

JPRS-CAR-90-050
12 JULY 1990



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JPRS Report

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China

QIUSHI [SEEKING TRUTH]

No 9, 1 May 1990

19980506 123

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SPRINGFIELD, VA. 22161

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[This report is a translation of the table of contents and selected articles from QIUSHI (SEEKING TRUTH), a semimonthly theoretical journal published by the CPC Central Committee in Beijing. Notations in the table of contents indicate articles previously published or not translated.]

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**Text of CPC Central Committee Decision on
Strengthening Ties to the Masses**

00000000 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 9, 1 May 90 pp 2-7

[Published in FBIS-CHI-90-77, 20 Apr 90 pp 21-26]

**Carry Forward the Patriotic Spirit of the May 4th
Youth**

HK2405083590 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 9, 1 May 90 pp 8-9, 7

[Editorial]

[Text] At the beginning of this century, over the great land of China, the May 4th Movement erupted, shaking China and the world and giving new historical content to patriotism. Today, as we celebrate the first May 4th youth festival of the 1990's, we are happy to see that the young people who are struggling on all fronts, including young workers, farmers, soldiers, and young intellectuals, are carrying forward the patriotic spirit of the May 4th youth and are contributing their own youth, abilities, and knowledge to build socialism with Chinese characteristics. Among them, there have appeared a large number of activists who study Lei Feng, new Long March shock workers, March 8th [working women] red-banner pacesetters, and young labor models and combat heroes. They epitomize the spiritual style of the new generation of youth and demonstrate the noble feelings of young people for loving the motherland and desiring to repay the motherland.

Patriotism is an outstanding tradition of the Chinese nation and it has struck deep roots in the hearts of successive generations of the people of all nationalities. It has always been a great banner guiding and inspiring the Chinese people in arduous struggle and in constant efforts to become stronger. Warmly loving the mighty mountains and rivers of the motherland, warmly loving the people who bathe this land in their sweat, warmly loving the long history and brilliant culture the people have created, safeguarding the unity of the nationalities and the unity of the motherland's territory and sovereignty, not fearing to contribute one's blood and life to resist invasion by foreign foes, and devoting all one's energies and wisdom to promote the development of history, the progress of society, and the enriching and strengthening of the state—these constitute the basic content of the tradition of patriotism. The Chinese people, joined under the banner of patriotism, have created the world-famous Chinese culture and made a major contribution to mankind through their arduous labor and in their struggle to maintain and develop their lives. This cannot but make every son and daughter of China feel an incomparable pride and make them want to contribute their blood and loyal hearts to repaying the motherland.

The patriotic tradition of the Chinese nation was continued and carried forward by the May 4th Movement.

The May 4th Movement was a great patriotic democratic movement. With ideas such as "if the country is not what it should be, how can one worry about private affairs" and "only with the renewal of the nation will our wishes be met," the May 4th youth used their youthful vigor, blood, and lives to wage a struggle against imperialism and its running dogs, thereby composing a great patriotic paean of opposition to imperialism and to feudalism. In carrying forward the May 4th spirit, the most basic aspect is carrying forward this spirit of patriotism. As the true national elite, CPC members are the most loyal, staunchest, most outstanding, and most thoroughgoing inheritors of the patriotic tradition, and they have made great sacrifices and an indelible contribution to the independence and liberation of the Chinese nation. Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De, and other proletarian revolutionaries of the older generation were primarily patriots and great heroes of the nation. They combined Marxism-Leninism with the revolutionary realities of China and especially with the Chinese workers' movement. Thereby, a road was opened in Chinese society by which patriots grew into Communists and by which China's intellectuals combined with the worker and peasant masses. The outstanding literary masters Lu Xun and Guo Moruo and the famous democratic revolutionaries of the early period, such as Song Qingling and He Xiangni, also came, through patriotic struggle, to the communist road. The road of growth of the older generation of revolutionaries established a brilliant model for our young people in carrying forward the spirit of patriotism and revolution under new historical conditions.

Patriotism is a historical phenomenon and, under different historical conditions, it has different meanings. Today, when we speak of patriotism, it means loving socialist New China, which is under the leadership of the Communist Party. As Comrade Deng Xiaoping pointed out in a 1981 speech: "Some people say that not loving socialism does not mean the same thing as not loving the country. How can the motherland be something abstract? If one does not love socialist New China under the leadership of the Communist Party, what does one love? We cannot require of Hong Kong, Macao, Taiwan, and overseas patriotic compatriots that they all support socialism, but at least they must not oppose socialist New China? Otherwise, how can they be said to be loving the motherland? As for every citizen and every young person who is under the leadership of the PRC, our requirements of them are, of course, a little higher." That the Chinese people travel the socialist road is not the subjective wish of a particular person and is not due to so-called "external coercion." Rather, it is the inevitable choice of history and of the people after having gone through arduous twists and turns. After the Opium War, because of collusion between imperialism and feudal forces, and the weakness of the national bourgeoisie, the task of democratic revolution, which should have been undertaken by the bourgeoisie, fell historically on the shoulders of the working class and its political party. The new democratic revolution that was led by the CPC

overturned the "three great mountains" which pressed on the Chinese people and achieved national independence and national liberation. The future path of this revolutionary victory could only be socialism and never capitalism. Although the 40 years of socialist revolution and socialist construction have seen many twists and turns, brilliant achievements recognized by the world have been achieved. Facts prove that it is socialism which has allowed the growth rates of our country's industry and agriculture to be in the world's front ranks, and allowed the solution of the problem of feeding and clothing the Chinese people, which successive governments throughout history had been unable to resolve. It was socialism which allowed China to establish an independent, quite complete industrial system and national economic system, and that allowed science and technology and cultural, educational and health undertakings to see quite great development, giving China quite strong comprehensive national strengths. It was socialism that allowed our country's laboring people to become masters of the state and society and which allowed China to occupy a decisive position in international affairs, a situation which has made all Chinese people, including compatriots abroad, feel proud and elated. Put succinctly, it is socialism that has saved China. In the future, only socialism can develop China. If we do what those people who persist in bourgeois liberalization advocate, today's China will regress to capitalism, all the achievements we have made will be lost, and a good China with bright prospects will be changed into a disunified China with no prospects, and it will again be reduced to an appendage of the major Western capitalist countries. Thus, we say that today patriotism and socialism form a unity. A modern young person, in loving the country, should warmly love the socialist motherland. Last year, a very small number of so-called "elite" persons, under the banner of "patriotism," stirred up turmoil and a counterrevolutionary rebellion and, beginning with opposition to the party and opposition to socialism, gradually sank into the mire of national betrayal. Their actions and especially the disgusting performances put on by the "elite" elements who fled abroad are a powerful proof of this.

Of course, the level of development of the productive forces of our motherland is still quite low and we are still poor and backward compared to a small number of developed capitalist countries. True, noble-minded patriots should take the changing of this situation as their sacred task. In the early part of the 1950's, a number of experts and scholars who had realized achievements abroad firmly decided to give up the good conditions they were enjoying abroad and, pushing through numerous obstacles, returned to the embrace of the motherland, with the aim of lifting the motherland from its "poverty and blankness." As they said, "It was because the motherland was poor that we returned to build it," and "It does not matter that the country has nothing; the key lies in strengthening our resolve and, not fearing the difficulties involved, doing pioneering

work for the republic." They endured all sorts of hardship, worked hard for several decades and, in their respective positions, quietly made a contribution to the motherland. It was the same last year when, after the political disturbances, there were still many young intellectuals who returned home after completing their studies and threw themselves into the four modernizations and the causes of reform and opening up. They tightly linked their prospects and fate with the prospects and fate of the socialist motherland. What noble patriotic zeal and sense of responsibility! The "Fighters' Footprint" lecture group expressed it well when it said, "Only in the practice of repaying the motherland is it possible to realize one's own life value." This should become the motto of our young generation.

At present, our motherland is at a critical stage. On the basis of the major achievements we have realized in the 10 years of construction, reform, and opening up, we need to achieve by the end of the century the strategic goal of the second doubling. We must, through improvement, rectification, and the deepening of reform, overcome the temporary obstacles we have encountered so that the national economy can follow the path of sustained, stable development. This requires a stable political environment. However, we need to see that hostile foreign forces have not given up their efforts to implement peaceful evolution in our country and that a few persons who obstinately adhere to the stand of bourgeois liberalization are still active. In response to these situations, all patriotic youth must maintain sober minds. Youth who have a strong sense of mission toward the motherland and the people should safeguard the stability of the motherland as if safeguarding the security of their own mother. All turmoil has many harmful and no beneficial effects on the development of our country's economy, on the building of socialist democracy and a socialist legal system, on the elimination of the phenomena of corruption, and on the growth and maturity of our young people.

Young people are the motherland's future. Socialism has opened a broad road toward an ideal state for our young people. The prospects for youth are bright, but the future will not be without bumps. In achieving victories and success, it will be difficult to avoid twists and turns. What is thus needed is a firm and correct political orientation, sober thoughts on responsibility toward the people, a down-to-earth spirit of action, a noble spirit of bearing hardships and hard work, and real actions which eliminate difficulties for the motherland. All irresponsible censure and blame, all negative tendencies that do not seek progress, and all sentiments which crave enjoyment and manifest an unwillingness to spend an arduous life should be rejected by young people. Young people who wish to repay the country should always respond to the calls of the motherland, go to where the motherland needs them and take the road of joining with the worker and peasant masses and with social practice. In their respective posts they should contribute their wisdom and knowledge for the people of the motherland and let their

spirit of youth emit its wonderful brightness. Our young people, while adhering to the four cardinal principles, must, in persevering in the great practice of reform and opening up and in the struggle and education involved in opposing bourgeois liberalization, learn from and sum up experiences and lessons, so that they gain in maturity day by day.

Young friends, for the brilliant future of our socialist motherland, let us rouse our spirits, study hard, be brave in practice, staunchly struggle and unselfishly contribute! In a few decades to come, when we look back at this time in history, we will be able to proudly say that we were worthy of our great motherland and we were worthy of the great times!

The League Must Properly Handle League Affairs and Unite the Youth

*HK2405103590 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 9, 1 May 90 pp 10-14*

[Article by Song Defu (1345 1795 4395)]

[Text] The league must properly handle League affairs and unite the youth. They are basic issues concerning the building, reform, and development of the Communist Youth League [CYL] under the party's leadership, as well as important issues on the theory of building the CYL. They touch on many aspects of the work of the league. We must correctly understand and grasp the dialectical relationship between these two issues and use this understanding in guiding our work. This is of great significance in strengthening league building and promoting youth work in the 1990's, in searching for a perfect theory for league building, and in implementing in an all-round way the "Circular of the CPC Central Committee on Strengthening and Improving the Party's Leadership over the Work of Trade Unions, the CYL, and the Women's Federation" (hereinafter referred to as the "circular") in light of reality and with specific emphasis.

I. Historical Tasks in the Work of the League

The CYL is a mass organization of advanced youth. The league must properly handle league affairs and unite the youth. These two issues have been the historical tasks of the CYL ever since its founding. During the war years, the CYL formed itself into a close-knit organization, followed the party in waging valiant struggles and charging the enemy lines, and entered a brilliant page in its annals. However, its work in uniting and maintaining close ties to the youth sometimes seemed inadequate. That was why the party frequently exhorted the CYL to be on guard against tendencies toward the vanguard theory and closed-doorism.

After the founding of the People's Republic, our party became the ruling party. The status of and circumstances surrounding the CYL as a subsidiary of the ruling party also underwent fundamental changes. In the "Resolution on League Building" adopted in 1949, the party Central

Committee emphasized that the Communist Youth League is an organization of advanced activists among the masses of Chinese youth. It is not any ordinary young people's organization. Only by properly organizing the activists among the Chinese youth will the broad masses of young people in China have a well-consolidated core. The CYL unfolded its work in accordance with the party's requirements, penetrating into various aspects of social life. The league's cause continuously developed. Due to changes in the social environment and the "leftist" influence, however, the tasks of the league in properly handling league affairs and uniting the youth have not been completely resolved.

In the 1980's, league building and the league's work entered an important period of development. To meet the requirements of economic reform and better bring into play the CYL's role in socialist modernization, the work reports of the 10th and 11th CYL National Congresses both set forth tasks for the CYL around the central tasks of the party. League building must include the two tasks of properly handling league affairs and uniting the youth. In an effort to give concrete embodiment to these two tasks, we have, in recent years, strengthened the all-round development of the league ideologically, organizationally, and in work style, and carried out structural reform in the league. The work of the league in the 1980's may be summed up in the following two points: First, attention has been paid to the task of properly handling league affairs. In other words, upholding the advanced nature of the league, efforts have been made to build the CYL well in accordance with the party's requirements and the objective needs of social development. The league has been turned into the core of youth, as well as an able assistant to the party. Second, attention has been paid to closing ranks with the youth. It has united and led the youth in playing the role of a vital new force in the great cause of reform, opening the country to the outside world, and building socialism with Chinese characteristics. These have a close bearing on our achievements, experience, and lessons in work during the past 10 years. As pointed out in the work report of the 12th CYL National Congress, the CYL is falling short of the mark in terms of its advanced nature and mass nature. This also indicates that the tasks of properly handling league affairs and uniting the youth will remain an important practical task of the league throughout the period of reform and opening the country to the outside world.

At present, hostile forces in the West are capitalizing on the temporary difficulties encountered by socialist countries in their reform programs and economic development to step up their strategy of "peaceful evolution." The development of the international communist movement is at an important juncture, and the international communist youth movement is likewise faced with a historic choice. As the situation in China shows, we have made tremendous headway in terms of economic growth in the four decades since the founding of the People's Republic, particularly since the reform and open policy.

The people's livelihood has seen marked improvements, and the overall strength of the nation has been greatly increased. However, mistakes in specific policies and guidance a few years ago brought about a series of problems, such as inflation and an unbalanced economic structure. Although the economy has taken an obvious turn for the better since implementation of the policy of further improving the economic environment, straightening out the economic order, and deepening reforms put forward at the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee, we are not yet completely out of our dilemma. In the ideological sphere, bourgeois liberalization spread unchecked due to the slackening of ideological and political work in recent years. As a result, some league members and young people are perplexed and have misgivings on important questions of principles. At times they even wavered in their political faith. In the new situation at home and abroad, the CYL must continue to uphold the communist banner and lead the masses of youth in unswervingly taking the socialist road. In order to do so, it must continue to work hard on the two tasks of the league properly handling league affairs and uniting the youth.

The "circular" of the party Central Committee put forward clear-cut demands on the CYL after summing up the historical experience of our party over the past decades as well as the concrete experience during the 10 years of reform and opening the country to the outside world. The current situation and the experience and lessons drawn from last year's political disturbances were also taken into consideration. These demands were made bearing in mind the two tasks of properly handling league affairs and uniting the youth. All the demands centered on these two tasks. We must conscientiously study and grasp the relevant spirit of the "circular" of the party Central Committee, further enhance our understanding, and make a more conscious effort to do a better job of properly handling league affairs and uniting the youth.

II. The Relationship Between Properly Handling League Affairs and Uniting the Youth

Properly handling league affairs and uniting the youth are closely related. They are mutually conditioning and interdependent. This is determined by the nature of the CYL. The CYL is no ordinary youth organization; rather, it is a mass organization of advanced youth led by the CPC. It is not a club of people sharing the same interests and hobbies; rather, it is a school where students uphold the communist banner and goal and learn communism in the course of practice. It is not a loose mass organization; rather, it is a close-knit political organization with strict organizational discipline. It is not an administrative department; rather, it is a youth organization that has close ties to the masses of young people and that expresses and safeguards the concrete interests of the youth while safeguarding the overall interests of the whole people. It is not an independent political force; rather, it is the loyal assistant and reliable reserve force of the CPC—the ruling party of socialist

China. This determines the relationship between properly handling league affairs and uniting the youth.

The proper handling of league affairs is the prerequisite for uniting the youth. Only by persisting in doing a good job of league building and giving full scope to the exemplary role of league members can we turn the CYL into a combat force that is full of vigor and vitality and is particularly good at fighting, cultivate a good image of the CYL among the youth, and rally young people around the banner of the CYL, so they will closely follow the party in pressing forward along the socialist road with Chinese characteristics. This will give the league appeal and rallying force, enabling it to unite the youth and bring into play the party's role as the bridge and the link in closing ranks with the youth.

It is only through uniting the youth that the CYL can only play its role. The CYL was established with a view to getting the advanced elements among the youth organized and, through them, to uniting and educating the masses of young people. The CYL can only know and understand the youth and feel their ideological pulse when it has maintained close ties to the vast numbers of young people and planted its roots firmly in their midst. Only in this way will the league's work have a solid mass foundation. And only in this way can the league disseminate the party's line, principles, and policies among the vast numbers of young people, turn the party's demands on the youth into the conscious actions of young people, and achieve greater vitality.

Properly handling league affairs and uniting the youth are not unrelated issues; they are different yet related. Hence, we must proceed from these two issues in every specific task we undertake. For instance, in strengthening the development of the contingent of league members and improving the quality of league members, we must, on the one hand, keep close watch over the league's organization, exercise strict management over league members, and strictly enforce league discipline. On the other hand, we must proceed from the law governing the growth of youth and proceed from reality, rely on the masses of young people to exercise supervision over league members, and strengthen the cultivation of activists among young people so as to ensure the quality of new members. For another example, in unfolding activities of learning from Lei Feng, league organizations must strive to arouse the sustained zeal of league members and urge league members to play an exemplary role. On the other hand, it must arouse the enthusiasm of the masses of young people and conduct the activities in greater depth and breadth so more young people can actively take part. League cadres at various levels, particularly leading cadres, must learn to apply dialectical materialist epistemology and correctly grasp the relationship of dialectical unity between properly handling league affairs and uniting the youth. This should be the starting point in our work.

III. On the Proper Handling of League Affairs

What we mean by the proper handling of league affairs is that the league must, in accordance with its constitution, principles of democratic centralism, and organizational system, strengthen its all-round development ideologically, organizationally, and in work style, so that league organizations will consciously accept the party's unified leadership, uphold the correct political orientation, and develop a close-knit organizational system and strong contingent. The proper handling of league affairs is the internal requirement of the CYL in building up and developing itself.

The CYL is a youth organization with a close-knit organizational system, strict organizational discipline, and a broad mass foundation. In accordance with the party's requirements, we must build the CYL into a staunch contingent with a firm political stand, a close-knit organization, and a prominent role to play; turn it into an important tool of the party in uniting and educating the youth and maintaining social stability; and ensure that it plays an active role in political, economic; and other social activities. In order to do so, we must insist that the league properly handle league affairs. Cadres of leading league organs at various levels must truly cultivate a strong sense of properly handling league affairs, put league building in an important place on the agenda, and regard this as their common responsibility, not just the task of organizational departments. In unfolding league work, it is necessary to distinguish between league affairs and nonleague affairs. First of all, efforts must be made to do a good job of the league's organizational management by properly handling group activities, league branch building, and the work of league committees. It is necessary to attend to the needs of the 56 million league members and 200,000-odd full-time league cadres, and, through them, to influence and lead the youth. When we say the league should properly handle league affairs, we do not mean that the CYL should mind its own business and should not concern itself with anything else. We hope that by properly developing and managing itself, the CYL will be better able to coordinate with the party's central task, unite the youth, and make positive contributions in socialist construction and reform.

The specific tasks involved in the proper handling of league affairs by the league may be summed up into the following four points:

1. It must properly handle the political orientation. The CYL is organized and developed under the party's leadership, using Marxism-Leninism-Mao Zedong Thought as its guide to action. It has clear-cut political attributes. Upholding the party's leadership is the fundamental guarantee for doing a good job of CYL work, the prerequisite for ensuring the advance of the youth movement. Taking good care of the political orientation means that, in conducting league work and various social activities, league organizations and members must have

staunch faith in communism, consciously subject themselves to and defend the party's leadership, propagate and implement the party's line, principles, and policies, use Marxism to guide their action, and be at one with the party Central Committee politically, ideologically, and in action. They must do what the "circular" required: "Guard against and prevent any tendency of attempting to break free from or weaken the party's leadership. Guard against and prevent attempts by people with ulterior motives to sabotage stability and unity. On no account should any organization be allowed to advocate political ideas that go against the party."

2. It must properly manage league cadres. The standard of the league's work is determined by the quality of its ranks of cadres. If we have a fine contingent of cadres, the league's cause will develop and prosper. If the quality of cadres is bad, it will be difficult to improve the standards of league work. We may say that to a certain extent league cadres determine the success or failure of the league's cause. Hence, strengthening the ideological, organizational, and work-style development of the ranks of cadres constitutes an important aspect of the task of properly handling league affairs. In order to properly manage league cadres, we must do well in the selection, training, management, and allocation of league cadres in accordance with the relevant stipulations of the central authorities. To do these jobs well, the important thing is for higher level league organs to play an effective role in assisting party committees in the management of league cadres at lower levels. It is a mistake if the league does not pay attention to its ranks of cadres, and it is a dereliction of duty if cadres do not properly assist in management. In assisting in management work, it is important that one takes the initiative to observe. At present, we must, in accordance with the requirements stipulated in the "circular" of the Central Committee, do a good job of the management of league cadres and strive to gradually resolve problems that have accumulated over the years. Properly managing league cadres is not a simple question of organizational management. While strengthening organizational management, it is also necessary to grasp the ideological and work-style development of the ranks of league cadres. In developing the ranks of league cadres, we must repeatedly emphasize that league cadres must pay more attention to theoretical studies, conscientiously study the works of Marx, Lenin, Mao Zedong, and Deng Xiaoping, and grasp the scientific world outlook and methodology. We must emphasize that league cadres must strive to attain political maturity as quickly as possible, consciously resist the influence of bourgeois liberalization, and uphold the correct political orientation whatever the circumstances. We must emphasize that league cadres must have noble character and temperament, must never scramble for fame and gain, engage in profiteering, or be greedy for money, and must wholeheartedly serve the people and the youth. We must emphasize that league cadres must be full of vigor and vitality, have the fine work style of seeking truth from facts, being honest in the performance of official duties and fighting in unity, and go down to

the grassroots units and deep into the realities of life to do concrete work and make friends with young people. In order to properly manage cadres, we must also pay attention to building leading bodies of the league at various levels. In accordance with the principles of democratic centralism and collective leadership, efforts must be made to turn league committees at various levels into politically strong, ideologically active, and economically clean collectives that are united in struggle, assiduous in study, dedicated in work, and profound in work style. We must guard against unhealthy tendencies like ganging up and forming some sort of fraternities that are always at loggerheads with one another and fighting one another. We must show concern for the actual difficulties confronting league cadres and properly allocate league cadres who are over-age and leaving the league.

3. It must properly manage the contingent of league members. The contingent of league members constitutes the mainstay of the league, the main force through which the CYL operates in social life. Strengthening the contingent of league members is an important aspect of the task of the league properly handling league affairs. At present, the main problem with the contingent of league members is that their exemplary role is not conspicuous enough. The contingent is not large enough, and its structure and distribution are not rational. These have affected the combat effectiveness of the league. Some league organizations do not attach importance to the expansion of the contingent of league members. They do not properly handle the relationship between education and recruitment in actual work and do not distinguish between demands on league members and on young people in general. In order to properly manage the contingent of league members, we must first of all clearly understand one point, a point emphasized repeatedly by leading comrades of the party Central Committee, that the combat effectiveness of the league is determined mainly by the quality, not the quantity, of league members, especially their ideological and political quality. Hence, in order to properly manage the contingent of league members, we must give top priority to the improvement of the quality of league members. In our effort to build the contingent of league members well, we must strengthen and improve the education and management of league members. With due attention to liveliness and vigor, we must also increase elements of ideology and principle in the league's organizational activities and regard them as an effective means for the education, management, and supervision of league members. We must place higher demands on league members than on young people in general, enhance the awareness of league members, and pay attention to bringing out the exemplary role of league members. We must strictly enforce league discipline, be bold in managing league members, and must never tolerate or abet violations of league discipline. The CYL has age limits. It is a "pool of flowing water," with millions of members leaving the league because they are overaged. Hence, in order to properly manage the contingent of league members, we must attach importance to the recruitment of

new league members. The idea that we should "manage existing league members well before recruiting new members" is one-sided. The correct approach is to implement the recruitment policy accurately and in an all-round way, do our best in cultivating activists, make positive efforts to recruit new league members in a planned way, uphold the standards, strengthen education, ensure quality, and expand the contingent. Properly managing the contingent of league members should not be interpreted as a mere task of management and control. The key to doing the job well lies in arousing the enthusiasm of league members, bringing the creativeness of league members into play, improving the quality of league members, and increasing the combat effectiveness of league organizations.

4. It must properly manage league work. League work is the concrete expression of the combat effectiveness of the league. It is also the yardstick for examining the results of the task of the league properly handling league affairs. Under the party's unified leadership and following the party's basic line, league organizations at various levels should independently and creatively unfold their work around the party's central tasks of each period. Only in this way can we give expression to the nature and characteristics of the league, better promote the task of properly handling league affairs, and more extensively draw in and unite the youth. League work refers mainly to ideological education, organizational development, cultural and sports work, practical activities, youth service, and all other work that centers on the party's central tasks and are suited to the characteristics of the youth; work that will be of help to league members and the youth in receiving education, developing their abilities, and playing their role. At the moment, all league work must be subordinated to and serve stability. The league must promote stable political development through lively ideological education, promote stable economic development through the honest creation of labor, and promote stable social development through extensive social supervision. These tasks need to find embodiment at the grassroots level and must be implemented at the grassroots level. Hence, the league must put the emphasis of work on the grassroots level, help grassroots units resolve problems encountered in work, create the necessary conditions for work and activities at the grassroots level, promote the continuous enlivening of work at the grassroots level, and increase the vitality of grassroots organizations. Through its grassroots organizations, the league can unite and lead the vast numbers of league members and young people in playing an active role at their own posts and in social activities. At the same time, it is also necessary to properly manage the league's newspaper and journal, publication, cultural, and other undertakings in accordance with party and government requirements.

IV. On Uniting the Youth

What we mean by uniting the youth is that the CYL should, through the positive work of its grassroots organizations and vast numbers of members, maintain ties

and links of mutual trust with the youth and mobilize the masses of young people to take part in league activities so that league organizations can win the support of the largest number of young people and fully play the role of uniting the youth in practice.

Uniting the youth has two levels of meaning: First, each league cadre must cultivate the ideological style and work style of serving the youth, of helping the youth grow up healthily, start their careers, and make contributions, and of sharing weal and woe with them. Second, it is necessary to adhere to the mass line and work method of "coming from the masses and going to the masses," to respect the enterprising spirit of the youth, to learn from their strong points, to concentrate their wisdom, to give full scope to their role, to conduct meticulous and patient explanation, propaganda, and organizational work through league organizations at various levels in order to turn the party's demands into conscious actions of the youth, and to make the youth actually feel through their own experience and everyday life that they cannot do without the CYL and that the CYL is an organization for young people.

In uniting the youth, efforts must be made to do the following four tasks well:

1. Unite and maintain close ties to the youth using the league's brilliant banners. What this means is that the league should use its role as the party's assistant and reserve force, its ideal of bringing about the communist social system, the advanced nature of its organizations, and the exemplary deeds of its members in order to arouse, influence, and rally the youth.
2. Unite and maintain close ties to the youth by showing concern and providing services. In their everyday life, what young people see of the CYL are league organizations and league members around them. When they judge the CYL, they do not look merely at the league's programs and slogans. They also look at the deeds of league organizations and members, how the league treats young people, relations between different interests and different contradictions, whether it speaks and acts on their behalf. Their attitude toward the league is determined by all these factors. The CYL should devote major energies to showing concern for and serving the youth politically and ideologically as well as in their work and livelihood, and give concrete help to the youth in their growth. When this job is done well, the vast numbers of young people will be aroused and will truly heed the league organizations. Of course, it must fully reflect the needs of the youth and analyze their interests. The "circular" urged mass organizations to "better safeguard the concrete interests of the masses whom they represent, while safeguarding the overall interests of the people throughout the country." It must boldly reflect and positively fight for the correct demands of the youth. If something can be done, every effort must be made to get it done. If something cannot be done for the time being, it must explain the situation and give reasons.

Toward those not-so-correct demands of the youth, it must give them positive guidance by means of persuasion and education.

3. Unite and maintain close ties to the youth through education and guidance. The CYL is a school where the vast numbers of young people learn communism through practice. Basic long-term tasks of the league are to use the communist ideological system to educate the youth, to lead them in working for socialist modernization, and to bring up a new generation of better-educated and highly disciplined people with high ideals and moral integrity in an environment of reform and opening the country to the outside world. Young people's thinking and their inner world are rich and colorful. They are devoted to their ideals and values. However, because young people are inexperienced and lack tempering through social practice, they tend to be simple and naive in their attitude toward complicated social issues. In the course of reform and opening the country to the outside world, different trends of thought prevailing in society will inevitably have their influence on the younger generation. This makes the CYL's task of educating and guiding the youth all the more important. League organizations at various levels must attach greater weight to the important task of educating and guiding the youth. In educating and guiding the youth, it is necessary to approach the youth, go into their midst, become one with them and conduct painstaking and meticulous work among them. In accordance with the idea of one goal and eight areas of education put forward in the "circular," we must strengthen and improve the league's ideological and political work, resorting to reasoning while at the same time using visible and tangible examples to inspire and guide the youth. In this way, the league's work of educating and guiding the youth can truly produce its pervasive influence.

4. Unite and maintain close ties with the youth through organizational leadership. Young people are rich in creativity. They are the shock force in socialist modernization, the hope and future of the party and the state. In uniting the youth, we must first recognize the force and role of the youth, have a clear idea of their intrinsic quality and main features, truly understand that the weaknesses and inadequacies shown by the youth are unavoidable in a person's growth and advance, and have full belief that they can carry forward the cause and shoulder the heavy responsibility of building the motherland and achieving modernization. In work, we must pay attention to tapping their enthusiasm and creativity, lead the youth in studying assiduously and exerting themselves and fighting hard at their respective posts, organize them to take an active part in reform and opening the country to the outside world, carry forward socialist moral ethics, promote a healthy and civilized way of life, and resist the corrosive influence of the trend of bourgeois liberalization and corrupt ways of life. In this way, young people can play a positive role in socialist construction, reform and opening the country to

the outside world, grow up into better-educated, better-disciplined people with high ideals and moral integrity, and become successors of the proletarian revolutionary cause.

Uphold the Unity of Patriotism and Socialism

HK0606021990 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 9, 1 May 90 pp 15-19

[Article by Ming Lizhi (2494 4539 1807) of the CPC Propaganda Department]

[Text] Patriotism is a splendid tradition and noble virtue of the Chinese nation. It is a deep and vast spiritual strength contained within the whole nation and it has historical stability, continuity, and inheritance. For thousands of years, patriotism, like a long-flowing and incessantly surging historical river, has suckled and molded the patriotic sentiments of generation after generation of Chinese men and women, and has been deeply melded into the national consciousness, national character, and national spirit. In the long history of the Chinese nation, regardless of what difficulties and twists and turns were encountered, patriotism has always encouraged people to fight for national existence and development, with one stepping into the breach as the one ahead fell and to fight on unyieldingly and exert themselves ever onward. This is a valuable spiritual treasure of the Chinese people. As long as the nation exists, whether now or in the future, patriotism will always be a great strength inspiring and uniting all the people to struggle for national prosperity and for national wealth and strength.

In his National Day speech in 1989, Comrade Jiang Zemin, when summing up the basic experiences in the last 40 years of New China, pointed out, "In contemporary China, patriotism and socialism are essentially unified" and the patriotic spirit of the Chinese nation "is a powerful force in socialist modernization." This provides a clear orientation for us in deepening our understanding of contemporary patriotism, clearing up the erroneous ideological influence that bourgeois liberalization has had on the issue of patriotism, and in widely and deeply conducting education on patriotism among all the people.

1. The Combination of Patriotism and Socialism Is a Historical Result of the Patriotism of Modern Chinese People and the Development of Revolutionary Struggle

In China's modern age, the struggles for national liberation and national independence have been the basic components of patriotic struggle. The great new democratic revolution which was led by the CPC occupies a special place in modern patriotic struggle. It was in the process of struggling for national liberation and national independence that the practice of patriotic struggle and socialist thinking became increasingly combined and unified.

Beginning in 1840, with the outbreak of the Opium War, noble-minded patriots of all social classes and strata were roused and, in a situation of internal troubles and external threats, engaged in unremitting struggle and initiated a high tide of patriotic struggle aimed at opposing foreign aggression and safeguarding national independence and dignity. At the same time that the peasants were opposing feudal oppression domestically, they also spontaneously engaged in patriotic struggle against foreign aggression and, in a worthy way, they constituted a basic social force in opposing foreign aggression. However, because of the restrictions of time and class, these peasant wars, including the huge and momentous Taiping Heavenly Kingdom and Yihetuan [Boxer] movements, did not and could not complete the task of patriotic struggle that history had given to the Chinese nation, a task requiring the combining of opposition to domestic feudal rule and opposition to foreign capitalism. The constitutional reform and modernization movement of 1898 was, under the semicolonial, semifeudal historical conditions, a patriotic national salvation movement led by bourgeois reformists. The reform group represented by Kang Youwei, Liang Qichao, Tan Sitong, and Yan Fu, facing the crisis of China being dismembered and of national subjugation and genocide, bravely stepped forward and actively sought from the West a road of national salvation, and widely conducted enlightening propaganda in democratic ideas. "We vow to initiate civil rights and change old ways. We will also study philosophy as a window on new knowledge." In the political, economic, ideological, and cultural spheres, they put forward a series of progressive ideas for saving the nation, political reform, and self-strengthening. Tan Sitong and others, a total of six persons, also died heroically for the cause of reform. However, the reform and modernization movement collapsed after only 103 days. The bourgeois revolutionary faction, represented by Sun Yat-sen, comprised outstanding modern patriots. In order to save the nation from the steadily worsening catastrophes, and at the same time use the weapon of bourgeois ideology to criticize feudal autocracy, they also waged armed opposition against the "foreigner's court" which was corrupt, ineffectual, and was selling the country, and organized armed uprisings to overthrow the feudal rule of the Qing court. Mr. Sun Yat-sen gave his entire life to the great patriotic cause of invigorating China. The 1911 revolution which he led to overthrow the reactionary traitorous rulers of the Qing court ended the system of feudal autocracy which had existed in China for over 2,000 years, and established a bourgeois republic. This was a major victory in the modern patriotic struggle. However, the achievements of the 1911 revolution were soon usurped by the feudal warlords supported by imperialism, and China's society fell into a chaotic situation of separatist warlord regimes. It can be seen that neither the bourgeois reform movement nor the bourgeois revolution was able to complete the basic task of the modern patriotic struggle, and that capitalism was unable to save China. The Chinese people thus continued arduous exploration on the road of patriotic struggle. At the same

time that history put forward the tasks of the time in the Chinese people's patriotic struggle, the material strengths and ideological conditions necessary for completing this task were gradually being formed. China's national industry took advantage of the relaxation and control resulting from imperialism being busy with World War I and there was much development. Along with this, the number of Chinese industrial workers, who represented the new production forces, also saw a great increase. At the same time, many noble-minded patriots and progressive intellectuals, in the process of seeking a truth that could save China, began to come into contact with Marxism. The victory of the socialist October Revolution in Russia, in particular, resulted in Marxism-Leninism coming into China, and this added a new ideological component to patriotism. The eruption of the epochal May 4th patriotic movement provided a historical point of correspondence between the Chinese people's patriotic struggle and socialist ideology. The growing linkage between Marxism-Leninism and the workers movement resulted in the formation of the CPC, the vanguard of the working class, in 1921. From this time on, the patriotic struggle of the Chinese people had a new leader. At the same time as the Chinese people chose socialism as the truth for saving China, they also chose the CPC as the leading force to complete the task of the patriotic struggle. CPC members used the scientific world view and deep historical vision of Marxism to consider anew China's prospects and fate. They thus made national independence and national liberation the basic program of the democratic revolution and saw socialism as the inevitable future of this revolution. In this way, the CPC inherited and developed the outstanding tradition of patriotism, overcame the historical restrictions of patriotism in the past, and gave it new content of the times. This meant that it became a social movement, begun with the new democratic revolution, in which patriotism and socialism were combined. The advanced class nature of the CPC and the scientific nature of its guiding ideology determined that it should take struggling for the basic interests of the masses as its sole aim, that it was able to organize and unify the masses to the greatest possible degree, "arouse the hundreds of millions of workers and peasants" and form them into the broadest revolutionary, patriotic united front. Thus, all patriots who truly hoped to turn dark China into bright China were joined in a huge and magnificent, earthshaking social force, and this promoted the forward progress of the historical wheel of Chinese society. Every victory of the new democratic revolution in China was, at the same time, a victory for the patriotic struggle and a victory for those people who saw socialism as the future. It was victory in this struggle that finally overturned the black rule of the "three great mountains" which had resulted in China's stagnation, poverty, and weakness, and completed the task of patriotic struggle, which several generations of Chinese people had been unable to accomplish. Only socialism can save China. This is the unquestionable historical conclusion which was obtained through the entire modern patriotic struggle by the Chinese people.

Patriotism is the precondition for China's socialism, while socialism is the inevitable point of return for true patriots. The historical road taken by Li Dazhao, Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De, Qu Qiubai, Dong Biwu, Wu Yuzhang, and others of the older generation of proletarian revolutionaries, whereby they changed from patriots into firm socialists, is a concrete manifestation and dynamic example of the unity of patriotism and socialism in China. Before they became socialists, they were all patriots. The reason they took the socialist road was not some coincidental historical factor, and did not result from individual subjective wishes. Rather, it resulted from consciously following the historical tide. From the lessons of the defeats in the patriotic struggle by people in modern China and from the realities of the victory in the Russian October Revolution, through scientific exploration and repeated comparison, they came to understand the truth that only socialism could save China. It was thus that they could always stand in the front ranks of patriotic struggle in those times and, through a long period of testing and tempering by patriotic, revolutionary struggle, they became firm socialists. This was an inevitable historical road. Even the great Chinese revolutionary forerunner Sun Yat-sen turned to socialism in his latter years. In the struggle for his ideal bourgeois republic, he met repeated defeats. Just when he was in dire straits, when "prospects were bleak, but there was no turning back, and the wind and rain were pounding the boat", he received inspiration and encouragement from the victory in the Russian socialist October Revolution, and he saw in the CPC direction and prospects for the patriotic struggle. Thus, he followed the tide of history and changed to advocating "taking Russia as the teacher," reinterpreted the Three People's Principles, and implemented the three major policies of linkage with Russia, linkage with the communists, and assisting the workers and peasants. This played an important promotional role in the formation of a revolutionary united front and in the development of the anti-imperial patriotic struggle at that time. Many of Sun Yat-sen's followers and many later patriots in their long period of cooperation with the CPC successively changed from patriots into socialists. This was progress on their part and also a development which accorded with the patterns of China's modern history.

2. In Contemporary China, Patriotism and Socialism, Which Have the Development of China as a Component, Have an Innate Unity

In the 40-plus years since the establishment of New China, our country's socialist cause has realized major achievements, recognized throughout the world. Every victory in this has been inseparable from the broad masses of the people carrying forward the spirit of patriotism. Just after New China was founded, it faced a shambles of problems and difficulties left behind by the Kuomintang reactionary group. The CPC led the people in swiftly reviving the economy and following this they implemented socialist revolution and socialist construction. Although there were twists and turns, in the end,

great achievements were realized, allowing the motherland to continually advance. From the building of a quite complete industrial system and resolving the problem of feeding and clothing one-fifth of mankind, to the marvelous successes in developing the atom bomb, the hydrogen bomb, and the building of earth satellites—in all of this we relied on the strengths of the Chinese people themselves. In the 10-plus years since the Third Plenary Session of the 11th CPC Central Committee, the Chinese people have persisted in taking economic construction as the core, adhered to the four cardinal principles, persisted in reform and opening up, promoted the development of the productive forces in society, and achieved an obvious increase of national strengths. There has been a marked improvement in the material and cultural lives of urban and rural people, there has been vibrant development of scientific and cultural undertakings, the socialist motherland has become a force of decisive significance on the world stage, and it stands lofty and firm in the Eastern part of the world. The unyielding and unremitting struggle by several generations of Chinese people and countless revolutionary martyrs over the last nearly 100 years to achieve the great patriotic ideal of invigorating China and enriching and strengthening the nation has become and is still becoming a vibrant reality. This is a victory for patriotism and is also a victory for socialism. This is because the socialist system has given hundreds of millions of people the most basic and immediate interests and thereby has realized, to the greatest degree so far in Chinese history, the unity of the interests of the motherland and the interests of its hundreds of millions of people. The broad masses of people recognize that the socialist road has an inseparable and innate relationship with the strengthening and prosperity of China, and that the fates of every son and daughter of the motherland are closely linked with the prosperity or otherwise of the motherland. This excites their strong patriotic spirit and encourages and spurs them to unwaveringly adhere to the socialist road, consciously take on unshirkable responsibility to the motherland, and throw all their patriotic zeal and their desire to repay the motherland into the struggle to obtain respect and glory for the motherland and to achieve the development and prosperity of China. Thus, that our motherland has today been able to achieve initial prosperity is the inevitable result of hundreds of millions of people carrying forward the patriotic spirit, being loyal to the motherland, and adhering to the socialist road. This is a concrete manifestation of the essential unity of patriotism and socialism in contemporary China.

Our socialist cause developed and was consolidated through the Chinese people carrying forward the patriotic spirit, by continuously breaking through the blockade by hostile foreign forces, and by achieving victory over various domestic difficulties. The Chinese people, through arduous and extreme patriotic revolutionary struggle, achieved national respect and national liberation, broke down the capitalist system in the East, and changed the world situation. This naturally alarmed

and induced anger from hostile foreign forces and thus, as soon as New China was established, it was subject to a long period of diplomatic isolation, economic blockade, and military provocation. However, the Chinese people were not intimidated and did not submit. Rather, under the leadership of the CPC, they established the socialist system, carried forward the patriotic spirit, independently made their own decisions, and struggled arduously. They victoriously engaged in socialist construction and realized great achievements, and great changes occurred in the poor and backward features of the state. Every Chinese person who warmly loves the motherland can feel an incomparable pride and great encouragement in these achievements. This shows that, under the guidance of the CPC, the Chinese people, who have a tradition of patriotism and firmly believe that socialism can save and develop China, will not be intimidated or bowed by any hostile forces. In future, regardless of what changes occur in the world, and what difficulties are met on the road forward, the Chinese people will certainly not submit to any external force, and will certainly not give up the socialist road and national independence in exchange for alms from others. They will continue along the road of building socialism with Chinese characteristics, struggle strongly, and continually push forward. Socialist modernization is the common goal in the struggle of the Chinese nation. This is a complex and formidable undertaking. New situations and new problems will continually appear and, as existing difficulties are overcome, new difficulties will appear. Its realization requires that the people of all nationalities continue to carry forward the spirit of patriotism and continually open new paths on which to advance forward. If there is no patriotic spirit unifying, congealing, and encouraging the whole body of people to bravely advance and go all-out for the prosperity of the people, then realization of this goal cannot even be imagined. The patriotism which is contained within the common living environment, the common historical and cultural traditions, the common moral standards, and common psychological mechanisms of the nation will be a powerful force in socialist modernization. It will spur people to take on the task of invigorating China and it will produce resonance and achieve a common understanding among hundreds of millions of people. It can be inferred that the Chinese people, while building a socialist, modern motherland with all their hearts, will enrich and develop the content of patriotism and write a new historical chapter in the patriotism of the Chinese nation. Thus, in the years to come, patriotism and socialism will still be intimately linked together.

3. Opposition to a Socialist People's Republic Will Inevitably Run Counter to Patriotism

As history and the present both prove that there is a unity between patriotism and socialism, today when we talk about patriotism, we naturally cannot oppose socialism or the socialist People's Republic. This is a basic issue of standpoint and also a political and moral standard for assessing whether a citizen truly loves the

motherland. A very small number of so-called "political elite" adhere to bourgeois liberalization, hoist the banner of "patriotism," propagate national nihilism, advocate "complete Westernization," slander and negate the socialist system, and hold that only capitalism can save China and that traveling the capitalist road is the only hope for China. This basically cuts apart patriotism and socialism and sets them against each other. This is completely preposterous in theory and extremely dangerous in practice. China's history has already proved that the capitalist road is not feasible. Only after choosing the socialist road were the Chinese people able, under the leadership of the CPC, to change dark China into bright China, to achieve an independent position for the Chinese people on the world stage, to achieve the unity of the country, the unity of nationalities, social stability and common prosperity for the people, and provide hope for the invigoration of the Chinese nation. If today China returns to the capitalist road, it will mean that the blood and sweat of the people will again feed and fatten the bourgeoisie while the vast majority of the people will again fall into a situation of poverty. China will become an appendage of international monopoly capitalism, the peoples of all nationalities throughout the country will again become slaves of both foreign capital and the domestic exploiting class, and finally this will lead to a great step backward in the history of Chinese society. The socialist road selected by the people of all nationalities under the leadership of the CPC and the current socialist reform, have taken deep root in the broad land of China and become an irreversible historical tide. All people who warmly love China deeply understand that contributing all their strength to building the socialist motherland brings them the greatest glory, while harming the interests, dignity, or reputation of the socialist motherland brings them the greatest shame. In contemporary China, setting patriotism and socialism in antagonistic positions and splitting them apart, advocating the following of the capitalist road, and basically negating the socialist system not only goes against the objective patterns of the modern and contemporary history of China, but also violates the patriotic will and feelings of hundreds of millions of people. This is not "patriotism" and can only be called treachery. A small number of "political elite," after the defeat of the turmoil and rebellion they plotted last year, fled abroad and sought asylum from hostile forces, and openly sought the imposition of "sanctions" against China by some large Western nations. Also, using these places as their bases, they have wantonly opposed the socialist People's Republic. This fully exposes that their "patriotism" is false and that treachery and betrayal of the country are their true shameful features. This also, from the negative aspect, shows that in contemporary China patriotism and socialism are inseparable.

Of course, in upholding the unity of patriotism and socialism, we are not requiring that Hong Kong, Macao, and Taiwan compatriots believe in socialism. For historical reasons, different peoples of the Chinese nation have different types and degrees of links with socialism. Our

Constitution clearly sets down that the patriotic united front of the Chinese people "includes all socialist laborers, all laborers who safeguard socialism, and all patriots who safeguard the unity of the motherland." The first two categories include workers, peasants, intellectuals, and other socialist laborers, and especially the broad masses of workers, peasants, and intellectuals who have worked so hard and made such loyal contributions to the economic and cultural construction of the socialist motherland. These persons are the largest component part of contemporary Chinese people. There is no doubt that their patriotism is tightly linked and unified with socialism. In the course of the great undertaking to realize the peaceful unification of the motherland in accordance with the "one country, two systems" concept, because Taiwan, Hong Kong, and Macao compatriots will continue to live under capitalist systems, we do not require them to accept the socialist system, but will not allow them to oppose the socialist road being taken by the 1.1 billion people of the mainland. Even less will we permit these places to be used as bases for overthrowing the socialist People's Republic. History and the present both confirm that all those patriots who firmly safeguard the dignity of the Chinese nation, safeguard and support the unity of the motherland, and look forward to the prosperity of China, can on the emotional level and moral level, support the socialist modernization of the motherland's hinterland and can make positive contributions of one sort or another in invigorating the Chinese nation. Thus, patriotism which has the safeguarding of the unity of the motherland as a component is linked both directly and indirectly with socialism. In the same way, they cannot be separated and much less be placed in antagonistic positions.

In the world of today, people will, for quite a long historical period to come, engage in social activities in the concrete and specific historical-cultural and political-economic environments of their own motherlands. Thus, actively developing propaganda and education in patriotism and tapping the unending spiritual source of the patriotism of the Chinese nation, using this to irrigate and feed people's patriotic feelings, and fostering a firm patriotic spirit among the broad masses of people and especially among the younger generation, is a long-term basic task on the ideological front. We need to guide people to correctly understand the history of the development of our nation and its outstanding culture, including the patriotic struggle of the Chinese people in modern times, to correctly understand the diligence, intelligence, and great creativity of the Chinese people and to correctly understand the current situation in our country, so that they have firm trust in taking the socialist road and consciously take on the noble responsibility of invigorating China. If we persist in doing this, the people of all nationalities throughout the country will be able, with one heart, to rouse their national spirit, achieve self-reliance, struggle to strengthen the nation, and change the great blueprint for a great, modern socialist country into a brilliant reality. In this way, the

Chinese nation will certainly be able to stand independent and strong among the nations of the world.

What 'Enlightenment' Can Be Gained From the Tide of Privatization in Western Countries?

HK2505135690 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 9, 1 May 90 pp 20-28

[Article by Zheng Zhixiao (6774 1807 2556)]

[Text] Economically, the central theme in capitalist liberalization is so-called "privatization." In reality it is the use of the capitalist system of privatization to oust our country's socialist public ownership system from its position as the main component. We must not underestimate the bad influence and the ideological confusion of many people caused by economic privatization in recent years. What is worthy of note is that proponents of economic privatization in our country take as grounds for argument the instances in recent years in certain Western countries of the high tide of privatization of state-owned enterprises. They disregard the nature of the state and of the social economic system to talk about the problems of "nationalization" and "privatization." They confuse the capitalist state ownership system with the socialist state ownership system, talking about how problems of bureaucratism in the operation of state-run enterprises, egalitarianism in distribution, low efficiency in production, and so forth, cannot be solved in and by themselves. They believe that the public ownership system is the hotbed of greed, corruption, and laziness, and that only through the road of privatization will it be possible to basically eliminate the various kinds of defects of state ownership. Some people have said categorically that "in the world arena, the state ownership system has come to the end of the road... reaching the final stage of being negated,"¹ and that the tide of privatization in the West and in certain developing countries represents the "great tendency" in modern socioeconomic development and that there is no other choice but to abide by this trend in the reform of China's economic structure. Certain other people have even gone to the extent of "copying" the concrete method of certain Western countries in undertaking privatization, and in detail, mapped out a program of converting into private ownership, by period and in batches, the assets of existing enterprises under the system of state ownership in our country. It may be said that propaganda on privatization, particularly the derivation therefrom of certain erroneous or one-sided conclusions, has to a very large extent helped the growth of trends of thought on economic privatization in our country and has also provided the antisocialist political forces with an important "basis" in theory and practice.

This being the case, how should we treat privatization as stirred up by certain capitalist countries? Is it possible to base on the actual practice in these countries the conclusion that our country must also go the road of economic privatization? To be able to reply correctly to these

questions, it is necessary to gain a scientific understanding of the process, and the real essence of the generation and development of privatization in the West.

I

Privatization of capitalist state-owned enterprises is an economic phenomena found after the development of the state monopolistic capitalist system has reached a certain stage.

Since the end of the 19th century and the beginning of the 20th, following the definite establishment of monopolistic organizational rule in many capitalist countries, the relative weight of state-owned capital in social total capital rose steadily. Before World War II, although the capitalist state-owned economy had developed greatly in certain countries, as a whole its scale and scope were still small and, moreover, the state-owned enterprises of the majority of countries were principally concentrated in the war industry sectors at the time, due to objective martial needs. After World War II, the degree of socialization of production mounted steadily; social basic contradictions were daily aggravated in the developed capitalist countries, and the traditional capitalist economic system conceived and embodied serious danger. Under such conditions, the state intervention theory with Keynesianism as the nucleus gradually became the economic theory of choice of leaders in the UK, the United States, and other countries, and formed the principal theoretical basis for the formation of economic policies by the monopolistic capitalist ruling class. The result of the execution of this sort of economic policy enabled state monopolistic capitalism to develop rather speedily, extensively, and in a sustained manner. In its midst, various countries in Western Europe universally implemented state-ownership policies, and in the United States a large number of state-owned enterprises were established through government large-scale investment. By the 1950's and 1960's, in countries like the UK, France, Italy, Austria, and the Federal Republic of Germany, state-owned capital occupied a ratio of about 30 percent of the entire social gross capital.

However, capitalist countries are only "totally capitalist in ideal theory."² As Lenin pointed out, a capitalist "state monopoly is only a tactic to increase and ensure the income of some millionaire in a certain industrial department on the verge of bankruptcy."³ Capitalist nationalization as a tactic of government regulation of economic activities in the end serves the interests of large monopolistic capital. When changes occur in the interest structure of large monopolistic capital, the orientation of government policy will make a corresponding change and the nationalization movement may be reversed. In reality, concurrently with implementing nationalization after the war, many capitalist countries in turn adopted measures to return state-owned enterprises to private monopolistic capital.⁴ For example, from 1951 to 1964, during the period when the British

Conservative Party replaced the Labor Party in government, privatization was effected in the iron and steel industry, which had been nationalized, and in which the government had invested and carried out technical transformation. This also happened in the highway freight transport trade. Again, for example, according to rough statistics, in Italy, industrial rejuvenation companies were set up after the war, and as of 1985, the government had successively returned to private monopoly capital state-owned stocks and shares worth some 491 billion lire. It may be said capitalist nationalization has objective conditions for its growth and development, and between nationalization and privatization of state-owned enterprises there exists an innate liaison; there is no inseparable gulf to speak of. Changes in all of this depend on the wishes of the monopolistic capitalists.

It should be pointed out that the government, for the sake of maintaining the ruling position of the capitalist class, also needs to bear a definite "social responsibility," utilizing the economic strength it has to influence the economic and political acts and direction of the various social strata, particularly for easing various kinds of social contradictions. Thus, the state-owned economy, as an important form of government intervention in economic activities, must directly face the socio-economic development situation surrounded by danger and take as its principal mission the execution of governmental policies to coordinate the interests of various capital groups. For this reason, it frequently has to pay the price of giving up a portion of the direct benefits and profits. In the past several decades, many of the state-owned enterprises in Western countries have relied on government financial aid and subsidies for their existence and development; they thus have performed fulfilled various tasks required by the ruling class. Hence, in its development and the fulfillment of its role, the state-owned economy cannot but suffer from the serious restrictions imposed by the state's macroeconomic ability to bear and the condition of the government's financial strength. Since the 1970's, the economies of capitalist countries have not been healthy. After the world economic crisis of 1973 to 1975, the economies of countries like the United States, Japan, and West European nations have one after another fallen into a sustained state of low-speed growth and even stagnation. Governments of the various countries to varying degrees faced financial difficulties and fiscal deficits. They were unable to sustain many of the social functions they had formerly undertaken. At the same time, under the new economic conditions, the industrial and financial structure, and social protection systems which had been set up in conformity with the conditions of high-speed economic growth in the 1960's, all lost their originally balanced state. All this forced the governments to correspondingly readjust the traditional form of intervention in the economy. The so-called "tide of privatization" in the 1980's was an important constituent part of this sort of macroeconomic readjustment.

If the practice of enterprise privatization was seldom seen in capitalist countries, why was it that it has exerted

such large social influence since the 1980's? Here we must connect with the problem of changes in the leading economic thinking in the West. As everybody knows, Keynesianism was prevalent after the war, and the economic policies of nearly all the capitalist countries were more or less influenced by it. Keynesianism holds that economic depression and unemployment are caused by insufficient gross demand; that regulation by the market mechanism cannot be solely depended on to solve the contradiction of insufficient effective demand; that government should formulate financial and monetary policies of an expansionist nature, particularly through expanding investments in the traditional industrial sectors and augmenting state intervention so as to stimulate the growth of gross demand and realize the balancing of gross supply and gross demand. But actual practice after the war has shown that enforcement of Keynesianism, though able to temporarily ease economic crises, cannot eliminate the source of the crisis. On the contrary, the prolonged execution of the policy of deficit finance and expansion of government expenditure has brought about vicious inflation, which in turn further aggravated the extremely sharp contradiction between production and consumption and further intensified the economic dangers surrounding capitalism. After the middle of the 1970's, the sustained coexistence of "stagnation" (accompanied by large unemployment) and "inflation" was a universal and regular phenomenon in the economies of the West. This went against the Phillip's curve (that is, unemployment rates and inflation rates are in inverse ratio) which proponents of Keynesianism had described, and against which they could offer no reasonable explanation or suitable countermeasure. Concurrently with Keynesianism becoming unworkable, monetarism and conservative ideas of the supply school were daily on the rise. Many schools of thought appeared on the scene but they offered different opinions and suggestions, of which a more or less united one was the emphasis on reducing the state's intervention in the economy and further putting the role of regulation by market mechanism into full play; it urged macroeconomic stress on monetary policy, reduction of financial regulatory functions, microeconomically letting the enterprises operate freely, and nonintervention by the government in the international economic activities of the enterprises. These viewpoints have steadily infiltrated into the midst of the economic policies of the principal countries and have become the most basic guiding theory for these countries in their widespread reversals of the nationalization movement. Such a change in the leading economic ideas in capitalism has given added force to the onslaught of privatization and has attracted people's attention.

Seen from actual practice, the privatization now being practiced in Western countries embodies two principal concepts: One is that the stocks and shares of state-owned enterprises are wholly or in part sold to private individuals, and the status of the enterprise is converted from being state-run to being run by private individuals; the other is that, in the course of economic activities, the

policy of liberalism is practiced, the functions of the private economy are augmented, and the state lessens its control of and intervention in enterprises. Between them there is also a fixed liaison, because a state-run enterprise is a government's direct participation in economic activities, and the release of a portion of them implies a corresponding expansion in the forces of private economy and the strengthening of regulation by the market mechanism. But different countries take different stands in pushing the privatization policy, and their theoretical bases are not the same. For example, in Britain Mrs. Thatcher's Conservative Party government believes in Friedman's doctrine of monetarism, opposes the use of financial policy to intervene in the economy, opposes any other governmental measure of intervention outside that of stabilizing the money supply, and also takes privatization as one of the measures to check currency inflation and to cure the "British ailment." She further emphasizes that within the scope prescribed by law the individual should display his capability and sense of responsibility, encourages buying of stocks and shares by the public, and propagates establishment of the so-called "capitalism of the masses." The French Government stresses the role of economic liberalism, attempts to stimulate the enterprises' enthusiasm and activism by means of the economic policy of privatization and liberalism, encourages investment, and makes the enterprises' activities free from government's influence. Looking at the situations of countries like the UK, Italy and France which implemented privatization early on, privatization takes many forms. For example, there was the selling of shares of government-owned enterprises, the leasing state enterprises to private individuals, the closing of state-owned enterprises to allow private individuals to enter their respective department, industry, or trade to operate, and so on and so forth. Among the buyers of the stocks and shares were private groups (such as companies and financial syndicates), also the masses in the country, and in some cases shares of enterprises were sold to foreign companies in an effort to absorb investments from abroad. Privatization touched upon an extensive variety of areas, including transportation, electric power, iron and steel, electronics, automobile manufacturing, banks, and so forth. There were even cases of certain countries planning to wholly practice privatization in postal services and telecommunications, newspaper, broadcasting, and other service trades.

Aside from differences in the guiding thought and concrete form of various countries practicing privatization, their anticipated target was to reduce the role played by governments in direct economic activity, and to extricate them from running enterprises directly and intervening directly in and managing the economy, so as to create a more flexible market environment for the enterprises' operations. However, nearly all governments enthusiastic for privatization have a more practical objective, and this is to seek improvement in their countries' financial and economic conditions. Because the great majority of capitalist state-owned enterprises are distributed in relatively old sectors, industries, and

trades, particularly in the industrial sectors of a basic, noncompetitive, and public utility nature, and because they must bear rather heavy social functions (such as absorbing unemployment, engaging in basic services, and so forth), the majority of them have poor management, low production efficiency, deficits, and so forth. For a long time, subsidizing state-run enterprises has been a rather heavy burden on government finance. For example, state-owned enterprises in Britain operating coal mines, railways, and iron and steel mills required state subsidies amounting to 609 million pounds sterling in 1974-75, 1.8 billion pounds sterling in 1979-80, and 4 billion pounds sterling in 1984-85.⁵ From 1975 to 1982, Sweden's subsidies to state-owned enterprises amounted to \$7 billion.⁶ When a country's economy is in a state of depression and the government's financial coffers are empty, then a situation of this kind cannot be maintained. Under such conditions, selling a portion of the state-owned enterprises enables the government to obtain a rather sizable financial income and can also reduce its financial burden. This is indeed like killing two birds with one stone. At the same time, private monopolistic capitalists are given an opportunity for investment and a wide area for business selection. So far as they are concerned this is an advantageous state of affairs. Naturally, speaking from another side, privatization of state-owned enterprises shows that governments of Western countries, for the sake of abandoning certain financial burdens, are relinquishing social functions that originally had been theirs.

Since privatization of state-owned enterprises can reap benefits on several sides, and the problems emerging after the 1980's in the economic development of the Western countries and the difficulties facing them have been increasingly similar. Beginning in the UK, Italy, France, and other old capitalist countries in West Europe, the tide of privatization developed rapidly and in varying degrees extended to nearly the entire capitalist world. Many developing Third World countries, affected by the long-term depressed world economic situation, have increasingly encountered domestic economic crises and external and internal debts. Privatization can no doubt provide them with a way to free themselves from the economic dilemma. As a result, these countries have all followed suit and many among them have taken privatization as a principal condition for obtaining loans from international financial organs and reducing their loan indebtedness. On the other side, certain developed capitalist countries and certain international monopolist capitalist groups, out of the needs of their own economic interests and political interests, have frequently resorted to so-called "economic aid," "low-interest loans," "preferred investments," and so forth, as bait to attract certain countries to carry out privatization and have thereby made the "tide of privatization" increasingly wider.

II

Through the foregoing analysis, it is easy to see that the so-called "tide of privatization," so far as its main

current is concerned, is only that the state's monopolistic capitalist system, in response to the severe economic situation, is carrying out another rather large-scale internal economic readjustment and that this readjustment is embodied in the process of readjusting the whole national economy. Inside these countries the government of the capitalist class is either carrying out an economic retrenchment policy or is pushing a policy of "liberalism"; and in this period either state monopoly is growing or monopoly by private individuals is growing—all such evolutions are comprehensively determined by the many complex factors of the time or the locality. For example, when changes occur in a certain kind of environment for economic development, the government's form of adjusting and controlling the economy may perhaps make particular readjustments: If the political viewpoints of the ruling party are different, then different economic advocations may be suggested; if the basis of the economic theories adopted by the succession of governments is different, then different economic policies will be correspondingly formulated, and so on. Hence, the growth and development of privatization cannot basically represent any "large tendency" in mankind's socioeconomic development.

Privatization in Western countries does not and cannot mean the termination of the property class countries' policy of intervention nor the "death" of capitalist state-owned enterprises.

First, from the development of capitalist society up to now, it is entirely inconceivable that a government would entirely withdraw its direct intervention in economic life, including certain control over the course of operations of the enterprises, or give up entirely its direct investment in the operations of certain industries or trade. The point is that the form of the state's intervention in economic activities changes frequently and the major projects of investment and operation change continuously. Although conservatism is for a time rampant in the world, it cannot completely replace Keynesianism. In the concrete and actual practice of various countries, frequent stimulation of supply and demand are joined together, and an appropriate degree of intervention in the national economy is carried out. For example, when Reagan was in office in the United States, stress was laid on reducing state intervention but, in reality, the budget-deficit financial policy and policy of controlling the issuance of banknotes that he carried out were, in effect, another form of state intervention in the economy. In the past year or two a new generation of Keynesians have gradually come into favor in the United States. In the UK, the Conservative Party government greatly pushed the economic policy of monetarism, but when treating economic depression it still resorted to the Keynesian economic policy of stimulating demand. At the same time, taking reduction of public expenses as an excuse, it imposed financial restrictions on local governments and strengthened the central government's centralization of power. In the course of privatization this time, many countries also resorted to a series of intervening measures to reduce losses when selling the enterprises. Many

countries levied stern restrictions on purchases of stocks and shares by foreign capital in an effort to prevent the excessive loss of domestic assets.

Seen from the distribution of the capitalist state-owned enterprises, between the two World Wars the state-owned assets of the various countries were distributed in the war industry and the basic industrial sectors related to it. The major objects of state investment were the industries and trades having a rather strong strategic nature. In the 1950's and 1960's, state investments were shifted to mainly the basic industries and trades key to restoration and development of the national economy. In an effort to suit the situation of the new technical revolution, various countries began to use their financial strength to support or directly engage in such newly rising industries and trades as electronics, space navigation, biochemistry, and so forth, so as to increase their economic and technical strength in international competition. Simultaneously, war industrial enterprises established in wartime have been almost completely privatized. For example, the U.S. Government auctioned to private individuals by far the greatest portion of the war industry, the gross investment volume of which exceeded \$10 billion. In the past 10 years and more, Western countries devoted great attention to opening up high precision, sophisticated, leading-edge technologies, and to the research and manufacture of new products. In many countries, including the United States, the UK, Federal Republic of Germany, and France, the government investment in education and scientific research accounts for about two-thirds of the gross social investment in these areas. Simultaneous to selling traditional state-owned industrial enterprises on a grand scale, governments invested large amounts of funds to establish many new primarily high tech enterprises. For this reason, seen from a certain angle, regarding the "tide" of privatization this time, rather than saying that it was a basic refutation of state-owned enterprises, we should say that a large change for a new industrial structure in the Western economy had forced the various governments to make a renewed allocation of their state-owned assets.

Second, although it has been claimed that the main objects of privatization were state-owned enterprises with low efficiency, substantial losses, and deficits, in reality those that could be sold more smoothly and gradually were enterprises which had made profits and had good performances in their business operations. Take, for example, the UK's gas company, aviation company, and the Industrial Group of France—they had all been making profits before being sold. To ensure the smooth progress of privatization, regarding state-owned, loss-incurring enterprises, the various countries frequently employed such measures as subsidies, appropriations, and delegation of power to greatly support their sale, so that in the meantime they could become profit-making and improve their economic efficiency. The case of Britain's iron and steel company is symbolic. Before 1979, the company had been a losing proposition. Subsequently, the government gave it a subsidy of 7 billion

pounds sterling. This enabled the company to begin to turn losses into profits beginning in 1985 and to gradually become the "most lively" enterprise among its contemporaries in Europe. In early December 1987 the British Government announced that the iron and steel companies would be privatized "as soon as possible." The reason for doing so was very simple, because no individual person or private group wanted to spend money to buy the stock of a loss-incurring company or one with very dim prospects of making profits. But this method of relying on government support put great pressure on state finances and would be difficult to sustain effectively for long.

Third, problems related to certain public utility or service industries and trades cannot be considered simply from the angle of profit-making. This is to say in the gross body of the national economy, objectively there exist certain industries and trades which preferably should not be completely run by private individuals, because the advantages and disadvantages, losses and gains of society and the public are not always unanimous with those viewed by private enterprises. For example, in the UK, after the total privatization of such industries and trades as telecommunications and the public bus service, not only was the labor force cut, but there were also reductions in the provision of certain so-called "noneconomic" services such as public telephone booths, rural bus lines, and so on. After some public utility services were handed over to private individuals, the capitalists, in order to raise the rate of profits, would cause a rise in charges, thus damaging the interests of the consumers. In addition, privatization of such areas as urban water and power supply, education, and public sanitation services, would meet with a series of contradictions and difficulties that could not be easily overcome.

Finally, in nearly all the major countries in the West, the privatization movement has met with resistances from all sides. For example, the state-owned economy in West Europe is not simply an economic problem, but also carries heavy political overtones. When the socialist parties or the social-democratic parties were in power in various countries, they took the state-owned economy as an important factor in promoting economic development, stabilizing social order, coordinating labor and capital relations, easing social contradictions, launching attacks on opposing parties or cliques, and so forth. Hence, whether to insist on nationalization or to practice privatization has become the principal point in disputes between different parties and cliques. Britain's Labor Party strongly opposed privatization from beginning to end. It has announced several times that if it should come to power it would turn the situation around and carry out the "social ownership system." In France the leftwing forces and the socialists have firmly insisted on the nationalization policy. At one time, French President Mitterrand refused to sign the statute calling for privatization of companies which had been state-run before 1981-1986. Resistance to privatization has come from

the ever-changing condition of the stock market. The relatively smooth progress in privatization in the early part of the 1980's was closely related to the unprecedented prosperity of the international financial market at that time. However, after the catastrophic fall in the world's stock and security markets in October 1987 (what the West calls "Black Monday"), prospects for stock and share earnings have become very dim. The confidence of the vast amount of small investors was greatly shaken and caused a serious setback in the privatization policy of certain countries, which had counted on issuance and selling of stocks and shares as the major measure in this connection. In addition, under the conditions of social large-scale production, a capitalist state-owned economy possesses a very strong non-reversible nature. When privatization has progressed to a certain stage and has been accompanied by a rather large readjustment in social interests, once the progress of privatization affects the relative stability of the socio-economic structure causing a serious imbalance in social psychology and making the public universally unable to accept it, then this sort of policy will be difficult to implement for long. For example, Britain's Thatcher government had planned to carry out further privatization in the medical and sanitation sectors, water works, power plants, and so forth, but it met with violent opposition from the general public, and was forced to readjust the policies of the relevant sectors, and vowed "never to implement privatization" in them, and at the same time delayed the privatization of the nuclear power plants.

Hence, the actual process of privatization in Western countries has not been as smooth as imagined by certain people in our country. In reality, the various countries have been exceptionally cautious in their procedures. In the majority of cases, the countries first set up specialized privatization offices to carry out research and planning. In particular, when relatively large state-owned enterprises were concerned, gradual steps in privatization were generally taken and sale of shares was carried out in stages. In Britain, which Western public opinion considered to be the "largest experimental ground for privatization of enterprises," from October 1979 to early 1989, or a period of nearly 10 years, the number of state-owned enterprises sold amounted to a little over a third of the total number in the country; the output value of these enterprises when sold was less than 50 percent of the gross output value of the original number of state-owned enterprises. In France, the Federal Republic of Germany, and Italy, the steps taken in privatization have also become increasingly difficult.

The actual effects achieved by privatization have not been as pleasing as the governments of the capitalist class had at first anticipated. Seen from the short-term, the economic effects of many of the state-owned enterprises after privatization have been improved to a certain extent. For example, Britain's National Freight Transportation Company (later renamed National Freight Transportation Joint-Operation Company), in the two

years after its privatization in 1982, increased its profits by 100 percent and in reality investments were also doubled. But it should still be seen that the rise in the profit-making level of private enterprises, aside from the interplay of such factors as investment, control, and management, was also directly related to the raising of prices. Many enterprises have, in fact, depended on damaging public interests to fatten themselves. Privatized enterprises only notice the competition of the moment and set aside long-term development targets such as plans for staff training, improvement of the caliber of the staff, and so forth. More important, because governments give a rather high position to financial interests, under many conditions privatization has become only a process of shifting state monopoly to a monopoly by private individuals or groups, and has by no means changed the deep and solid economic foundation of "monopoly" in contemporary capitalism, and, aside from bringing to the state coffers a large amount of money from the sale, an ideal market environment for enterprise competition has still not been formed. On the contrary, after privatizing an enterprise, the capitalists, for the sake of enhancing enterprise efficiency and increasing profits, frequently dismiss some of the staff members and workers and raise the remuneration of those still employed. This has further aggravated the unemployment problem in countries like Britain and France and has deepened the gulf between the rich and poor. Moreover, privatization has not realized the objective of so-called "public capitalism," because ordinary employees, though able to buy some stock or shares, can hold only a limited amount of them. The share dividends are far too small to make them really feel concerned with the problem of the development of the enterprise. Many people buy shares purely out of the psychology of dealing in stock market speculation. In the UK it has been found that about 50 percent of employees holding shares after purchasing would soon sell them again. Despite the fact that in the UK the adult population of shareholders has risen to 20 percent from 7 percent in 1979, the gross volume of shares in their hands is rather small, and, according to estimates, would not exceed 5 percent of the whole. The ultimate holders of the destiny of privatized enterprises are capitalist bigwigs and only they have the ability to control large volumes of stocks and shares. In short, there is no basis to make an overly optimistic assessment of the prospects of privatization in Western countries.

III

As an important indication of a new trend of changes in the production relations of current capitalism, the tide of privatization stirred up by Western countries definitely deserves our concern, investigation, and research. But we obviously cannot on this basis conclude that capitalist countries are abandoning the nationalization system and far less can we overlook this basic fact: Socialism and capitalism are the world's two principal socioeconomic systems opposed to each other, and the two kinds of nationalization systems are not basically

nor categorically the same. If we leave aside the basic facts and talk about what sort of "illumination" Western privatization can throw on our country's economic reform, and particularly, based on the manifestations of the relative weight of the state-owned enterprises of these countries having fallen and their direct functions having been weakened, conclude that the enterprises under the system of state ownership in our country have lost the rationality of their existence, and must go the road of privatization, then such a conclusion is extremely absurd both in theory and in logic and putting it into actual practice would be extremely harmful.

First, state-owned enterprises in our country are different in essence from capitalist state-owned enterprises. The nature of nationalization is determined by the nature of the state. Nationalization in our country is related to the development of the socialist national economy and the entire interests of people of the whole country. On the eve of the founding of New China, KMT [Kuomintang] bureaucratic capital held in its hands about two-thirds of the entire nation's industrial capital and 80 percent of fixed assets of industries, and the whole country's communications and transportation trade. In confiscating this bureaucratic capital could only be done by having it revert to proletarian state ownership, and only through the establishment of a state-run economy could we ensure that the social productive forces would not be further ravaged, that the victorious fruits of the new democratic revolution could be consolidated, and that a solid foundation could be laid for the establishment of a socialist society. This part of the state-run economy and the portion formed through the subsequent procurement and purchase of national capital and by state investment and construction have the nature of socialist whole-people ownership system. At the present stage, the state is exercising the owner's functions over this economy and makes it serve the entire interests and long-term interests of people of the whole country. Hence, the establishment and development of the economy under the system of ownership by the whole people of our country are the natural demands of the socialist system and constitute the decisive factors ensuring that our country's economy and society will forever follow the socialist direction in continuous development. Abolition of the state-owned economy and refuting the form of public ownership of the means of production are tantamount to the basic violation of socialism.

On the contrary, capitalist nationalization is wholly beneficial to the monopoly capitalists, because in their society the state is but the tool of the monopoly capitalist class to dominate and rule politically and economically. Capitalist state-owned enterprises are bred in the soil of the private ownership system of the means of production; their essence is in the private ownership system and they are but a constituent part of the monopoly capitalist economy. "So far as many enterprises are concerned, implementation of nationalization is in reality the state of the capitalist class making use of treasury funds (that

is, tax money collected from the people) to renovate the fixed capital on behalf of the capitalists and to bear for them the risks of investment."⁷ The capitalist class government decides whether to implement "nationalization" or "privatization" on the basis of the overall interests of the capitalists and in line with the needs of consolidating and strengthening the position of the capitalist private ownership system. Regardless of any changes in the relative weight of state-owned enterprises in the national economy, there is no change in the real essence of the capitalist exploitation system and there will be no change in their basic attribute of abiding by the highest interests of the large capitalist groups.

Second, state-owned enterprises in our country and state-owned enterprises in capitalist countries basically differ from each other in the actual position they hold in the national economy. In our country, the state-owned economy occupies the position of the main body in the national economic structure and provides the main strength in influencing the direction of the whole country's economic development. Particularly in the case of state-run large and medium-sized industrial enterprises, although the number of enterprises was only 2 percent of the industrial enterprises doing independent business accounting and the number of personnel was only 34.7 percent of the whole, in 1988 the amount of profits and taxes realized and delivered to state coffers respectively occupied 62.8 percent and 68.7 percent. From 1949 to 1989, the cumulative amount of taxes and profits delivered to our national finance by our large and medium-sized industrial enterprises was near 1.5 trillion yuan—more than 49 percent of the state's financial receipts during the period.⁸ In recent years, due to the rapid development of many kinds of economic constituents and disarray in certain concrete measures, the relative weight of the economy of the whole people ownership system dropped to a certain extent and, in particular, state-run large and medium-sized enterprises did not develop fast enough; there was still no change in their basic position. In 1989, the output value of our enterprises under the system of ownership by the whole people still accounted for 70.5 percent of the total number of social laborers in cities and towns, and fixed assets investments amounted to 62.7 percent of those of society.⁹ Hence, state-owned economy plays a dominant role in affecting our country's socialist economic development and its functions cannot be replaced.

On the contrary, the state-owned economy of capitalism exists only in the vast ocean of the private ownership system. Seen from its relatively prosperous conditions in the later period of the 1970's, and making a combined calculation of output value, size of staff, and fixed capital, in various countries its relative weight in the enterprises of the whole country was as follows: Britain, 17.6 percent; Federal Republic of Germany, 14 percent; France and Italy, 22.8 percent and 20 percent, respectively.¹⁰ Generally speaking, it had rather limited influence and gave a limited role to the economic acts of the monopoly capitalists and the overall economic operations of the capitalist countries.

Third, in our country the socialist public ownership system has extremely deep and fertile soil for its growth and without question has demonstrated its own character of superiority. Hence, to attempt to undertake any kind of "privatization" does not conform to the objective laws of our country's socialist economic development, and at the same time goes against the basic interests and wishes of people of the whole country. After a prolonged period of painful selection and decades of determined struggle, the Chinese people at long last have stepped on the road of socialism. At the moment, only socialism can save China and help development. This is a truth already planted firmly in the minds of the masses of people and in fact has become a lively reality personally felt by each and every person. New China's level of economic development in 40 years not only could not be compared to old China but also is entirely comparable with any one of the capitalist countries. In the 30 years from 1951 to 1980 our country's industrial and agricultural production averaged an annual growth of 11 percent and 3.6 percent, respectively; whereas during the same period in the United States, the growth rates of industry and agriculture were respectively only 4 percent and 1.6 percent; in Japan, 11.5 percent and 1.7 percent; the UK, both 2.3 percent; France, 5 percent and 2.5 percent; Federal Republic of Germany, 5.8 percent and 1.9 percent; and India, 5.9 percent and 2.6 percent. In the 10 years from 1978 to 1988, our industrial production averaged an annual growth of 12.8 percent, and the annual growth rate in agricultural production was 6.2 percent.¹¹ Such a high speed has seldom been seen in the world. Such a comparison can make us see clearly from the sideline the thriving and prosperous vitality of the socialist system built on the basis of the public ownership system of the means of production. Over the past 40 years, although the political disturbances of the "leftist" errors and the Cultural Revolution caused us to lose much valuable time, on the whole, our country's comprehensive national strength, level of national wealth, and the people's standard of living, when compared with those of the developed countries, show a disparity that is not widening but is being gradually reduced.

Proponents of economic privatization, based on the "enlightenment" they have obtained from Western countries, first of all wish to privatize the state-owned fixed assets worth about 1,000 billion yuan and claim that only by doing so can we increase the degree of intimate concern by staff members and workers for the assets of the enterprises, raise the production efficiency rate, and so forth. They seemed to have been oblivious of the fact that all the socioeconomic successes attained by our country in the past 40 years were inseparable from the functions played by the constantly growing state-owned economy. This portion of the economy was the central manifestation of the superiority of the socialist economic system over the capitalist system, being also the strong foundation of our current socialized large-scale production. If the state-owned assets were split up and distributed to the whole body of staff members and workers, then the amount received by each person would

be exceedingly limited and could not help to enhance the degree of concern by the staff members and workers for the assets of the enterprises. Doing so would only cause the dispersal and scattering of the assets and make it difficult to form strong social productive forces. Not only would the social wealth accumulated through several decades suffer irreparable losses, but our country's economic development would also be seriously diverted from the track of socialization of production. We would possibly be forced to go back to the road of relying on private capital to assiduously and slowly make accumulations, thereby making us lose the foothold in the world's economic theater which pays daily increasing respect to integrated economic and technical strength. If, in accordance with the supposition of certain people, we are to realize privatization through allowing the shares of all the state-owned enterprises to circulate freely on the market, even to the extent of selling them on a large scale to foreign capitalists, then the inevitable result will be that the entire national economy will fall into great confusion and a socialist society that is independent, autonomous, thriving, and prosperous, and in which the people are masters of the house will speedily and again become colonized, with the poor and the rich divided into two extreme poles, and with the great majority of the social constituents again falling into the status of double slavery under the internal exploiting class and the external capitalists as their masters.

By reason, enterprises under the socialist state ownership system should be more beneficial to improving labor productivity and economic benefits than enterprises under the system of private ownership of capitalism. But it must also be admitted that, because of short time we have spent on socialist construction and because the experiences gained therefrom are not plentiful, at the present stage the management structure of the state ownership system is still not perfect. Actually, how to manage state-owned enterprises and fully display the functions they should have still needs our continuous probing in the course of actual practice. In particular, how to activate the enthusiasm and initiative of the state-owned large and medium-sized enterprises for operations and how to strengthen their vitality and ability to suit the market competitions are urgent problems needing great efforts to investigate and study. All along our party and government devoted efforts to study and to gradually solve problems such as expanding the autonomous rights of the enterprises, pushing the operation contracted responsibility system, trying out the systems of floating and proportionate wages, undertaking the setting up of ameliorated labor organs, permitting a small number of enterprises to carry out piloting points on the shareholding system, and even carrying out the merging and amalgamation of enterprises, and allowing those small state-owned enterprises that have made a poor performance in business and operations to declare their bankruptcy or sell their property rights, and so on. We have achieved successes in certain of these measures and at the same time have learned lessons from setbacks and failures. By so doing,

the major points were to enhance the enthusiasm of the enterprises and of the staff members and workers, ameliorate the enterprise structure and the structure of the labor force, overcome egalitarianism and phenomena of injustice in distribution, and basically rectify the state of affairs of the enterprises' low labor productivity rate. Through the reform, in these years in our country's various industries and trades, many state-owned enterprises have surged forth and demonstrated a high productive efficiency rate, reaped good economic results, and shown bobbing vitality. Actual practice has shown that if only we can handle well the external and internal relationships of enterprises, particularly economic interest relations, the enterprises will ipso facto enhance the level of their production technology and improve their own quality. Hence, the old saw about the so-called "state-owned enterprises' inability to have a high efficiency rate" is wholly without basis.

In addition, it should be pointed out that the tide of privatization in Western countries and the privatization that certain people in our country wish to practice are completely different from the private ownership economy which we say should have a suitable development. The suitable development of the private ownership economy refers to that under the precondition of firmly insisting on the leading position of an economy of the socialist public ownership system and within the scope of being beneficial to the national economy and the people's living; permission is given to individual economy and private economy to obtain a fixed degree of development. This has been a guideline all along firmly enforced since the reform of our country's economic structure, and is by no means the so-called "enlightenment" received from the tide of privatization in the West. Just as Comrade Jiang Leming emphasized in his address at the 40th National Day anniversary, that firm insistence on the guideline of "taking the public ownership system as the main body in developing various forms of economic constituents" is "for the purpose of better displaying the superiority of socialist economy, pushing the speedier development of our economy, and is by no means intended to weaken or abolish the main body status of the economy under the public ownership system, and far less to practice economic 'privatization.'" Seen from the experiences in actual practice gained in past years, under the pattern of current socioeconomic development in the urban and rural areas of our country, the development to a stated degree of private economy and individual economy does have an active role, but if no limit is placed on their development, even to the extent of slanting too much to their advantage in certain policies and guidelines, then there will be passive effects on effective utilization of natural resources, rational allocation of social resources, and realization of the stability of the economic and social order. Therefore, in our country, the private ownership economy can only be subordinate to the socialist economy. The relative weight it occupies in the national economy

and the realm of its development must be determined according to the actual level of the productive forces of our country and objective needs, and we must avoid simply taking the size of its relative weight as a criterion to gauge the accomplishments of the reform.

Footnotes

1. SHIJIE DABAO, 3 April 1989.
2. *Selected Works of Marx and Engels*, Volume 3, p. 436.
3. *Selected Works of Lenin*, Volume 2, p. 760.
4. Yau Lin: "On Capitalist Class Nationalization," HONGQI [RED FLAG], No. 6, 1963.
5. Britain's THE ECONOMIST, No. 21, December 1985, pp. 83-85.
6. Britain's EUROPEAN CURRENCY, extra June issue 1985, p. 57.
7. Yau Lin: "On Capitalist Class Nationalization," HONGQI, No. 6, 1963.
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9. RENMIN RIBAO, 21 February 1990.
10. Wu Tianbo: "Readjustment of Economic Policy in Four Large West European Countries," GUOJI WENTI YANJIU [INTERNATIONAL STUDIES], No. 4, 1986.
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It Is Necessary To Attach Great Importance to the Development of the Agricultural Chemical Industry

HK0106135090 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 9, 1 May 90 pp 29-31

[Article by Gu Xiulian (7357 4423 5571)]

[Text] The agricultural question has always been an important issue in the development of our national economy. Agricultural chemical products, especially chemical fertilizers and farm chemicals, are indispensable capital goods in agricultural production. As things stand in China, to develop agricultural production we must give priority to production and construction relating to the agricultural chemical industry. Accelerating the pace of development of this industry is an important strategic question with a vital bearing on the sustained and steady growth of our economy.

Grain, cotton, and other economic crops need a steady supply of nutrients in the course of their growth. Nitrogen, phosphorous, and potassium are generally referred to as the three major elements of plant nutrition. In modern agriculture, the need for nitrogen, phosphorous, and potassium is mainly satisfied through the increased input of chemical fertilizers. The role played

by chemical fertilizers in increasing farm output ranges from 40 percent to 60 percent in general. According to tests conducted in China between 1981 and 1983, the appropriate use of chemical fertilizers, supplemented by relevant technical measures, can increase paddy output by 40.8 percent, wheat output by 56.6 percent, and corn output by 46.1 percent. It is true that increases in grain production result from a combination of measures, but it is a fact that the nutrient elements contained in chemical fertilizers are the major components of farm products. These elements cannot be replaced by other substances.

Some time ago, there was a saying that the amount of fertilizer applied to each mu of arable land in China greatly exceeded the world average and was nearly double that of the United States. There was some misunderstanding here. People had this misunderstanding because they had not accurately worked out the actual acreage of arable land in China and had not taken into consideration factors such as the multiple-cropping index and the input-output ratio. The fact is that the level of chemical fertilizer application is still rather low in China. According to estimates by agricultural departments, in 1987 the amount of chemical fertilizers applied to land available for sowing did not exceed 6.5 kg per mu. Even by the end of this century, when total chemical fertilizer output will have reached 30 to 32 million tons, per mu application will be only 10-11 kg, much lower than the application level of 20-30 kg of the developed countries. Some comrades held that the over-application of chemical fertilizers would result in a hardening of the soil and suggested changing the pattern of fertilizer application by relying mainly on organic manure. The fact is that in China nitrogen fertilizer includes mainly ammonium bicarbonate and urea. The possibility of soil hardening is rather remote because the proportion of ammonium sulphate, which causes soil hardening, is extremely small. After conducting tests on fertilizer application for 50 to 100 years, a dozen or more countries have reached the conclusion that the prolonged application of nitrogen, phosphorous, and potassium fertilizers rather than of organic manure, will not harm soil power and that chemical fertilizers and organic manure with the same amount of nutrients have the same effect in increasing production. Of course, we should affirm the fact that organic manure is an ideal kind of fertilizer. Not only can it increase the organic content and improve the soil, but it also constitutes the main source of potassium fertilizer in China. It is entirely correct to advocate the increased use of organic manure and to attach greater importance to this matter. However, the source of farm manure depends mainly on the development of animal husbandry, which has seen sluggish growth and cannot serve as the main supplier of manure. Besides, in raising animals, grain is needed as part of the feed. In order to develop animal husbandry, it is also necessary to step up the production of chemical fertilizers. Another point, with the demand for grain constantly on the increase, the available arable land is diminishing year after year. Under the circumstances,

the need to increase the application of chemical fertilizers and raise the per-unit yield becomes more and more pressing.

While chemical fertilizers are being used to increase farm output, the role played by farm chemicals in averting a drop in agricultural production cannot be overlooked. According to relevant statistics abroad, about one-third of the world's farm output is affected by disease, insect pests, and weeds. As verified by the Food and Agricultural Organization of the United Nations, with the help of farm chemicals, the world can cut the loss of farm products by between 20 percent and 25 percent each year, with a value of over \$100 billion. China is a big agricultural country with a vast sown acreage, much of which is a victim of disease, insects, and weeds. According to incomplete statistics from agricultural and plant protection departments, during the last decade farm chemicals were applied on 2.3 billion mu each year, cutting grain loss by approximately 25 billion kg, or about 6 percent of total grain output. In 1987, national farm chemical sales amounted to 2.5 billion yuan and the value of losses retrieved from the output of grain, cotton, vegetables, and fruit alone exceeded 10 billion yuan.

China's agricultural chemical industry has made tremendous headway in the 40 years since the founding of the People's Republic. From 6,000 tons in 1949, chemical fertilizer output increased to 17.7 million tons in 1989. China ranks third in the world in terms of total output and comes second in the production of nitrogen fertilizers. Arranged in accordance with relief needs, farm chemical production has also seen swift progress. The product mix has been improved, as have the technical standards and quality of the products. In short, after all these years of development, China's agricultural chemical industry has developed to a fair size and has become an important material foundation for agricultural production.

However, China's agricultural chemical industry still falls far short of needs. This is manifested mainly in the wide gap between output and need. Because of the serious imbalance between supply and demand in recent years, we were forced to spend huge sums of foreign exchange on imports. We imported about 4 million tons of chemical fertilizers each year at an average cost of \$2 billion. By 1988, a total of 52.3 million tons of chemical fertilizers had been imported in the 39 years since the founding of the People's Republic, costing \$16 billion in foreign exchange. The same is true of farm chemicals. A given amount of raw pesticides and intermediates has to be imported each year. There is an imbalance between the production and consumption of nitrogen, phosphorous, and potassium fertilizers. The shortage of phosphorous and potassium fertilizers has affected the effectiveness of chemical fertilizers in increasing production and social benefits. Today, the ratio between nitrogen, phosphorous, and potassium fertilizers in China is 1:0.24:0.003, a far cry from the ratio of 1:0.5:0.2 required by the agricultural sectors. The mix of varieties

is irrational. The percentage of low-concentration chemical fertilizers is too large, and the percentage of high-concentration nitrogen-phosphorous compound fertilizers is too small. The output of a dozen and more old varieties of farm chemicals still accounts for over 80 percent of total output. The level of technical equipment is also low. With the exception of imported large chemical fertilizer production equipment, which is up to the technical standards of the 1970's, the overwhelming majority of the production facilities are from the 1950's and 1960's. Age is a serious problem with many chemical fertilizer and farm chemical enterprises. In these enterprises, energy consumption is high and production safety and environmental protection leave much to be desired.

How are we going to further accelerate the development of the agricultural chemical industry?

China is a big agricultural country with a population of 1.1 billion people. To ameliorate the acute shortage of chemical fertilizers and farm chemicals in a country like ours, we must adhere to the policy of relying mainly on our own efforts and strive to increase domestic production. In the 40 years since the founding of the People's Republic, we have accumulated rich experience in our agricultural chemical industry and laid a fairly solid foundation. We are fully capable of accelerating the pace of development of this industry in the days to come. We hope that the capacity of our chemical fertilizer production will have completed its three-stage leap by the year 2000, with annual production reaching 100 million tons in 1990, 120-130 million tons by 1995, and 150 million tons by 2000. At the same time, we should readjust the product mix of chemical fertilizers, increase the proportion of phosphorous and potassium fertilizers and compound fertilizers, and produce more trace fertilizers containing boron, zinc, manganese, molybdenum, iron, copper, and other trace elements. With readjustment of the product mix as the focal point of its work, the farm chemical industry must devote major efforts to the development of highly efficient, low-toxic, and low-residual farm chemicals, and economical and easy-to-use pesticide varieties, and increase the production of herbicides, germicides, and new types of potent insecticides in order to gradually meet the needs of agricultural development. To this end, the following policies and measures should be adopted:

1. Doing a good job of transforming old plants and upgrading technical standards. With limited state funds, we cannot rely totally on new plants to increase the production of chemical fertilizers and farm chemicals. In the course of improving the economic environment and straightening out the economic order, we must concentrate on tapping the potential of existing enterprises and carry out technical innovation and transformation. In this way, we will be able to fully bring out the strong points of old plants, substantially reduce investment, shorten the cycle of construction, and do more work with less money. In the future, we should build only a small number of large-scale key enterprises in a few of the grain-producing areas or places where raw materials are

available locally. In general, we should concentrate on rebuilding and expanding existing enterprises. Through reconstruction and expansion, we can push forward the technical enhancement of existing enterprises. While striving to increase production, efforts should be made to improve the equipment, upgrade the technological processes, improve the quality of products, reduce energy consumption, and raise the production and technological levels of our chemical fertilizer and farm chemical industries as a whole. At the same time, positive efforts should be made to grasp the construction, installation, and commissioning of new projects so that they can develop their production capacity as early as possible.

Particular attention should be paid to technical transformation in small chemical fertilizer plants. An outstanding feature of chemical fertilizer production in China is that the output of small plants accounts for more than 50 percent of the total national output of chemical fertilizers. This is determined by historical reasons and the level of the development of productive forces at home. Restricted by the availability of petroleum, natural gas, and funds, and by technical conditions, it is impossible to build many large chemical fertilizer production facilities. Small chemical fertilizer enterprises on the other hand, can be developed according to local conditions because they call for smaller investment, yield faster results, require simple technological processes, have broad sources of raw materials, and other strong points. Hence, a basic pattern that combines large, medium-sized, and small enterprises has gradually taken shape in China's chemical fertilizer industry. It has been proved by practice that such a pattern is in keeping with China's national conditions. For a considerably long time to come, we will continue to uphold the policy of the simultaneous development of large, medium-sized, and small enterprises. While appropriately building a number of large-scale key enterprises, we will continue to give full scope to the role of medium-sized and small enterprises. We must, through technical transformation, change the existing problems of small chemical fertilizer enterprises, such as single variety, high wastage, and being too small in size. We must make continuous efforts to raise the production and technical levels of small chemical fertilizer enterprises and give better scope to the important role of small chemical fertilizer plants in supporting agricultural production.

2. Ensuring the supply of raw materials and fully bringing into play the productive capacity of existing enterprises. Ensuring the supply of raw materials is an important precondition for fully bringing into play the production capacity of existing enterprises. In order to ensure the supply of raw materials for the production of chemical fertilizers, we must establish raw material supply routes in accordance with our national conditions. The nitrogen fertilizer industry must follow the policy of "using natural gas as far as possible, making positive efforts to use coal and making appropriate use of oil." Natural gas, as the most ideal raw material for the

production of nitrogen fertilizers, should be used wherever possible in chemical fertilizer production. As China is rich in coal resources, efforts should be made to step up the construction of coal bases for the supply of raw materials for chemical fertilizer in southeastern Shanxi, positively conduct scientific research on the production of synthetic ammonium using coal as raw material, promote the use of complete systems of technology, improve technological processes, and economize on raw materials. At the same time, the state should do its best to spare more naphtha and light crude oil for the production of chemical fertilizers. We should follow the policy of independence in developing the phosphorous fertilizer industry. We should devote major efforts to opening up and utilizing the phosphorous resources in Yunnan, Guizhou, Sichuan, and Hubei on the one hand, and appropriately import phosphorous ores and phosphoric acid for processing into phosphorous fertilizer on the other. Due to the shortage of potassium resources in our country, in developing the potassium fertilizer industry, we should increase imports and develop the production of compound fertilizers while continuing to explore sylvite ore resources and open up and utilize these resources as quickly as possible.

There is still potential to be tapped in the production of farm chemicals in China. The important thing is to increase the supply of raw materials and intermediates. We should organize forces to increase production at home while suitably increasing imports in order to ensure the supply of raw materials and intermediates needed in the production of farm chemicals.

3. Taking effective measures to increase the development stamina of enterprises. For a long time, chemical fertilizer and farm chemical enterprises have been carrying out production under the policy of low prices and small profits. The need for enterprises to make reasonable profits has been ignored. The enthusiasm of enterprises for production and operation is dampened by the fact that ex-factory and retail prices are low, sometimes even lower than the state purchasing price. While they have made substantial contributions by turning out large quantities of agricultural support products, chemical fertilizer, and farm chemical enterprises are short of funds and unable to carry out technical transformation or expand reproduction. In recent years, these enterprises have found their profits dwindling as a result of hefty increases in the prices of energy, raw and semiprocessed materials, and transportation. Many enterprises have difficulty further developing production because they are incapable of carrying out self-transformation and self-expansion and lack repayment ability after seeking loans.

In order to show support for the development of China's agricultural chemical industry, we should consider readjusting the ex-factory price of chemical fertilizers and farm chemicals, while making price readjustments for grain, so that chemical fertilizer and farm chemical enterprises can achieve a profit rate comparable to that of ordinary enterprises dealing in raw and semiprocessed

materials. At present, it is still impossible to fix the prices of chemical fertilizers and farm chemicals on the "low in, low out, high in, high out" principle in accordance with the prime cost of energy and raw and semiprocessed materials. Efforts must be made to resolve this problem. In the meantime, we should give priority to the supply of low-cost energy and raw materials needed in the production of chemical fertilizers and farm chemicals, make production plans and plans for the supply of raw materials dovetail by strengthening mandatory state plans, and adopt a preferential policy of offering discretionary reduction or remission of product tax, regulatory tax, and income tax. We should continue to implement and improve the method of placing chemical fertilizers and farm chemicals under special control and cut down the number of intermediate links as far as possible by promoting the practice of directly supplying the needs of peasant households, thereby lowering circulation costs for the benefit of enterprises and the peasants. This will satisfy agricultural needs and at the same time increase the development of enterprise stamina and give impetus to the readjustment of the product mix and the improvement of technical equipment.

4. Raising funds through various channels and increasing input in the agricultural chemical industry. Investment in the agricultural chemical industry is, in fact, investment in agriculture because investment returns will ultimately be reflected in agriculture. From a historical perspective, the amount of investment in the agricultural chemical industry directly affected the pace of development of this industry. For instance, during the Fourth and Fifth 5-Year Plans, chemical fertilizer production saw rapid growth because the state invested considerable sums in the chemical fertilizer industry. In the 10 years between 1970 and 1980, chemical fertilizer production increased at an annual rate of 1 million tons and played an important role in supporting agriculture. However, since the "Sixth 5-Year Plan," investment has been steadily cut to about half the amount invested during the "Fifth 5-Year Plan" and its percentage of China's capital construction investment has also dropped from 4.14 percent to 1.1 percent. This has led to a downturn in the growth rate of the chemical fertilizer industry. Between 1981 and 1985, the output of chemical fertilizers registered an annual growth rate of only 1.4 percent, falling far short of the needs of agricultural development.

In order to speed up the development of the agricultural chemical industry, the state should appropriately increase investment, particularly investment in the construction of large-scale chemical fertilizer enterprises and chemical mines. Investment in the farm chemical industry should come from special funds set up by the state. In the meantime, local governments and relevant financial units should actively support and encourage the development of the agricultural chemical industry by adopting measures to facilitate fund-raising through various channels and at various levels. In accordance with the principle of whoever makes the investment should

receive the benefits, every effort should be made to absorb funds from society and make full use of foreign capital wherever possible to expand the capacity for the production of chemical fertilizers and farm chemicals and to continuously increase the supply of essential products.

In addition, attention should be paid to promoting the scientific application of fertilizers and farm chemicals to increase their effective use rate. According to surveys by agricultural experts, the use rate of chemical fertilizers is roughly 30-35 percent, which is 5-10 percent lower than in the advanced countries. Results of experiments conducted by agricultural departments show that it is entirely possible to increase the effectiveness of fertilizers by using manure scientifically and improving the methods of application. This is equivalent to increasing the annual output of chemical fertilizers by 2 million tons and may reduce investment by 6 billion yuan and cut losses by 5 billion yuan. The benefits are very obvious indeed. Thus, we should take the scientific application of fertilizers and the achievement of a higher use rate of chemical fertilizers as an important principle for the development of agriculture. Scientific methods like recipe manuring based on soil surveys, manuring based on the diagnosis of plant nutrients, and localized recommended manuring, should be vigorously promoted. We should attach full importance to the work of publicizing, giving demonstrations, and promoting the scientific application of fertilizers; effectively strengthen organizational coordination; put in the necessary financial, material, and human resources; and see to it that fertilizers are applied in accordance with local conditions and the needs of individual crops. We should devote major efforts to promoting the scientific application of farm chemicals, providing better technical services, and continuously improving the standards of the scientific, safe, and rational application of farm chemicals.

The Fundamental Way To Successfully Run an Enterprise Is To Rely on the Workers—Survey on the Shijiazhuang No. 2 Printing and Dyeing Plant
*HK0106075290 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 9, 1 May 90 pp 32-37*

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[Text] The Shijiazhuang No. 2 Printing and Dyeing Plant (hereinafter referred to as the No. 2 Printing Plant) has achieved great success in recent years by following the road of relying on the workers in running their enterprise. Studying their experience may help us clarify some questions of theory and epistemology, and deepen our understanding of the law governing the development of socialist enterprises.

A. The Successful Running of Enterprises Requires Worker Entrepreneurs

In running enterprises, should we rely on "capable persons" alone or should we rely on the workers? At one time, people were rather confused on this issue. Some said that having a "capable person" was quite sufficient. They said that "being of poor quality, workers cannot take part in modern management" and could only "work, make a living, and eat." On the surface, it is true that during the past few years some enterprises have indeed taken on a new look after replacing their directors or managers. This is the case with the No. 2 Printing Plant. When Director Cui Zhicai took up his post in 1985, the No. 2 Printing Plant had serious deficits. Over the years, this enterprise with over 1,600 staff members and workers has made substantial headway, each year surpassing the contracted quotas. In 1989, profits and taxes realized amounted to 13.61 million yuan, more than double the contracted quota for the year. The enterprise was successively awarded the honorable titles of advanced unit of the province and of the city in the supply of export commodities, provincial-level advanced enterprise, civilized unit, and star enterprise. It will soon join the ranks of grade-two state enterprises. The workers said that, "without Old Cui, our factory would not be what it is today." The experience of the No. 2 Printing Plant shows that we need able and efficient entrepreneurs who know production and have a head for business in running enterprises.

However, a good entrepreneur alone cannot run an enterprise successfully. The fundamental way to run an enterprise successfully is to rely closely on the workers. When we say that a good entrepreneur has changed the appearance of an enterprise, what we actually mean is that he can fully arouse the enthusiasm of the staff and workers and can rely on the workers to change the appearance of the enterprise. Hence, the fundamental way to successfully run an enterprise is to wholeheartedly rely on the workers. Is it not true that some time ago many capable entrepreneurs changed the appearance of their enterprises for a time, only to watch them go downhill shortly thereafter? The fundamental reason for their failure is that they relied on the workers when they started business, but gradually moved away from the workers after achieving some success. In this connection, the No. 2 Printing Plant has also learned a profound lesson. At one stage, this plant had considered a number of options for modernized management and introduced reforms in enterprise management, such as "integral contracting" and "flexible working hours." However, because the workers were not relied on in designing or implementing these programs, the factory sustained losses year after year and nearly went bankrupt.

From this we can see that, in order to successfully run socialist enterprises, we need able and efficient entrepreneurs, but these entrepreneurs must be ones who have close ties to the workers and who rely on the workers. In fact, being good at relying on the workers is the most important quality of socialist entrepreneurs. This

requirement is determined by the nature of socialist enterprises. Under the socialist system, the workers are the masters of enterprises. Through given forms, their representatives are charged with the responsibility of handling the operation and management of enterprises. Placing themselves in the midst of the workers, relying on the workers, and working for the interests of the workers constitute the starting point and goal of entrepreneurs in their operation and management. The internal link between entrepreneurs and workers is established in this way. The theory of "relying on the elite in running enterprises" is wrong fundamentally because it separates entrepreneurs from workers, putting the former above the latter, a move that goes against the intrinsic requirements of socialist enterprises.

The No. 2 Printing Plant has made considerable headway over the past few years basically because the factory leaders have consciously placed themselves in the midst of the workers, relied on the workers, and served the workers. On his first day of work, Director Cui went to join the workers at the workshops as soon as he put down his personal belongings. He ate and lived on the factory premises all these years, going home to see his sick wife only on Saturday nights. This factory works on a three-shift system. Morning shift workers can see him, and so can workers working the midday and night shifts. He goes to the workshops whenever he has time. At night, when he wakes up from sleep, he goes to the workshops to chat with the workers. Drawing strength and wisdom from the workers, he has turned the No. 2 Printing Plant into a great success. In the past, the staff and workers of the No. 2 Printing Plant were unwilling to mention the name of their place of work because they were ashamed of it. Now they say it with pride. In the past, workers were unwilling to hang their factory's nameplate on their bicycles. Now they write the name in huge characters.

B. In Order To Rely on the Workers, It Is Necessary To Maintain Close Ties To Them

In the No. 2 Printing Plant, maintaining close ties with the masses is not an empty slogan. It is embodied in the words and deeds of its leaders and in various existing systems.

The leaders of the No. 2 Printing Plant believe that they must maintain close ties with the masses and be honest and clean themselves before they can win workers' trust and support. As a result of good performance, the factory has been able to offer pay increases to 33 percent of its staff and workers annually in recent years. However, the factory director, party committee secretary, and trade union chief have never asked for any pay increases. Rather, they have repeatedly declined the offer. Over the years, the factory director's salary has been raised by only one point. That pay increase came directly from the provincial authorities in recognition of his being awarded the title of provincial labor model, and did not

take up the factory's quota. The party committee secretary and trade union chief got a half-point and a one-point raise, respectively, on the decision of the workers congress. Over the years, the higher authorities have given Cui Zhicai cash bonuses totaling over 8,000 yuan for his fulfillment of contracted tasks. He never took any of this money, and instead donated the sum to the factory to cover welfare spending. He and his family now share a house with another family. His house was so small that only a few people could squeeze in when leading comrades of the provincial party committee paid him a courtesy call during the Spring Festival. The higher authorities allocated a three-room unit to him, but he gave it up to a chief engineer who was going to retire. When cash bonuses were issued, factory leaders took only what the average staff and workers got. In the course of a year, they often ended up receiving several hundred yuan less than first-line workers. Overseas trips were headed by the deputy factory director with responsibility for technology, plus concerned engineers and technicians. The other factory leaders stayed behind.

The factory leaders are not only clean and honest, they also devote major energies to building a contingent of cadres with close ties to the workers. Their slogan is: "We do not want workers with special privileges, still less cadres with special privileges." The factory expects its cadres to be able to do whatever is expected of its workers. In fact, the demands on cadres is much stricter and more demanding. Workers start work at 0800, but cadres have to show up at 0745. Workers are fined five yuan for arriving late, but cadres are fined one to five times more. After the consolidation of labor discipline, the first persons to be fined were two deputy directors and the secretary of the discipline inspection committee. Records show that all cadres of the No. 2 Printing Plant have overfulfilled the stipulation that they must spend one-third of their working hours in the workshops each year. Voluntary labor has become a habit among cadres of the No. 2 Printing Plant. The cement road in front of the factory, which measures more than a dozen meters wide and 100 meters long, was the voluntary effort of cadres. In order to build new dormitories, cadres volunteered to pull down the old canteen and clear the site. In the laying of cables, cadres volunteered to dig ditches. When machines had to be shifted, cadres volunteered to work shoulder to shoulder with workers. Cadres also provided voluntary service sweeping the factory compound on Mondays. Cadres were the first to bear hardships but the last to enjoy comforts. Cash awards issued to first-line workers were nearly double those issued to office cadres. Workers were given 90 cents in length-of-service subsidies, but cadres got only 50 cents. When wages were allowed to float, first-line workers found their wages raised by two points, but cadres only got a one-point raise. In the allocation of materials, first-line workers always got the good stuff. Take the allocation of edible oil, for instance. Peanut oil, which was favored by the local people, was allocated to first-line workers;

cadres were allocated only bean oil. Voluntary labor organized by the factory was optional for workers but compulsory for cadres.

The leadership of the No. 2 Printing Plant has this pet phrase: "Public servants are in the service of their masters." What the factory leadership wants is to serve the workers, and what it does are concrete deeds in the service of the workers. As far as the leaders of the No. 2 Printing Plant are concerned, "making contributions to the state and working for the welfare of the workers" are their guide to action. They have the system of "doing a thorough job in eight aspects" for helping the workers overcome their difficulties and conducting ideological work, as well as 16 regulations on showing concern for the well-being of the staff and workers. Staff and workers living in the suburbs and the countryside were given free use of factory trucks for the transport of sand and mud in repairing or building houses. Understanding that the food which staff and workers brought from home is likely to go bad in the summer heat, the factory decided to provide meals at dinnertime. When staff and workers have to put up more guests than they can accommodate on such occasions as weddings and funerals, the factory provides them with free guest accommodations. Male workers are given a five-day maternity leave at the time of their wives' childbirth. All workers are given three days off on the death of parents or in-laws. The factory leadership also pays home visits to give comfort to the bereaved families. When the children of staff and workers fail to get into university upon graduation from middle school, the factory would get them organized and give them makeup classes. In view of the increase in the number of legal disputes in recent years, the factory has concluded contracts with lawyers' offices to provide its staff and workers with free legal consultation. The factory keeps a record of the dates of birth of its staff and workers. On their birthdays, staff and workers will all receive a piece of cake from the factory. These regulations have taken care of the worries of workers and reflected the sincerity of the leadership of the No. 2 Printing Plant in serving the workers.

When the leadership is clean and honest, when the cadres all set an example with their own words and deeds, and when the workers feel respected and cared for, the relationship between cadres and the masses will naturally become harmonious and amiable, and the idea of hierarchy and the mentality that there is distinction between the high-and-mighty and the lowly will naturally disappear. In the No. 2 Printing Plant, cadres respect workers for their labor, while workers understand the hard work put in by cadres. Everyone can feel his or her own position as master of the house, and everyone can play the master's role.

C. Workers Are Managers, But They Also Consciously Subject Themselves to Management

In the No. 2 Printing Plant, the position of workers as masters of the house is guaranteed, and they have the avenues to exercise this right. Since 1985, the factory has

gradually established a set of systems for relying on the workers to run an enterprise. These systems basically cover the following three areas:

1. Workers have the right to discuss and decide major policy issues and matters of vital interests to them. The factory leadership believes that in relying on the workers, it is most important that the workers be allowed to take part in deciding issues of major importance. Over the years, all major policy decisions of the No. 2 Printing Plant have been examined by the workers congress or approved by the staff and worker representatives concerned. When the factory leadership and the workers disagreed, the factory leadership would try to convince its workers and explain to them the rationality and practicability of its proposals rather than force its proposals on the latter. Before 1985, the factory spent several hundred thousand yuan on a cable-type combination float-finishing machine. Without the necessary auxiliary equipment, however, it lay idle for a while and then was sold as scrap iron. Last year, the factory had to buy another cable-type machine to go with the imported equipment. At first the workers did not understand, thinking that if the last one was bought only to be written off, there was no reason to waste another several hundred thousand yuan this time. Under the circumstances, rather than rushing into a decision, the factory leadership called various meetings and let the technicians explain to the workers the necessity and practicality of buying this machine. Finally the workers came round to seeing the need, and the machine was bought with the consent of staff and worker representatives. The workers all did their very best because they were convinced. Before they knew it, the machine was producing good results. In the No. 2 Printing Plant, matters concerning the vital interests of the staff and workers are decided by the staff and workers themselves. The salary readjustment plan was discussed by all staff and workers and approved by the workers congress. The principle governing the distribution of cash bonuses was discussed by all staff and workers and approved by the workers congress. The standards for welfare benefits were discussed by all staff and workers and approved by the workers congress. In this way, the unhealthy practice of abusing one's power for personal gain was prevented. Since matters were handled with a greater degree of openness, misunderstanding on the part of the masses was minimized. For instance, in the past workers used to feel disgruntled for months after each pay readjustment. Pay readjustments in recent years have been very quiet and smooth. For another example, first-line workers are given more cash awards and benefits than second- and third-line workers. Since the matter has been discussed by all staff and workers and approved by the workers congress, second- and third-line workers do not complain quite as much and implementation has been rather smooth.

2. Regular channels are established so that workers' views and suggestions can be promptly reflected to the leadership. The workers congress is an important means

of worker participation in management. However, the workers congress cannot meet every day. In order to give full scope to the role of the workers congress, the No. 2 Printing Plant decided that the workers congress should meet four times a year instead of twice. Even this is no answer to the need for worker participation in day-to-day management. To solve this problem, channels for regular contacts between the workers and the leading organ must be established. In this connection, the No. 2 Printing Plant has made many unique exploratory attempts: Mail boxes have been opened for the director and the discipline inspection committee so workers can write in expressing their views and suggestions. Pre-printed rational proposal forms have been made available for workers to write down their views and suggestions. Fortnightly receptions have been fixed for worker representatives and factory leadership to receive workers and listen to their views and suggestions. A system of duty rosters for worker representatives has been established. Worker representatives of each workshop are to take turns performing the duty of soliciting opinions and suggestions from workers and reflecting these to the factory leadership. These channels have combined to form an information network, enabling the workers to communicate with the factory leadership. The No. 2 Printing Plant pays even greater attention to the serious handling of workers' views and suggestions, seeing to it that "every question is answered and every matter is attended to." For instance, they have developed a system by which all views and suggestions put forward by workers are referred to the trade union, where they are registered, affixed with a serial number, and filed away. At the same time, a copy is passed on to the department concerned for handling. The department concerned will give its opinion, after which the case will be referred back to the person who put forward the view or suggestion to show that the matter has been taken care of. At every workers congress, an important item on the agenda is for the trade union to brief the congress on the views and suggestions put forward by the workers, as well as the actions taken by the departments concerned.

3. A system under which workers can effectively supervise and control leading cadres is established. Being master of the house does not mean that all workers will become leaders. What it means is that they can have people of their choice serve as leaders and can, in one way or another, dismiss those who do not measure up to their expectations. This is fully reflected in the system of workers being the master of the house practiced in the No. 2 Printing Plant. The workers congress of this factory meets once every three months to hear reports by middle- and high-level cadres. Queries can be made during the meeting, and all questions are answered. Middle- and high-level cadres are assessed once every six months. Those who do not have the support of the majority of representatives are reported to the factory director with the recommendation that they be dismissed. Four midlevel cadres have been dismissed over the years. In the meantime, the workers can recommend trustworthy persons for leading posts. The section in

charge of the mess hall used to be a unit with serious and longstanding problems. At the suggestion of the workers, the original section head was dismissed and a new chief recommended by the workers was appointed. There has been great improvement in the mess hall ever since. The workers were not happy with the capital construction department because its books were not in order. In keeping with the wishes of the workers, the factory director relieved the original responsible person of his duties and appointed a new department head instead. The department has also shown great improvement in its work since the reshuffle. In the assessment of cadres, the workers of the No. 2 Printing Plant do not restrict themselves to hearing reports at the workers congress. They have come up with a number of effective ideas, such as the system which enables worker representatives to examine the work of administrative or technical offices. This covers special investigation, which mainly involves finding out whether particular decisions of the workers congress have been implemented; as well as general investigation, the main task of which is to find out about the labor discipline of office personnel and whether they have a full workload. After investigation, these worker representatives will make their assessment and submit reports to the workers congress.

Letting workers be masters of the house is to have organized and orderly democracy. The purpose of worker participation in management is to establish a more rigorous and advanced system of management. Hence, the position of workers as masters is in keeping with the strict management of enterprises. It is wrong to think that if workers are to become masters of the house, we cannot have strict management and cannot strengthen labor discipline. What the No. 2 Printing Plant has done is to organically combine the two. The No. 2 Printing Plant is well known among its textile peers in Hebei Province for its strict management. A worker is considered to be absent from duty when he is three meters away from his machine. He must sweep his work area clean 15 minutes before he takes over his shift, or else he will be charged for violation of discipline. There are strict regulations regarding where product cards should be placed in the packaging, and there should be no mistake about that. Seeing such strict management here, visitors from other places have exclaimed: Our workers will definitely raise hell if we introduce this kind of management in our factory. The workers of the No. 2 Printing Plant say that they have drawn up these strict rules of discipline and rigid regulations themselves as masters of the house and that only in this way can good results be achieved. Rules and regulations drawn up by everyone should be consciously observed by everyone. Whoever violates discipline and regulations is going against the common wishes of the people. It is precisely at this point that we see a high degree of unification between democracy and centralism, between freedom and discipline, and between the position of workers as masters of the house and the enforcement of strict management and strict discipline in enterprises.

D. To Arouse the Enthusiasm of the Workers, It Is Necessary To Rely on the Position of Workers as Masters of the House as Well as Have a Correct Principle of Distribution

When workers are their own masters, they will naturally approach production and management from the standpoint of masters of the house and show boundless enthusiasm for production. This kind of enthusiasm is something that cannot be aroused by offers of reward.

There is no doubt that, at the present stage, we still need to implement the principle of distribution according to work and more pay for more work. After all, labor is a means of life. If people cannot improve their livelihood through labor, they will lose their enthusiasm for labor. The principle of distribution according to work and more pay for more work is observed in the distribution of income in the No. 2 Printing Plant. There are no upper or lower limits for workers' cash bonuses. The higher the quality and the larger the quantity of products, the higher will workers' income be. For workers engaged in the same work, the disparity between the highest and the lowest income from bonuses may be as large as 100 yuan.

However, if we rely only on bonus incentive and do not stress the need to bring into play the role and attitude of workers as masters of the house, workers' enthusiasm will become a selfish and narrow kind of enthusiasm and workers' mentality will be distorted. Before 1985, labor at the No. 2 Printing Plant was also pegged with bonuses. As a result of stressing bonuses alone and paying no attention to the position and attitude of workers as masters of the house, workers worked only for money. In the end, the spirit of cooperation among workers disappeared. Different contracting groups counteracted each other's efforts and even destroyed each other's equipment because they did not want to see others getting more bonuses than they did. The spirit of dedication also disappeared. Workers went all-out to do money-making jobs even at the risk of damaging the machines, while jobs that did not promise any bonuses, such as machine maintenance and sanitary work, were treated with indifference. When it was time to knock off, they simply took off without bothering to switch off the water and power supply. They raised hell when the factory was in difficulty and bonuses were cut.

Hence, we should correctly combine the principle of distribution according to work with efforts to rely on the workers to run enterprises and bring into play the role of workers as masters of the house. Only by combining the two can a correct code of action for the workers be produced. Based on this code of action, the workers will be able to enjoy their status as masters of the house, play their role as masters, and engage in labor with the spirit of dedication as masters. The state and the enterprise will pay individual workers according to their contributions. In this way, the motivation of workers as masters of the house will be combined with the fruits of labor which reflect more pay for more work.

This was precisely how the No. 2 Printing Plant inspired in its workers the idea of being masters of the house and aroused their sense of responsibility as masters these past years. "Do the job of the master and discharge one's responsibility as the master" has become a clarion slogan among the workers of the No. 2 Printing Plant. Sharing the worries of the state and the enterprise has become the responsibility of the workers of this factory. Last summer, temperatures at the workshops rose to over 40 degrees and there was a shortage of electricity. The factory leadership decided to shut down a production line to ensure air conditioning. However, the workers shut down the air conditioning of their own accord to get another production line running and rushed to complete their task in time despite the heat. At the end of last year, the factory imported two sets of printing equipment from the Federal Republic of Germany. In their efforts to finish the test running of the second set before the foreign technicians returned home, the workers got themselves organized for overtime work of their own accord, some working continuously for 40 hours. They completed the installation in only eight days and successfully completed the test running in just one go. The technicians from the Federal Republic of Germany were full of praise for the spirit of dedication shown by the workers of the No. 2 Printing Plant and decided to move their maintenance center at Nantong to the No. 2 Printing Plant.

In the past, no one cared if the equipment rusted away. Now the No. 2 Printing Plant has for four years running been named the best textile enterprise in the province in terms of equipment maintenance. In the past, the workers left the water running and the lights on when they knocked off. Now they will switch off the water and power supply as soon as they stop the machines in an effort to save energy for the state and the enterprise. In the past, they left equipment worth several hundred thousand yuan to the elements. Now they will even pull out the nails on the packing crates and straighten them for re-use. They will also put their daily newspapers together after reading and have these returned to the janitor's room for sale. The proceeds of such sales will be spent on trade union activities. Last year, the chemical workshop alone managed to save water, electricity, and installation expenses by more than 130,000 yuan. The dyeing workshop increased its monthly returns by more than 200,000 yuan after adopting a rational proposal put forward by the workers. This kind of latent potential cannot be tapped simply by relying on bonuses. What it reflects is a strong sense of responsibility and sense of mission as masters of the house.

In the course of bringing their role as masters of the house into play, the workers will also be able to improve their own quality. They will be able to learn managerial skills while participating in management. Some of them will be able to familiarize themselves with the functions of various administrative or technical offices, while others will come to understand the entire production process. At the beginning, the views and suggestions put

forward by the workers involved mostly welfare issues and had little to do with production and management. Today, over 70 percent of their views and suggestions concern their factory's production and management.

E. Bring Up More Entrepreneurs Who Rely on the Workers

The No. 2 Printing Plant has followed a road of relying on the workers to run enterprise these past years because its leaders have high quality and a strong sense of democracy. Indeed, whether or not the factory leadership has a strong sense of democracy has a direct bearing on whether this factory can guarantee the position of its workers as masters of the house. If the factory leaders have a strong sense of democracy, they will do their best to establish systems designed to protect the position of workers as masters of the house and will try by all and every means to ensure that workers can play their role as masters. If the factory leaders do not have a strong sense of democracy, they will be unwilling to enforce the systems even if good systems have already been established. They may even try to weaken and undermine systems that protect the position of workers as masters of the house. The staff and workers of the No. 2 Printing Plant have this worry: The present leaders of the factory are all over 50 years of age. When they have completed their term of office or when the time has come for them to retire, will we still be able to enjoy our present position and continue to play our present role under the new leadership? This kind of worry is by no means groundless.

This raises a question: How can we promote to leading entrepreneurial posts those who have a high quality of democracy and wholeheartedly rely on the workers? This calls for a structure and system that can help bring up more entrepreneurs who rely on the workers. With such a structure and system, random and fortuitous choice in the promotion of enterprise leaders can be avoided. In order to successfully establish this structure and system, the staff and workers of the No. 2 Printing Plant have put forward many proposals. For instance, some people suggested that a system be introduced whereby representatives of staff and workers can take part in the process of deciding on the choice of the factory director or manager, or that the factory director or manager should be elected by the workers congress. Some people suggested that in order to ensure that the factory leadership relies on the workers in important matters, it should be stipulated by law that the workers congress will have the power to decide major policies of the enterprise. It was also suggested that state enterprises should practice the all-personnel system of contractual operation. If they were to practice the system of contractual operation by workers and staff as individuals or the system of contractual operation by collectives, it would be very difficult to establish theoretical links with the status of workers as masters of the house, and in practice, it is likely that some factory directors and managers will refuse to rely on the workers on the excuse that they have risks to take. Whether these proposals are feasible or not

is not at issue here. They tell us that in order to ensure that every enterprise leader maintains ties to and relies on the workers, we must indeed proceed from the reform and improvement of the existing structure and system. This is something that cannot be resolved through the efforts of a single enterprise and must be considered on a macroeconomic level. If we have established a healthy system on the macroeconomic level, more entrepreneurs who rely on the workers will come forward.

An investigatory report cannot sum up the experience of the No. 2 Printing Plant in full because, in running their enterprise as their own undertaking, the workers of the No. 2 Printing Plant have made their cause something that is rich, varied, and full of vitality. Of course, the work done by the No. 2 Printing Plant needs to be further deepened, and there are still areas of immaturity and imperfection. These remain to be resolved by the staff and workers of the No. 2 Printing Plant through hard work. Nonetheless, the experience of the No. 2 Printing Plant has given us this important inspiration: Wholeheartedly relying on the workers is the only way for socialist enterprises to achieve prosperity.

Several Theoretical Questions on Correctly Grasping the Relationship Between Spiritual Culture and the Commodity Economy

HK3105120090 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 9, 1 May 90 pp 38-43

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[Text] Correctly understanding and handling the relationship between socialist spiritual culture and the socialist planned commodity economy is of extremely major significance in promoting the development of material culture and spiritual culture. It should be affirmed that in this respect we have done much beneficial work and that marked theoretical achievements and obvious results have thus been realized. It should also be affirmed that because of the "complexity" of the task, mistakes and one-sidedness are difficult to avoid in theoretical exploration and we should not be too exacting or demand perfection. But, at the same time, we must recognize that the various preposterous ideas and ugly phenomena which have been widespread in society for some time now have an inseparable relationship with the erroneous understanding and grasping of the relationship between spiritual culture and the commodity economy. Thus, analyzing some of the theoretical prejudices on this issue and clarifying the ideological chaos are absolutely necessary.

I. We Cannot Allow a "Spiritual Slide" as the Price for Developing the Commodity Economy

The enlivening of the socialist planned commodity economy has major historical significance in the building of socialist spiritual culture. It not only lays a necessary material base for the building of spiritual

culture, but also stimulates the development of spiritual culture, encourages people to stress scientific and cultural knowledge, strikes at backward feudal ideas and small-scale peasant consciousness, and forms some new concepts which are in accord with socialist modernization. There is no doubt that since the beginning of the reforms and opening up, the building of socialist spiritual culture has achieved pleasing results. This is intimately related to the promotional role played by the socialist planned commodity economy.

However, the role played by the commodity economy on spiritual culture is not, as the media says, just an active, positive role which cannot bring blindness and chaotic or negative phenomena. Further, it is not the case that blindness and chaotic and negative phenomena are unrelated to the commodity economy. The development of practice has proven on more than one occasion that although the spiritual culture of society has made rapid progress through the promotional role of the commodity economy, at the same time many negative phenomena that perplex and worry people have also appeared. These include the tendency to despise social and collective interests and to revere the supremacy of the individual; the trend to ridicule finding pleasure in helping others and assisting the needy and the trend to be overly concerned with small personal interests; through the lure of money, the evils of gambling and prostitution, which had been stamped out, have reappeared; books that propagate sex and violence have flooded the marketplace; the offering and accepting of bribes is rife; and corrupt phenomena whereby power is exchanged for money are spreading widely. It should be said that these negative phenomena which violate spiritual culture are not dissociated from, but have occurred through, the commodity economy process.

The problem lies not in the existence of the negative phenomena but in how to handle them. This is the crux of the problem. Some people feel that spiritual culture and the commodity economy are, using an ancient metaphor, like bear paw and fish. That is, it is difficult to have both at the same time. There are even some people who hold that the development of the commodity economy has the sacrifice of morality as its price. These views, which see spiritual culture and the commodity economy as mutually exclusive and hold that a "spiritual slide" is the price that must be paid for the development of the commodity economy, are referred to by some people as the "idea of having to pay a price."

It need not be said that this idea is quite blunt in its recognition of the negative phenomena which appear in the commodity economy process and it does not mince words. Further, seen from the set subjective conditions, it is extremely unrealistic to expect the complete avoidance of negative phenomena in developing the commodity economy. However, we cannot hold that "because it exists, it is rational," or view negative and corrupt phenomena as preconditions for the development of the commodity economy and thus issue a "permit" for such loathsome activities. If we did this, we

would be bowing to and compromising with "evil." Giving free rein to "wicked" phenomena will provide an impressive pretext for the continued existence of negative and corrupt phenomena and will also give a self-intoxicating excuse to the negative ideas which look lightly on or ignore spiritual culture. This will seriously harm spiritual culture. Facts prove that the phenomena of "spiritual slide" and "loss of morality" which have appeared in the process of development of the commodity economy are definitely linked with the "idea of having to pay a price."

The "idea of having to pay a price" at the same time as providing a "rational" basis for negative phenomena, also seeks a basis for its own existence. Some people quote copiously from many sources and not only give the example of the historical phenomena of "moral decline" which occurred in the process of the development of the capitalist commodity economy, but also take Engels' affirmation of Hegel's statement that "evil is the manifestation of the motive force of historical development" as the fulcrum of their argument. They even subjectively assert that criticism of the "idea of having to pay a price" and concerns about the "spiritual slide" are manifestations of moralistic idealism that ignore the history of the development of the productive forces.

Indeed, the development of the capitalist commodity economy brought unprecedented liberation of the productive forces and scientific, cultural, and ideological progress. However, in its wake came many barbarous, benighted, and dark phenomena of "moral decline." The authors of the Marxist classics revealed these phenomena. "We behold machinery, gifted with the wonderful power of shortening and fructifying human labor, starving and overworking it. The new-fangled sources of wealth, by some strange and weird spell, are turned into sources of want. The victories of art seem bought by the loss of character. At the same pace that mankind masters nature, man seems to be enslaved to other men or to his own infamy. Even the pure light of science seems unable to shine but on the dark background of ignorance."¹ They even said that human progress "resembles a hideous, pagan idol, who would only drink the nectar from the skulls of the slain."² It should be recognized that the significance of the problem lies not in recognizing the historical phenomena revealed by the authors of the Marxist classics, but whether or not these historical phenomena should be repeated under socialist conditions. Should we, like capitalist society, see "moral decline" as a price that has to be paid for developing a socialist planned commodity economy? This is where the crux of the issue lies.

Marx said, "The two phenomena of commodity production and commodity circulation exist in many types of production modes, albeit differing in scope and importance. Thus, if we only understand the abstract category of commodity circulation which they all possess, we will not have any knowledge of the characteristics of the particular production mode and will not be able to make any judgments."³ The absurdity of the "idea of having to

pay a price" lies precisely in that it overlooks the differences in studying the socialist commodity economy and the capitalist commodity economy. The socialist commodity economy is a planned commodity economy established on the basis of a public ownership system. Although it has the general common characteristics of a commodity economy, it also has some special characteristics which reflect its own nature. The socialist planned commodity economy and the capitalist commodity economy are different in essence. This difference lies mainly in: 1) The relations of production manifested are different. The socialist commodity economy is established on a base of public ownership and the operational entities are publicly owned enterprises. It is a commodity economy under which, after the exploitative systems have been eliminated, the people are the masters. On the economic level, the enterprises have differences but are basically the same. They compete as equals but also cooperate. The capitalist commodity economy is established on the basis of the private ownership system and the operational entities are capitalist, privately owned enterprises. Between the capitalists and employees there is a relationship as between exploiter and exploited. Between the capitalists there exists a competitive relationship, where each tries to outwit the other. 2) The aim of production operations is different. The aim of the development of the socialist commodity economy is to continually satisfy the ever-increasing material and cultural needs of the masses. The development of the capitalist commodity economy is aimed at grasping more surplus value. 3) The economic regulatory measures are different. The socialist commodity economy naturally must employ regulation through market mechanism, but it should rely mainly on the patterns of planned, proportional development. That is, the state, through planning and economic, administrative, and legal measures, regulates economic movement and thereby is able to consciously utilize the law of value throughout the whole society. In the capitalist commodity economy the interests of individual private operators are antagonistic and commodity production throughout the society is in a blind and anarchic situation, with the law of value itself acting as a spontaneous regulator. 4) The scope of commodities is different. In socialist publicly owned enterprises, labor is not a commodity. In capitalist commodity production, labor is a commodity and even people's reputations, positions, consciences, and marriages can be sold as commodities. The above-mentioned differences determine that, under socialist conditions, the commodity economy and spiritual culture are not divorced from each other or antagonistic. Rather, they are unified and coordinated and this basically ends the historical tragedy seen under capitalist conditions, where the development of the commodity economy has "moral decline" as the price. This is the objective grounds on which, in the process of developing a socialist planned commodity economy, we repeatedly stress the building of a high degree of socialist spiritual culture. It is also the theoretical basis for criticizing the "idea of having to pay a price."

Of course, when it is pointed out that under socialist conditions the commodity economy and spiritual culture are basically coordinated and form a unity, this is not to say that there are no contradictions and clashes between them. Neither does it mean that negative and corrupt phenomena that go against spiritual culture cannot emerge. The socialist commodity economy cannot completely avoid blindness or spontaneity. Because of the cracks and loopholes resulting from the fact that in the process of its development it is difficult to quickly create and perfect laws, systems, and management, and because in society there remain feudal and bourgeois ideas it is not possible in the process of development of the socialist commodity economy to completely avoid the emergence of some negative and corrupt phenomena, and their emergence is not strange. However, this is something completely different from the proposal that we need to pay the price of a "spiritual slide" in developing the commodity economy. The existence of the problem is one matter; our understanding of and attitude toward it is another. Although it is difficult to completely avoid negative and corrupt phenomena in the socialist commodity economy, they can be gradually reduced and resolved through work. In the past, we talked much about the first aspect and little about the second. This must be said to be a major factor in the weakness of the building of socialist spiritual culture. On this point, the influence produced by the "idea of having to pay a price" cannot be overstated. It has resulted in our being lax and even abandoning the responsibilities and mission we should be taking on, and, intentionally or otherwise, it has promoted the growth and spread of negative and corrupt phenomena.

The "idea of having to pay a price" clearly requires us to pay two types of price: Various negative phenomena in society cannot be overcome and are becoming increasingly intense, with the result that the masses' complaints are growing. On the other hand, these negative phenomena seriously interfere with and damage the development of the socialist commodity economy. The situations resulting from "looking for money in everything" and involving passing off second-rate goods as quality goods, of using poor-quality products for good-quality products, and of offering and accepting bribes have meant that there has been no way to establish the normal competition and order needed by the commodity economy. In addition, gambling, superstition, and extravagant weddings and funerals have eaten up large amounts of labor, finances, and material resources. They have also resulted in difficulties for the development of the commodity economy. Clearly, just grasping the commodity economy and not grasping spiritual culture will inevitably give rise to chaos and it will not be possible to run the socialist commodity economy well.

II. The Commodity Economy Principles Cannot Simply Be Transferred to the Ideological and Political Spheres

The development of a socialist planned commodity economy has certainly brought many changes to the ideological and political spheres and these spheres have

had to face many new problems. Studying the new changes, resolving new problems, and promoting ideological and political development in society are important tasks in the building of socialist spiritual culture.

There is a proposal which, taking "mutual accommodation" as its logic, advocates transferring some of the principles of the commodity economy to the ideological and political spheres, to promote a conceptual "change" in these spheres.

For example, in running a commodity economy, one must respect the law of value and that the position of money in economic and social life has become more prominent. Thus, through carrying out theoretical "elevation" and "summation," they propose "looking at everything in terms of money" and hold that strengthening money consciousness has prominent historical significance.

For example, in running a commodity economy, one stresses exchanges of equal value and, thus, they propose that we should draw the principle of exchanges of equal value into political life and thereby transform political life.

It cannot be denied that, because of the promotional role of the socialist commodity economy, the conceptual "kingdom" has seen changes of historical significance. However, at the same time, we cannot deny that simply transferring some of the principles of the commodity economy to the ideological and political sphere has already led to much ideological perplexity and chaos and thereby many negative social phenomena have resulted.

Under the attacks from and seduction of the idea of "looking at everything in terms of money" there has been a tilting of the socialist system of values, which was formed through a long period of revolution and construction. Also, the system of traditional values involving national spirit and morality has almost collapsed. This has been manifested in that some people believe that money is a medal from society. The more money one has, the greater the respect and esteem one has from society. Thus, in pursuit of money, some people will disregard the law, sell their principles, and discard their national and personal dignity. In pursuit of money, some people will ignore their conscience and not even help to save others from death. In their pursuit of money, some people will gamble, deal in drugs, prostitute themselves, trade in people, and do just as they please. Honesty, frugality, simplicity, being willing to fight for a just cause, helping those in need, and other moral values that have been lauded through history are now derided and scoffed at. On the other hand, actions that profit oneself at the expense of others and that harm the public while benefiting private interests are seen as "experience," as ways to achieve higher goals, and as ways to teach each other. After the principle of "exchanges of equal value" is drawn into political and social life, the practice of "each supplying what the other needs" springs up and there are frequent exchanges of all types

between power and power, power and money, and money and principles. Professions and jobs also become bargaining chips. There are all sorts of charges, including "benefit charges," "hardship charges," and "service charges," while "water tigers," "coal tigers," and "electricity tigers" have emerged all over the place. Regular matters must be arranged through abnormal channels, such as "going through the back door" and "sending gifts"; and improper activities can be properly arranged through normal channels by "spending money and sending gifts." Of course, the reasons for the emergence of such disgusting phenomena are very complex. However, no matter what is said, the role played by shifting the principle of "exchange of equal value" into political and social life cannot be excluded from this.

The advocates of drawing various principles of the commodity economy into political life claim that this is adhering to historical materialism. However, the absurdity of such advocacy goes precisely against historical materialism. Economic life is the basic life of society, but is not the entirety of society. In the economic realm, in developing a socialist planned commodity economy, the advocacy of the principle of exchanges of equal value and respecting the law of value is completely appropriate. However, it is very wrong to ignore the basic principle in socialist economic relations that public ownership is the main part and distribution according to work is the main form of distribution; to ignore the decisive influence they have on other aspects of social life; and to extend the principle of exchanges of equal value, which is only one characteristic of nonsocialist economic relations, to all relations between people. Not only this, but the various social relationships between husbands and wives, comrades, friends, teachers and students, and superiors and inferiors, which are produced in diverse life situations such as marriage and the family, ideological and political life, moral life, and cultural and aesthetic life, also permeate economic life. Thus, although they are in the economic sphere, the relationships between people are not solely economic relationships and certainly not only commodity relationships. In many areas apart from economic life, people have noneconomic social relationships and these relationships face specific issues and follow their own specific patterns. They are undoubtedly subject to the restrictions and influences of economic life, but they are not laterally shifted from economic life. They have their own relative independence and have their own historical inheritance and history of development. They are gradually formed and clarified through the long practice of the life of mankind. They should not and cannot be completely swallowed by economic principles.

Although commodity relations have greatly affected the ideological, political, marital, family, and moral spheres, in capitalist society where the worship of money is rife, the roles of exchanges of equal value and of money are not unlimited, nor are they omnipotent and the answer to everything. The principles of loving marriage, being willing to fight for a just cause, eliminating violence and

seeking peace, assisting the needy, and other such moral principles that censure evil and praise goodness have always been seen by all upright persons as noble characteristics. Meanwhile, the social philosophy of blindly seeking money and taking money as the sole criterion in everything has, to a certain degree, been subject to attack and has been spurned.

The reason some people advocate drawing the various commodity economy principles into political life is that they see commodity relations as the most basic economic relations. This is a major theoretical mistake. Although we have implemented a planned commodity economy, socialist public ownership relations are still the most basic economic relations. They are the deepest, most basic, and most decisive relations in all relationships. The planned commodity economy has these basic economic relations as its base and it is also restrained by and reflects these most basic economic relations. The principles of laboring people being masters, equality and mutual benefit, uniting as one, and collectivism, which extend from these basic economic relations, are not only suited to the ideological, political, and moral spheres, but should also be widely employed in the socialist planned commodity economy. They can be implemented together with exchanges of equal value and the law of value. It is for this reason that we stress both the relatively independent interests of enterprises as commodity economy entities and also link them together as the state's interests. We stress both a competitive relationship between enterprises and a cooperative relationship of mutual benefit between enterprises. It is also for this reason that in economic life, the law of value and the principle of exchanges of equal value cannot be seen as supreme and the reason enterprises cannot prostrate themselves before the dogma of "looking at everything in terms of money." Attaining profits is the goal of enterprises, but this goal must be subordinated to the overall goal of satisfying the rising material and cultural needs of the members of the whole society. Enterprises must not violate state policies and laws or appropriate other people's labor illegally or in an uncompensated manner. That is to say, the rules for enterprise activities should be subject to the restrictions of the basic laws and conditions of society. Thus, regardless of whether we look from the moral or the economic angle, money does not dictate everything in social life.

III. Spiritual Culture Cannot Be Spontaneously Produced Through the Commodity Economy

People often say that the development of the socialist planned commodity economy encourages people to attack and weed out some old ideologies and form some new ideologies, including stressing scientific and cultural knowledge. However, it is easy to forget that, whether we talk about the weeding out of old ideologies or the creation and spreading of new ideologies, or even the renewal and development of livelihood modes, none of these constitute a natural process. The building of socialist spiritual culture is an actively guided process of

conscious practice. This is even more true during the period of developing the commodity economy.

There are some perverse phenomena that are worthy of attention: Opinion holds that the development of the commodity economy can bring with it democracy, freedom, and other modern concepts. On the other hand, much extreme democracy has appeared in society, which does not want centralism or authority and where each goes his own way, and much absolute freedom where people do not want the restrictions of discipline or the law. Opinion holds that the development of the commodity economy brings with it a desire by people for cultural knowledge. On the other hand, many phenomena have appeared in society whereby study is abhorred and rejected. Opinion holds that the commodity economy brings with it modern, cultured, and healthy lifestyles. On the other hand, disgusting phenomena such as gambling, prostitution, drug-taking, and feudal superstition have appeared, and decadent and corrupt lifestyles have spread like sludge. It can be seen that the development of the commodity economy cannot by itself, naturally and easily, give us a high degree of spiritual culture in society.

In the process of developing a socialist planned commodity economy, even if we disregard the three types of partly or fully foreign-funded enterprises, individual operations, and private operations, and talk only about whole-people enterprises and collective enterprises, it is not possible in production operations practice for socialist ideological and moral principles to be spontaneously produced. Enterprises, as relatively independent commodity economy entities, have their own specific economic interests and they engage in mutual competition. However, enterprises are also economic entities established on the basis of public ownership of the means of production, and socialist relations of production determine that enterprises also have common interests and common goals. Thus, they are also in a situation of mutual cooperation. The direct goal of enterprises is the interests and benefits of the enterprise. However, this must be subordinated to the socialist production goal of satisfying the material and cultural needs of the masses. The staff and workers of enterprises are producing material and spiritual products needed by the laboring masses, which include themselves. However, under present conditions, we cannot completely shake off the nature of labor as a way to make a living. Because of this situation, in the process of developing a socialist commodity economy, it is possible that the small group tendency, which stresses only partial interests and does not stress, or may even harm, overall and state interests, will appear. Other phenomenon which may occur include money worship where people blindly seek money, pernicious practices such as squeezing out competitors by fair means or foul, and the employee idea where one does so much work for so much pay. Thus, it is obviously necessary and important that we conduct, in a targeted way, education and propaganda in socialism and collectivism.

It especially needs to be pointed out that the rich and advanced material conditions created by the development of the commodity economy provide only the possibility for developing spiritual culture. This is not the same as realizing it. Between possibility and realization we need to do a great amount of arduous work. If we are unable to consciously utilize the material conditions and development opportunities provided by the commodity economy, they may turn into material carriers and opportunities for corruption, benighted activities, and barbarity. In the ideological and cultural spheres the material and the spiritual join with each other and intertwine. The manifestation and propagation of ideology and culture require a material shell and carrier. However, the nature of ideology and culture manifested and propagated is not determined by the material shell and carrier. The use of the material measures is influenced and determined by the spiritual features of the user. Beneficial and healthy ideology and culture can use advanced material measures and rich material resources. In the same way, benighted and corrupt ideology and culture can also use the same things. People have seen, on more than one occasion, situations in various places experiencing swift development of the commodity economy whereby some people's financial resources are not being invested in the scientific and cultural spheres, but are used on gambling, prostitution, expensive funeral arrangements, engaging in superstitious activities, and so on. In addition, there have been many instances of using computers to tell people's fortunes, using videoplayers to screen pornographic videos, and playing modern music to release the souls of the dead from purgatory. Our country has over 200 million illiterate and semiliterate people and, at the same time, feudal and bourgeois ideologies exist in our society. In such an ideological and cultural situation, facts prove that the idea that the development of commodity economy can spontaneously bring with it socialist spiritual culture is a pipe dream. Quite the reverse, this "theory of spontaneity" brings real harm to spiritual culture.

Marx, when speaking of the unbalanced relationship between the development of material production and the emergence of the arts, said that "in the case of the arts, it is well known that certain periods of their flowering are well out of proportion to the general development of society, hence, also to the material foundation, the skeletal structure as it were, of its organization."⁴ Engels also said that "on the philosophical level, economically backward countries can still play first fiddle. France was like this in the 18th century with respect to England (Although the French drew in English philosophy as a base), and later Germany was also like this with respect to England and France."⁵ This tells us that spiritual culture develops along with the development of material culture and also that it has its own relatively independent development. Our commodity economy has not yet developed, but this does not mean that we can relax or ignore the building of spiritual culture, or that we can wait until the commodity culture is developed before

grasping spiritual culture. During the years of the revolutionary war, the material aspect was greatly lacking, but we established the great "Yanan spirit" which, even today, we need to carry forward. Under today's material conditions we have no reason not to properly grasp the building of spiritual culture. The idea that we should wait until material culture has developed before we grasp the building of spiritual culture is not in accord with the pattern of development of things. Only if we seriously grasp the building of spiritual culture at the same time as we grasp the building of material culture, will we truly be able to do well in the building of spiritual culture.

In fact, the building of spiritual culture exists not only as a part of the entirety of the socialist cause, but also as an important condition and innate requirement for the development of material culture and of the socialist commodity economy. We oppose stressing the building of spiritual culture divorced from the commodity economy and we also oppose stressing development of the commodity economy divorced from the building of spiritual culture. Under socialist conditions, the development of the commodity economy provides conditions and the opportunity for building spiritual culture, and the building of spiritual culture in turn powerfully promotes development of the commodity economy. Of the productive forces, the most vital factor in developing the commodity economy is people; raising the ideological and cultural qualities of people and improving and optimizing the ideological and cultural environment in society undoubtedly benefits the development of the socialist commodity economy. This is a simple truth that has been proved repeatedly by positive and negative experiences and lessons. Because relaxing and weakening the building of spiritual culture can cause dual damage, the proper handling of the building of spiritual culture can bring with it the dual benefits of self-building and the building of material culture. It can thereby promote swifter and better development of the social productive forces.

Footnotes

1. *Selected Works of Marx and Engels*, Volume 2, p. 79.
2. *Ibid.*, Volume 2, p. 75.
3. *Das Kapital*, Volume 1, p. 107.
4. *Selected Works of Marx and Engels*, Volume 2, pp. 112-113.
5. *Ibid.*, Volume 4, p. 485.

Masterpieces of Systematic and In-Depth Study of Mao Zedong Thought—Reviewing Volumes 6 and 7 of *The History of Marxist Philosophy*

HK2405090190 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 9, 1 May 90 pp 44-46

[Article by Guo Jianning (6753 1696 1337)]

[Text] The eight-volume work *The History of Marxist Philosophy*, which is being edited by Huang Nansen

[7806 2809 2773], Zhuang Fuling [8369 4395 7881], and Lin Li [2651 0448], is a major work in which our country's philosophy workers research, in an overall way, the formation and development of Marxist philosophy. The first volumes published were Volumes 6 and 7, edited by Song Yixiu [1345 0001 4423], Sun Kexin [1327 0344 0207], and Su Houzhong [5685 0624 6850]. These volumes describe the propagation of Marxist philosophy in China and the emergence, formation, and development of Mao Zedong Thought. Reading Volumes 6 and 7 of *The History of Marxist Philosophy* (hereinafter abbreviated to Volumes 6 and 7) is both inspiring and gladdening. They draw widely on the achievements of research into Mao Zedong Thought in our country in recent years and achieve a new breadth and depth in systematic and deep research. They manifest the highest level of research into Marxist philosophical thought in our country at present and constitute the newest masterpieces in our country's research into Mao Zedong Thought. Their publication and distribution are of great importance and benefit in promoting research into Marxist philosophy and especially research into Mao Zedong Thought, in assisting the broad number of cadres and the masses in studying Marxist philosophy and Mao Zedong Thought, and in mastering a scientific world view and methodology. In the current international situation which is undergoing great change, they will also facilitate maintaining sober minds, grasping the correct orientation, reducing blindness, and strengthening political consciousness.

Examining the entire process of the emergence, formation, and development of Mao Zedong Thought in an overall way and making efforts to grasp, from the vertical aspect, the integrity of the logical development of Mao Zedong Thought, are the outstanding characteristics of these volumes. Since the Third Plenary Session of the 11th CPC Central Committee, 40 to 50 books have been published on Mao Zedong Thought and the history of its development. However, research on the process of development of Mao Zedong Thought has been insufficiently systematic and all-embracing. Some works have covered the situation only up to 1949, others up to 1956, while others have included material up to 1966. Although a few have embraced the new period, they often skirt the Cultural Revolution or deal with it in a few sentences. Thus, there have been obvious shortfalls and deficiencies in our research. Volumes 6 and 7 overcome these shortfalls. Volume 6 describes in a complete and systematic way the history of the spread and development of Marxist philosophy in China from 1919 to 1949. Through combining theory and practice, it deeply reveals the process by which Mao Zedong Thought sprouted, emerged, and developed in the period of the new democratic revolution. Volume 7 describes, also in a complete and systematic way, the history of the spread and development of Marxist philosophy in China from 1949 to 1987 and reflects, in a way which seeks truth from facts, the complicated road of development of Mao

Zedong Thought during this period. It sketches, in an overall and complete way, the basic locus and strands of development of Mao Zedong Thought.

It particularly needs to be pointed out that it was an extremely necessary and insightful decision to allocate a complete volume of the work to describing Mao Zedong Thought since the foundation of the PRC. Past research into Mao Zedong Thought put much stress on the period of the new democratic revolution, while being quite weak on researching the socialist period. For example, there have been books published in the PRC on early Mao Zedong Thought, on Mao Zedong Thought during the War Against Japanese Aggression, and on Mao Zedong Thought during the Yanan period. However, there is a lack of monographs on the history of the development of Mao Zedong Thought during the socialist period. This is indeed a major shortcoming and a cause for regret. At the same time as striving to do well in research into Mao Zedong Thought during the early and new democratic revolution periods, it is necessary to turn the focus of research to the twisting development in Mao Zedong Thought during the socialist period. This is essential in more completely studying and mastering Mao Zedong Thought, better summing up the positive and negative historical experiences since the founding of the PRC, and for exploring a road for building socialism with Chinese characteristics. We are happy to see that Volume 7 has completed effective development work in this respect. In particular, the special chapter devoted to studying Mao Zedong Thought during the 10 years of the Cultural Revolution can be said to have filled a blank in the history of the development of Mao Zedong Thought. We know that research on this period is quite difficult to conduct. However, if we want to maintain the unity of history and logic and of theory and practice, and study the entire development process of Mao Zedong Thought in an overall way, we cannot avoid such research. If we do not study how Mao Zedong Thought was distorted during the 10 years and do not understand the rampant idealism and wild metaphysics of Lin Biao and the gang of four during the 10 years, we will be unable to completely grasp the threads of development of Mao Zedong Thought during the new period. With a scientific attitude and adherence to materialism and dialectics Volume 7 reveals the twisting course of development of Mao Zedong Thought during the socialist period; objectively appraises the new contributions made by CPC members, represented by Mao Zedong, and by Marxist philosophers; makes an initial analysis of the subjective mistakes by Mao Zedong in his latter years; and criticizes the reactionary philosophical ideas of the Lin Biao and Jiang Qing gang. It also fully describes the use and development of Mao Zedong Thought by the party and Comrade Deng Xiaoping in the practice of building socialism with Chinese characteristics since the Third Plenary Session of the 11th CPC Central Committee. It thereby raises to a higher plane our country's research into Mao Zedong Thought during the socialist period.

Another obvious characteristic of this book is that it closely links up with the realities of the development of

contemporary Chinese philosophy and, on a lateral level, it develops the sphere of research into Mao Zedong Thought. The formation and development of Mao Zedong Thought is closely linked with contemporary Chinese philosophy. In researching Mao Zedong Thought, and closely linking it with contemporary Chinese philosophy, Volumes 6 and 7 make valuable efforts and achieve obvious results. First, while they devote much space to introducing the formation and development of Mao Zedong Thought, they also discuss the philosophical thoughts of Liu Shaoqi, Zhou Enlai, Zhu De, and others of the elder generation of revolutionaries. For example, they carry out specialized enquiries into Liu Shaoqi's dialectics of work tactics in the KMT-controlled areas and his *On Self-Cultivation by Communist Party Members*; Zhou Enlai's *On the United Front* and its philosophical significance; and into Zhu De's *On the Battlefronts in the Liberated Areas* and its philosophical significance. Second, they introduce in a detailed way the philosophical ideas and activities of other Marxists. For example, they detail the influence of Li Dazhao, Chen Duxiu, Qu Qiubai, Cai Hesen, and so on, about propagation of the materialist view of history and the influence of Ai Siqu's *Philosophy of the Masses*, Li Da's *Outline of Sociology*, and the influence of Yang Xianzhen, Feng Ding and others on research into Marxist philosophy. Third, they introduce the study and research of Marxist philosophy by the broad masses. For example, they describe the role which the Chinese Alliance of Social Scientists played in spreading Marxist philosophy and the mass movements whereby workers, peasants and soldiers studied philosophy. Fourth, they provide key introductions to some of the major philosophical controversies in the history of modern Chinese philosophy. These include, for example: the three major controversies during the May 4th period, including the controversy over issues and ideology; the controversy over socialism and the controversy over anarchism, and their philosophical significance; the controversies during the 1930's over the nature of Chinese society and over materialist dialectics; and the debates in the 1950's and 1960's over subjective dynamism and objective laws, over the identity of thought and existence, and over one dividing into two and two combining into one. Finally, they also introduce the idealist schools which have had quite an influence on the history of modern Chinese philosophy. For example, they criticize and appraise the nationalism [guo jia zhu yi 0948 1367 0031 5030] school, the ideas of Dai Jitao, the "life" theory [wei sheng lun 0787 3932 6158], the philosophy of "action" [li xing zhe xue 0500 5887 0772 1331], the Zhanguoce school, and the various tides of new idealism [xin li xue xin xin xue 2450 3810 1331 2450 1800 1331]. Tightly combining with the development of contemporary Chinese philosophy, they examine Mao Zedong Thought against a broad philosophical and cultural background, an approach not often seen in previous works on Mao Zedong Thought. Volumes 6 and 7 broaden the train of thought in research into Mao Zedong Thought. They are able to fully manifest the fact that Mao Zedong Thought is a crystallization of collective wisdom and also to show

how Mao Zedong Thought was formed and developed through struggle on the thought front. Thereby, they greatly promote and deepen research into Mao Zedong Thought.

The scientific attitude of seeking truth from facts, which is adhered to in Volumes 6 and 7, corrects the tendency to raise Mao Zedong Thought to ever higher heights and, on the other hand, firmly opposes the tendency to arbitrarily depreciate Mao Zedong Thought. Seeking truth from facts is the essence and spirit of Mao Zedong Thought and is undoubtedly the basic principle in researching it. The scientific attitude of seeking truth from facts in Volumes 6 and 7 is prominently manifested in the following three aspects: First, their historicity. When analyzing and appraising the viewpoints and propositions of Mao Zedong Thought, these volumes place stress on examining them in the overall historical development of Marxist philosophy. In discussing many of the viewpoints, such as "the viewpoint of practice" and "the basic contradictions in society," it is shown that they began with relevant expositions by Marx and Engels, were subjected to research by Lenin, Stalin, and Soviet philosophers, and afterwards were elaborated on by Mao Zedong. Thus people are able to see the origin and development of Mao Zedong Thought. People are also able to feel how Mao Zedong philosophical thought follows the theoretical road of Marxist philosophy and how it develops Marxist philosophy. This gives a strong sense of history. Second, their accuracy. In a way which seeks truth from facts, they make just and fair appraisals and, in respect of Mao Zedong Thought, they neither lavish undeserved praise nor avoid mentioning things. For example, in an analysis and appraisal of the article "Where Do People's Correct Ideas Come From?," this book fully affirms the article's important contribution and philosophical significance, but also points out that it contains a mistaken element in that it takes the theory of the expansion of class struggle as "correct ideology." Third, their practical nature. Mao Zedong was not only a philosopher, but also a politician and a revolutionary leader. His philosophical thought is not armchair philosophy and is tightly linked with understanding the masses and revolutionary practice in transforming the world. It is a sharp weapon in the hands of the masses. "If a canal is clear, there must be a source of fresh water." Divorced from China's revolutionary practice, one cannot grasp the threads and locus of the development of Mao Zedong Thought. Volumes 6 and 7 tightly tie together research into the course of China's revolution and construction, with expositions of Mao Zedong Thought. At the same time, they adhere to the method of unifying logic and history and to the principle of combining theory and practice. This is the basic reason for the book's success.

Volumes 6 and 7 of *The History of Marxist Philosophy* provide us with new results in the study of and research into Mao Zedong Thought. At the same time as gladly introducing these masterpieces of systematic and in-depth study of Mao Zedong Thought to the broad number of cadres and the masses, we earnestly await the

publication of new books which can, to an even greater extent, spread Marxist philosophy and Mao Zedong Thought, so as to continually push forward our country's study of and research into Marxist philosophy and Mao Zedong Thought.

A Thrilling Climb Up the Dayan Pagoda

HK2705003090 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 9, 1 May 90 pp 47-48

[Article by Liu Zheng (0491 1767)]

[Text] When I first visited the Dayan (Big Goose) Pagoda in Xian, I was unable to climb up and have a look around as it was then under renovation. This pagoda was built by the Tang dynasty monk Xuan Zhuang [3763 1155] who studied in India for 17 years and brought back to China 657 volumes of the Buddhist sutra. It was originally part of the compounds of the Cien Temple. The temple had long since gone to ruin, but the pagoda still stands after more than 1,300 years. Although I did not have the pleasure of climbing the pagoda, I could feel the vastness of the universe just touching the bricks and stones there. I returned to visit the Dayan Pagoda some years later, and this time I was able to climb all the way up to the top level.

It was late autumn. Looking around, I could see buildings, fields, and patches of yellow and green woods. Railway lines and roads ran in all directions, with trains and cars running from time to time, looking like centipedes and beetles. Half hidden in the clouds, the Zhongnanshan Mountain looked like a huge bird about to take off. To commemorate this visit, I wrote a poem to the tune of *Nanxiangzi*. It read: "Twelve hundred years have lapsed since the events of Shaoling, which were filled with blood and tears. Great changes have taken place in between, but the shadow of the pagoda still stands in solitude in this universe. From here, I can see webs of roads and chimney smoke dotting the vast expanse of Shaanxi. Say not that the Zhongnanshan has accomplished nothing this last millennium. It is getting ready to take off and chase the condors in the sky." At that time, I was completely free of worries and feeling very light-hearted.

Perhaps because we were of the same trade, the person who came into my mind then was not so much the Tang monk as the poet Du Fu. In the 11th year of the Tianbao reign, or 752 A.D., Du Fu came to visit the Cien Pagoda, as the Dayan Pagoda was then called, with Gao Shi [7559 6624], Shen Can [3088 0639], Chu Guangxi [0328 0342 5032], Xue Ju [5641 2207], and other poet friends. They each wrote a poem to mark the occasion. Except for Xue Ju's work which was lost, the other poems can all be found today. It goes without saying that Du Fu was a household name. As Gao Shi, Shen Can, and others were also great poets at the height of the Tang dynasty, their meeting was a grand occasion in poetry circles. Wang Xizhi [3769 5032 0037] has left us a unique specimen of calligraphy to commemorate the Orchid Pavilion

meeting, but he did not leave us any poem. The poems left us by these poets are highly readable.

There were some very incisive words in the poems written by Gao Shi and Shen Can on this occasion. For instance, Shen Can wrote: "Autumn creeps in from the west to fill the vast land of central Shaanxi. But on this plain to the north of the five imperial tombs, the trees will stay green forever." Such majestic feelings were completely befitting to the atmosphere of high Tang. However, their poems stopped at the description of scenery from the top of the pagoda. They could not step out of the hackneyed tune of venting one's grievance at being out of favor and longing for a life in retirement. Du Fu's poem was a head taller than the rest. What critics said was quite true. It was indeed "better than the works of any other scholars, and would have no parallel in a thousand years."

Poets are no politicians. Du Fu compared himself to Ji and Xie, ministers of the ancient Emperor Shun. He had the ambition to "be adviser to Emperors Yao and Shun." Important official though he was, he could not always have his way in actual work. Poets, on the other hand, come closer to the reality of life and have a keen sense of observation. They can see what is forthcoming from small clues. When politicians are still asleep and cannot see clearly, they can predict what is going to happen with some degree of accuracy.

In the 11th year of the Tianbao reign, just three years before the rebellion staged by An Lushan [1344 4389 1472], China was on the eve of a national disaster. At that time, Emperor Xuanzong was still wallowing in wine and women and leading a debaucherous life. Yang Guozhong [2799 0948 1813] and family were as domineering as ever and could do as they pleased. Let us look at the 13th year of the Tianbao reign, that is, two years after Du Fu's visit to the pagoda and one year before An Lushan rose in rebellion. The ministers petitioned the "Great Treasure of Heaven and Earth, Sage Father, Spiritual Warrior, Witness to the Dao, Filial and Virtuous Kaiyuan Emperor" for a general amnesty. Wearing this hat which was so tall it reached heaven, and with a false show of peace and prosperity before him, the wayward emperor really felt on top of the world holding the beauty Yang Yuhuan [2799 3768 3883] in his arms. When An Lushan indeed rose in rebellion with his army of 200,000 men, "kicking up a train of dust a thousand li long and with a din that shook the earth," "the emperor still refused to believe what he saw, saying that it was a show put up by people who hated An Lushan." What a muddleheaded emperor. At that time, "because the country had enjoyed peace for so long, the masses had no military knowledge whatsoever. When news of the rebellion at Fanyang spread, the whole nation was shocked." "Resistance disintegrated wherever the insurgent troops went. Mayors and magistrates either opened the city gates to welcome the rebels, or abandoned their cities, or were captured and killed. No one dared put up any resistance." The insurgent troops could therefore march through Tongguan and capture Changan. The cause of

this tragedy that marked the decline of the prosperous Tang dynasty was that the whole country had been ideologically disarmed and was not prepared for war.

Let us go back to the poem of Du Fu. "The high beacon stands taller than the sky; and the strong wind never stops. Lacking the heart of a recluse, worries churn in my heart as I climb this pagoda." He made it clear how full of worries he was during this revisit. He went on, "The Qin Mountain has suddenly crumbled and the Rivers Jing and Wei can no longer be found. Looking down, I can see only clouds. How am I to recognize the imperial land? I turn back and appeal to Emperors Yu and Shun, but the old trees say they too are worried. Gone are the days of feasting at the Yaochi Pool and on the foot of the Kunlun Mountains." Different critics interpreted this poem differently, but they all agreed that it was an "apt satirization of current events." What he described here was not the actual scenery seen from the top of the pagoda, but the picture of a broken country, a land of imminent disaster. The last line not only mocked the emperor for his debauchery, but, as Qian Qianyi [6929 6197 4135] noted, "pointed out that with countrywide disorder looming in the horizon, wining and dining can no longer be tolerated as part of everyday life." How keen was his insight! How accurate was his foresight! But the words of the lowly carry little weight. His warning failed to reach the emperor. Even if this poem did have a chance to reach the emperor, it would only be frowned on (the Emperor Xuanzong was quite above literary inquisition) and would not be given the kind of appreciation accorded to the three verses on ceremony which he presented earlier.

I am sorry to say that although my version of *Nanxiangzi* did presage the motherland taking off, it was something quite obvious to all, not my prediction of what was forthcoming from the small clues I saw. It shows my mediocrity. Perhaps I am not even good enough to wait on the poet sage. But if I were to write this poem again, these last 10 years would have given me a lot more knowledge and insight. The view from the Dayan Pagoda may be limited, but the vision of a poem can embrace the whole world. The breeze blows across the vast ocean that surrounds the divine land, raising not a ripple. But if we were to look more carefully, we might be able to see the back fins of sharks peeking above the water, then fast disappearing into the deep like specters. This is a very horrifying thought.

A Precious and Tough Plant of Grass—Reviewing the Modern Drama *Tough Grass in Strong Wind*
HK2705003490 Beijing QIUSHI [SEEKING TRUTH]
in Chinese No 9, 1 May 90 p 48

[Article by Zhang Yongsheng (1728 3057 3932)]

[Text] After a successful run of more than 500 shows in various parts of the country, a typical "main theme" modern drama is still going strong and drawing keen response from audiences. This cannot but arouse public

attention. We are talking about the full-length drama *Tough Grass in Strong Wind* written by Geng Han [5105 3352] and Wang Ya [3769 1246] and staged by the Benxi City Modern Drama Troupe of Liaoning Province.

It is a good play depicting how discipline inspection cadres eliminate corruption and support reform. It tells of how Hu Dehai, assistant general manager of a development corporation in a certain city, fanned the winds of evil and resorted to underhand means in his attempt to arrogate all powers to himself so he could do as he pleased. Because of his doing, Song Jianguo, the company's manager, who was keen on reform and bold in development endeavors, was dismissed from office and prosecuted. Prevailing over interference and resisting pressure, Lin Jingwen, standing committee member of the city's discipline inspection committee, and others carried out thorough investigations and handled the case impartially, eventually bringing the truth to light. Justice prevailed over evil and the reformers once again embarked on their cause. The play unfolds a series of dramatic conflicts around the questions of whether to support and protect reform or interfere with and sabotage it, whether corruption should be punished or abetted. It is a stimulating and thought-provoking play with a clear theme and a profound meaning.

As an important component of ideology, literature and art exert an imperceptible influence on and guide people's thinking and social life as a whole. Hence, literary and art creation must attach great importance to social benefits. *Tough Grass in Strong Wind* draws its material from the thick of reality. It neither relies on a bizarre plot to attract the audience nor appeals to people's sensory organs. In depicting the fight against corruption, it is of course necessary to expose corrupt phenomena. However, such exposure must be appropriate and must tally with reality. If we do this inappropriately or take the part as the whole, we will only succeed in arousing the intense sentiments of the audience and create undesirable social effects. Some time ago, influenced by the trend of bourgeois liberalization, literary and art works were keen on exposures, such as saying that there were very few good cadres, that the party was full of impurities, and that the Communist Party was rotten to the core, as if it had come to a stage where dynastic changes were necessary. This can only arouse and encourage distrust in the party and the government, weaken people's confidence in the fight against corruption, and lead to social instability. With a strong sense of social responsibility, *Tough*

Grass in Strong Wind examines and dissects the corrupt phenomena in society. Hu Dehai in the play is a typical representative of corrupt elements. But the play does not stop at shallow exposure that gives no regard whatsoever to social effect. Rather, it attempts to reveal at a deeper level the historical inevitability that corruption is doomed, and demonstrates the determination and ability of our party and government in eradicating corruption in order to arouse the confidence and courage of the masses in fighting corruption. Lin Jingwen waged a tit-for-tat struggle against the perverse acts of Hu Dehai and others. Retired secretary Li Feng also stepped forward bravely to fight corruption. The masses shared bitter hatred of corruption. Even Hu Dehai's secretary who had gone astray showed repentance. Do these facts not show that corruption does not enjoy popular support and that the fight against corruption accords with the will of the people? Small wonder that the audience always applaud when they see Song Jianguo and others present Lin Jingwen with a tablet bearing the inscription *Tough Grass in Strong Wind*.

The image of discipline inspection cadres has always been misrepresented in abstract ways as deadly serious people who talk about principles all the time and have no human emotions. In the play, discipline inspection cadre Lin Jingwen is given a new artistic image. She is presented as a real person with real human emotions. She remains unmoved despite threats from bad people and the pressure put on by her "ex-husband" who holds the important post of vice mayor. However, when her son who had been repeatedly wronged kneels before her and begs her to give up her discipline inspection work, she cannot but feel ashamed at not having been a good mother. At this point, the audience is impelled to shed tears of understanding and esteem for Lin Jingwen. People hope to see the eradication of corruption, and discipline inspection cadres who are fighting on the forefront of the battle against corruption need to be understood and need our support.

After watching *Tough Grass in Strong Wind*, people who have engaged in corrupt acts will feel a hard slap on the face. Reformers will be encouraged. Although they may find themselves in adverse circumstances at times, they should have high morale and confidence in victory. Every party member, every cadre and every person who has seen the play should seriously ponder this question: How are we going to stand firm like a tough grass in strong wind and violent storms?