the materialist and idealist, bourgeois and proletarian "modes of

thought." Only by ridding ourselves of "extreme judgments by which something is either this or that" and by recognizing a "plurality" in which something can be "both this and that" will we be able to "grasp literature correctly and in an overall way."

However, this "idea of the plurality of truth" cannot be substantiated.

Of course, Engels did say that "truth lies in the process of cognition itself, in the long historical development of science, which mounts from lower to ever higher levels of knowledge, without ever reaching or discovering so-called absolute truth, a point at which it can proceed no further, where it would have nothing more to do than fold its hands and gaze with wonder at the absolute truth which it had attained."<sup>3</sup> Here Engels is pointing out that truth is a process. However, this just means that we should oppose that "idea which holds that all results of man's thought and actions have a final nature." Thus, we should not see Marxism's ready-made conclusions as dogma. Rather, we should grasp the Marxist stand, viewpoints, and methods and creatively utilize and develop them in practice. It is clear to see that this has nothing in common with the so-called "plurality of truth." In fact, when opposing the idea of absolute truth, Engels certainly did not deny the existence of objective truth and even less did he deny there were differences between truth and falsehood. Quite the reverse. He required people to respect objective truth and to continue ceaselessly along the path in pursuit of objective truth. However, the so-called "idea of the plurality of truth," on the pretext that truth is a process and the pretext of opposing the idea of absolute truth, claims that all understandings can be seen as truth and that basically no distinction exists between truth and falsehood. This is clearly relativism passing itself off as dialectics, basically negating the existence of objective truth and opposing people's respect for and pursuit of objective truth. The use of this theory in the realities of today's China is aimed at nothing more than negating the objective truthfulness of Marxism and shaking people's respect for and faith in Marxism.

Of course, Engels also pointed out, "Dialectics knows no hard and fast lines, no unconditional, universally valid "either-or." It bridges the fixed metaphysical differences and, besides "either-or" it also recognizes in the right place "both this and that" and reconciles the opposites."<sup>4</sup> Thus, even the difference between truth and falsehood is conditional and, if these conditions are transgressed, truth may change into falsehood. However, this is certainly not like what the advocates of the "idea of the plurality of truth" hold. They seem to say one should completely negate the "either-or" and only recognize the "both this and that." Dialectics negates only unconditional "either-or," while recognizing the applicability of "either-or" under certain conditions. Dialectics does not confer on "both this and that" an unconditional applicability. Rather, it simply recognizes it "in the right place." Thus, we must recognize that all things change in accordance with time, place, and conditions.

We need also to recognize that, under certain conditions, there is an objective difference between truth and falsehood, and that this difference cannot be glossed over. In fact, in today's conditions where class struggle still exists, how can we naively believe in that which the proponents of the "idea of the plurality of truth" propagate, where they say we should go beyond the materialist and idealist, bourgeois and proletarian "modes of thought"? Today, in a situation where imperialism's desire to destroy us is not dead and it tries in vain to push peaceful evolution, how can we naively believe what the proponents of the "idea of the plurality of truth" propagate when they say that socialist ideology and capitalist ideology are "both this and that," that they are an integrated whole and that, in the temple of truth, "many elements coexist" and are intimately related?

We do not deny that in the new historical conditions Marxism must be continually enriched and developed and that some modern Western ideological culture contains certain rational elements worthy of our reference and critical use. However, this is something completely different from the "idea of the plurality of truth." This is because, basically the ideological system and the basic tenets of Marxism are irrefutable truths. They will continue to open roads for the seeking of truth. Current capitalist ideological culture, in its systems and stand, is un-Marxist or anti-Marxist and is basically erroneous. Thus, between these two ideological systems lies an antagonism between truth and falsehood, rather than a relationship between the various or diverse elements of truth. Further, while Western bourgeois ideological culture contains some rational elements, because of the distortions and asphyxiation produced by its biases and the limitations of its systems, it is neither fully able to develop its rationality nor suitable for us to copy directly. Only if we use the stand, viewpoint, and methods of Marxism to transform them and critically absorb them will these aspects become beneficial nutrients and blend into our ideological system. Clearly, this critical acceptance manifests one of the ways to enrich and develop truth. It is not a coexistence of truth's diverse elements, nor a convergence of the various elements of truth. It is worth pointing out that some of those who advocate the "idea of the plurality of truth" earnestly advocate, with respect to Western bourgeois ideological culture, "structural transplantation" and "creative assimilation in a Chinese style."<sup>5</sup> They even say that we should be like the Japanese nation, which "has the breadth of vision whereby 'it is not on guard against and instead actively draws in foreign culture' and 'wholeheartedly absorbs Western culture.'" This not only clearly shows the blind worship of foreign things by these people, but also advertises the bankruptcy of the so-called theory of the "plurality of truth."

### III

The essence of the slogan of "literary plurality" is that it is intended to weaken and abolish the leading ideological position of Marxism in the literary and art field, so that literature veers away from or departs from the socialist

orientation. Thus, this slogan can only interfere with and damage the development of literature in the new period. Specifically, this damage is manifested in the following aspects:

1. Negating the basic tenets of Marxist literature and arts.

In 1985, a commentator said, "The views on the essence of literature in the past proceeded purely from the epistemological and political angles, seeing literature as a reflection of social life." "This is not wrong. However... it is insufficiently complete. In fact, the determination of the essence of literature can be done from other angles. For example, it can be viewed from the philosophical angle whereby literature is seen as a tool for overcoming alienation so that human nature can experience a momentary return. It can be viewed from a values angle whereby literature is seen as a manifestation of people's character, ideology, and emotions. It can be viewed from a psychological angle whereby literature is seen as a symbol of depression and of joy, a distillation of people's innermost emotions. It can be viewed from the historical angle whereby literature can be seen, in specific historical environments, as a tool of class struggle; and it can be viewed from the aesthetic angle whereby literature is seen as a gleam of ideals in a blemished world."<sup>6</sup> He strives to have people believe that the essence of literature is extremely rich and that the previous view of literature as a reflection of social life was too shallow and superficial. However, has not the view that literature is, in essence, a reflection of social life always been the understanding of materialist aesthetics, and is this not a basic principle of Marxist aesthetics and literature and art studies? Further, proceeding from this basic principle, Marxists also recognize that literary creation manifests the author's world views and ideological sentiments. They also recognize that a literary work is a manifestation of an author's ideals and a creation of beauty, and recognize that literature can play a positive role in class struggle, and so on. An organic relationship exists between these aspects, forming the basic principles and rich content of Marxist literary and art studies with respect to the essence of literature. However, this commentator, using a quite tactful method, splits these aspects, lists them separately, and places them in opposition to each other, seeing them as the "diverse elements" of different premises. He thereby distorted and belittled Marxist literary and art studies.

Over the last two years, the advocates of "literary plurality" have become increasingly less circumspect and tactful and they have launched an overall "blast" at Marxist literary and art studies. They have directly attacked the Marxist philosophical basis of literary and art studies. They have said, "Our country's literary and art studies have long indiscriminately applied political categories... This has seriously affected the originality and self-ruling nature of literary and art studies." They have also said: "The traditional philosophy on which the original literary criticism and literary theory were based had material ontology and the theory of

reflection as its basic structure... The literary theory formed on this philosophical basis... inevitably enveloped many projections of vulgar sociology."<sup>7</sup> They openly negated the basic tenet of Marxist literary and art studies—that social life is the only source of literary creation—saying, "Literature is a part of the life of mankind... not only are some parts of life unable to be a source of literature, but there is no need to establish 'life' outside literature to be its source." Some people even abusively said, "Some pedants who claim to understand Marx forget that Marx was too busy to admire aesthetics. They like to unconditionally and rigidly apply the materialist view of history to the neck of literary and art studies..." The pedants, through the formulation that "social existence determines social consciousness" posit the literary and art world as a form of social consciousness and then they misconstrue literature and art as a screen on which to trace social reality. This is the "double-cycle theory" [er huan lun 0059 3883 6158] which was once fashionable within the country, whereby literature and art proceeded directly from life.<sup>8</sup> As another example, they attacked the basic tenet of Marxist literary and art studies about literature being, in its character, a specific social ideology. They said, "The characteristic of ideology lies in the fact that it always causes people to consciously and willingly submit to some superior authority" and "to become reliant on religious or political authority," so that "the independent individual can no longer think freely." They also said, "The phenomenon whereby writing is a specific force for state ideology should be discontinued" and that that it was necessary to "erect an elite ideological circle that is truly independent and not dependent on any power group or its influence. This is where the hopes for a new structure in Chinese writing lie."<sup>9</sup>

It can be said that none of the basic tenets of Marxist literary and art studies have escaped their attacks and negation. Is this their "accepting cultural disposition"? Is this their situation where "diverse elements coexist"?

2. In the literary sphere, they have encouraged bourgeois liberalization.

The proponents of "literary pluralism" have, on the one hand, engaged in distortion of and attacks on Marxist literary and art studies and, on the other hand, with an attitude of worshipping foreign things, have imported Western bourgeois literary ideas and the ideological tide of modernist literature lock, stock, and barrel into modern China's literary arena and strongly encouraged bourgeois liberalization.

They have propagated the extreme individualistic "theory of self-value" and in literary works have described and commended pitiful creatures who are divorced from the masses, dissatisfied with reality, and engage in self-admiration curled up in their own little world, while detesting the outside world and its ways. They advocate complete Westernization with its cultural nihilism and in their works describe and commend intellectual aristocrats and sham hippies who are out of

tune with the socialist spirit, are decadent, and disdain everyone else. They promote the decadent lifestyles of the bourgeoisie and in their literary works describe and admire murder, sex, sensual stimulation, hedonism... Especially in recent years, "the precultural condition," "fun literature," and "sex consciousness" works have followed one after the other, and spurious works that copy and plagiarize Western modernist literature have appeared everywhere in the streets. This has seriously interfered with the healthy development of new period literature and has poisoned spiritual culture.

A commentator has quite honestly said, "China's modern school' has consciously or unconsciously realized that their 'absurd' works actually have political meaning... They have seen the specific 'modernist manifestation' of 'exploratory literature.' For example, there is cynical, absurdist mockery, the boorish tone of antifederal, antitradition, antistandards, anti-order commentary, the morbidity of obscure and hideous images, and the images of the perplexity and sense of loss of the individual, with its attendant social significance... which of these is not a wild rebellion against and challenge to the existing political environment and its cultural background? Which of these does not constitute a double-pronged attack on the 'ossified system that has been culturalized' and the 'ossified culture that has been systematized'?" This is correct. They both attack and rebel against the socialist orientation of literature and attack and rebel against literature that is socialist in its orientation. This is the political meaning of their "situation of diverse elements."

3. They misconstrue the party's "double hundred" policy and they have waged a struggle with the proletariat for the cultural front.

"Literary pluralism" is not only antagonistic to the party's "double hundred" policy on the theoretical level, but also tramples roughly on the party's "double hundred" policy in practice. This has been especially so in recent years, with the proponents of "literary plurality" having used some of the literary fronts that they hold in their own hands to allow only criticism of Marxist literary and art studies and not allow a response by Marxist literary and art studies to that criticism. They have given the green light just to those who push articles and works of bourgeois ideology and have created all sorts of difficulties and held back those who want to put forward Marxist ideas. They praise to the skies those who agree with them; those who advocate Marxist theoretical exploration or works which adhere to the socialist orientation are considered "ossified" or "conservative" and are rejected as worthless.

From the above we can see that the so-called "plural situation" is certainly not not a "pleasing result" of literary development in the new period. Rather, it has done serious damage to the development of literature in the new period. Further, "literary pluralism" is certainly not a close friend of or fighter for "academic democracy and creative freedom." It is nothing but the literary flank

of "political pluralism." Of course, some comrades also say that literary pluralism actually refers to diversity in literature (diversity in literature is something encouraged by the "double hundred" policy and something that we endorse and advocate). There is confusion over wording. The literary diversity they support is different in principle from the "literary plurality" slogan that is criticized in this article. Now, when we are clarifying right and wrong on the theoretical level, which had been thrown into disorder by bourgeois liberalization, how can we allow the "literary pluralism" slogan to continue to angle for undeserved fame and bring trouble to the literary and arts arena?

#### Footnotes

1. "On the Correct Handling of Contradictions Among the People."
2. Liu Zaifu, "The Literary Revolution in Literary Criticism of the 1980's," WENXUE PINGLUN [LITERARY REVIEW], 1989, No. 1.
3. *Selected Works of Marx and Engels*, Volume 4, p 212.
4. *Ibid.*, Volume 3, p 535.
5. Liu Zaifu, "The Literary Revolution in Literary Criticism of the 1980's," WENXUE PINGLUN [LITERARY REVIEW], 1989, No. 1.
6. Liu Zaifu, "Opening Up Space for Thought in Literary Research," DUSHU [READING], 1985, No. 2.
7. Liu Zaifu, "The Literary Revolution in Literary Criticism of the 1980's," WENXUE PINGLUN [LITERARY REVIEW], 1989, No. 1.
8. Xia Zhongyi, "The Spiral of the New Tide," WENXUE PINGLUN [LITERARY REVIEW], 1989, No. 2.
9. Xia Zhongyi, "History Cannot Be Evaded," WENXUE PINGLUN [LITERARY REVIEW], 1989, No. 4.

#### Further Bringing Into Play the Role of Large and Medium-Sized Enterprises as the Mainstay

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[Article by Huang Ju (7806 5468), deputy secretary of the Shanghai Municipal Party Committee and vice mayor of Shanghai]

[Text] The large and medium-sized state-owned industrial enterprises are the most advanced parts of China's productive forces, and are the important pillar of the socialist economic foundation. China's practice over the past 40 years proved that the comprehensive stability of the national economy, the growth in the economic strength of the country, and the gradual realization of the goal of socialist modernization are all closely related to the development of large and medium-sized state-owned

enterprises. The strengthening of the vigor of large and medium-sized enterprises and the giving play of their role as the mainstay are related to the smooth development of China's modernization undertaking. As pointed out by Comrade Jiang Zemin in his speech delivered at the 40th anniversary of the establishment of the PRC, "The whole-people large and medium-sized enterprises are the important pillar of China's socialist modernization, and are the main source of the state's financial income. To give full play to their role as mainstay will have special and important implications for China's economic development."

Shanghai is a city where state-owned large and medium-sized industrial enterprises are concentrated. Since the establishment of the PRC, and after 40 years of hard struggle, Shanghai's industry has not only achieved great progress in standards of technological equipment and technical standards, the degree of socialization of production has also increased continuously, and a many large and medium-sized key enterprises have been built. In particular, during the recent some 10 years, a number of extra-large modern enterprises such as the Shanghai Petroleum Chemical Plant, the Baoshan Steel Plant, and so on, have been built, and among these enterprises some have already reached or have almost reached the production scale and technological standards of large international enterprises. At present, there are 759 large and medium-sized state-owned industrial enterprises in Shanghai. The number of staff and workers of these enterprises amounts to 42 percent of the total staff and workers in the whole city, and the total amount of the fixed assets of these enterprises amounts to about 76 percent of that of the industrial enterprises in the whole city. Moreover, the output value achieved by these enterprises amounts to 60 percent of the gross value of industrial output achieved by all industrial enterprises in the city, and the amount of profit tax turned over to the state by these enterprises amounts to 69 percent of the total amount of profit tax of the whole city. The funds of these large and medium-sized enterprises are rather concentrated. Moreover, they have advanced equipment, and apparent technological strong points. They have not only provided the state huge amounts of financial income, but are also an important material strength for the state to achieve further development of the national economy. Besides, they are also the main front for China to continue to advance toward the strategic goal of achieving the second and third steps of economic development.

Over the past years, large and medium-sized state-owned industrial enterprises in Shanghai have encountered great difficulties in development. The main problem is that the number of items and the quantity of goods and materials to be allocated according to the plan have been decreasing year by year, and the proportion of goods and materials with prices not fixed by the state has been increasing. These have resulted in increased costs of products, and have increased the burden of enterprises. Consequently, the amount of profits retained by enterprises has decreased, and the possibility to develop

production has become smaller and smaller. In the implementation of the policy of improving the economic environment and rectifying the economic order, money supply has been tightened and interest rates have been increased. Apart from these, the extra-budgetary regulatory fund has been established, the situation of a weak market and shortage of circulating funds have also brought new problems in the production and operation aspects of large and medium-sized enterprises. However, the macroeconomic environment is being changed in a direction favorable to large and medium-sized enterprises. The implementation of the policy of improving the economic environment and rectifying the economic order has provided a good opportunity for raising the quality of enterprises and for enhancing the vigor of enterprises. The key to further developing the role of large and medium-sized enterprises lies in changing reform thinking from one focusing on decentralizing power and making profit concessions to one focusing on combining state support with exploring the potential of enterprises, and on combining the planned economy with market regulation. This is to focus on increasing economic returns and to adopt concrete and effective measures in the microeconomic and macroeconomic aspects to enhance enterprises' capability to assume profits and losses, to get accumulation by themselves, to develop themselves, and to constrain themselves. This is to enable large and medium-sized state-owned enterprises to achieve new development in the implementation of the policy of improving the economic environment and rectifying the economic order and in deepening the reform.

**We should insist on combining the planned economy with market regulation, and essential material conditions should be provided for large and medium-sized industrial enterprises to fulfill mandatory production plans.** Large and medium-sized state-owned enterprises are the main bodies responsible for carrying out the state's mandatory production plans. They provide essential means of production to large and medium-sized enterprises for carrying out mandatory plans. They are essential to the planned and proportional development of the national economy, and are the important measures for helping large and medium-sized enterprises to overcome current difficulties. The factory directors of large and medium-sized enterprises in Shanghai named funds, energy, and raw materials as the "three standing articles" which people should bear in mind for managing production. These three factors, in fact, are the basic elements constraining Shanghai's industrial development and the development of the production potential of Shanghai's industry. After implementation for about a year of the policy to improve the economic environment and rectify the economic order, the contradiction between supply and demand of energy and raw materials has been eased. However, before the industrial structure in China is made rational, and before the method of industrial production is fundamentally changed into intensive production, the gap between demand and supply of energy and raw materials will continue to exist for a long period

of time. Under such circumstances, we should insist on combining the planned economy with market regulation and on allocating the means of production in a reasonable way, and we should ensure the supply of the factors of production required by large and medium-sized enterprises to carry out mandatory plans. At present, we should emphasize in particular the seriousness of mandatory plans and the guidance role of plans. We should try our best to ensure that essential raw materials, energy, and funds will be allocated to enterprises to fulfill the mandatory production plans assigned to them. A material foundation should be provided for large and medium-sized enterprises to ensure normal production.

**The industrial structure, and the organizational structure of enterprises should be readjusted as soon as possible to form new development strong points of large and medium-sized industrial enterprises.** The unreasonable industrial structure of enterprises is an important factor affecting the optimal allocation of resources and macroeconomic returns. Shanghai is deficient in energy and raw materials supply. It must adopt an expanded scale of diverse forms of lateral ties, and must gain support from the state and other provinces and cities. However, under the situation where resources are in short supply, the fundamental way out is to make the industrial structure reasonable, and to adopt the method of intensive production. We should be determined to eliminate a number of products that consume energy at a high rate and that produce serious pollution problems in the process of production, and will bring only low returns. Besides, for enterprises with high production costs, low returns, and products lacking a ready market, we should shut them down, suspend their operation, merge them with others, or switch them to the manufacture of other products. Moreover, we should focus on ensuring the production of a number of products with famous brands, that are special, and have good quality and a ready market. And, we should make it a priority to develop high-tech industries, and industries that will turn the factors of production into products with a value higher than the original value of the factors of production. Apart from these, we should, through readjusting the industrial structure and the product mix, reduce the consumption of energy and raw materials, and comprehensively increase the economic returns of the manufacturing industry. Over the past years, the competitive power of the industrial products produced by the large and medium-sized enterprises in Shanghai has been weakened in the domestic and foreign markets. One of the important reasons leading to this situation is the unreasonable organizational structure of enterprises. In the 1950's and 1960's, enterprises in Shanghai were organized in the form of administrative companies, and this form of organization had given play to the strong point of specialized coordination of large state-owned industrial enterprises. Since abolition of administrative companies in 1986, the work on linking enterprises has not been correspondingly carried out. In this way, the strong points of the industry have lost organizational support, and the comprehensive development of the

strength of specialized coordination has been affected. The central authorities have decided to implement the policy of controlling the scale of basic construction. This has thus created a good opportunity to promote amalgamation of enterprises and to accelerate establishment of enterprise groups. We should grasp this opportunity to establish enterprise groups according to the inherent linkage among enterprises and the requirements of the rationalization of economic scale, to work hard to rationalize the organizational structure of enterprises, to obtain optimal economies of scale, and to enable large and medium-sized state-owned enterprises to form new development strong points.

**Export policy should be readjusted and made perfect, and large and medium-sized industrial enterprises should be guided to develop along an export-oriented path.** There was a saying in the past that people are forced to become thieves. At present, there is a saying among the enterprises in Shanghai that they are forced to adopt an export-oriented policy. One of the important ways for large and medium-sized industrial enterprises in Shanghai to enhance their vigor is to face the international market, to expand exports, and to import raw materials from foreign countries at the same time in order to ease the serious shortage of raw materials in China. Only when the international market is further opened up can large and medium-sized enterprises obtain sufficient space for achieving comprehensive development. Moreover, only under severe international competition can the quality of enterprises be comprehensively raised. In order to enable enterprises to really develop along the path of "extending their two heads," we should first continue to deepen the reform of the foreign trade system and to enhance the integration between industry and trade. In 1989, the foreign trade agency system was comprehensively implemented in the textile industry, and the practice of "double-line contracting" was adopted in industry and trade to promote foreign trade and export. The foreign trade contracted responsibility system should be further perfected in the next step, and the foreign trade agency system should be developed. Moreover, the relationship between industry and trade should be further tightened, and more large and medium-sized enterprises should be brought into the international market. Second, a series of specific measures should be adopted to arouse the enthusiasm of enterprises in expanding export and production. At present, we should in particular further perfect and improve the method of allocating and calculating the amount of foreign exchange to be retained by enterprises, the methods of compensating the economic returns resulting from the difference between the domestic selling price and the export price, the contracted financial responsibility system, and the contracted foreign trade responsibility system adopted by enterprises focusing on export and production, and other methods which enterprises are very concerned with. Moreover, we should change step by step the situation where exporting brings less returns than selling the products in the domestic market. Third, the foreign

trade service system should be developed. In particular, an export information service system should be established to link enterprises to the international market. This is to enable enterprises to understand the needs of the international market, to enable foreign investors to understand the production capability of enterprises in China, and to expand exports.

**The policy of technological innovation and technological development should be upheld, and we should support large and medium-sized industrial enterprises to follow the path of intensive development.** Another way to enhance the vigor of enterprises is to develop scientific and technological strong points, to enhance the combination between scientific research and production, and to be persistent on following the path of technological progress. Marx pointed out that: "Large industries incorporate the huge natural power and natural sciences into the production process. This will greatly increase labor productivity. This point is very clear."<sup>1</sup> Due to historical and practical reasons, the task of Shanghai, which is an old industrial base, to achieve technological renovation is very difficult. In the period when the policy of improving the economic environment and rectifying the economic order is being implemented, and under the situation where investment scale is being controlled and money supply is being tightened, the focus of technological renovation should be placed on readjusting industrial structure and product mix. Planned arrangements conforming to industrial policy and the requirement for structural readjustment should be made for technological renovation projects, according to the supply of funds and the possible scale of investment. Moreover, priority should be given to projects that can bring high input-output returns. Shanghai should focus on managing well the technological renovation of the machinery, electrical, and textile industries. The machinery and electrical industries should focus on machine tools, complete sets of equipment, the integration between the machinery and the electrical industries, microelectronics, producing Chinese-made kinescopes for color television sets, and so on. The textile industry should focus on supporting and raising the degree of intensive manufacturing and increasing the production and export of high-grade products. Moreover, large and medium-sized enterprises should be encouraged to follow a path of technological progress, and policies should be made to guide and support them in this direction. Priority should be given to the enterprises, which use their own funds to launch technological renovation, in deciding projects, and they should be incorporated into the investment plan for technological renovation. Under the precondition that fulfilling the financial task of turning over to the state a fixed amount of money has been guaranteed, large and medium-sized enterprises that have adopted the contracted responsibility system should be allowed to withdraw a certain proportion of their sales income as technological renovation funds to establish their own research and development organizations and to accelerate technological development and the process of replacing old-generation products with new products.



When we rely on large and medium-sized state-owned enterprises as the mainstay to promote technological progress, the problems of integration between scientific research and production should be solved from a structural aspect. Moreover, the lateral tie between enterprises on one hand and scientific research organizations, universities, and colleges on the other hand should also be enhanced, and key projects should be fixed. Apart from these, in tackling key problems, there should be coordination and organization. Over the past several years, large and medium-sized enterprises have imported much advanced equipment from foreign countries. At present, attention should be paid to the handling of the work on digesting and absorbing imported technology, and the work of making Chinese technology; and import substitution should be vigorously developed and protected.

**We should help enterprises to overcome difficulties, and should concretely reduce the burden of large and medium-sized industrial enterprises.** After the implementation of the contracted management responsibility system, the relationship between the state and enterprises in the aspect of benefit allocation has been fundamentally made clear. However, over the past two years, and because enterprises in Shanghai must implement the new policies and must adopt the new measures decided by the state, they must, in fact, fulfill an additional task of turning over to the state an additional amount of some 1 billion yuan, besides the contracted base figure. When the state has difficulty, everyone should help overcome the difficulty. The cadres and staff and workers of large and medium-sized enterprises will understand the truth and will take the whole situation into consideration. At present, there is an acute problem—many people are working hard to achieve results while other people who do not work hard want to benefit from the results. Apart from paying the taxes and fees stipulated by the state, enterprises also must pay various types of unreasonable fees and must accept unnecessary criticism and inspection. These have made enterprises' burden heavier and heavier. Since 1988, Shanghai has been concentrating its efforts in comprehensively reviewing various types of fees, and has canceled some unreasonable fees and tasks apportioned to enterprises. However, the problem has not yet been thoroughly solved. In order to protect the interests of enterprises, various types of fees and tasks apportioned to enterprises should be further checked. Government departments should take the lead in canceling unreasonable fees that enterprises are asked to pay. From now on, no fee should be charged by government departments to carry out the duties they should carry out, and enterprises should have the right to refuse to pay for various forms of unreasonable apportionment. The departments in charge of enterprises should be responsible for helping enterprises to reduce their burden, should resolutely ban unreasonable apportionment of tasks and unreasonable collection of fees, and should support enterprises in reporting cases where fees are wantonly collected from enterprises until the cases are transferred to and handled by auditing departments.

To enhance the vitality of large and medium-sized enterprises is a great task related to the sustained, stable, and coordinated development of the national economy. Government departments and every sector of society should positively support the development of large and medium-sized state-owned enterprises, should take the initiative to solve problems for enterprises, and should serve enterprises.

**In enhancing the vitality of large and medium-sized industrial enterprises, not just a helpful external environment is needed. We should also pay attention to the internal structure of an enterprise and should comprehensively raise the quality of enterprises.** For every enterprise, its external environment is always in a state of continuous development and change. If an enterprise is good at readjusting its internal mechanism to adapt to changes in its external environment, then it is an enterprise with vitality. There is still a great gap in management quality, quality of staff and workers, and technological quality between the large and medium-sized enterprises in Shanghai on one hand and the quality required by modernization and advanced foreign standards on the other hand. Large and medium-sized enterprises should focus on their internal structure, should enhance and improve their internal management, should work hard to raise their quality, and should increase labor productivity. We should insist on the implementation and perfection of the contracted management responsibility system and the factory director responsibility system. The contracted responsibility system, which is being implemented at all levels within an enterprise, should be further perfected, basic work should be concretely carried out, and enterprise management should be improved. Apart from these, the quality of enterprises should be comprehensively raised through managing well the work on technological progress, economic accounting, controlling product quality, selling products, saving energy and reducing the consumption of energy, labor discipline, internal allocation, production safety, training of staff and workers, and so on. Factory directors of large and medium-sized enterprises should set an example, should establish the concept of taking the overall situation into consideration and the thinking of making scientific management decisions, should be strict in management, should work hard to increase the economic returns of enterprises, and should enable large and medium-sized enterprises to really become a key force of the national economy.

In enhancing the vitality of enterprises, we should, above all, rely on mobilizing the enthusiasm of people. Industrial workers, who are closely related to modernized large-scale production, are being pooled in large and medium-sized state-owned enterprises. The development of their intelligence, wisdom, and creativity is the source of the vitality of large and medium-sized industrial enterprises. The working class in Shanghai has shown its unshakable political stand and the spirit of being master in long-term revolutionary struggle and the practice of revolutionary construction, in particular in



the political disturbance that occurred a short time ago. It is undoubtedly the leading class and the pillar of society. Only when we can wholeheartedly rely on the working class, insist on developing political strong points, enhance ideological and political work, uphold the principle of grasping at the same time the "two civilizations," and fully mobilize the enthusiasm of the broad masses of staff and workers, can the role of large and medium-sized enterprises of being mainstay be definitely brought into play.

#### Footnote

1. Marx: *Das Kapital*, Volume I, p 424.

### Seriously Solve Problems in the Sphere of Distribution in Our Country

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in Chinese No 3, 1 Feb 90 pp 26-29

[Article by Xiang Qiyuan (7309 0796 3293) of the Economic Research Institute of the Chinese Academy of Social Sciences]

[Text] Comrade Jiang Zemin, in his talk on National Day, advocated the setting up of a healthy distribution structure, embracing various kinds of distributions forms, and taking distribution according to work as the main body. He pointed out the manifestation in our country at present of unjust social distribution and the basic road to solving this problem; and he emphasized the importance of firmly insisting up on the combination of material and spiritual encouragement. Below are my views from learning and understanding:

#### I. The Scientific and Realistic Nature of Distribution According to Work

Distribution according to work is the main principle, at the present stage of our country, of the distribution of consumer goods to the individual and is the foundation of the whole distribution system. According to Marx's deliberations in his writings (*Das Kapital*), *Critique of the Gotha Programme*, and so forth, the basic points of distribution according to work are the following: First, the precondition for distribution according to work is the public ownership and joint usage of the means of production. Marx from beginning to end placed distribution relations within the system of production relations in his studies, believing that the nature of distribution is determined by the nature of the ownership system of the means of production. Second, seen from the national economy as a whole, the gross volume of the means of consumption available for use in distribution according to work is fixed by the social center. Socialist workers use publicly owned means of production to undertake joint labor and the products of their labor belong to the ownership of society. The social center makes unified distribution of the gross products of society. In order to ensure simple reproduction, expanded reproduction, and society's public needs, after making the necessary deduction from the social gross products, the means of

consumption can then be distributed among the individual workers. Third, in the distribution of the means of consumption among individual workers, the principle of exchange at equal quantity of labor is implemented, and the yardstick is the quantity of labor contributed by the worker to society. However, the quantity of labor contributed by the worker to society is not measured by the individual labor exerted by the worker, but is measured by society's labor time. In the procedure of distribution according to work, the individual labor time of varying degrees of complexity must be converted into social labor time which can be mutually compared and connected. At the time, Marx's supposition was that, since commodity monetary relations no longer existed in socialism, the individual labor of the worker directly became a constituent part of social gross labor, possessing the character of social labor. The means of certification for the worker to obtain consumer goods should be labor coupons and not money.

The economic condition of distribution according to work carried out under Marx's supposition, when compared with reality in socialist countries, was different in many ways, the most important of which was that in realistic socialist countries commodity monetary relations still existed. The success of the socialist revolution could not make social development surpass the stage of commodity economy. Carrying out distribution according to work under a commodity economy brought a series of new conditions and new problems. First, although contradictions do not exist between private labor and social labor in an economy under the system of ownership by the whole people, contradictions do exist between partial labor and social labor. Partial labor must go through exchange at equal value and receive society's recognition before it can be converted into social labor. Second, enterprises of the whole people are relatively independent commodity producers, have their own separate economic interests, and the joint labor of socialist workers is carried out principally with enterprises as units. Marx only talked about carrying out distribution according to work throughout the whole society but did not touch on the position of the enterprise in carrying out distribution according to work. Third, the labor remuneration obtained by the worker is money and not labor coupons. People must go through market exchange to obtain consumer goods. This generates the contradiction between actual wages and nominal wages and, moreover, must suffer from the influences of many factors such as market supply and demand, and so forth. Despite the emergence of these new conditions, the scientific character of Marx's theory of distribution according to work should not be questioned. We must start from the current realities, stress the solution of the problem of how to realize distribution according to work under the new historical conditions, and push this important theory of Marx further.

To correctly understand distribution according to work under a commodity economy, the key lies in explaining the theory of the relationship between distribution

according to work and the realization of value. Distribution according to work demands that distribution of consumer goods be made based on the amount of labor contribution made by the individual worker. But in commodity economy any product of labor must first be manifested as a commodity and go through exchange at equal value to manifest its value. This is the material prerequisite for remuneration obtained by the individual workers. In commodity economy, the value of the commodity in enterprise production is not determined by individual labor time, but by society's necessary labor time. In certain enterprises, the individual labor time of a commodity is lower than society's necessary labor time; whereas in some enterprises the individual labor time of a commodity is higher than society's necessary labor time. The labor productivity rate of the former category of enterprises is high, the enterprises' profits are large, and the individual income of the staff members and workers is comparatively high; whereas in the case of the latter category of enterprises the reverse is true. Hence, under the conditions of socialist commodity economy, it is necessary to go through two stages of labor measurement to complete a unified procedure for distribution according to work. In the first stage, the value realized through exchange of the labor products of the enterprise, after deducting material consumption and grade-differential benefits and other nonlabor benefits, is the remaining amount of value in so doing. It manifests the contribution collectively made to society by the workers of the enterprise. In the second stage, measurement of the labor quantity is carried out inside the enterprise and, after making the necessary social deduction from the value amount obtained in the first stage measurement, the gross amount of enterprise consumption fund is obtained. And each and every staff member and worker obtains the labor compensation corresponding to the labor amount provided by himself.

If distribution of work under the conditions of socialist commodity economy is different in certain important respects from distribution according to work originally conceived by Marx, why is distribution according to work still the major principle in distribution? This is because socialist public ownership economy occupies the dominant position in the national economy. Workers of enterprises under the system of public ownership still use publicly owned means of production to do joint labor, that is, the precondition for distribution according to work has not made any change despite the existence of a commodity economy. As for inside a publicly owned enterprise, or let us say inside an economic accounting unit, commodity relations do not exist and the outlay of labor by the staff members and workers directly becomes a part of the collective labor of that economic unit. The labor compensation of the staff members and workers is distributed according to the amount of labor he has contributed. It can be seen that in a commodity economy existing under socialist conditions the principle of distribution according to work cannot be negated.

In the ownership system of the means of production in our country, aside from the main body of the public

ownership system, many other kinds of economic constituents coexist at the same time. Hence, in the distribution sphere, aside from distribution according to work being the main body, many others form of distribution exist. This is in line with our country's actual conditions.

## II. Pay High Regard to the Contradiction of Social Unjust Distribution

Socialist distribution according to work basically removes the social defects of division into two classes naturally caused by the distribution system of man-to-man exploitation; it basically protects the material interests of the working people; it promotes the common well-being of the entire working class; and it is a powerful promotional force to push the further development of the productive forces. However, at present in society there exist two aspects of unjust distribution that violate the principle of distribution according to work: One is egalitarianism and the other is the extreme divergence in income. Just as Comrade Jiang Zemin said in his National Day speech, these problems must be earnestly solved.

Egalitarianism violates the socialist distribution principles of more work more pay, and of rewarding the diligent and punishing the lazy. It naturally damages the activism of the extensive masses of workers. For a long time, in socialist publicly owned enterprises and organs and business units, from beginning to end, egalitarianism has not been thoroughly overcome and in these several years in certain respects it shows the tendency of having been aggravated.

There are many causes for the growth of such phenomena. First, our country is one with small-scale production occupying the dominant position and the level of productive forces is relatively low. Over a period of several thousand years the petit agriculture economic thought of "fearing not little but fearing inequality" has been in circulation. Moreover, in the war period we enforced the supply system for a long time, and this enabled the egalitarian idea to carry extensive influence in our country's urban and rural areas. Some people have come to believe that the equal enjoyment of social welfare benefits is a matter of course, and they will lodge complaints and show strong dissatisfaction if their social consumption is reduced a little or if their individually enjoyed welfare benefits are slightly less than others. Certain other people disregard how their labor contribution compares with other people, but if other people receive an increase in pay or are granted a bonus, but they themselves do not have a share, and if their own increases in pay or bonuses are slightly less than others, they will grumble against heaven and earth. This competitive atmosphere of egalitarianism has become a serious social, psychological impediment to the implementation of distribution according to work.

Second, the ratio between individual consumption and social consumption is ill-balanced. Generally speaking, according to the principle of distribution according to

work, the end distribution to the hands of the individual worker is the individual consumption fund. As for social consumption funds, they should be used principally on collective welfare, social protection, and so forth, and basically are equally distributed man to man. In socialist society, under conditions of a relatively low level of productive forces and a comparative shortage or lack of means of consumption, for the sake of protecting people's most basic living needs, it is necessary that the proportion of social consumption be relatively large and the proportion of individual consumption be relatively low. However, following the development of productive forces and the continuous increase in the supply of the means of consumption, we should adequately enlarge the proportion of individual consumption funds and reduce the proportion of social consumption funds. Nevertheless, in recent years the leadership of many enterprise business units, affected by the atmosphere of mutual competition and scrambling, frequently resorted to ways and means to effect an average per person increase in bonus, subsidy, and, at the end of a year, to provide large quantities of goods in kind, free or at cheap prices, to the staff members, and distribution according to work out of the actual income of the staff members and workers has continuously declined.

To overcome egalitarianism, first of all we should, in ideology, understand its harmful nature and repel intervention and hindrances from various sides. Second, regarding wage reform we must have a general plan and coordinating measures. We should, through reform, improve and develop the method of a floating link of the enterprises gross volume of salaries and wages with economic benefits; affirm and carry out the enterprises' autonomous power in determining the labor compensation form in conjunction with their own special features; and manifest within the enterprises the principles of more work more pay, and of rewarding the diligent and punishing the lazy. It is necessary to set up the mechanism of self-balancing and self-restricting on the part of enterprises under the system of ownership by the whole people so as to effectively prevent the consumption funds getting out of control. Regarding government servants and intelligent elements in the scientific, educational, cultural, and public health departments, it is also necessary to separately set up salary and wages systems conforming to the characteristics of their own work, and adequately widen the differences in salaries and wages.

Social distribution injustice caused by extreme differences in income is a new problem emerging in recent years. At present, among the people with overly large incomes in society, some are contractors and renters of enterprises, but an even larger portion consists of individual workers who have become immensely rich through depending on improper measures, and owners of private enterprises. The large masses of people are dissatisfied with the phenomenon of these people getting overly large incomes. The phenomenon seriously curtails the activism of the masses, helps in the inflation of

consumption, influences the healthy development of the economy, contaminates the social atmosphere, exceeds the economic sphere, and become a social and political problem. For the sake of correctly solving these problems, we should make a concrete analysis of these too-high incomes of various and different conditions.

Whether or not the income received by staff members and workers of enterprise units under the system of ownership by the whole people is too high is measured by the principle of distribution according to work. If the compensation received far exceeds labor outlay, then this sort of income is not just. In the case of staff members and workers of enterprise and business units engaging in a "second employment," or when separated or retired personnel reenter employment, if the unit concerned is under the public ownership system, then measurement according to the principle of distribution according to work is still applicable. If the labor outlay is smaller than the present job's work or the original job's work, whereas compensation received is equivalent to or even larger than the compensation in the original post, then it is irrational.

Entrepreneurs engaged in contracting or hiring and renting lay out relatively more labor under usual conditions and have to bear risks besides; hence, if their income is a little higher than that of responsible personnel of enterprises who have not done any contracting or hiring, then it is reasonable. But if the excess is too large, such as the annual income of certain contractors amounting to tens of thousand or hundreds of thousand of yuan, then this far exceeds their labor outlay.

The party's policy permits some people, through honest labor and legitimate operation, to become well-off before others. Individual workers still belong to the category of working people. Their labor conditions are relatively poor, but their labor intensity is greater than the rank-and-file staff members and workers; a portion of the collective welfare benefits and social insurance is beyond their reach. Hence, it is not advisable to make a simple comparison between their monthly income and the monthly salary or wage of the staff members and workers. Under ordinary conditions, so long as they work honestly and abide by discipline and law, it is permissible for their income to be a little higher than the average salary and wage of the staff members and workers. As for owners of private industrial and commercial enterprises, their income comes principally from noncompensatory occupying of the surplus value created by their hirelings. At the present stage, due to the low development level of our country's productive forces, the existence of private industrial and commercial establishments and their development to a definite degree consists of replenishment to the economy of the public ownership system. If only they can observe the law, follow the regulations to pay taxes, their relatively high income derived from legitimate operations is likewise permissible.

At the moment, we should especially watch those people who have deviated from the track of honest labor and legitimate operation, and have employed improper and even illegal measures to obtain overly high income. This is the principal cause of a too high or too low income and unjust distribution. The high income of these people embraces, nearly without exception, irrational, improper, and even illegitimate income. For example, among the individual households, about 80 percent are guilty in varying degrees of evading taxes; through various connections, certain "heads" of art and amusement circles could stage performances that netted them income up to 10,000 yuan in one or two days; among agents and brokers in the various kinds of markets, some can make use of their influence, reap intermediate profit, and earn large amounts of "refunds," price differentials, service fees, and so forth. Responsible persons of certain newly established companies can depend on their authority of monopoly over certain kinds of material resources, do rebuying and reselling, earn fast and enormous profits, and, through various means, convert a large portion of such income into their private purse. Some drivers of motorcars for hire have so-called "extra-account" income, which includes using false tickets or coupons, waste tickets, and collecting foreign exchange for resale on the black market.

Appearance of the phenomenon of a small number of people making too large an income, and even becoming immensely and suddenly rich, has many causes: 1) Because certain important policies have been for a long time rather unclear, become loose and unrestrained, and have weakened the ability for mutual cooperation and joint control between relevant departments. 2) Because the law is imperfect and is not strictly enforced, this provides an opportunity for a small number of people to take advantage. 3) Because of transition between the old and new structures and the existence of double-track prices that lead a small number of people to take undue advantage, and the government lacks necessary controlling and restrictive measures.

Regarding how to handle the problem of unjust distribution arising from the huge divergence between high and low income, Comrade Jiang Zemin already pointed out in his National Day speech, "Legitimate income should be protected; overly high income should be adjusted through the taxation process; illegitimate income should be firmly banned; and at the same time we should gradually improve the livelihood and treatment of mental and physical workers whose incomes tend to be the low side." At the moment, it is urgent to ban illegitimate income. The party Central Committee and the State Council are currently adopting a series of measures including liquidating and rectifying companies, rectifying the circulation order, improving the taxation system, strengthening supervision and control over individual households and private industrial and commercial establishments, paying close attention to frugal and honest construction, promptly and firmly investigating various cases of economic crimes, strengthening propaganda education on abiding by law and discipline, and so forth.

### III. Strengthening Political and Ideological Education and Correctly Implementing the Social Distribution Principle

In his National Day address, Comrade Jiang Zemin criticized the erroneous trend of "all for money's sake." He advocated the principle of the combination of material encouragement and spiritual encouragement, and pointed out that strengthening political and ideological education is an important guarantee for the correct implementation of the principle of distribution according to work.

In recent years, an evil wind has blown of "all for money's sake." It threw people into the mud pit of looking only for profit, making gains without work, and adopting the ideology of the capitalist class, of selling anything for the sake of money. This has caused vastly damaging effects on the correct implementing of the principle of distribution according to work. The purpose of carrying out political and ideological work is to use the proletarian ideology to repel various forms of intervention from nonproletarian ideologies and employ the four cardinal principles to eliminate the influences of the ideas of capitalist liberalism. This is rather important to correctly implementing distribution according to work. Experience since the founding of the PRC has shown that if attention is paid to strengthening political and ideological work in the course of carrying out distribution according to work this principle of distribution can be carried out well and its strong points can be displayed. On the contrary, to set the two in opposition to each other and allow free inroads of the various kinds of erroneous ideas of feudalism, capitalism, and petit production, distribution according to work cannot be carried out well, and its strong points cannot be fully displayed.

Propagating the far-reaching ideologies of communism and advocating noncompensatory and selfless labor are still the important content of ideological and political education. Naturally, in the socialist stage we cannot demand that the majority of the masses possess the ideological party consciousness of communism, and far less to change the system of distribution according to work. However, advocating among the advanced elements and the youth noncompensatory communist labor and opposing "all for money's sake," is beneficial to correctly implementing the principle of distribution according to work and the establishment of socialist spiritual civilization.

#### How Are We To View the Basic Threads in the Development of Modern Chinese History?

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[Article by Zhang Haipeng (1728 3189 7720) of the Modern Chinese History Research Institute, draft written May 1984, revised Oct 1989]

[Text] What are the basic threads of modern Chinese history? In December 1939, in his article "The Chinese

Revolution and the Chinese Communist Party," Mao Zedong said the following: "The history of the process of China's transformation into a semicolony and colony by imperialism in collusion with Chinese feudalism is, at the same time, a history of the process of the struggle by the Chinese people against imperialism and its lackeys. The Opium War, the movement of the Taiping Heavenly Kingdom, the Sino-French war, the Sino-Japanese war, the Wuxu Coup (Note—A mistake term for the Wuxu Reform Movement of 1898), the Yihetuan Movement, the Revolution of 1911, the May 4th Movement, the May 30th Movement, the Northern Expedition, the agrarian revolutionary war and the present war of resistance against the Japanese—all testify to the Chinese people's indomitable spirit in fighting imperialism and its lackeys."<sup>1</sup> He also said, "After the Opium War in 1840, China has gradually been changed into a semicolonial, semifeudal society."<sup>2</sup> These are the "two processes" that are often referred to in modern Chinese history. I believe that these can be seen as an appropriate summary of the basic threads in modern Chinese history.

The summary of the "two processes" in modern Chinese history put forward by Mao Zedong was realized on the basis of the long-term revolutionary practice of the Chinese people. The Chinese people had spent nearly a century engaged in this revolutionary practice. The founders of Marxism did not provide any specific explanations of Chinese society. Although in his 1912 article "Democracy and Narodnikism [late 19th century Russian revolutionary socialist movement] in China," Lenin indicated that China was a semicolonial society and, in his 1919 article, "Outline of Nationalism and the Colonial Question," he said that China was a semifeudal society, he did not put forward any proof. At the beginning of the 20th century, prior to the establishment of the CPC, there was no correct understanding among Chinese people as to what attitude should be adopted toward the nature of Chinese society or toward imperialism and its lackeys in China. Soon after the CPC was established, the basic questions of correctly understanding the nature of Chinese society and revolution were put on the agenda. However, the questions were not thoroughly resolved, and, in the 1920's and the 1930's, major debates on the nature of Chinese society still erupted. CPC members, under the guidance of Marxism-Leninism, engaged in serious reflection and theoretical creation with respect to the nature of Chinese society and the nature of revolution. At the end of 1939 and the beginning of 1940, Mao Zedong published *The Chinese Revolution and the Chinese Communist Party, On New Democracy*, and other works in which he systematically, scientifically, and correctly resolved these questions. Mao Zedong said that "clearly understanding the national conditions of China is the basic grounds for clearly understanding all the questions of revolution."<sup>3</sup> The general strategy and general tactics for the Chinese revolution formulated by the CPC were established on the basis of a correct understanding of the national conditions of China. The most basic aspect of what we call the national conditions of China was the nature of Chinese society. Mao Zedong repeatedly stressed that only by clearly understanding the nature of Chinese society would it be possible to clearly understand the target of the Chinese revolution,

the task of the Chinese revolution, and the path and changes of the Chinese revolution. And only by clearly understanding the nature of Chinese society would it be possible to understand the basic patterns of modern China's historical development. Mao Zedong's summary of the "two processes" was an understanding of the patterns of historical development gained through an analysis of the nature of modern Chinese society. It was a product of his combining Marxism-Leninism with the historic realities and revolutionary realities of China.

The historical realities of modern China involved, on the one hand, a collaboration between imperialism and China's feudal rulers, resulting in China sinking into a semicolonial, semifeudal society. On the other hand, it involved continuous opposition by the Chinese people. The basic task of the Chinese people was first to complete the anti-imperial, antifeudal democratic revolution. The basic avenue for achieving this task was getting the broad masses to link together and, under the leadership of the advanced class, engage in anti-imperial and antifeudal revolution. Only by driving out the forces of imperialism could the Chinese people win national independence, and only by overthrowing the rule of the feudal landlord class could the Chinese people attain democratic liberation and thereby achieve real social progress. Thus, the democratic revolution by which the masses opposed imperialism and opposed feudalism was the correct avenue for China to achieve national independence and to seek the liberation of the people. The nature of society in the periods of the new and old democratic revolutions was the same and this determined that the target of revolution and the motive of revolution were the same. The differences lay only in the forces leading the revolution and in the progress of the revolution. However, some commentators believe that in the early period of modern Chinese history, the basic avenue in striving for independence and seeking progress should have been learning from the West and developing capitalism. As these comrades, when putting forward this explanation of the basic avenue in modern Chinese history, avoid the question of anti-imperialism and antifeudalism, they give people the impression that China would have been able to achieve national independence and social progress simply by studying the West and developing capitalism, without going through the anti-imperialist and antifeudal struggle. This inevitably touches on the question of the revolutionary road of modern China.

Seen from the general patterns of historical development, the replacement of feudalism by capitalism is a major step in history. However, in the special situation of modern China, studying the West and developing capitalism could not become the basic road by which to strive for independence and seek progress. This is because imperialism would not allow China to develop an independent capitalism. The teacher always bullied the student. Many progressive Chinese people put great effort into trying this road, but all such efforts failed. Mr. Sun Yat-sen's brilliance lay in the fact that he understood that it was necessary to engage in revolution and to

strive for national independence, freedom, and sovereignty in order to save China. In the modern history of China prior to the establishment of New China, was it a feasible option to cast aside opposition to imperialism and opposition to feudalism and cast aside national independence and simply stress study of the West and the development of capitalism? Chinese people of several generations followed that dream in order to make China strong and prosperous, but China did not become strong and prosperous. In the study of China's modern history, it is imperative that attention be given to this most basic fact.

Some comrades propose that we pay attention to the significance of the emergence and development of the capitalist economy in the modern history of China. This is correct. The problem is how was it possible for capitalism to be developed and whether or not the international and domestic situations would have allowed China to develop capitalism. China was a semi-colonial, semifeudal society. In the development of capitalism in China, not only was pressure met from feudal forces, but also and primarily, there was opposition from the imperialist forces. Mao Zedong pointed out that "the modern history of China is a history where imperialism invaded China, opposed Chinese independence, and opposed China's development of capitalism."<sup>4</sup> Imperialism's invasion of China was intended to turn China into its colony or semicolony and turn the Chinese people into its slaves. It wanted to establish in China a base for extra-economic exploitation, not turn China into an opponent in commodity competition. To this end, imperialism wanted to establish factories in China, utilize China's cheap labor and markets, and squeeze super profits from China. As long as they did this, then, as in the situation with the English colonialists in India as described by Marx, it was inevitable that Chinese national capitalism would emerge in China. Thus, in China, the emergence of national capitalism was independent of the subjective will of imperialism and feudalism. However, in China, without driving away the forces of imperialism and without overthrowing feudal rule, national capitalism did not have the opportunity to develop smoothly. We can see that China's national capitalism suffered repeated tribulations and went through successive rises and falls, never seeing smooth development under imperialism and under feudal rule. Thus, it never became the production mode occupying the leading position in Chinese society. This is a very clear proof.

Some other commentators say that the dividing line between the progressive and the reactionary in modern Chinese history should be whether or not people studied the West. Proceeding from this viewpoint, they put the Westernization movement side by side with peasant wars, the modernization movement, and the bourgeois revolution in order to form the basic threads of modern China's historical progress. Thus, they see the Westernization movement as a progressive tide and the Westernization adherents as a progressive force. Actually, the

emergence of the Westernization movement in the 1860's and its development over the next 30 years were products of the gradual deepening of the invasion of China by capitalism-imperialism. It was a product of the process by which imperialism and Chinese feudalism combined to turn China into a semicolonial, semifeudal society. Although a certain number of modern capitalist enterprises were developed during the Westernization movement, and these enterprises were the starting point for the further development of China's social economy, we cannot just on this basis say that it was a progressive tide in modern China. Likewise, we cannot look at the foreign invading forces who established the first capitalist enterprises in China as a progressive tide. This is because, regardless of whether we speak of foreign invading forces or local feudal rulers, the capitalist enterprises they developed in China had as their goal the consolidation of the results of invasion or the maintenance of feudal rule. If we say that objectively these enterprises played a stimulatory role in the development of Chinese capitalism, we must say that this was but a derived result. The *Communist Manifesto* says that the bourgeoisie "compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, that is, to become bourgeois themselves."<sup>5</sup> Capitalism-imperialism turned many countries in Asia, Africa, and the Americas into colonies or semicolonies. On the one hand, they brutally ruled the people of the colonies and semicolonies and, on the other hand, took capitalist civilization to them. Marx said that the social revolution that England had created in India would, "in the end, serve as an unwitting tool of history."<sup>6</sup> However, the results of this social revolution were such that the capitalist productive forces were not put into the hands of the people and the Indian people could not look forward to achieving democracy, freedom, and progress from capitalist civilization. In today's international society, there is a marked contrast between the small number of rich developed capitalist countries and the large number of backward and poor undeveloped countries. This is an indisputable fact. This contrast is not a natural phenomenon of historical development, but rather has been created by the oppression and exploitation of new and old colonialism. The strength and wealth of this small number of capitalist countries is built on the poverty of the majority of backward countries. The development of history in modern times has been one in which the people of the many countries in backward regions have struggled constantly in an effort to change this irrational situation in socioeconomic development. Unfortunately, however, so far they have been unable to effect a basic change in the historical situation. Many of the countries and regions that became colonies long ago have seen an influx of capitalist civilization for at least as long as China has, and for even longer in many cases. However, the majority of them have not developed their productive forces to the level that China has achieved today. This is due to no other reason than, after China achieved a thorough victory in the struggle to oppose imperialism and oppose feudalism, it won the social

conditions for rapid development of social productive forces. In summing up the course of historical development of the world in modern times, can we really say that the bringing of capitalism to the world's backward regions by capitalism-imperialism played a progressive role in the forward development of world history?

How did the Westernization movement come about? After the signing of the "Beijing treaty" in 1860, the aggressors had attained a satisfactory result and the occupying armies withdrew from Beijing. Some people among the rulers, including Yi Xin, Zeng Guofan, and Shen Zhaolin held that the Westerners not only "would not damage our temples and shrines," but would help to suppress the Taiping Heavenly Kingdom revolution which constituted a "serious, internal disease." Thus, they were well disposed toward the foreign invaders. Therefore they felt it was best to cede territory, pay compensation, and sell off sovereignty in exchange for the favor of the aggressors. The year 1860 was a turning point. Prior to this, the Qing government had used both opposition and compromise policies in dealing with the foreign invaders. However, after this, compromise became the major policy. Beginning in 1860, there was a very conscious alliance made between the feudal rulers and capitalism-imperialism, even to the degree that the empress dowager said, "As far as China's material resources allow, we should do what we can to stay in the good graces of these countries." The Westernization movement was initiated by such feudal bureaucrats who engaged in suppression domestically and compromised with and capitulated to those outside. The representative figures were Yi Xin, Zeng Guofan, and Li Hongzhang. During the period of the Westernization movement, the alliance between the reactionary forces in China and abroad became even tighter, and the evolutionary process toward a semicolonial, semifeudal society was completed. From this we can see that we cannot say that the Westernization movement was a progressive movement. It is nearer to the truth to say that, in a situation where the ruling class faced aggression by foreign capitalism and continuing opposing struggle by the people domestically, it was a movement which was initiated with the goal of consolidating the feudal ruling order. Regardless of whether we look from the angle of subjective motivation or objective results, this movement by the landlord class to save themselves was in accord with the demands of capitalism-imperialism in its invasion of China and in turning China into a semicolonial, semifeudal society.

Is adherence to the "two processes" in summing up the basic threads in modern Chinese history putting too much emphasis on the anti-imperialist and antifeudal struggle? This problem does not arise, as the target of our research is China's modern history. The anti-imperialist and antifeudal struggle is one of the major components of modern Chinese history. It was on the basis of successfully carrying out the anti-imperialist and antifeudal struggle that the Chinese people gradually accepted Marxism-Leninism and finally chose the socialist road.

This historical outcome was the result of a long period of anti-imperial and antifeudal struggle by the Chinese people. Of course, modern China's history is rich in content and, apart from the anti-imperial and antifeudal aspect, there were various other social components. Regardless, we can say that the various forms of struggle in modern China's history were all conditioned by the main thread of anti-imperialist and antifeudal struggle, which was a matter of life and death for the Chinese nation. If we ignore or speak only briefly about the history of the anti-imperialist and antifeudal struggle by the Chinese people, what real value will research in modern Chinese have? Thus, it is not a question of talking about it excessively, but rather a question of how to research it correctly, how to persist in using Marxism-Leninism-Mao Zedong Thought in studying modern history and how to correctly sum up the historical experiences of anti-imperialist and antifeudal struggle during the period of the democratic revolution, so as to better serve socialist construction and better ensure that the social responsibility of history workers is fulfilled.

#### Footnotes

1. *Selected Works of Mao Zedong*, Volume 2, p. 595.
2. *Ibid.*, p. 589.
3. *Ibid.*, p. 596.
4. *Ibid.*, p. 640.
5. *Selected Works of Marx and Engels*, Volume 1, p. 255.
6. *Ibid.*, Volume 2, p. 68.

**The Rediscovery of China's Traditional Aesthetics**  
*HK0104003090 Beijing QIUSHI [SEEKING TRUTH]*  
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[Article by Ye Lang (0673 2597)]

[Text] **A. If We Overlook China's Traditional Aesthetics, It Will Be Difficult To Establish Modern Aesthetics**

When discussing the question of China's traditional aesthetics, there is a particular focus of attention. This focus is the building of a modern aesthetics under the guidance of Marxism. So-called modern aesthetics should have at least two essential characteristics (these two essential characteristics are the major differences between modern aesthetics and the various forms of aesthetics that have appeared in history): 1) It should have a modern, scientific world view and historical view, that is, a Marxist world view and historical view, as its philosophical base, while at the same time drawing in the



wisdom of Eastern and Western philosophy. 2) It should manifest the overall situation where modern humanist sciences, social sciences, and natural sciences are continually producing new divisions and, on the basis of these divisions, are continually engaging in synthesis, and it should achieve a theoretical synthesis on a wider scale and to a deeper degree. Specifically, this synthesis should include four aspects: a mutual linkage between traditional aesthetics and modern aesthetics; a mutual merging of Chinese aesthetics (as well as overall Eastern aesthetics) and Western aesthetics; a mutual osmosis between aesthetics and various neighboring sciences; and mutual promotion between theoretical aesthetics and applied aesthetics.

It is very clear that, in order to achieve this theoretical synthesis, we need to pay full attention to and systematically conduct a deep study of China's traditional aesthetics (as well as overall Eastern aesthetics). If we ignore, look lightly on, or discard China's traditional aesthetics, then we will not be able to talk about linkage between traditional aesthetics and modern aesthetics, nor about merging Chinese aesthetics and Western aesthetics. Thus, we will be unable to realize this theoretical synthesis and therefore will be unable to truly establish modern aesthetics.

Chinese aesthetics and Western aesthetics belong to two different cultural traditions. Between these two cultural traditions there are, of course, some common aspects and points of correspondence. However, in another respect, these two cultural traditions have their own enormous specificities. China's traditional aesthetics has its own special categories, propositions, and systems. Western aesthetics cannot contain Chinese aesthetics. We cannot see China's aesthetics as a branch of Western aesthetics and much less can we see Chinese aesthetics as an example of a particular school of Western aesthetics. We should respect the special nature of Chinese aesthetics and conduct independent, systematic research into China's traditional aesthetics. Only in this way will it be possible to merge the positive achievements of Chinese aesthetics with the positive achievements of Western aesthetics, build aesthetics into a really international science and thereby allow it to play a greater role in human civilization.

However, in the past and today, the aesthetic theories of the various countries of the world have basically all fallen within the scope of Western culture and have not included Eastern culture. Such an aesthetics is one-sided and cannot be considered a true international science. Neither, of course, can it be considered true modern aesthetics.

#### B. How To View China's Traditional Aesthetics

In recent years, in some works and articles, some views that downgrade or even completely negate the value of China's traditional aesthetics have appeared. Some people believe that, as compared to Western aesthetics, China's aesthetics (and the entire Eastern aesthetics) is

extremely fragmentary and superficial. This view is erroneous because it does not conform to historical fact. China's traditional aesthetics is extremely rich. Within it, are many theories that are brimming with Eastern wisdom and many theories that are rich in national character and that still have great value today. China's traditional aesthetics is a treasure house and this treasure house has not yet been fully opened. Let us take the aesthetics of fiction as an example. For a long time, people have said that China has had only a theory of poetics, but no theory of fiction, that it has had only a theory of artistic conception, but no theory of the archetype. They see this as a major difference between Chinese aesthetics and Western aesthetics. Actually, this is incorrect. From Li Zhi, Ye Zhou, and Feng Menglong, through to Jin Shengtian, Zhang Zhupo, and Zhi Yanzhai, all achieved rich results in studying the aesthetics of fiction and put forward deep views. We can take two quotes from Ye Zhou and Zhang Zhupo as examples. Ye Zhou said, "The content of the book *The Water Margin* existed in the world before Shi Naian and Luo Guan-zhong actually got around to writing them down. The people all existed. The writers just fabricated a little and recorded the truth. The world had immoral women before Yang Xiong's wife and Wu Song's sister-in-law were depicted in this novel. There were matchmakers in the world before Grandma Wang was written about and there were illicit relationships between servants and the woman of the house before the relationship between Lu Junyi's Mrs. Jia and Li Gu were included in the novel. Also, the way in which the battalion commander, the jailor, Dong Chao, Xue Ba, Fu An, and Lu Jian and their circumstances are depicted are so real, and the humor is so lively. If such persons had not already existed in the world, then even if the writers had tried for years and sweated gallons of blood, how would they have been able to invent them! How would they have been able to invent them!" ("Good and Bad Phraseology in the 100-Chapter *Water Margin*") This is a brilliant comment. Ye Zhou held that the vitality of the typical characters in the novel lay in the fact that they were a true reflection of the situation in social life. If the authors had divorced themselves from social life, even if they had "tried for years and sweated gallons of blood," they would not have been able to create such archetypical characters with "circumstances so real and humor so lively." These words by Ye Zhou set down a materialist basis for the theory of the creation of archetypical characters in Ming-Qing aesthetics of fiction. Later, Jin Shengtian, Zhang Zhupo, and Zhi Yanzhai continued this tradition of materialist aesthetics. As a further example, let us look at the words of Zhang Zhupo. He said, "The author of *Jin Pingmei* must have gone through difficulties and poverty and seen the diverse ways of man and the ways of the world. He must have been through everything and gone very deep into the world to have been able to give such vitality to all the characters." ("How to Read *Jin Pingmei*") This is also a very brilliant comment. "Going very deep into the world" refers to the exploration of life through life's experiences. If you want to put life into



various types of vibrant characters, you need to understand all about people, to "go deep into the world" and gain personal experiences of difficulty, poverty and the ways of man and the world. These words by Zhang Zhupo stress the great importance of the breadth and depth of the life experience of an author in creating archetypical characters, and this is a step forward from Ye Zhou. Among the Ming-Qing scholars who studied the aesthetics of fiction, the person who set down the most systematic theory with respect to the creation of archetypical characters was Jin Shengtian. We can sum up his ideas in the following six aspects: 1) Jin Shengtian was the first to raise the creation of archetypical characters to the central position in the art of fiction. He pointed out that the power of a piece of fiction to stimulate a sense of beauty and the capacity of a piece of fiction to purify the soul of a person and raise a person's morality to a higher plane, all depended mainly on the creation of archetypical characters. 2) Jin Shengtian put forward the category of "disposition" as a summation of the individual characteristics of the archetypical characters. That is to say, the demand for individuality was, at this time, already set down in an aesthetic category by Jin Shengtian. 3) Jin Shengtian particularly stressed the characteristics and individuality of a character's image, actions, and language. He considered these to be the main method in creating a typical character. He made a brilliant summary of the unity between an archetypical disposition and characteristic language. 4) Jin Shengtian also stressed that the description of characters must accord with feelings and with reason, so that the readers would feel close to the characters and find them believable. He put forward the concept of "writing that comes close to people" to sum up the need for authenticity in the creation of heroic character types. 5) Jin Shengtian studied the dialectical relationship between positive and negative, agreeing and rebelling, active and passive, and hidden and obvious characteristics in characters who had been described, and put forward a method for creating archetypical dispositions. 6) Jin Shengtian also engaged in exploration on the epistemological plane with respect to the question of creating archetypical characters. He put forward the question: How can a writer, as an individual person, create so many different types of characters? They create heroes, careerists, immoral women, and thieves. How can they make them all so real, yet still distinct and different from the others? His answer was that a writer need not personally observe and experience the lives of every one of his characters (and cannot personally observe and experience the lives of every one of his characters). As long as he is good at "investigating things and good at observing, analyzing, and studying the "reasons" and "relations" (basis and conditions) of various phenomena, he can "quickly understand things" and "understand people's nature" and then proceed with the process of creation. Thereby, on the basis of the various specific "reasons" and "relations," it is possible to create the various types of characters. This is a very rough summary of his ideas. Jin Shengtian's exposition on the creation of archetypical characters is much richer than what is noted here.

However, even this rough outline is sufficient to show that the claim that China has no theory of fiction or theory of the archetype is without foundation. I would like to repeat what I said in "Outline of the History of Chinese Aesthetics," when I noted that the actual situation is not that China has no theory of fiction, but rather that the people who make such claims are too unfamiliar with Chinese things to recognize it.

Also, some other people claim that Western aesthetics has more of a theoretical pattern and has an analytical nature and systematic nature. In contrast, they see Chinese aesthetics as tending to be more empirical, based on feelings and impressions, that is, it tends to be related to emotion and to direct perception and experience. This idea likewise cannot be substantiated. In the introduction to "Outline of the History of Chinese Aesthetics" I have already rebuffed this claim. In China's "notes on poetry" and "notes on verse" there is indeed much commentary that is empirical and emotional. However, one cannot on this basis see this as a basic characteristic of Chinese aesthetics. Actually, if people have even a rudimentary knowledge of China's traditional aesthetics, they will know that this is not so. Beginning with Laozi's categories and propositions including "the way," "with," "without," "falsity," "actuality," and "washing the dark mirror," going on to the propositions in the *Yi Zhuan* that one should "observe things to obtain an image" and "establish an image to fully understand," then further to the propositions of the Wei-Jin and Northern and Southern dynasties that "one needs to forget the image in order to realize understanding," that "music is neither intrinsically sad or happy," that "clarity embodies an image of taste," and that "refinement is moving," and right through to the aesthetic systems of Wang Fuzhi and Ye Xie, how can these all be said to be things of an empirical pattern? How can they just be emotional, impressionistic, and stimulated things? Of course, they are not. They are theoretical forms. It is just that the theoretical forms of Chinese aesthetics have their own special characteristics. In China's classical aesthetics, there were some philosophers with strong speculative aspects, such as Laozi, Wang Bi, Ji Kang, and Wang Fuzhi. The aesthetics works *On Music Not Being Intrinsically Happy or Sad* by Ji Kang and the chapter "Life's End" in the *Meaning of Shang Shu* by Wang Fuzhi are pure conceptual analysis and conceptual discussion. Only thinkers with highly developed theoretical thought could have written such works. The major Qing aesthetics scholar Ye Xie also strongly stressed the importance of theoretical thought. His *Original Poems*, a work on aesthetics, has both a strong theoretical nature and a strong systematic nature. As the modern scholar Jin Kemu has noted, this work by Ye Xie is not only wide-ranging, systematic, and deep, but it combines both literature and a world view. "It forms a complete system of thought" and is "very modern in significance." ("On Qing Poetry" in *DUSHU* 1984, No. 9.) Among the classical aesthetics scholars, there were many who were writers and artists themselves. However, when they discussed aesthetics, it was certainly not restricted to

their own experiences. They always strove to proceed from the most basic world view. They were not content just with perceptual, empirical forms, but strove to find a philosophical and metaphysical explanation for their ideas. The "one stroke" theory of Shi Tao is an example of this.

There are also people who hold that China's traditional aesthetics is all outdated and ossified, that it belongs to the past and that it is a "millstone" that should be discarded. This is an erroneous view as it does not conform to historical facts. China's traditional aesthetics not only has outdated aspects, but also has some modern aspects. In China's traditional aesthetics there are some things with extremely modern significance (of course, they require us to explain them anew). These things are the theoretical nutrition for us in building modern aesthetics. Two examples will suffice to explain this point.

The first example relates to the question of the social role of art. What effect should art have on people's spirits? This question has caused quite some divisions in the literary and art world in the last few years. China's classical aesthetics has always held that art should have a stimulating, purifying, and sublimating effect on people's spirits, and not lead people to indulge in their instincts, pursue personal desires, engage in low activities, or be negative, pessimistic, or dispirited. Confucius said, "The *Book of Odes* can stimulate the imagination, encourage self-contemplation, promote sociability, and regulate resentment." This is an analysis of the psychological characteristics of artistic appreciation and also an analysis of the social role of art. Of the four aspects, Confucius placed "stimulation" in the prime position and this was not accidental. This shows that Confucius placed great stress on the role of art in "stimulation." Later, many other thinkers also saw this point. Thus, they also placed special emphasis on "stimulation." For example, Wang Fuzhi said, "Poetry speaks of the mind, while songs involve recitation of words. But just because something speaks of the the mind, that does not make it poetry. Likewise, just because something involves words, that does not make it a song. Rather, the crux lies in whether or not they can stimulate." (*Critical Selection of Tang Poetry*, Chapter 1) Here, he takes the capacity to "stimulate" as the most basic standard that distinguishes art from that which is not art. Why does he place "stimulation" in such an important position? Let us look at another quote from Wang Fuzhi: "Those who have stimulation are called outstanding people. Stimulation emerges from the life essence. Following along and submitting is the usual way of life in the world. If people are not like this, they are unusual. After a hard day's work, most people cannot think beyond salary and rank, their fields, and their wife and children. They calculate their rice and count their salary and daily they see their ambitions thwarted. Looking up to heaven, they know not how high it is and looking down at the earth they do not know how deep it goes. They feel, but it as if they are in a dream. They see, but it is as if they are blind. They

move their bodies, but their hearts are without life. This is because they are not stimulated. The sages used poetry in their education to cleanse the turbid heart and to stimulate the jaded life force. This produced outstanding persons, who became sages later. This is a major force for saving people in this disordered world." (*Awaiting Explanation*) These words of Wang Fuzhi raise aesthetic education to the high plane of the philosophy of life. According to this explanation by Wang Fuzhi, the so-called "stimulation" involves the purifying role that poetry and songs have on the human soul ("cleanse the turbid heart") so that people can escape their humdrum, wretched circumstances and become spirited persons with aspirations, knowledge, and the will to act. From there, the persons can raise themselves to outstanding persons and then to sages. This is the psychological content and psychological characteristic of "stimulation" as well as the social function of "stimulation." Confucius placed "stimulation" at the head of the four functions of poetry. This shows that, in his view, in artistic appreciation as an aesthetic activity, its major psychological aspect and psychological characteristic lies in the overall emotive, inspiring, purifying, and uplifting role artistic works produce on the spirit of a person. He was not primarily stressing any particular psychological factor and social role. When Jin Shengtan was writing a critique of *The Water Margin*, the same was true. Jin Shengtan wrote a particularly insightful comment: "Ruan Xiaoqi was a superior person. He is depicted with a special demeanor. Of the 108 characters, he is to be considered the best. His heart is good and his words are good. This makes people feel that, compared to him, they are worthless and dissipated." (*On Reading the Books of the Fifth Genius*) The comment "This makes people feel that, compared to him, they are worthless and dissipated" shows that he sees the reading of this book to be a way of purifying the spirit. Jin Shengtan held that fiction and especially the heroic character archetypes created in fiction could "stimulate" in the same way as poetry and songs. That is to say, they could play a rousing, inspiring, purifying, and uplifting role on people's spirits. Does not this tradition of China's classical aesthetics still have an enlightening significance for us today?

The second example is the study of dreams. Everyone knows that psychoanalysis in the West, and Freud in particular, has placed great importance on the study of dreams and has linked dreams and artistic creation. There is indeed a close relationship between the psychological phenomenon of dreams and literary and artistic creation. There are many classical works of fiction in China that have dreams in their title. For example, there is Tang Xianzu's *Four Dreams Near the River* and Cao Xueqin's *Dream of The Red Chamber*. There are an even greater number of literary works that have dreams in their content. Did China's ancient thinkers, then, study dreams? Quite a few of us know of the ideas of Plato, Aristotle, and Augustine, but know nothing about the ideas of China's ancient thinkers on dreams. It is only in the last few years after reading Mr. Qian Zhongshu's

*Limited Views and Humble Understandings* that we know that China's ancient thinkers did a great deal of study on the psychological phenomenon of dreams and left rich materials on their ideas. Among these, there were of course, many distorted, idealist explanations. I think we can sum up these materials in the following five aspects: 1) China's ancient thinkers held that dreams were a special psychological activity. In *The Removal of Prejudices* Xunzi said, "When the mind is at rest, there are dreams and self-volition is relaxed. When the mind is being used, it can plan and think." He held that when people are conscious, they are subject to self-control ("can plan and think"), but that when dreaming, one loses self-control ("self-volition is relaxed"). The great philosopher Zhang Zai of the Song dynasty said, "Awake, the body moves and the mind makes contact with the external world, but, in a dream, the body is still and the life force is only within. Thus, when awake, new things are seen and heard while in dreams, the mind follows old things it knows." (*Correcting Youthful Ignorance—Animals*) He felt that when a person is conscious ("awake") their mind is, of its own volition, in contact with external things and thus new information is obtained ("new things are seen and heard"), but, when a person dreams, the mind is not conscious and relies on linking old impressions to form the dream images ("follows old things it knows"). 2) China's ancient thinkers gave different analyses for the cause of dreams. The majority believed that the cause of dreams could be analyzed in two aspects. One was the "cause." This was the stimulus which the sensory organs of a person received while asleep. This included "a wild wind blowing up and the soul flying off in a dream," the "vapors of the liver being excessive, provoking wild dreams" and so on. These were the physiological and pathological causes of dreams. The Ming dynasty thinker Wang Tingxiang called this "the stirring of the soul's awareness." (*Ya-shu*, final chapter) The second aspect was the "thoughts," that is, the person's affections, memories, and hopes. For example, a person who had gone away and was thinking of home would in his dreams at night think about his home and relatives. "In the day, one thinks about something and by night one dreams about it." This was the psychological cause of dreams and Wang Tingxiang called this "the stirring of thoughts." Wang Tingxiang further divided this "stirring of thoughts" into two types: "Everything one has done in the past or during the day are, in one's dreams, manifested as feelings which follow habitual ways. All those things which have not been seen and not been heard are, in one's dreams, manifested as the extraordinary." "Cause" and "thoughts," the "stirring of the soul's awareness" and the "stirring of thoughts" could, of course, play roles concurrently and could transform into each other. For example, in a poem by Huang Tingjian, he says, "The red dust cloaks my hat and black leggings and in my thoughts I see the pair of white birds at Cangzhou. The horse gnaws the withered beanstalks and disturbs my midday slumber. My dream turns to wind and rain and the waves lashing the river." (*A Daytime Sleep on the 17th Day of the Sixth Month*) This poem

writes of a dreamland of wind and rain and at the same time indicates that the dreamland is a combination of the two elements of "thoughts" and "cause." It is thus that Mr. Qian Zhongshu says that in this poem "the 28 characters sum up all the principles of dreams." Third, China's ancient thinkers held that some of people's affections and desires are, while the person is awake, kept suppressed by the intellect. However, when the person is asleep and dreaming, intellectual control is relaxed and these affections and desires charge out like a runaway horse. For example, Fang Yizhi of the Ming dynasty said, "Dreams are things that appear in people's minds. When a person is awake, they are constrained like a horse in halter, but when a person is asleep, they gallop off by themselves." (*Yaode Paozhuang*, Chapter 3, "The Great Master") Also, Pan Deyu of the Qing dynasty said, "In the daytime, there is false deception, but at night, the essence is disclosed." (*Collection from Yangyi Hall*, Chapter 11, "Prose To Drive Away Dreams") Fourth, since the stuff of dreams is "constrained when one is awake and runs free when one is asleep" a person's dreamworld often manifests that person's deep affections and desires. This is what is meant when it is said that in dreams we can see the inner feelings. Thus, China's ancient thinkers also pointed out that "If one does not enter the world of dreams, one does not illumine the territory of the mind." (Pan Deyu, "Prose to Drive Away Dreams") That is to say, if we want to clearly see people's innermost world, it is necessary to carry out a deep examination and analysis of their dreams. Fifth, China's ancient thinkers also required that, in a person's self-cultivation, they could not stop just at the conscious level. It was also necessary to penetrate the subconscious. This was what was meant by "If one does good things in one's dreams, that is a merit, while if one does bad things in one's dreams, that is a demerit." (Chen Hu, *An Introduction to the Study of Sagacity*, last chapter) These five points provide only a very brief outline, but they are sufficient to show that there is a wealth of materials written on dreams by China's ancient thinkers. As we are now building modern aesthetics, should we not give these materials their due attention?

#### **B. There Is an Urgent Need To Change the Situation Where Research Into China's Traditional Aesthetics Is Lacking**

It is regrettable that the foreign intellectual circles and literature and art circles know virtually nothing about the Eastern wisdom contained in China's traditional aesthetics or about the wealth, depth, and original national creativity of China's traditional aesthetics. Of course, the understanding that we Chinese have of the West is also greatly insufficient. However, we at least know of Diderot and Racine, know of Kant and Hegel, know of Belinsky and Chernyshevsky and know of Husserl and Heidegger. However, which foreigners (including famous foreign scholars) know of Wang Fuzhi and Ye Xie? Which of them know of Shi Tao and Liu Xizai? And which of them know of Jin Shengtian and Zhang Zhupo? When foreign scholars write monographs

on the principles of aesthetics and the history of world aesthetics, they either ignore China's aesthetics altogether or give it only a few pages, with little content, less order, and present it without any grasp of the main points. The Western scholarly circles are truly extremely isolated from and ignorant of Chinese aesthetics. This is a major reason why the science of aesthetics has always been unable to break through the limitations imposed by Western culture. From this fact, we can reach two conclusions: First, the implementation of cultural opening up does not require us only to draw in and study all foreign culture of value. Rather, it also requires us to introduce Chinese culture to the world. The first-mentioned aspect of this work is still very weak, while the second aspect is 10 times weaker. Second, in building modern aesthetics, so that aesthetics truly becomes an international science, if there is no contribution by Chinese academic circles, it will be difficult to complete this task. Thus, as far as China's academic circles are concerned, the putting forward of the task of building modern aesthetics does not mean importing a ready-made system from abroad (as has been said, there is no ready-made system of aesthetics anywhere in the world). The building of modern aesthetics requires that we engage in arduous theoretical creation. In this respect, we have bright prospects.

Another thing worthy of our great attention is that we Chinese have little understanding of China's traditional aesthetics. The study of China's aesthetics by academic circles has only just begun. We have already discovered much interesting and distinctive material, but have not had time to conduct deep research. There is still much that we do not know. Also, much has been covered up and forgotten, and this needs to be rediscovered. We still lack an understanding of the basic spirit and theoretical core of China's traditional aesthetics, or at least have not grasped them correctly. In this area, we also need a sense of urgency and sense of crisis. At a time when we are building modern aesthetics, we must not forget the original features of China's traditional aesthetics and the value of China's traditional aesthetics today. All of these aspects await our rediscovery and new research with a modern viewpoint.

Here, it is necessary to point out a problem in terms of the style of study. Over the last few years a few people in the academic circles have advocated a study style that involves irresponsible comments. Both with respect to Chinese things and foreign things, these people talk on wildly, with only a minimal understanding of the topic. For example, a few years ago, some people said that the theories of China's traditional aesthetics, for example the theory of "artistic conception" and some other theories, were all outdated and should be disposed of, as they cannot be in harmony with modern life. It seems that the people who say this sort of thing have not done serious study and they have no understanding of what "artistic conception" is. The theory of "artistic conception" in China's classical aesthetics is rooted in the philosophy and aesthetics of Laozi and Zhuangzi and its

key point can be summed up as "the conception is born outside the image" (Liu Yuxi). That is to say, there is a transcendence of concrete, limited material images, events, and places and one enters unlimited time and space. This is what is meant by "the heart enmeshes the universe and the thoughts link up with the thousand ages." Thereby, one gains a philosophical perception and comprehension of life, history, and the universe. This philosophical feeling for life, for history, and for the universe is the essential content of "artistic conception." This artistic conception can be said to be the aesthetic image most rich in metaphysical significance. Of course, the specific content of this feeling for life, for history, and for the universe involved in "artistic conception" differs with different nations and different ages. However, "artistic conception" as a specific type of aesthetic image has a universality in that it can exist in any age. Thus, China's classical aesthetics theory of "artistic conception" can, through analysis and explanation, certainly become a part of modern aesthetics. How can it be outdated? How can it be discarded? In looking at the questions of China's traditional aesthetics and in looking at the questions of other fields, we must oppose that style of study which encourages irresponsible comments and promote a scientific study style that seeks truth from facts.

**Mao Zedong and His Secretary Tian Jiaying, Part VI**  
*HK2003062590 Beijing QIUSHI [SEEKING TRUTH]*  
*in Chinese No 3, 1 Feb 90 pp 38-42*

[Article by Feng Xianzhi (6646 0341 4249) of the CPC Party Literature Research Center, completed in July 1989]

#### [Text] XV. How To Practice Socialism?

After the failure of the Great Leap Forward, many comrades in the party had been contemplating one question: How on earth to practice socialism? Before then, this did not seem to pose a question among party cadres. They generally believed that the road the party central and Mao Zedong pointed to was a correct one. However, after the winter of 1958, especially after the Lushan conference in the summer of 1959, more and more people were perplexed and began to have doubts about it. Some suggested studying and reflecting on works of Marx, Engels, Lenin, and Stalin, but Tian preferred to seek the answer from practice.

A fundamental thought of Tian's was that there is only one socialist system, but there are many ways to build socialism. He maintained that the question of building socialism in China had not been resolved. At that time he could not have formulated such sophisticated concepts as the "Soviet model" or "Chinese model." He did not have a systematic view. He just posed questions from concrete experience, such as from investigation among the rural masses. Even so, the questions he raised and contemplated are still meaningful today. The following is

excerpted from what he said during the investigation in 1961 as recorded in my notebook.

For example, there must be abundance for the people.<sup>1</sup> Tian said, "In the last few years, commune members have lost their family sideline production. Whether a nation is rich depends on whether its people are rich. Since we are Communists, we must admit the importance of abundance. Our goal is to make the people rich. Some comrades do not have a clear concept of this. Only when the people have become rich can the nation be rich. Not only should our nation be rich, our provinces, counties, communes, and people must have reserves, too. We must handle well the production of not only communes and production teams, but also of commune members. It is our responsibility to make the people rich. Once commune members' sideline production is developed, they will become rich. This is not horrible at all." When he expounded "60 Articles," Tian directed these words to the leftist mistake of prohibiting family sideline production after 1958. The way he presented his thoughts was not the best, for he emphasized one facet and missed the whole. However, he also emphasized that to practice communism was to make the people wealthy, and this was a negation of the idea of "socialism is poverty."

Another example is that the economy should be alive. He said, "What is the crux of handling commerce? Commerce today is, in a word, too rigid. Control on it is rigid. Administration (in terms of organizational amalgamation) is rigid. The lines among regions, among counties, and among communes are rigidly drawn, and exchanges between one another are not possible. So commerce is not prosperous at all." "When you shop, there is nothing for you to choose from. Sometimes there are even state quotas on sales. This is an abnormal buying and selling relationship. The question is whether we want commodity production to exist. For commodities to exist, there must be a normal relationship between buying and selling. Aside from state-owned shops and supply-and-marketing cooperatives, can we set up cooperative stores and cooperative groups and open more shops?" "The chaotic situation in commerce is caused by several major transformations. Some people should go back to their original occupations." Tian always maintained that commerce should be alive and the market prosperous. He once used two words—"hasty" and "uniform"—to summarize the shortcomings of the three major transformations. The first word refers to impatient pace of transformation and the second to an overly uniform economic form.

Another example is Tian's opposition to employment of administrative means alone to guide the economy. He said, "Some methods should not be employed even with ownership by the whole people. Specifically, I refer to political means, that is, relying on administrative order to guide the economy. There should be a clear line between politics and the economy." He also said, "The methods employed in leading the collective economy should be applied to leading people's communes. Some

leaders above the county level do not understand that people's communes are a collective economy and that they assume sole responsibility for profits and losses. Some cadres order people's communes around as if the latter were their families, but when they have to be responsible for something, they no longer treat communes as their families. When production drops and food supply becomes a problem, they do not feel they are responsible. This is not a way of showing respect to the collective economy and least of all a correct way to treat it."

Another example is the relationship between the party and the government. Tian said, "The party committee leads, but not runs, the people's committee (meaning the people's government at the county level). We cannot say whether the former makes good use of the latter, but it must respect the latter. The people's committee does not simply execute. The party committee must, through party members, discuss with the people's committee in order to resolve problems. It should lead it while respecting it." As well, Tian said, "There are two views on the party committee's being too powerful. Those who hold the first view say the party committee is, to start with, too powerful. Those who hold the second view say that it has encroached upon administrative power. I hold the second view, not the first one." "The way the party committee leads is like this. It dominates in major and minor things, but its work is scattered and chaotic, and so it controls everything, but does not handle it effectively. And it runs everything by blindly following orders. While it administers and controls, it does not assume responsibility." For this reason, Tian raised a question. "Should party work be separate from government work? The head of county should assign work to the commune leader, the county party committee should assign work to the commune party committee. We must be clear about what the county party committee and people's committee are each responsible for." To him, how to handle party-government relations "looks like a problem all countries under proletarian dictatorship will encounter."

Another example is promoting democracy within the party. Tian said, "We should introduce democracy to the party, encourage opening up our minds, and truly guarantee the democratic rights of party members. We should also advocate free discussion on an equal basis. It has not been so in our party in these last few years. This is one cause for losses in our work. It is not a bad thing to create antithesis. Truth is often in the hands of a minority. But what happens now is we view antithesis as a target of struggle." "Party committees at all levels must seriously enforce democratic centralism. Party committee meetings must truly be where collective decisions are made. When making decisions, the minority must subordinate to the majority."

The above opinions of Tian's only reflect part of Tian's thinking in one aspect during one phase. Some of them

already involved the issues of economic system and political system. This was remarkable considering they were raised then.

#### XVI. Speech at Hangzhou

In early December 1965, Mao summoned Chen Boda, Hu Sheng, Tian Jiaying, Ai Siqu, and Guan Feng to Hangzhou to discuss writing a preface to several classic works of Marx. Mao maintained that the preface must be written in the light of actual experience from the Chinese revolution.

Not long after we arrived in Hangzhou, Mao went to Shanghai to chair an enlarged meeting of the members of the Standing Committee of the Political Bureau of the CPC Central Committee. Hu, Tian, and Ai stayed in Zhejiang. Tian and I took advantage of this opportunity to revisit places like Jiaxing, where we had conducted an investigation in 1961. We could not suppress our excitement. The prosperity of the rural areas around Hangjiahu was such a contrast to the depression in 1961. The peasants had large quantities of grain and flocks of chickens and ducks at home. More than 90 percent of the fields in the Jiaxing district had irrigation and drainage by electricity. It was really delightful. From 1962, grain production in the whole nation recovered and developed at the fast speed of 20 billion jin per year. The production of several other important cash crops had also recovered and developed. The situation on the industrial battle front was as good. This was the result of thoroughly implementing "60 Articles" and the principle of "adjustment, consolidation, substantiation, and elevation." Who could help feeling encouraged by this delightful economic situation? China was so hopeful! Yet, it was at this time that a major turmoil was brewing. Jiang Qing, Zhang Chunqiao, Yao Wenyuan, and the like were doing something. WENHUI BAO of Shanghai published Yao Wenyuan's article entitled "Review of *Dismissal of Hairui From Office*, a New Historical Play." This was followed by Qi Benyu's "Study History for the Sake of Revolution" in HONGQI [RED FLAG]. After that one article after another appeared in newspapers and journals criticizing the play. It was in this context that Mao gave his speech on 21 December, after returning to Hangzhou from Shanghai.

In this speech Mao said little about writing a preface, but much about philosophy. Most notable of what he said was about the articles by people like Yao Wenyuan, Qi Benyu, and so forth. Among what he said was, "The theme of *Dismissal of Hairui From Office* is dismissal from office. Emperor Jiajing dismissed Hairui from office. (The play implies that) Peng Dehuai is Hairui, and we dismissed him from office." Mao's words set the tone, but without grounds he linked the play *Dismissal of Hairui From Office* by historian Wu Han to the question of Peng Dehuai. This became a sharp political question. When organizing Mao's speech, Tian suggested that these few lines not be included, for it was not in line with the truth and *Dismissal of Hairui From Office* was not

related to the question of Peng Dehuai. Tian was supported first by Hu Sheng and then by Ai Siqu, but Guan Feng did not show his stance. When they returned to Beijing, Guan insisted repeatedly that these lines be included. After much nagging, the lines were included. Later Guan informed against Tian, and so another indictment was added against Tian. At this point the Cultural Revolution was about to break out.

#### XVII. Two Dangerous Enemies—Chen Boda and Jiang Qing

Tian first met Chen Boda in Yanan. There was a CPC political research center there with Mao as director and Chen as associate director. Tian was a researcher first with the economic division and later with the political division of that center. Tian had helped Chen collect much material for several books that Chen wrote. Conditions in Yanan then were very poor, and data collection was difficult. When the books were out, Chen was overjoyed, but he asked Tian, "What have you done (for the books)?" Tian was bitterly disappointed. He began to realize what kind of person Chen was.

After the liberation, Tian and Chen had a lot of contact through work, and so knew him better than other people did. Chen had a hypocritical face. He looked honest and modest, but was actually overbearing and narrow-minded. He liked to take credit for what others had done and to put the blame on others. He was very ambitious at heart. Tian was aware of these qualities of Chen's at a very early point, and said Chen was a hypocrite, a villain, and a careerist. Chen did not allow anyone to present a different view on his works. Nor could he tolerate anyone being praised by Mao for having performed well. Tian had for a long time been an important assistant to Mao, and therefore was a sore to Chen. At Mao's suggestion, a new CPC political research center was set up in 1955, with Chen as director and Hu Sheng and Tian Jiaying as associate directors. Chen simply ignored the work of the center. It was Hu and Tian who took care of it. After 1962, Mao and Tian became more and more estranged. Chen took this opportunity to lodge a complaint against Tian. He said Tian was "dictatorial" and "arrogated all power to himself," and that he, Chen Boda, could no longer manage the research center, and so on. This was a pure frame up. Hu Sheng and many comrades with the research center could prove that what Chen said was all fabrication. Unfortunately Mao believed Chen's calumny, and criticized Tian at a party central meeting. Tian became a victim of this unredressed injustice. Nevertheless, little tricks like lodging a complaint about someone behind his back could never come to the open. When Tian challenged Chen on this in person or on the phone, Chen was embarrassed and could not respond. Tian was a straight-forward person who loathed being attacked in the dark. Many people feared Chen, but Tian did not. Chen knew he was in the wrong, and so could do nothing about Tian. Resentment between the two accumulated. Chen hated Tian and would take the first opportunity to kick him out. The

outbreak of the Cultural Revolution was a perfect opportunity. Chen lost no time in launching an attack on Tian. On 9 May he went to the Research Center for Marxism-Leninism (formerly the Political Research Center) to stir up the people to expose Tian. (Please note this was seven days before the issuance of the "16 May" circular and 11 days before the announcement of Tian's suspension from his duties for self-examination.) Once was not enough. Chen went again. The secretary general of the research center then was Chai Mo. (He was Mao's librarian in Yanan.) Because he had a good relationship with Tian, he too was implicated. Chen criticized him by name and accused him of taking Tian Jiaying's road and being a "dictatorial secretary general," and so forth. Chai was persecuted to death during the Cultural Revolution.

Another dangerous enemy was Jiang Qing. Jiang capitalized on her special background and was insufferably arrogant. She enjoyed a high position and lived in ease and comfort, but she was cruel and evil. Tian had long before known her history, and simply could not tolerate her. Tian never curried favor with the powerful or concealed his thoughts and attitudes. His hatred and contempt for Jiang Qing could not have escaped Jiang's attention. In Jiang's eyes, Tian could never be subdued and so could not be tolerated. She would take advantage of any opportunity to hit Tian if he was down. In 1962 Tian was criticized for advocating the system of contracting output quotas to households with the production team conducting unified accounting. Jiang was the first (and at that time the only) person to label him a "bourgeois element." It was under Jiang's planning that Guan Feng lodged a complaint against Tian in spring 1966, but he did so in a surreptitious manner.

In May 1966 the turmoil began. Tian was under the threat of Chen Boda and Jiang Qing, two careerists and conspirators who had long been hiding in the party, but who had gathered power and on whom Mao relied heavily during the Cultural Revolution. Under the great shock from the announcement of his suspension from duties for self-examination, Tian chose the road that his comrades and friends hoped he would not choose. His state of mind was reflected in what he said to wife Dong Bian on the first night, "I am calumniated by Jiang and Chen. There is a saying that good will be rewarded with good, and evil with evil. I don't believe these people will have a good ending." The last two lines of his last words were: "I believe the party will discover the truth. I believe the gross injustice will be redressed." Less than 15 years later, Chen Boda, Jiang Qing, and their like finally were rewarded "with evil." They were taken to a special court of the People's Supreme Court of the PRC, and on 23 January 1980, sentenced to 18 years' imprisonment and to death with a two-year reprieve, respectively.

#### XVIII. Concluding Remarks

It has been 23 years since Tian left us and 13 years since Mao died. During the 18 years of Tian's service as Mao's

secretary, their relation was most of the time harmonious, close, and understanding. Later, different policy stance split them and they became estranged. The change in the relation between Mao and Tian could be an epitome of the winding course China took in the 17 years since the founding of the PRC.

It was an important post to be Mao's secretary, but Tian was never arrogant or snobbish. People respected him for his knowledge, his ideas, and his accessibility. Tian worked in the central government and by Mao Zedong. He was meticulous and cautious at work, and adhered strictly to discipline. He never raised any indiscreet and irresponsible suggestion to Mao. He cared about protecting the unity of the core of the party central. As a secretary close to Mao, Tian never spoke ill to Mao of any leader in the central government. On the contrary, he demonstrated with action that he would protect the unity of these people. For example, in the self-criticism he wrote in 1963 on the system of contracting output quotas to households with the production team conducting unified accounting, he did not involve any leader of the central government. Rather, he shouldered all responsibility. Tian always placed collective interests above his own. He tried to ensure party unity, and was always an upright person. The impression he left in me and in all comrades that knew him well would never fade.

On the other hand, although Mao had high esteem for Tian in work and was concerned with the life Tian led, he never used his personal power to give Tian a high position. It was Deng Xiaoping and Yang Shangkun who suggested appointing Tian as an associate director of the General Office of the CPC Central Committee in 1961.

Like everyone else, Tian had his weaknesses and shortcomings. When he did well, he would be proud; and when he did badly, he would appear down. He was rather fragile and not tough enough to stand failure. However, these weaknesses cannot cover his merits. He was nonetheless a valuable, good communist fighter.

Tian was always influenced and educated by Mao Zedong Thought. He worked beside Mao for many years, and cherished a deep affection for him. Later, he found it increasingly difficult to share Mao's leftist thinking and policies, and Mao became estranged from him. Tian found himself in a conflicting state of mind. This could be seen something he always said to me after 1963, "I thank the Chairman for appreciating my ability, but if things go on like this, I'm afraid that one day we will split."

Mao's errors in his later years were reflected in his relationship with Tian. Tian had worked diligently for Mao for so many years, but because he raised a different idea, Mao became suspicious of him. Then he was linked to the struggle inside the party. In the end, Mao ignored and even distrusted Tian. To me this was unfair. Unfortunately, what Tian always said to me came true. In the end he was forced to leave Mao in an extremely special



and complicated situation—villians grabbed part of the party's supreme power and manipulated Mao's error. This was also a tragedy of history.

In the later phase of the Cultural Revolution, Mao said to some people that actually Tian did not have much of a problem. I wonder how Mao felt when he said this. Was he regretful? Did he miss Tian? Was he reassessing Tian?...

Although Mao committed errors in his later years, including the grave error of starting the Cultural Revolution, taken as a whole, he was still a great Marxist, and a great revolutionary and statesman. The role he played in the history of the Chinese revolution was irreplaceable. He always maintained, and will continue to maintain high prestige in the hearts of the Chinese people. Mao Zedong Thought is undoubtedly a product of the integration between Marxist-Leninist theory and China's revolutionary practice. That he committed errors in his later years precisely showed he had drifted from the scientific principle of Mao Zedong Thought and the democracy that he had always advocated. He became unrealistic and dictatorial. That Tian performed so well was, of course, due to his unusual diligence. However, fundamentally, it was because he was loyal to Mao Zedong Thought and correctly executed Mao's teaching and instructions.

#### Footnote

1. Abundance for the people should not be incompatible with that of the nation. It was wrong to one-sidedly emphasize that the "policy of making the people rich" would lead to an irrational and unjust distribution of social wealth, supraeconomic distribution of national income, and loss of control on and disproportion in economic development. To blindly pursue excessive rates of accumulation and to fail to raise the people's standard of living would lead workers, peasants, and intellectuals to poverty, which may be given the lofty term "poor socialism." An excessively high accumulation rate was in itself irrational and an economic dislocation. It would definitely cause dislocations in other economic relations. This was also a mistake, perhaps even a more serious one. Both mistakes hit different directions, but were common in that they pursued quick results. At that time the latter mistake prevailed in the party. (End of article.)

#### Notes on Editing

*HK1903070490 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 3, 1 Feb 90 pp 43-44*

[Article by Hu Qiaomu (5170 0829 2606)]

[Text] I have read Comrade Feng Xianzhi's article on Mao and his secretary Tian Jiaying twice. It is well written and has great historical value. I would like to recommend it to the readers. The article is about the work rapport between Mao and Tian from 1948 to 1966.

Under Mao's supervision, Tian worked hard with enthusiasm and grew quickly in politics. Mao was very demanding of Tian's work but also cherished an affection for and trust in Tian. The article also shows how in 1959, and especially in 1962, the trust turned to distrust. We see how closely the two worked together and how they valued and sought first-hand information on the grassroots, especially of the rural areas. They worked extremely hard and were willing to face contention. They cared very much for the people's livelihood and their spirit of selflessness still demands respect today. We also see that there was nothing personal in the deterioration in their relations. It was a political (in the noble sense of the word) tragedy. Although this article recounts one aspect of history, it is still important and valuable in our understanding of the change in Mao's thinking from the 1940's to the 1960's, and of the historical fate of the CPC and China. It is also well written. First, the content is rich and not based merely on memories or impressions, but is documented. Second, the author is selective about what to include and what to leave out. Whether the author is recounting or discussing something that happened, or whether he is expressing his emotions, he never does it excessively. What many others said or did is not included, otherwise it would be much longer. Third, the piece is vividly written and conveys the author's sentiment. The author does not intend it to be a biography of Tian, but even readers who have never heard of Tian Jiaying are fascinated and affected. Of course, because the author was very close to Tian, not everyone would agree with some of his evaluations of Tian. The same is true for his evaluation of Mao. Some readers may find him too critical of Mao while others may think otherwise. The account here is selective. People have reason to argue whether what is included or not included is appropriate. I personally think the author has full rights in selection of content.

When I decided to write this note, I contemplated putting down my recollections and observations of Tian Jiaying. (The short piece I wrote before is too dry and brief. I was in poor health at the time of writing. I could not have written more, but have since been thinking of writing more.) Yet both time and energy do not permit me to do so. Therefore, I am all the more grateful to Comrade Feng Xianzhi for not only having produced such a rich recollection, but also allowing me to say a little something in my collation. The following is a brief explanation on the stylistic aspects of this article.

1. All data in this article are reliable. In other words, you can check their accuracy, including checking them against the author's notes (though they are private property). Amplification is added to quotations when necessary and the former is always put in parentheses. Footnotes are provided where required.

2. The article is primarily an objective narrative. At times it contains commentaries and expressions of the author's emotion. They are self-evident and should not harm the fairness and accuracy of the piece.



3. All who are mentioned in the article are named so as to be faithful to history. The article is about what happened 24 to 45 years ago, which is already common knowledge. I believe we no longer need to keep it confidential.

4. Names that appear frequently are in shortened form when reappearing. For conciseness, usually only the surname or the third person pronoun is used. This is a universal practice in writing. For example, when mentioning his grandmother in his famous "Statement to the Emperor," Li Mi used her surname Liu. "I wish to take up the task Your Majesty assigned to me, but Liu is very gravely ill." "Liu is in the last years of her life and is weak and fragile." "Liu has the good luck of continuing her last years." Many readers are familiar with this. Other examples are "Kong [Confucius] values benevolence and Meng [Mencius] values duty," "Cao follows Xiao's regulations," "Zhu's annotations of Chu's verse," etc. Mao Zedong also mentioned in his writings "Zhu's-Mao's Red Army." In the footnote on Buzhoushan in "Fisherman's Pride—Resistance to the First 'Encirclement and Suppression'," he specified it as "Mao's note." This shows that it is perfectly all right to use "Mao" to stand for "Mao Zedong." I bring this point up here because Chinese readers are still not used to referring to Mao Zedong as Mao (such as referring to Karl Marx as Marx), as if this were a foreign practice or implied impoliteness. In this article surnames are used. If the full name were used all the time it would be too repetitive. Besides, this is an opportunity to promote the use of shortened names. If in some places in this article Mao and Tian are put side by side or even compared, it is because the subject matter so demands. Since the article is about Mao and his secretary Tian Jiaying, and they worked together for 18 years and were close during most of that time, one cannot avoid putting them side by side or even comparing them. In Chinese intellectual history we always put two people side by side, for example, Kong-Lao [Confucius and Lao Zi], Kong-Mo [Confucius-Mo Zi], Kong-Meng [Confucius-Mencius], and Kong-Yan [Confucius-Yan Hui]. Yan is placed next to Confucius even though he died young, did not produce great writings, and was just a good but poor student of Confucius. Putting two figures side by side in no way suggests that they lived at the same time or were of similar ages, or had similar standing.

Finally, as a collator I should explain what I did. In the process of collation, I polished the language and at times added something to the text or footnotes, but I did not change the content at all. The collator believes, as the author does, that history must not be altered. The collator's polishing and addition have been approved by the author, but any contention they might cause is the collator's responsibility. The collator believes that although what he did for this article is insignificant, he should be responsible to the author and the readers, to his mentor Mao Zedong and his good friend Tian Jiaying, and to society and history.

### Proceed From Reality To Create China's Modern Industrial Zone

HK2103081190 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 3, 1 Feb 90, pp 45-48

[Article by Tianjin Economic and Technological Development Zone Investigation Team]

[Text] The establishment of the Tianjin Economic and Technological Development Zone was approved by the State Council in December 1984. This is an economic region that concentrates on attracting foreign funds and focuses on industrial development to develop economic and technological cooperation with foreign countries.

Five years ago, this was still a piece of barren wasteland with only saline-alkaline soil. Now there are busy roads and many factories, and a new and modern industrial zone has been developed there. Over these five years, the Tianjin Economic and Technological Development Zone has proceeded from reality, has focused on economic returns, and has adopted the practice of getting loans and repaying loans by itself. As a result, an export-oriented economic pattern relying on foreign trade and exports and relying on industry as its foundation has been preliminarily formed, and this pattern has attracted foreign and domestic attention.

**The investment environment has been improved day by day.** In the early days of the development zone's establishment, it was a very pressing and important task to improve the investment environment, particularly the hard environment. In handling this piece of barren land, which is far away from urban areas, Tianjin Municipality first regarded improving the investment environment as one of the main objectives of the establishment of the development zone. It conducted scientific discussions, made a general plan, and adopted, stage by stage and step and by step, a series of effective measures to launch development construction in a steady and sure way. During these five years, the Tianjin Economic and Technological Development Zone has invested 420 million yuan in the industrial zone, which has an area of 3 square kilometers, and in the living zone, which has an area of 1.2 square kilometers. It initially prepared the six components (water supply, electric supply, energy supply, roads, postal service, and telecommunications) of the infrastructure and leveled the ground for the launching of construction projects. An investment environment that has a smooth circulation of materials and goods, continuous supply of water and electricity, efficient flow of information, and that is attractive has been formed.

**Groups of foreign invested industrial and trade enterprises have been formed. They are mainly engaged in industrial production, and focus on selling their products in foreign markets.** Under what thinking and according to what model should China's economic and technological development zone be established? This was an important question that had to be solved in the early days of the development zone's construction. According to the State

Council's related instructions and in combining these instructions with Tianjin's reality, the enterprises in the development zone hold the opinion that an industrial production environment focusing on manufacturing exporting goods and earning foreign exchange should be taken by the Tianjin Economic and Technological Development Zone as the basic line and the model for the construction of the development zone. In using foreign funds, importing foreign technology, and establishing enterprises, industrial production should be taken as the mainstay. Moreover, the development zone should face the foreign market and should focus on exports to really reflect the style and characteristics of an export-oriented industrial zone. At present, 14 foreign investors from Europe, the United States, Japan, Hong Kong, and other countries and areas have invested here, and 154 Sino-foreign joint ventures, Sino-foreign contractual joint ventures, and wholly foreign-owned ventures [these ventures are called "san zi" 0005 6327—three investments] have been established. The total investment involved amounts up to \$281 million, 52 percent of which is contributed by direct foreign investment. Five of the 12 newly formed "san zi" enterprises of last year have an investment of over \$10 million, and on the average, 75 percent of this is foreign investment. More than 95 percent of these enterprises are industrial production enterprises, and 60 percent of their products have been sold to foreign markets.

**The production and operation situation of enterprises is generally good.** The production and operation situation of enterprises will directly affect the development of the development zone. We should have innovative concepts in managing the enterprises in the development zone well. Moreover, we should work hard to raise the operational and management standards of the enterprises and to increase their competitive strength. At present, international standards have been applied to most of the products produced by the enterprises in the development zone, and they have commonly used international brand trademarks. As a result, these products can enter the international market and can take part in international market competition. The labor productivity of these enterprises is high and their economic returns are good. The per capita output of the joint ventures in the development zone is 80,000 yuan, and their labor productivity is 300 percent higher than that of enterprises in the same industry in China.

**Enterprises borrow loans by themselves. This practice has entered a benign cycle.** Establishing an export-oriented modern industrial zone on a piece of barren land involved a great degree of difficulty. First was the question of whether the construction funds should be obtained from state financial allocations or whether enterprises should borrow loans on their own. In choosing the former option, enterprises would certainly not have to worry about funds. However, in that case they would have no pressure or motivation. Choosing the latter would mean that enterprises would have to go through a difficult time. However, this would put them

under pressure, motivate them, and train them. The enterprises in the development zone chose the latter option. Over these five years, 360 million yuan of the funds invested in the infrastructure was obtained from loans, and 60 million yuan was contributed by the accumulation of the enterprises. They have adopted many methods, such as transfer of the right to use land, taxation, and others, and have achieved development, investment, and returns. A benign cycle of effective input, in which one yuan of investment in the infrastructure would attract \$2 in investment (\$1 from a foreign party and \$1 from the Chinese party) and achieve \$3 in output has been preliminarily achieved.

The achievement of such results by the Tianjin Development Zone is the result of many factors. The fundamental factor is that it has been adhering to the principle of everything proceeding from reality.

**1. We should grasp the objective reality of the development of the foreign and Chinese economy to establish a development model for the Tianjin Development Zone.** The issue of the development model of the development zone is a long-term planning question that will affect the overall situation and will have a direct bearing on the development prospects of the development zone. After serious and comprehensive study, the enterprises in the development zone concluded that in the long run there exist three advantageous factors in the international economy and these three factors will positively affect the development of the development zone. First, the international readjustment of the industrial structure will bring about a new model of international division of labor and a new model of international cooperation, and a new industrial pattern will be formed. Second, with the development of the world economy being unbalanced, the development of the Asian-Pacific region will bring many new opportunities to the economy of the region. Third, under the trend of multinationals forming groups and localizing themselves in world trade, they will inevitably give more play to their strong points and their role and thus affect the development of the world economy. In developing its export-oriented economy and in getting a place on the international economic stage, these factors will form an advantageous opportunity for and a severe challenge to China. We should make use of this opportunity to develop our strong points and work hard to develop an export-oriented economy. The Bohai Sea is situated to the east of Tianjin and Tianjin has advanced land, sea, and air transportation. The northern part of Tianjin is close to the northwestern and northern parts of China and is rich in resources. As the largest industrial city, the largest commercial and foreign trade center, and the hub of communications in northern China, Tianjin has a sound fundamental industrial system, scientific and technological strengths, a high-quality labor force, and a sound infrastructure. Tianjin's products have a good reputation in Chinese and foreign markets. Moreover, Tianjin is close to the capital and can further transform and borrow the strong points and potential of the capital. Tianjin has good prospects and a great

potential for developing modern industries and high-tech industries. Therefore, the development of the Tianjin Economic and Technological Development Zone should be based on modern industries, be guided by foreign trade and exports, and plan to achieve an export-oriented economy as its target. The way to measure the success of the Tianjin Economic and Technological Development Zone is to measure the market share of its products in the international market, the coefficient of the amount of foreign exchange earned from exports, the influence of its products on the economy of the hinterland, and the eagerness of the hinterland to learn from it. That means evaluating whether the development zone has played the role of "four windows" [sigle chuankou 0934 0020 4514 0656] or not. The development zone should achieve the following: The input of funds generates the output of products; the input of personnel achieves results; the introduction of management concepts raises the quality of the products; and an input of information promotes trade.

**2. In choosing projects and in setting up an enterprise operational model, strong points should be developed and weak points should be eliminated.** This model should not only conform to the development model of the entire development zone, but should also enable the development zone to exist and to achieve development. At present, there is a great gap between enterprises in China and enterprises that have reached international advanced scientific and technological levels, management standards, and other aspects. Therefore, in choosing projects and setting up operational models for enterprises, strong points should be developed and weak points should be eliminated. Moreover, full play should be given to the strong points of China to enable them to cope with the changes in the international market, to survive, and to achieve development. According to the characteristics of the three kinds of partially or wholly foreign-owned enterprises established in the Tianjin Economic and Technological Development Zone—a short construction period, a small amount of investment, high returns, and speedy results, the enterprises in the development zone have paid great attention to the diversified combination of the allocation of the means of production. In conclusion, there are four main types of enterprises in the development zone.

a) The technology-grafting enterprise. The development zone employed favorable policies to graft the advanced technology and management of the zone onto the traditional industries of hinterland. Under such an arrangement, new products with international competitive power have been produced. This arrangement has been taken as the one for traditional industries in the hinterland to follow. The Jiatai Vacuum Flask Company Limited, which has only about 70 staff and workers, is this type of enterprise.

b) The type of enterprise that increases the value of products. Some of the three kinds of partially or wholly

foreign-owned enterprises in the development zone purchase primary products, local products, and special local products from various areas in China and put them in the development zone for extensive manufacturing to increase the products' quality and value, to increase the coefficient of the amount of foreign exchange earned by the products, and to upgrade the products. The Xinlu Food Products Company Limited, which is a Sino-American joint venture, purchases local products, special local products, aquatic products, and fresh products from China and then sorts them out, selecting the good ones and eliminating the bad ones, sterilizes them, preserves them, and packs them in a systematic way. In this way, local goods have been turned into imported goods, and 28 types of such goods have entered the international market. Many of these goods have achieved the United States' FDA hygienic inspection standards and have been sold in some 20 supermarkets in the United States.

c) The type of enterprise that develops markets for its products. This type of enterprise will take the initiative to open up the international market and to produce new products that are in short supply and required by the international market. A Sino-Japanese joint venture, the Hanahao Medical Equipment Company Limited, has produced a disposable infusion instrument, a blood circulation instrument and other equipment made by high molecular compounds. The quality of these products is good. These types of equipment can help avoid AIDS and are well received by Western consumers. Large volumes of these products have been exported, and they are very marketable in Japan, Europe, and the United States.

d) The type of enterprise that develops on a specific piece area of land of the development zone. The development zone has also positively attracted advanced Chinese high-tech groups or enterprise groups to develop specific areas of land allocated by it or to undertake high-tech projects there, in order to make the development zone become the link of the domestic Chinese economy and an experimental zone of optimal industrial allocation in the world. At present, the China International Trust and Investment Corporation, the Academy of Sciences of China, the China Electronics Import and Export Corporation, the Tianjin Instruments Bureau, and the Tianjin Economic Development Corporation have invested in building factories on specific areas of the development zone.

**3. In improving the hard environment, we must pay attention to practical results.** One of the problems about which foreign investors have complained most is the poor investment environment. This is also an obstacle to the development of an export-oriented economy. If we want to run the development zone well and attract more foreign investment, we must work hard to improve the investment environment. In improving the investment environment, we must pay attention to returns, that is, direct economic returns, indirect returns, and comprehensive social returns obtained from using foreign funds.

One of the acute problems in our work is that we have not really regarded and have not taken hold of the task of improving the investment environment as an economic task. We have not paid attention to economic returns, have not carried out an input-output feasibility study, and have not carried out the work of cost accounting. As a result, too much investment has been made and huge basic construction projects had been launched, while the amount of foreign funds obtained has been small in some areas. Consequently, production facilities and living facilities have been left unused and a serious waste of funds has resulted.

Then how can we use less investment to achieve optimal improvement of the investment environment? The Tianjin Economic and Technological Zone has answered this question with its successful practice. The enterprises in the development zone have saved every fen of money, and have found the best way to use funds. The method they adopted was not to have a large scale of operation; to strictly control the scale of basic construction; to carefully adopt the rolling-type development model whereby enterprises first concentrate on developing a particular area and then start operations on this area, manage the operation well, and finally obtain results from this area; to try their best to use their limited funds to develop an industrial production environment that meets international standards; and to attract investors to start as soon as possible industrial projects with advanced technology, that will bring good returns, and achieve a high coefficient of the amount of foreign exchange earned from exports. When projects were decided on, they carefully used every yuan they borrowed and tried their best to cut down on expenses and lower production costs and to ensure that every yuan of input would bring the best results. In this way and within a short time, a hard investment environment, which satisfies foreign investors, has been developed. On one hand, this environment has a leading nature, the construction period of enterprises has been shortened, and the circulation of funds has been speeded up. On the other hand, this environment has a standard nature. That means it can ensure the energy supply and the communication conditions required by enterprises according to the international standards governing industrial construction.

**4. We should improve the soft environment to enhance reputations.** The problem of having a poor investment environment has not only been reflected in the hard environment, but has also been shown in the soft environment. First, there are too many organizations, too many procedures have been involved, many disputes have resulted, and efficiency is low. Second, policies have not been coordinated, policies are not clear, and there is a lack of legal consciousness and legal protection, which should exist. As a result, reputations have deteriorated, and there has been insufficient strength in attracting foreign investors. Improving the soft environment requires that these practical problems be solved. The Tianjin Economic and Technological Zone has

solved these problems in a rather good way. An open, clean, and efficient administrative system has been established there. Soon after the establishment of the development zone, the management committee of the Tianjin Economic and Technological Zone set up a foreign investors' service center. It put together 19 administrative departments in the same building and started providing services in this building. Now, this practice of providing service in one building has not only been established as a system, new elements have also been added to this practice. A project approval meeting is held once a week. In this way, the efficiency of the management committee has been increased, and things have been made easier for foreign investors. This practice has been well received by the people. In addition, the policy system has been made perfect and legal consciousness has been enhanced. A high degree of importance has been attached to the task of making perfect policies and to the legislation system, by making state laws specific, legalizing the policy of reform and opening up the country to the outside world, making policies clear to the people, and using legal practices to readjust the social, economic, and foreign relations of the development zone. Apart from the policies stipulated by the National People's Congress Standing Committee, the development zone and the Tianjin People's Congress Standing Committee have also promulgated four rules and regulations to govern the development zone, and the management committee of the development zone has also promulgated 25 management regulations. All matters ranging from regional development to the management of the infrastructure and public facilities; from discussion of projects to the establishment of enterprises; from government management of enterprises to the protection of the legal rights of enterprises; and from the cadre personnel system to the handling of disputes between employers and employees have been strictly handled according to laws. Moreover, an Economic Contracts Arbitration Committee, a Labor Contracts Arbitration Committee, a lawyers' office, a notary public office, and other departments have also been established in the development zone. The establishment of these bodies in the development zone has brought about the formation of a policy system and a legal environment that are clear to the people, have comprehensive management elements, and use careful legal terms.

**5. The economic management functions of the government should be enhanced, the power of enterprises in making independent decisions should be protected, and the operation of enterprises should be promoted.** The management committee of the Tianjin Economic and Technological Development Zone represents the Tianjin People's Government in exercising management rights in the development zone. How does the management committee carry out this duty? The enterprises in the development zone consider that, as a first-grade government functional organization, the management committee should establish management thinking and management methods that can match the market mechanism in order to protect the right of enterprises to make

independent decisions, to promote the operation of enterprises, and to provide essential guidance, service, and supervision to the enterprises in the development zone. First, the government should not easily use its veto power. This means the government should not control those areas over which the law stipulates they have no control; the government should not control matters that it does not have to control; and the government should not control matters that it is not able to manage. Second, arbitration and coordination should be enhanced in time to solve contradictions. The scope covered by the power of the Arbitration Office should cover the serious contradictions among all the investment parties within an enterprise and the contradictions in the economic and social relations among enterprises. Furthermore, the government's management behavior should be legal (they should handle matters according to the law), of an economic nature (it

should be beneficial to the development zone), of a common nature (it can be commonly used), and of an international nature (it should conform to international practices). According to the above principles, the enterprises in the development zone have a great degree of freedom in managing their operations, and they can work in accordance with market regulations. That means that enterprises are free to manage themselves and have the status of a legal entity; the degree of mobilization of the means of production of enterprises is high, and foreign investors are allowed to take out of China the profits they earn; the recruitment of workers, termination of employment, matters of salary and insurance, and other matters should be handled according to international practice; and the renovative activities of enterprises will not be subject to any control, and the depreciation rate of an enterprise's fixed assets can be accelerated.

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