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No 6, 16 March 1991

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Speech at a Meeting With the 'Lei Feng Regiment' (29 October 1990)

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[Text of speech by Jiang Zemin; published in FBIS-CHI-91-042, 4 March 1991, pp. 17-18]

In Emulating Lei Feng, What Is Important Is To Grasp the Essence

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[Commentator's article; published in FBIS-CHI-91-044, 6 March 1991, pp 13-14]

Coordinate All Aspects of Endeavor; Pool Efforts To Grasp Economic Work

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in Chinese No 6, 16 Mar 91 pp 5-8, 38

[Article by Mao Zhiyong (3029 5268 3938)]

[Text] After the Third Plenary Session of the 13th CPC Central Committee, it has become more apparent that various departments of the province have taken economic construction as the core ideology in the wake of the strategic shift of the core of the whole party's work, and their conscience has been constantly strengthened. Nevertheless, this does not mean that all localities and departments of the whole province, and comrades working in all areas, have thoroughly taken the economic construction as their core of ideology. In fact, some comrades are still influenced by certain one-sided thinking about taking economic construction as the core. When readjusting the authority and interests in certain areas concerning reforms, they often proceed from the viewpoint of their local units rather than from the viewpoint of overall economic development, so that their performance in the actual work has not been harmonious, and decisions that conform to reality and must be implemented immediately are not satisfactorily carried out. Certain issues that should be and could be promptly solved often are not. Comrades who are capable and really devoted to their work often find it difficult to get rid of constraints when handling disputes. If this problem is not resolved, we shall lose valuable time and an opportunity and shall slow down the pace of economic construction. Therefore, it becomes important for us to seriously study this topic to find a better way to coordinate the work of various areas and to make concerted efforts in economic construction.

In order to coordinate the work of various areas and to make concerted efforts in economic work, one must be good at controlling various contradictions that mutually restrict and interact with one another. One should make the best of the situation, concentrate efforts on solving major contradictions, and do well in economic work. Judging from the situation in Jiangxi, in order to achieve

this, we must further understand and solve problems in our guiding ideology and practical work concerning the following issues:

1. Everyone should make sure that his job is well done; and should also voluntarily submit himself to and serve the core of economic construction.

It is clear that economic construction is the center of the party's task. However, because of the need to comprehensively develop society and the varied division of labor, naturally everyone's job should be different. This, therefore, concerns the issue of how to handle the relationship between one's own work and that of the party's central task. I believe that the correct attitude toward this issue should be: On the one hand, one must conscientiously do well in his own job; and on the other, one's own job must not deviate from the party's central task. One must arrange one's own work around the party's central work. Though the two complement each other, they are not on an equal footing. The key to this is that the work in various areas must be subject to and serve the core work of economic construction.

Why do I say this? It is because I think that the basic task of socialism is to develop productive forces; and that in the final analysis, the superiority of the socialist system, as well its thriving vitality, can be fully manifested only by a steady growth of the national economy and a gradual improvement in the people's material and cultural living standards. Whether or not economic work is done well is the key to determining the result of socialist construction, and it is a basic condition for maintaining long-term stability in the state's politics and society. In other words, only when economic work is done well can our work in various areas have a firm material base, can the state be guaranteed long-term stability, and can the mighty influence and binding force of socialism be fully shown. It is just because of this that, though we practice division of labor with respect to economics, science and technology, education, arts, the law, military affairs, and so on, none of them is exempted from restrictions arising from the development level of productive forces. At the same time, they must directly or indirectly serve the productive forces and become an indispensable part of the work of promoting the development of productive forces. The situation is likened to the work of tilling farmland, in which there must be people who directly carry out the farm work, and there must be services available before, in the course of, and after the production process. Though everyone undertakes different parts of the work, they share a common task, that is, to boost both the output and economic results. Therefore, so long as there is no large-scale invasion by a foreign enemy, we must grasp the most opportune moment to concentrate our efforts on doing well in economic construction.

When facing highly complicated work in the course of exercising leadership, we must, of course, take the whole situation into account and plan accordingly. However, we must firmly give priority to economic work and must

not take it as being only as important as other kinds of work, or our efforts will be diluted. It is, of course, necessary at a certain time or at a certain stage to stress and strengthen areas of work that yield poor results. However, by no means does this imply that it can be done at the expense of the central task, that is, economic construction. Instead, it must promote economic construction in a better way. For example, at present, an important point in strengthening the work of education in propaganda and ideology is to conduct in-depth education among the masses in the basic line of the party, to guide them further and resolutely take economic construction as the core ideology, and handle well the inherent links between the "two basic points" and between the "two hands," so as to uphold in a better way the socialist direction of reform and opening up and to constantly boost the sense of urgency and responsibility in contributing to the stability and development of the socialist economy. The most important aspects of organization and personnel work now are to earnestly do well in party organization at the grassroots level; to implement fully the principle of "four modernizations" of cadres; to give full play to the role of grassroots party organizations as a fighting force, as well as of party members being role models; to continue to boldly recruit cadres who have both ability and political integrity, have made outstanding achievements, and have public support; so as to stimulate among party members and the cadres their enthusiasm for carrying out practical work and to urge them to lead the masses with a new mentality in developing productive forces. In disciplinary and procuratorial work, and political and legal work, we must also clarify the guiding ideology of serving economic construction and safeguarding reform and opening up. We should strive to support and safeguard those who ought to be supported and safeguarded, and investigate and hit those who ought to be investigated and hit, thereby creating a sound social-political environment for maintaining a continuous, stable, and consolidated development of the national economy.

2. Various localities and departments must strive to invigorate their part of the work, support the overall situation, and manage to subordinate the part to the whole.

An important aspect of coordinating various areas to make concerted efforts in economic work is to coordinate and handle well the relations between the part and the whole. Although these two conflict with one another, they are closely related. On the one hand, the whole comes before the part and manifests the basic and long-term interests of various local interests. On the other hand, the whole is composed of various parts, so that the whole will be adversely affected if the part is not handled well. Therefore, when handling local affairs, one must give consideration to the whole situation and appropriately integrate the part with the whole and immediate interests with long-term ones, so as to subordinate the needs of the part to those of the whole; one must strive to do well in work concerning the part, so as to support the whole. When handling affairs concerning

the overall situation, we must, of course, pay attention to coordinating the mutual relations among various parts while taking the whole situation into account and planning accordingly; and we must fully mobilize the initiative of various parts, in particular be concerned about parts that play a decisive role in the overall situation. Otherwise, it will be impossible for us to make concerted efforts in economic work if we practice departmental selfishness, decentralization, or excessive centralization.

In relations between the part and the whole, the most prominent current issue that must be immediately solved is that various localities and departments must pay attention to overcoming certain constraints caused by the current pattern of distribution of interests and insist on invigorating the microeconomy, with the prerequisite of improving the economic results of the macroeconomy. After the Third Plenary Session of the 13th CPC Central Committee, we noticed that our reforms were excessively decentralized in the system. Thus, we adopted a series of measures to decentralize the authority, such as contracting out fiscal affairs, enterprises, foreign trade affairs, and so forth, thereby mobilizing the initiative of various areas and promoting development in the social productive forces. We must take an affirmative attitude toward this. However, there were neither coordinated nor perfect measures for decentralization of authority; and, because macroeconomic management fell behind the pace of development and for some other reasons, certain areas of our objective economic life were affected by the phenomenon of excessive decentralization. We cannot afford to ignore this phenomenon. Various localities and departments now often consider a problem from the viewpoint of boosting their own economic strength. This is, of course, understandable. Nevertheless, this kind of consideration must be subject to the prerequisite of not adversely affecting the macroeconomic results. Otherwise, the effects between the part and the whole will be broken down, or will even clash with each other, thereby adversely affecting the overall situation. A host of facts has also indicated that, whenever the overall economic situation becomes chaotic, the development of local economies will also be affected. Therefore, we must proceed from the overall economic situation and the overall interests; resolutely implement various targets and measures decided by the central authorities about rectification, consolidation, and in-depth development of reforms; and work out and implement such measures for invigorating the local economy by acting according to the direction of the state's macroeconomic policies so as to support the development of the whole by developing the part. Our province's recent move to break through market protectionism and to eliminate all unnecessary checkpoints was adopted just for the above-mentioned reason.

At the same time, we must, on the basis of seeking a common understanding about the part and the whole, also coordinate well the relations between regions and departments. We must realize that, in order to go deeply in solving the economic problems, it is inevitable that we

should now stress centralization at an appropriate level and strengthen and perfect the system of macroeconomic readjustment. Nevertheless, this kind of centralization and strengthening by no means implies a return to the old way of excessive centralization. Rather, we should act in light of the situation and adopt appropriate steps and approaches to centralize such authority that should be centralized and decentralize such authority that should be decentralized in the grassroots and enterprises. Therefore, the essential centralization will be properly integrated with decentralization at an appropriate level; and this will, subject to the guidance of macroeconomic readjustment, give play to the initiative of various parts conforming to the requirements of the overall economic situation. Therefore, when readjusting the structure of authority involving regions and departments, comrades of different departments may, subject to the prerequisite of not affecting the overall situation, continue to act by proceeding from the interests of their departments and the grassroots. Whenever necessary, they must be willing to sacrifice a little bit of their local interests so as to properly solve problems. It must be emphasized that, generally speaking, all policies on reform and opening up worked out by the CPC Central Committee, State Council, the provincial CPC Committee, and the provincial government; as well as all authority that has been decentralized, will be preserved at this moment. Even when the authority of certain policies has to be revised or readjusted in the wake of in-depth development of reforms, departments at various levels must continue to enforce it until a formal decision is made. Nobody is allowed to do as he wishes or to make any arbitrary alteration. Comprehensive economic departments at various levels, supervisory departments, and leverage departments must regard as their proper duty the work of maintaining good contact with the grassroots and invigorating enterprises. They should enthusiastically try all means to dispel worries for the grassroots and enterprises. Under no circumstances must they contend with or limit their work to, fulfilling the specific tasks assigned by "regions." Departments that often contact enterprises, institutions, and the masses must rectify unhealthy tendencies; seriously implement the decision of the CPC Central Committee and State Council on resolutely prohibiting acts of collecting arbitrary charges, arbitrary fines, and apportioned expenses; and make unremitting efforts to relieve enterprises, institutions, and the masses from such irrational burdens. We must seriously deal with anyone who abuses his power by making things difficult for others, as well as those who extort money from subordinates.

3. Various relevant areas must strengthen their supervision over economic work and must work hard in supporting government and enterprises to correctly and effectively perform their duties in supervising economic work.

In carrying out economic work, an important measure for eliminating mistakes in decisionmaking and for avoiding making inappropriate instructions is to perfect the supervisory mechanism. To a local authority, the

government is in charge of the economic work. In supervising the economy, however, the government must voluntarily submit itself to supervision by the local People's Congress, CPPCC [Chinese People's Political Consultative Conference] Committee, democratic parties, and mass organizations, in addition to submitting itself to leadership by the local CPC Committee. The case is the same for enterprises. The director (or manager) of a factory must exercise his decisionmaking power in respect to operations, and his right to give instructions in respect to production; and must voluntarily submit himself to supervision by the enterprise CPC Committee, workers representative assembly, senior management departments, law-enforcement departments, and so on. Nevertheless, all such kinds of supervision are a form of necessary constraint, as well as an effective support and promotion. In most cases, authority will be abused if it is unchecked when being exercised, and acts not subject to any constraints often go wrong. Likewise, it would also be improperly handled if one withdrew his support when the supervisory power is abused.

How do we understand and handle the relations between supervision and support?

First, we must, under the prerequisite of observing the line, principles, and policies of the party, as well as the state laws, unify supervision and support in a better way. Be it supervision or support, the purpose is to ensure that the line, principles, and policies of the party, as well as the state laws, are correctly implemented, are favorable to the development of the socialist cause, and are favorable to the people. Therefore, all CPC Committees, People's Congresses, CPPCC Committees, democratic parties, and mass organizations must unswervingly support the normal work of the governments and enterprises, while the government departments, enterprises, and institutions are performing their supervisory functions. These committees, congresses, parties, and organizations should encourage comrades working on the front line of economic work to boldly solve urgent problems in economic life. In the case of supervision, they should also focus on correctly implementing the line, principles, and policies of the party, as well as the state laws and regulations. They should resolutely protect and support those comrades who uphold the line, principles, and policies of the party; who observe laws; and who wholeheartedly devote themselves to the work. They should also take good care of those comrades who made mistakes in their work and who have weak points in various areas and actively help them rectify their mistakes, overcome deficiencies, and make progress. However, they must not tolerate but must seriously deal with acts of violating the line, principles, and policies of the party, or the state laws and regulations; and help those concerned rectify their acts. They must seriously criticize and educate those who do nothing but engage in "internal consumption" and who file complaints against others as a means to vent their personal grievances or to seek personal gains. Anyone who refuses to rectify his

attitude despite repeated education should be dealt with whenever necessary. Only thus can we develop a pattern in our work in which "everyone performs his act in the same opera" and can we create a good public opinion and a sound working environment that encourages bold reforms and development.

Second, we must uphold the practice of mutual supervision and mutual support. Be it an organization or an individual, everyone must implement the line, principles, and policies of the party, as well as the state laws. Therefore, everyone is both supervisor and implementing party. Everyone may supervise others and is subject to the supervision of others. Today, when democracy and legal construction are being perfected with each passing day, there should be no organ or individual who supervises others without submitting himself to supervision by others. Likewise, support should be mutually given. We must give support to any matter provided it conforms to the people's basic interests and is favorable to economic development. Only thus can various areas really make concerted efforts to make progress toward a common goal.

Third, we must clarify the scope of supervision and must manage to avoid dereliction of duty or overstepping of one's authority. In the People's Congresses, the major form of supervision over the government at various levels is law, that is, the supervision over enforcement of the Constitution and laws; and they should give full support to any matters regarding the exercise of authority by the government stipulated by law and any matters permitted by law. Matters within the scope of work supervision should also be dealt with strictly according to law. In the CPPCC Committees, democratic parties, and mass organizations, the major form of supervision is democratic supervision. They should also stress the need to grasp major problems concerning the line, principles, and policies of the party. It is neither possible nor necessary to supervise everything, no matter whether it is an important or a trivial matter.

Fourth, all kinds of supervision must be done under the prerequisite of not affecting the administrative efficiency of the government or the normal operations of enterprises. Any major economic plans and economic matters submitted by the governments to the party committees or the People's Congresses for examination must be promptly handled by such committees or congresses, so that such plans and matters are carried out after such preventive supervision is taken. In the event that decisions on any such plans and matters cannot be promptly made, these plans and matters may be first implemented provided that they violate no laws or regulations. They should then be supervised by examination in the course of implementation and put under critical supervision after they are done. Supervisory, administrative, and law-enforcement departments at various levels must set rigid requirements for the production and operations of enterprises and supervise them according to law so as to help them operate legally. These departments must also work out plans to help

enterprises implement the policies well and must attach great importance to and protect the legitimate rights and interests of enterprises. In carrying out supervision, any acts of arbitrarily freezing and closing the accounts of enterprises or arbitrarily questioning and investigating the leaders and main operations of enterprises without strictly going through the legal procedures or approval procedures are prohibited by law.

4. The party committees must be good at assuming overall responsibility for economic work without taking on every detail of such work.

For the party committee, there is an unsolved problem in coordinating various areas and in making concerted efforts in economic work. It is to be good at assuming overall responsibility for economic work without taking on every detail of such work and to be good at giving guidance without being personally in charge of everything. Only thus can it be guaranteed that the party committee will strengthen its leadership over economic work in a down-to-earth manner, while implementing such leadership in a relatively detached manner; that it can control the overall situation and guide development while safeguarding the independent and voluntary work of the government at the same level under the leadership of the party committee, and it can give full play to the initiative of various areas; and it can be free from troubles brought about by specific matters, thereby facilitating the work of coordinating various areas to make concerted efforts to do well in economic work.

How can party committees assume overall responsibility without taking on every detail when implementing the leadership over economic work?

First, they must concentrate their efforts on major issues and make decisions on major problems in economic work. How to carry out the specific items of economic work is mainly a government matter, and it is not necessary for the party committees to meddle in others' matters. As the local party committee, however, they must make prompt decisions on major issues of great importance in terms of the overall situation, strategy, and direction of development, including economic development strategy, basic guidelines for medium- and long-term economic development planning, annual planning, budgets and final accounts, planning for significant reforms in the economic system, problems about policies widely concerning the grassroots, principles for handling major incidental events in economic work, examination of key construction projects, the study and implementation of followup measures for major economic decisions, and so forth. It is a requirement for the party committees to assume overall responsibility for economic work, which is within the scope of their authority. They must make frequent contact with and coordinate various areas to solicit opinions, be good at giving play to the role of consultative organizations, and set up and perfect democratic and scientific decisionmaking procedures for implementation.

Second, they must not judge a matter as it stands, but must pay attention to guard against and overcome any noneconomic factors that affect economic work. In economic work, it is, of course, necessary to work out all practical policies and measures. However, there are times when it is more important for them to promptly solve certain noneconomic problems. For example, when certain unstable factors begin to emerge in society, and when the overall situation of economic construction may be undermined, we must give priority to the work of maintaining stability and must not postpone our moves until the situation becomes chaotic. When no progress is made in economic work because of weakened and relaxed leading groups in certain units, we must take resolute measures and not hesitate to consolidate and readjust such groups, or our work will suffer. When some comrades and the masses feel doubtful and anxious about the current policy, we must propagate on a large-scale and maintain the stability and continuity of the basic policies, and prevent normal production from being affected by such a state of mind. Simply put, we must uphold the principles of "grasping with two hands" and focus on mobilizing all positive factors, uniting with all the forces that can be united, and turning the negative factors into positive ones. Only thus can most of the problems in economic work be solved in a better way.

Third, they must voluntarily manage to give others a free hand in economic work without giving it up and be bold in taking responsibility. In order to do well in economic work, the party committees must promptly take up and work out plans for matters requiring joint effort by various areas, in addition to strengthening their examination of decisionmaking, as well as inspection and supervision. In certain key areas of the work that have a great bearing on the overall situation of economic construction, responsible comrades of the party committees must attend to them, give prompt guidance, and organize efforts to break through the key points. They must be concerned about the sufferings of the grassroots and enterprises, understand the difficulties faced by the governments, and voluntarily help the governments solve them whenever they emerge. Only thus can the party committees and governments center their work on the overall situation of economic construction and develop a tacit mutual understanding, so as to better coordinate various areas to make concerted efforts in economic work and to make economic work always full of vitality.

The Paris Commune's Revolutionary Spirit Will Shine Forever—Marking the Paris Commune's 120th Anniversary

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in Chinese No 6, 16 Mar 91 pp 9-13

[Article by Li Zhinan (2621 2784 2809), Wuhan University history professor and Institute of World History deputy director]

[Text] This year marks the Paris Commune's 120th anniversary. In the 1840's, Marx and Engels founded the scientific socialist theory and declared that socialism's replacement of capitalism was the major trend of world history. Only 20-odd years after this great theory was founded the Paris Commune revolution broke out because of its influence. The Paris Commune was the proletariat's first great attempt to establish a proletarian dictatorship. It ended the bourgeois revolutionary period and began the transition toward the proletarian revolutionary period. Though the Paris Commune ended in failure, the world's proletariat carried forward its cause. It finally won a victory 46 years later with the Russian October Revolution, and the commune's principles were realized. It won further victories 20 to 30 years later in China's revolution and in a series of revolutions in Europe. Facts have shown that it was just as Marx pointed out: The commune's principles are eternal and cannot be abolished. Under the current international situation, which is sophisticated and ever-changing, it is very important to again study the Paris Commune's revolutionary spirit to strengthen our faith in socialism, to thoroughly understand the socialist cause's bright future, and to build socialism with Chinese characteristics.

I

It was by no means an accident or the result of Parisians' subjective wishes that the first proletarian revolution in human history broke out in France. Rather, it was an inevitable result of particular historical conditions. After France entered the stage of capitalist society, various social contradictions became more intensified, and the Second Empire's rule encountered a full-scale crisis; thereby providing objective historical preconditions for the outbreak of revolution by the Paris Commune. In a long-term class struggle, the French proletariat became tempered and had a strong sense of conscience and organization, as well as better fighting power. In addition, they had cultivated a group of leaders who were capable of leading the proletarian struggle and had made them a decisive political force in French history. Such were the subjective historical conditions for the outbreak of revolution by the Paris Commune.

The armed uprising in Paris on 18 March 1871 was the first attempt to overthrow bourgeois rule and to establish a proletarian dictatorship. After the uprising's success on 26 March, urban residents elected a commune committee through direct elections. Then, a grand rally in which 200,000 people participated was held at the Paris square, declaring the commune's establishment. The Paris Commune's establishment symbolized the birth of the world's first proletarian regime.

The commune's achievements were glorious because it founded a proletarian state regime. Within a span of about two months, the commune adopted a series of political, economic, cultural, and educational measures to protect the working people's interests, thus beginning

a major transformation of destroying the old and establishing the new. Marx was explicitly affirmative toward the commune's nature, stating that "the commune's real secret was that it was essentially a government of the working class,... a political form through which it was eventually found that labor might be economically liberated."¹ Under the military attack and bloody suppression by the Thiers government, which colluded with Bismarck, mankind's first proletarian regime only lasted 72 days and was overthrown. Nevertheless, the Paris Commune's historical feats are immortal. It was just as Marx pointed out: "The brave 18 March movement was the dawn of a great social revolution that would eternally liberate mankind from a class society"²

First, the Paris Commune was a significant turning point not only in French history, but also in world history. It helped the transition move from feudalism to capitalism and further to the new stage of proletarian revolution. During the commune's revolutionary period, there were great changes in European society's major contradictions and class relations, so that the revolution's nature, task, driving force, and target were basically different from past bourgeois revolutions. Previously, the contradictions in various European countries between the bourgeois and the feudal classes were major social ones. The revolution's task was to overthrow feudal rule or to oppose the restoration of feudal forces. As the progressive force of history at that time, the bourgeois led the struggle against feudalism. The proletariat allied with the bourgeoisie in this transformation. However, the situation in the early 1870's was greatly changed. In France, the major contradiction in society was no longer that between the bourgeois and feudal forces. Rather, it was between the bourgeoisie and proletariat. The task of the commune's revolution was to overthrow the rule by capital and to pave the way for liberating laborers. The proletariat was no longer allied with the bourgeoisie in such a struggle. Instead, it acted as a grave-digger of capitalism and led the revolution. Thus, we can see that the commune's revolution was different from any past revolution and was mankind's first proletarian revolution. Its historical mission was to bury the old world in which the bourgeois dominated and to create a new world in which the proletariat and working people would take matters into their own hands.

Second, the Paris Commune's great revolutionary practice became a significant source to scientifically enrich and develop socialism. A series of important works, including the *Civil War of France* written by Marx on 3 June 1871, the preface of the *Civil War of France* by Engels in 1892, and the *State and Revolution* by Lenin in 1917 summed up the Paris Commune experience, thereby scientifically enriching and developing socialism, particularly the theory on proletarian revolution and dictatorship. First, the commune's revolution proved that "the working class could not simply master the existing state apparatus, or use it to attain its goals."³ The proletariat must use revolutionary violence to destroy and smash the old state apparatus in order to

practice proletarian dictatorship. Second, the prime condition for proletarian dictatorship was the establishment of proletarian armed forces. The Paris Commune's armed struggle indicated that "the working class must strive for the right of self-liberation on the battlefield."⁴ Only by depending on armed revolution could the proletariat overthrow reactionary rule, and hence could it fulfill its historical mission. Second, the proletariat had to establish its own state regime by smashing the old state apparatus; and the commune was the form of proletarian rule, as well as the new state regime marked by genuine democracy. Third, the commune's experience indicated that, after the proletariat had seized the regime, it had to conduct a series of political, economic, and cultural transformations. Only thus could it fulfill its historical mission, but this would be an arduous and lengthy historical development.

Third, the Paris Commune's revolutionary spirit became a strong driving force pushing forward the proletariat and working class around the world to realize the great historical trend of socialism replacing capitalism. When Paris was filled with gunsmoke and the battle was still being fought, Marx pointed out: "Even if the commune is defeated, the struggle will simply be postponed. The commune's principles will exist forever and become immortal; these principles will be again manifested before the working class is liberated."⁵ Facts developed in this direction. The reactionary factions might destroy the Paris Commune, but they could not destroy its principles. The Paris Commune's principles and spirit have called the proletariat and working class around the world to struggle for it and step into the breach as others fell. The victory in the 1917 Russian October Revolution brought about mankind's first socialist country and turned socialism from an ideal into reality. Man thus started the transition from the stage of capitalism to that of socialism, and reached a new epoch in world history. As more than a dozen European and Asian countries successively took the socialist road during and after World War II, and in particular, with the establishment of the socialist system in China following the 1949 victory in China's revolution, great progress was made in global socialist development, thereby greatly changing the balance of international political forces, as well as the world situation. After winning its revolutionary victory in the late 1950's, Cuba shifted course in the early 1960's from a national democratic revolution to a socialist one, so that the socialist system expanded to Latin America, and penetrated into the backyard of the capitalist United States.

Between the early 20th century and the 1960's, the socialist countries grew out of nothing, and their numbers grew from one to many. Socialism's vigorous and victorious development was invincible. Compared to that of the world, the socialist countries' population accounted for one-third, territory accounted for one-fourth, industrial output value accounted for two-fifths, and national income accounted for one-third. Compared to their situation prior to adopting the socialist system,

the GNP of the Soviet Union, China, and some other socialist countries increased by several, tens, or even more than a hundred times. The people's standard of material life was greatly enhanced, and their mentality, as well as overall social situation, were profoundly changed. Socialism played an extensive role in promoting progress in the development of human history. The socialist Soviet Union played a decisive role in winning the battle against fascism. With the support of socialist countries, many states wanted to become independent, nations wanted to become liberated, and peoples wanted to carry out revolution. This was an invincible historical trend. As more than 90 colonial countries in Asia, Africa, and Latin America took the road of independence, the existing imperialist colonial system disintegrated. The 300-odd-year-old capitalist world was thus broken into pieces. Holding high the banner of peace, these socialist countries became a mighty force to safeguard world peace. Because of their disappointment in and hatred of Western capitalism, many Third World countries successively adopted the socialist system, though their interpretations of socialism differed from one another. Facts have shown that the greatest achievement in the 20th century was the emergence of a number of socialist countries and that cherishing socialism was a global trend. This was a continuity and development of the cause undertaken by the Paris Commune, and it carried forward the Paris Commune's revolutionary spirit.

II

In the course of socialism's replacing capitalism, there will be good times as well as temporary difficulties and setbacks. This is a normal historical phenomenon. As certain socialist countries were subdued in recent years by a "peaceful evolution" carried out by hostile domestic and foreign forces, and their socialist cause suffered serious setbacks, the international bourgeoisie, as well as their agents, went into raptures and loudly shouted that "socialism has failed" and that "communism is doomed." Those "elites" who upheld bourgeois liberalization also shouted that "socialism's undertaking and failure are a great heritage of mankind in the 20th century." Are these really the facts? So long as one seeks truth from facts, he will see that these viewpoints are simply short-term biased views, violate the overall objective situation, and are simply groundless.

Human society's development is an extremely lengthy historical process. It includes development from a low-level society into a higher one. The primitive clan society lasted 2 million to 3 million years, and its social development moved at a snail's pace. The stage of the class, slave, and feudal societies also lasted a long time. Since the existence and development of such societies were linked to their natural economy, change also took place very slowly. It was not until the emergence of the capitalist production pattern, particularly large-scale mechanized industrial production, that the pace of social development was greatly quickened. With revolutions

repeatedly made in science and technology, the productive forces developed more and more rapidly within a short time, so that there have been great changes in society's appearance. Judging from the lengthy course of human history, several decades is only a snap of the fingers in the course of human society as a whole, though it may normally represent an individual's lifetime. Therefore, one must not simply focus on a single matter at a particular time to thoroughly understand the development of social history and grasp the trend and essence of historical development. Instead, he should observe problems on a grand scale. In other words, he should measure time in millions of years when observing a primitive society; in thousands of years when observing a slave or feudal society; and at least in hundreds of years when observing a capitalist or socialist society. Only thus can he thoroughly understand the major trend of historical development. On the issue of scope, he should not focus just on a single country or particular region. Rather, he should make observations on a global scale and must have global insight. Only thus can he discover the essence of matters out of the lateral relationship.

Historical facts over the past 120 years since the Paris Commune have indicated that it is inevitable that socialism will replace capitalism. When the Paris Commune failed, when the workers' movements in developed, capitalist, European countries were in the doldrums, and when the prospects of socialism were unclear, free-competition capitalism began its transition toward monopoly capitalism following the second revolution in science and technology, and the dawn of socialism emerged in the eastern part of the world. Some backward countries surpassed the stage of fully developing capitalism, and took the lead in practicing socialism, thereby shortening and even overtaking the process of capitalist development. It was by no means a mistake or an accident that the socialist revolution first occurred in underdeveloped countries. Indeed, it was a product of the times and a logical result of the switch in global contradictions. Though some countries that took the socialist road after the end of World War II are presently developing in an opposite direction, this is by no means a major trend of the times. It must be understood that there are countries which still uphold their socialist systems, gradually perfect their systems by reforming, and have shown more and more their vitality and liveliness, which is profoundly significant. This manifests at a higher plane the direction of development indicated by the Paris Commune's revolution. It really represents our future and the inevitable major historical trend of socialism replacing capitalism.

In the past, every progress made by man, as well as every change in the social system, was made after repeated struggles and tortuous development. Each newly emerged social system had to undergo a process from immaturity to maturity and from imperfection to perfection. This was the course of development when the feudal system replaced the slave system, as it is for socialism replacing capitalism. Thus, the development

will be socialism replacing capitalism; the substitution of a several thousand-year-old, deep-rooted private ownership by the public ownership; and the eventual elimination of all kinds of exploiting systems, so as to build a brand new world on Earth. This is a long-term, complicated, and arduous historical transformation, which we should soberly consider when making estimations and projections. The fact that some regions suffered setbacks and mistakes or were subdued by "peaceful evolution" in the course of realizing such a great transformation is only an adverse current in the winding river of history, rather than the so-called "end" of the communist movement declared by Brzezinski and Fu Shan. The development of history always goes against the wishes of the international bourgeoisie. Facts have shown that each time the socialist movement suffers a major setback, it will then make a new historical leap to compensate for it.

III

Facing the ever-changing contemporary international situation, the best way for CPC members and the Chinese people to commemorate the Paris Commune is to earnestly draw lesson from the Paris Commune's experience and to build socialism with Chinese characteristics.

The Paris Commune revolution broke out under the influence of the scientific theory on socialism. Engels pointed out: "Undoubtedly, the commune was a product of international spirit."⁶ It can be said that the commune was nourished by international thinking, and that the commune's activities realized the basic international principles on the proletariat's seizure of a regime. However, because of the absence of leadership by a Marxist party, and because all such political factions participating in the commune revolution (Proudhonists, Blanquistes, and Jacobins) could not totally free themselves from their original ideological belief, their actions were hindered by their deep-rooted, outdated viewpoints, and the commune made many serious mistakes. The main reason that the Paris Commune failed was the limitation of historical conditions at that time. Marxism had not yet occupied the dominant position in the workers movement, and there was no proletarian revolutionary party that took Marxism as its guiding ideology. This is the most important lesson drawn from the Paris Commune experience. A reason that China's revolution won, and that we made great achievements in building socialism, is the CPC's firm and correct leadership. What our international enemies hate most bitterly, and try by every means to attack, is the Communist Party guided by Marxism. Likewise, it is the Communist Party's leadership which those who advocate bourgeois liberalization try to negate. These indirectly prove the importance of the Communist Party's leadership, which is closely related to the socialist cause's destiny. In view of this, we must strengthen the building of the party and uphold and improve the party's leadership to ensure that the party and the state leadership at all levels are firmly grasped by genuine Marxists, and that our country will unswervingly progress in the socialist direction.

An important principle of the Paris Commune was to uphold the proletarian dictatorship. Our major experience in this respect is that the highest importance of armed revolutionary people is to the implementation of the proletarian dictatorship. In order to realize self-liberation, the Paris proletariat used force to smash the old state apparatus and to build their own regime. The Paris Commune's 72 days were days when the commune was engaged in uprising, armed struggle, and armed self-defense. Nevertheless, a fatal mistake made by the Paris Commune was that it took an excessively lenient attitude toward the counterrevolutionaries and did not advance further toward Versailles. Therefore, Thiers got a chance to catch his breath and was able to reorganize his reactionary army to fiercely strike against revolutionary Paris. It was just as Engels said: "Could the Paris Commune last more than one day if it did not depend on the authority of armed people to fight the bourgeoisie? Conversely, can it not be more reasonable for us to accuse the commune of using such authority too infrequently?"⁷ Upon seeing that the commune neither seized French banks nor banned reactionary journals, and allowed counterrevolutionaries to freely carry out spying and subversion activities in Paris, Marx predicted that the Paris Commune was doomed. He pointed out: Their faults were "actually because of being excessively honest" and they "could only put the blame on their 'kindness.'"⁸ This is a lesson of blood drawn from the Paris Commune's experience. We must realize that class struggle will continue to exist to a certain extent for a long time in China, though the exploiting class as a whole has been eliminated. In addition, it may intensify under certain circumstances. The outbreak of the 4 June disturbance, as well as the situation after that, have indicated that the hostile domestic and overseas forces are indeed still determined to eliminate us. Therefore, we must always stay sober, and must by no means take a relaxed attitude toward the proletarian dictatorship. What, then, is the pillar of proletarian dictatorship? It is the people's army led by the Marxist party. Having the people's army instructed by the Marxist party, we can handle any complicated situation, as well as any possible incidents, emerging from domestic and foreign-related class struggles; and we may safeguard socialism. Lenin pointed out: "Anyone who wishes to realize socialism without social revolution and proletarian dictatorship is not a socialist. Dictatorship is a regime depending directly on the use of force. In the 20th century (and in the entire civilized era), violence is neither fists nor cudgels but the army."⁹ In the present circumstances, where the international situation is highly turbulent, it is no doubt of special significance to study again the lesson of the Paris Commune and the remarks of Lenin as we engage in the intense life-and-death struggle between subversion and antisubversion.

At that time, the form of the Paris Commune's regime, as well as various correct measures of the commune, resulted from the masses' revolutionary practice. In order to strive for self-liberation and to take their destiny into their own hands, the Paris proletariat picked up

their guns and fought against the bourgeoisie for their lives. Though the Paris Commune ended in failure, it manifested a dauntless heroic and high-level revolutionary pioneering spirit. To the international proletariat, this is a spiritual wealth worth cherishing eternally. It was just as Marx praised: "How adaptable, how historically enterprising, and how sacrificing were these Parisians!" "Such a great example is unmatched in history!"¹⁰ To seize a regime, it is necessary for us to carry forward such a heroic and revolutionary pioneering spirit of the Paris Commune's proletariat; whereas to consolidate the regime and to build a new world out of the ruins of the old world is more difficult. Therefore, it is further necessary for us to always study, and carry forward the adaptability, historical initiative spirit, and self-sacrificing spirit of the Paris Commune fighters. The more setbacks we suffer, the braver we become. We should be undaunted by repeated setbacks, and strike hard to defeat the enemy. We should act in their dauntless heroic and revolutionary pioneering spirit to push forward the socialist undertaking. Such spirit is manifested by the new historical period marked by reform and opening up, which were developed by the second generation of the CPC's collective leadership headed by Deng Xiaoping, and the world-famous brilliant achievements made in various areas of our socialist construction. After the Fourth Plenary Session of the 13th CPC Central Committee, the third generation of collective leadership headed by Comrade Jiang Zemin is carrying forward such a spirit. Under the guidance of the theory of building socialism with Chinese characteristics, the party is leading the country's people to strive for a better future. Our past experience tells us that, so long as all CPC members and the masses give full play to the dauntless heroic and revolutionary pioneering spirit and they really act according to Marxism, there will be no unsolvable difficulties. This was the case in the past, and it certainly is and will be the case at present and in the future.

The CPC and the Chinese people have firm faith in socialism. They are determined to do well in building socialism with Chinese characteristics, to further develop the socialist undertaking pioneered by the Paris Commune, and to make more contributions to human progress. We have every reason to believe that the song, *The Internationale Will Eventually Be Realized*, will be sung in every corner of the world!

Footnotes

1. *Complete Works of Marx and Engels*, Volume 17, p. 361.
2. *Ibid.*, Volume 18, p. 61.
3. *Ibid.*, Volume 17, p. 355.
4. *Ibid.*, Volume 17, p. 468.
5. *Ibid.*, Volume 17, p. 677.
6. *Selected Works of Marx and Engels*, Volume 4, p. 413.
7. *Complete Works of Marx and Engels*, Volume 18, p. 344.

8. *Ibid.*, Volume 33, pp. 202, 207.

9. *Complete Works of Lenin*, Volume 23, p. 93.

10. "Letter to Lu Kugeman [6424 1655 2706 2581]," *Marx, Engels, Lenin, and Stalin on the Paris Commune*, p. 224.

Several Views on Building Socialist Culture With Chinese Characteristics

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[Text] III. On the Essential Insurance for Building Socialist Culture with Chinese Characteristics

The historical mission and general goal for our cultural work are adherence to culture's socialist nature and national characteristics in building socialist culture with Chinese characteristics. This being the case, it is vitally important to affirm this brand-new historical phase of socialist culture in mankind's cultural history, to view its basic characteristics in a scientific manner, and to define the insurance of work that must be implemented to embody these characteristics. This cannot be achieved by one person's subjective decision, for it is determined by the objective law governing the development of mankind's culture, especially the objective law governing the development of socialist culture, and it must be determined by the correct understanding derived from the international and Chinese proletarian cultural movements, especially from China's own practical experiences in socialist cultural work. The 40-odd years of advancing on a rugged road, especially the 10 years or so of development in the new historical period, have enabled us to acquire comprehensive experiences, positive and negative, in correcting "leftist" and rightist errors. Consequently, we now have the need and possibility to set forth our views. What are the major aspects in the essential insurance for building socialist culture with Chinese characteristics?

1. Adhering to the Guidance of Marxism-Leninism-Mao Zedong Thought in Cultural Work

This is the essential insurance repeatedly proven by the history and reality of China's revolutionary culture. It is determined by the nature of revolution and the socialist system in China, and the inherent requirement of the development of the socialist cultural undertaking itself. Here I should like to focus on the guidance of the thinking on literature and art in Marxism and Mao Zedong Thought.

Marxist thinking on literature and art was the offspring of revealing and understanding the law governing literature and art in line with Marxist basic tenets. It is the extensive study of literature and art phenomena, including the relationships between literature and art and life, literature and art and the people, literature and art and the times, literature and art and revolution, and between world outlook and creation, content and form, inheritance and blazing new trails, national culture and foreign cultures by applying the world outlook, historical concept, and aesthetic views of dialectical materialism and historical materialism. The Marxist doctrine of literature and art basically reveals the law governing their development in a neat and most comprehensive way. It has firmly struck root in the practice of literature and art, while conducting theoretical generalization of the practical experiences in the history and reality of literature and art, creating and guiding the practice in literature and art. It explicitly proposes that progressive literature and art serve socialist progress and change, and that proletarian literature and art serve proletarian revolution and the socialist and communist cause as well as the broadest masses. It does not rest at knowledge of literature and art phenomena, but continuously absorbs fresh nutrients through practice, and all valuable things in mankind's creation of literature and art through examination, analysis, and appraisal. Mao Zedong thinking on literature and art was a new development of Marxist thinking on literature and art in the wake of Leninism under China's conditions. His *Talks at the Yanan Forum on Literature and Art* remains an important classical document of Marxist theory on literature and art. For the first time, it explicitly proposed and systematically demonstrated that social life is the sole source of literature, that literature and art must serve the broadest masses of people, and that writers and artists must link themselves to the people. It proposed a path of artistic creation of going deep into life. It also proposed many aspects that developed Marxist thinking on literature and art, such as the relationships between literature and art and the times; between world outlook and creation; between popularization and elevation; between inheriting, copying, and creating; and between singing praises and exposing. In the wake of the PRC's founding, Comrade Mao Zedong proposed the theory and policy of "letting a hundred flowers blossom, letting a hundred schools of thought contend" and "making the past serve the present and foreign things serve China," thus making Mao Zedong thinking on literature and art all the more systematic. *Deng Xiaoping on Literature and Art* is the inheritance and development of Mao Zedong thinking on literature and art in the new historical stage, and especially his scientific inferences that the people are the mother of writers and artists; literature and art are not subordinate to politics nor can they be separate from politics; in spiritual production, social effects [xiao yi 2400 4135] should be regarded as the supreme criterion; and on the ideological and cultural front, two erroneous tendencies must be opposed have all added new essence and vitality to Mao Zedong thinking on literature and art. It is precisely because of this that Mao Zedong

thinking on literature and art and *Deng Xiaoping on Literature and Art* give especially direct guidance to cultural and art work during the new historical stage in China.

Marxist thinking on literature and art has basically revealed the common law governing the development of mankind's literature and art, which law is precisely embodied in two basic theories: One is the theory of reflection, namely, that literature and art are the dynamic aesthetic reflection of social life in the author's mind. This is the direct embodiment of dialectical materialism in literature and art. The other is the theory of ideology, namely, that literature and art are a particular kind of ideology (despite the fact that, in the phenomena of literature and art, there are things void of marked ideological and class nature, the subjective aspect of literature and art is stamped with social and even class tendencies). This is the direct embodiment of historical materialism in literature and art. These two basic theories have basically revealed the root and nature of literature and art, and their guiding role is irreplaceable. Of course, we must correct the oversimplified understanding in these two basic theories; however, by no means should we be affected by the ideological trend of bourgeois liberalization and negate these two basic theories. If, for example, the Marxist theoretical system of literature and art in its entirety is turned into a "subjective aspect," while being transformed into a theoretical system by which the individual subject determines everything, it will be out of the question to discuss all such issues as that literature and art must reflect the nature of social life, that it is imperative to correctly depict the times and pay attention to the educational role of knowledge, that writers should go deep into the realities of life, and that it is imperative to remold the subjective world while understanding the objective world. If the essentials of Marxist thinking on literature and art are made to be "nonideological," thus basically negating that literature and art are ideology, then the principle that literature and art must serve social progress and change and must be utilized by the progressive classes and the masses and help the people push forward the progress of history, the writer's sense of social responsibility, and the basic difference between socialist and capitalist literature and art will all be regarded as things outside "literature and art" themselves and rejected. To adhere to the guidance of Marxist thinking on literature and art, the observance of these two basic theories is imperative.

While basically revealing the common law governing the development of mankind's literature and art, Marxist thinking on literature and art also produced many scientific discussions on the specific law governing development of socialist literature and art as part of socialist ideology and building socialist spiritual and cultural life, and as an important component of people's spiritual and cultural life in socialist countries. Generalizing the relevant scientific discussions of classical writers, we may find the specific law governing the development of

socialist literature and art chiefly as follows: 1) The dialectical unity between the guidance of serving the working class, the people, and socialism on the one hand, and extensive artistic democracy and creative freedom on the other. 2) The dialectical unity between the guidance of the proletarian world outlook and socialist ideological content on the one hand, and the multi-element and multitiered artistic approaches, forms, and aesthetic creation on the other. 3) The dialectical unity between the consciousness of social leading forces (the party and government) in their guidance of macroscopic planning in work concerning culture and art on the one hand, and the inherent requirements of the development of art and the voluntariness and extensiveness of cultural and artistic life on the other. The scientific inference on this specific law also falls into the category of the basic theory of Marxist thinking on literature and art, and must be adhered to as well.

Precisely because Marxist thinking on literature and art has such a guiding role, it is the theoretical base for the party and state to formulate wide-ranging principles and policies on literature and art. A correct attitude toward Marxist thinking on literature and art is primarily adherence to it; without adherence, its development is out of the question. It needs to be developed, too; without development, it will not be satisfactorily adhered to. Historical experience tells us that it is imperative to firmly and effectively oppose distorting, attacking, and negating Marxist thinking on literature and art by the ideological trend of bourgeois liberalization, especially the practice of negating it under the pretext of "developing" it. At the same time, we must also guard against adherence without development, which is a repetition of dogmatic errors. The development of Marxist thinking on literature and art also involves the adherence to a correct orientation. First, it is necessary to adhere to Marxist basic tenets and basic theories of Marxist thinking on literature and art; and second, it is necessary to proceed from China's realities (including the actual conditions in literature and art work and the entire practice of modernization, reform, and opening) to open up new realms, and to draw new inferences. So long as the orientation is clear, new exploration can and should be conducted, whether in the common law governing mankind's culture and art or various artistic categories of different times, classes, nationalities, and artistic approaches. Especially regarding the specific law governing socialist literature and art with Chinese characteristics, we must conduct extensive creative research on adherence to and development of Marxist theories on literature and art on the basis of summarizing practical experiences. Blazing new trails and theoretical generalization can and should be carried out in the exploration of some specific issues, such as the interrelations between various functions of literature and art, the writer's subjective world, including the complicated structure and dynamic role of the subconscious, psychological progress in the appreciation and creation of literature and art, the relatively independent nature and development trend of artistic form, the national nature

of literature and art and references to foreign literature and art, the founding of the managerial science of socialist culture, and various approaches in the research of literature and art studies and aesthetics. New exploration can also be conducted from various angles regarding the several basic theories of Marxist thinking on literature and art so that new essences may be added to them. The more new results that are achieved in development under the guidance of a correct orientation, the better will the guidance of Marxist thinking on literature and art be given play.

2. Augmenting and Improving Party Leadership Over Cultural Work

Socialist culture and art undertakings, as components of the entire socialist cause, must adhere to party leadership, which is not "forced on from outside" but an important definition of socialist cultural undertakings themselves. Party leadership should only be augmented and improved, not reduced or done away with. Any speech or action negating or reducing party leadership is unfavorable to socialist cultural undertakings. Historical experience tells us that while the ideological trends of bourgeois liberalization were negating the guidance of Marxist thinking on literature and art, they invariably negated party leadership over cultural and art undertakings. That was the inevitable expression of the confrontation between two cultural orientations. We must not waver one iota in opposing any fallacy by bourgeois liberalization on this issue, but must adhere to and augment party leadership over culture and art, and always work hard to improve such leadership.

Party leadership over cultural and art undertakings is primarily leadership in principles, policies, and decision-making. This being the case, the first thing in augmenting and improving party leadership over cultural work is realizing scientific and democratic decision-making (formulating cultural principles and policies and other important issues). Every policy should be formulated under the guidance of Marxism-Leninism and Mao Zedong Thought on the basis of in-depth survey and research and hearing the people's voices, as well as scientific demonstrations, while adhering strictly to the procedures of democratic centralism. It is necessary to guard against the practice of one person having the say and against rash decisions made by leaning on the one-sided views of a minority of people. In connection with that, once a collective decision is made, its authority must be safeguarded by all departments concerned, while ensuring its implementation with strict organizational discipline. Here, the leading members of party organizations at all levels, especially the attitude and role of leading members of propaganda and cultural departments at all levels, are vitally important. Leading comrades of these departments must have a high level of party spirit, a stand with firm party spirit, loyalty to the party line and ideals, and the ability to draw clear distinctions on the cardinal issues of right and wrong. In implementing party decisions and facing cardinal issues of right and wrong, leading cadres at all levels must have

a clear-cut stand, adhere to principles, and handle affairs strictly in accordance with party organizational discipline; but they should not feign compliance or do things in their own way; nor should they be fence-sitters, trimming their sails. Only by ensuring implementation of the party's correct decision will it be possible to avoid major mistakes and setbacks in the whole situation of the development of cultural undertakings.

At the same time, leading cadres of party organizations at all levels on the cultural front should continuously improve leadership style, promote democracy, and establish ties to the masses, unite with patriotic personages on the cultural front to work together, and work hard to become familiar with and master laws governing their professional work to ensure better implementation of the party principle and decisions.

It is necessary to iron out the relationship between responsible party and government departments. Party leadership should not do professional work for government cultural departments and mass cultural organizations, but should focus its efforts on doing a good job of leadership in political orientation and necessary organizational leadership according to party principles. Relevant departments under a party committee should not arbitrarily intervene with what and how to write when writers and artists are working; but that does not mean to refrain from intervening in questionable social effects of literary and art works. It is necessary to advocate and support in a big way works giving focal expression of the times' requirements, while justifiably criticizing representative works with erroneous tendencies with a clear-cut stand. An important link in implementing leadership with political orientation is to implement the principle of giving prominence to the main theme while developing variations in the realm of helpful works. They should refrain from taking care of matters that they should not, but see to it that a good job is done of every single matter that calls for their attention, thus genuinely augmenting and improving party leadership. To do a good job in political orientation leadership, cultural departments' party organizations should take an active part in guiding and organizing workers in the cultural and art arena to study Marxist theories, the basic tenets of socialism, and central documents on building socialism with Chinese characteristics, while helping them elevate their consciousness of adhering to a correct political orientation.

Another aspect in augmenting and improving party leadership over cultural undertakings is precisely the adherence to conducting education in party spirit among party members in the cultural system and giving play to the vanguard and exemplary role of cultural and art workers who are party members. Cultural and art workers who are party members are primarily party members before they are writers, artists, theorists, or experts in cultural administration. There should not be any special party members within party organizations. Every cultural and art worker who is a party member must strictly execute the party line, principles, and policies; obey party decisions and discipline; and bring

along, with this practical action, the mass cultural and art workers to take an active part in implementing the party's principles and policies. The pursuit of creation and theoretical research of literature and art should be the essential substance and method of work for party member writers, artists, and theorists. Furthermore, this pursuit is also a process through which party members can play their roles. The requirement of party spirit on them as vanguard of the thoroughly revolutionary proletariat is entirely unanimous with the requirements of the objective law governing the development of socialist culture and art. Therefore, every genuine writer, artist, or theorist who is a party member must and can link the requirement of party spirit to the play of artistic individuality in their creation of literature and art and in theoretical research, while affecting and educating the readers and audiences with works and articles that embody the party's requirements and ideals with sharp artistic and theoretical individuality; thus playing their due guiding role in cultural and art development.

3. Establishing a Correct Orientation for Cultural Undertakings, Adhering to the Principle of Serving the People and Socialism

Socialist cultural undertakings are the masses' undertakings. The definition of these undertakings' quality determines that their content and orientation must inevitably serve the people and socialism. Adherence to the principle of "serving the people and socialism" is likewise not a requirement forced upon us from the "outside," but is an inherent requirement of the development of socialist cultural undertakings themselves as well as the lifeblood of China's cultural work.

Cultural work as the people's meaningful activity naturally serves the people. Culture as ideology and superstructure naturally serves a certain economic base and form of society. The statement "literature and art are nothing else but literature and art themselves, and the question of their serving any purpose does not exist" is actually deceptive. It is impossible for culture to be free of serving anybody. The crux of the matter lies in which people and society it serves and whether it renders such service consciously or otherwise. It is a fact that socialist cultural work, as socialist cultural workers' meaningful activity, and socialist culture, as socialist ideology and superstructure, consciously serve the people, the socialist economic base, and the entire socialist society. Otherwise, our cultural undertakings will not be socialist in nature, and will lose their basic quality as a component of the socialist ideology and superstructure.

Common sense tells us that any social undertaking invariably realizes its own development in the course of its serving society and meeting social needs. In this sense, service is not only a kind of restriction, but is also a necessary condition for cultural development. There are different qualities and ways of service, services rendered to backward and even reactionary or progressive subjects, and services rendered mechanically or in accordance with the law governing art and culture.

Services rendered mechanically to backward or reactionary subjects will negatively restrict and bind cultural development, while services rendered to progressive subjects in accordance with the law governing art and culture are a powerful impetus and stimulus to cultural development. True, serving the people and socialism is a definition of the orientation and extension of the development of China's cultural undertakings, but it is at the same time a great impetus and stimulus to cultural work, because the needs and love of the people as the makers of history, and the needs and call of the socialist era, which represents the orientation of mankind's historical development, have provided an immense space for cultural development; moreover, they are most capable of exploiting the creative potential in cultural workers, and most powerfully pushing forward cultural workers to blaze new trails in making progress.

Serving the people is closely linked to serving socialism. Since the socialist cause is the people's cause, and, at the present stage, the Chinese people's basic interests and demands are to build socialism with Chinese characteristics, therefore, cultural workers serving the people and serving socialism are unanimous in nature. However the implications of the two are somewhat different: The former stresses the flesh-and-blood bonds between cultural work and the people, and thus points out the direction for China's cultural work to follow from the point of view of whom it would serve. The latter stresses the appropriate content of cultural work according to the demands of various times, thus drawing a fundamental demarcation line between China's cultural undertakings and those of capitalist countries in terms of cultural work's relationship with the economic basis and the entire social system. Only by linking serving the people to serving socialism will it be possible to have a clear picture of the correct orientation with integral and sharp characteristics of the times. It is precisely because of this that defining this orientation has a significant bearing on the whole situation of the development of socialist cultural undertakings. Only by adhering to this orientation will it be possible to insure the healthy development of China's cultural undertakings.

The adherence to the orientation of "serving the people and socialism" includes multiple requirements, of which the most important are the following: First, in our creation of literature and art, as well as various cultural activities, we must always wholeheartedly regard the people as our subjects of service at all times and work hard to present them with works they love to hear, see, and utilize, thus genuinely meeting their spiritual and cultural needs. At the same time, it is necessary to embody their due position as makers of history in various activities of cultural creation. This being the case, we should take an active part in developing mass cultural activities, while pursuing professional culture so that the socialist masses can genuinely become the masters of all cultural activities, including cultural appreciation and creation. Second, it is imperative to

express the people's wishes and the socialist cause's historical requirements on them in their pursuit, including direct expression of the life of China's socialist era and the spirit of the times. Besides, the essences of other aspects in the creation of literature and art in various categories should be conducive to the people elevating to a higher spiritual plane, firming up their faith in socialism, and helping them plunge into socialist reform and modernization with greater vitality and vigor to push forward the progress of socialist practice.

History repeatedly proves that the question of whom literature and art should serve is, in the final analysis, the question of which class and what kind of social ideal and system they should serve; it has always been a basic issue, and a principled one at that. Viewing it today, we find that it is the central issue in the confrontation between bourgeois liberalization and the four cardinal principles in the cultural arena. It is necessary for us to distinguish the distortion, attack, and negation of the orientation of "serving the people and socialism" in the ideological trends of bourgeois liberalization and to adhere to correct service while guarding against mechanical service and service to an erroneous line. We must adhere to the orientation of "serving the people and socialism" in its integrity, in the implications of the people as well as socialism, and in the subjects as well as content of service.

4. Implementing Socialist Democracy in the Cultural Arena, Adhering to the Principle of "Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Contend"

Extensive socialist democracy must be implemented in the development of socialist cultural undertakings, which are the people's undertakings. Determined by the objective law governing culture and art and the basic nature of China's socialist cultural undertakings, "letting a hundred flowers blossom and a hundred schools of thought contend" should naturally be a basic principle of China's cultural work. In the creation of literature and art, there should be the blossom of a hundred flowers in various forms, styles, genres, and approaches, while the free choice and competition between different subject matters and themes should be encouraged. Under the prerequisite of adhering to the four cardinal principles and observing the Constitution and law, it is necessary to guarantee the airing of different views and the freedom of participating in contentious theoretical discussions. Problems of general artistic concepts and academic views should not be labeled as political problems, nor should general problems in political and ideological understanding be escalated to political problems. Cultural work's mechanism should be capable of increasingly giving play to the socialist enthusiasm of a greater number of people, and the path of cultural work should become increasingly wider.

Democracy has all along been specific and relative. The essential of socialist democracy is to guarantee the masses' right as masters of the country; in cultural work,

it is precisely to guarantee the freedom of the masses of cultural workers to take an active part in creation along with the orientation of "serving the people and socialism" and people's rights to speech and participation in cultural work. The advocacy of giving up the orientation of "serving the people and socialism" and adherence to the four cardinal principles is actually the freedom of a minority of people to trample on the people's will and is the exclusive freedom of the bourgeoisie at that, which we must firmly oppose. Openly publishing works, articles, and speeches to affect others—to influence life—is an important behavioral mode for writers and artists. Therefore, opposing the four cardinal principles, advocating the capitalist road, and even instigating subversion of the party and government leadership in openly published works and speeches will no longer be a simple matter of literature and art or ideological understanding, but a political behavior violating the Constitution. Halting the freedom of a small handful of people who stubbornly hold fast to bourgeois liberalization and seek to have their own way, is precisely a guarantee that China's cultural undertakings can progress on the wide path of "serving the people and socialism" according to the will of the majority.

To advance socialist democracy, party and government departments should implement democracy in decision-making; in addition, all mass cultural organizations should implement genuine democratic administration and supervision under the prerequisite of adhering to the orientation of "serving the people and socialism," earnestly ensure that those organizations are capable of representing all their members' wills, and guard against attempts by a handful of people to control and turn those organizations into an apparatus for seeking personal gain and pursuing unhealthy tendencies in trades, and even bourgeois liberalization. To achieve this, we must draw lessons from the experiences of cultural work being affected by "leftism," especially the Great Cultural Revolution. By no means should we repeat the errors of deviating from the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" in pursuit of cultural dictatorship. On the other hand, we must also draw lessons from the flood of bourgeois liberalization during the new historical stage; by no means should we allow some people to distort the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" by turning it into one of liberalization and the monopoly of the forces of bourgeois liberalization in contention, and even a principle for such forces to pursue turmoil. The principle of "letting a hundred flowers blossom and a hundred schools of thoughts contend" should be one that genuinely implements socialist democracy in the cultural arena, and one of Marxism and Mao Zedong Thought that ensures the prosperity and development of socialist culture and art based on its original nature.

5. Inheriting the Fine Tradition of Revolutionary Culture, Adhering to Socialist Reform in Cultural Work

Socialist culture is the development of mankind's culture in conformity with the law governing it; however, it has

a new quality different from all past cultures. The surfacing of socialist culture itself was an epoch-making change in the history of mankind's cultural development. Nevertheless, the change socialist culture brought about is not a permanent solution. From the angle of China's socialist cultural construction, on the one hand, it continuously blazes new trails and conducts new exploration along with the progress in the practices of reform, opening up, and modernization; on the other hand, the establishment of socialist culture's basic nature cannot replace the continuous substantiation and renovation of socialist culture in essence and form. Only by developing themselves and incessantly changing and blazing new trails along with the progressing times will it be possible for literature and art to always maintain their vigorous vitality.

Over the past 50 years, fine cultural fruits of real value have been created in revolutionary culture, including socialist culture, under our party's leadership; moreover, the fine tradition of being bold in changes has also been displayed in the course of cultural development. While we are repudiating the ideological trends of bourgeois liberalization in negating revolutionary culture, and affirming its importance in a scientific way, we must stress the comprehensive understanding and inheritance of the fine tradition of revolutionary culture, including bringing forward its spirit of being bold in changes and continuously blazing new trails, while taking an active part in pushing forward reform in the cultural arena by linking to present realities. Inheriting and bringing forward the fine tradition are an indispensable condition for cultural development. Complementing this, reform is the only way to cultural development. In the dozen or so years of the new historical period, our chief experiences in reform of cultural work are: While stressing reform, it is imperative to attach importance to its orientation and nature; while stressing reform's successful experiences, it is imperative to summarize the unsuccessful lessons under the influences of the ideological trends of bourgeois liberalization, especially the lesson of a handful of bourgeois liberalization representatives "changing the way" under the pretext of "reform," while changing the socialist cultural front into a capitalist one; and our reform must adhere to Marxist guidance, and be conducted along the socialist orientation with building socialism with Chinese characteristics as the goal.

Reform in the cultural arena requires us to actively push forward the changes in the essence and form of creation of literature and art, to explore the changes in the concepts and approaches in theoretical exploration while taking an active part in cultural restructuring. China's original cultural structure played an important historical role in development, but with such marked malpractices as egalitarianism, eating from the "same big pot," undefined responsibilities and functions, a dull mechanism, and low efficiency, it has failed to meet the new situation's requirements. At the same time, such malpractices have facilitated the erosion of bourgeois liberalization's ideological trends and the comeback of the remnants of

feudal ideas. Therefore, the rectification of cultural work should be linked to reform. While rectifying cultural work, it is imperative to conduct cultural restructuring. To make a self-perfection system that serves as a socialist cultural structure, structural reform must be conducted according to the principle of favoring the augmentation and improvement of the party leadership over cultural and art undertakings, which helps to arouse the socialist enthusiasm of the masses of workers engaged in culture and art, and helps to better bring into play the role of cultural and art work in the building of socialist spiritual civilization; and the principle that spiritual production must take social effects as the supreme criterion while linking social effects to economic results. Structural reform must implement the comprehensive management and operation-directed contracted responsibility system, and take the concept of whether or not it favors "the publication of books, bringing up of qualified people, and taking the correct path" as the sole criterion for judging reform's success or failure; thus providing a powerful impetus to the healthy development of cultural undertakings.

6. Advancing the Fine Tradition of National Culture, Pushing Forward Cultural Opening and Exchanges

In cultural development, history should not be severed, and socialist cultural development is not exceptional. Moreover, if socialist culture really wants to become what the masses love to hear and see, they must magnify their flesh-and-blood bonds to the people in ideological content and artistic form, and have sharp national characteristics; hence, the need to advance the fine tradition of national culture. To achieve this, advancing the tradition of China's revolutionary culture since the May 4th Movement is an indispensable and important condition for building a new socialist culture with Chinese characteristics. The "elite" that pursue bourgeois liberalization totally negate the tradition of China's national culture as well as revolutionary culture, and their final goal is to oppose the building of socialist culture with Chinese characteristics and create public opinion that supports taking the capitalist road in culture. Facing the grave ideological confusion created by bourgeois liberalization and the ignorance of many young people in our national culture, it is all the more necessary for us to advance our national culture's fine tradition in a big way.

China is a unified, multinational country, and the culture of the Chinese nation is comprised of the Han culture and that of many minority nationalities. The cultural development of various nationalities has contributed to the shaping and developing of the Chinese nation's cultural tradition. Therefore, to advance the fine tradition of national culture, it is necessary to attach importance to and advance the fine tradition of the Han culture, while the same must be done to the fine tradition of the cultures of all nationalities nationwide. At the same time, we should see that, in the Chinese nation's ancient culture, as in all ancient cultures of the world's nations, there were cultures of the working people and of the exploiters, and cultures of the exploiting classes in

their rise as well as their decline; generally speaking, there was quintessence as well as dross in them all. Therefore, in advancing the fine tradition of national ancient culture, a process of selection, digestion, and sublation is involved; it is necessary to implement the principle of "making the past serve the present" and "weeding through the old to bring out the new" to discard the dross and select the essence. Moreover, cultural tradition, including revolutionary cultural tradition, is only the current, not the fountainhead, while inheritance cannot replace creation. The fountainhead of building socialist new culture with Chinese characteristics is the new practice in the life of people of all nationalities in China building socialism with Chinese characteristics, whereas the basic channel for building new national culture is to conduct new creation starting from the new life. Moreover, only by basing ourselves in today's socialist practice will it be possible to set up correct criteria for advancing the fine tradition of national culture and, thus, better developing socialist national new culture in accordance with the requirements of being revolutionary, national, and massive.

Stressing bringing forward national culture does not mean closing the country to international ties. Cultural opening and exchanges are likewise indispensable and are major conditions for the rapid development of socialist cultural and art undertakings. China's socialist culture can and must absorb nutrients on the broadest scale to develop itself. China's cultural opening and reference should face capitalist as well as socialist countries; contemporary capitalist culture as well as capitalist culture in its beginning; and their ideological contents as well as cultural knowledge, artistic forms, and skills. We must take an active part in understanding, referring to, and absorbing all positive cultural accomplishments and spiritual wealth of mankind's creation. However, such opening and reference must be based on China, by no means should we take in everything without discrimination or imitate blindly; especially, we must refrain from copying intact the ideological system of Western capitalist culture. "Total Westernization" is a synonym for capitalism and is an expression of bourgeois liberalization in the cultural arena; the consequence of such a practice can only be to change Chinese culture into a dependent of Western capitalist culture. It is precisely to better implement cultural opening that we oppose "total Westernization." Only by implementing the principle of "making foreign things serve China" and applying Marxist viewpoints to analysis and differentiation, while selecting, digesting, and transforming valuable things in foreign culture starting with the actual needs of Chinese socialist cultural development will it be possible to genuinely accomplish the goal of accelerating Chinese socialist cultural development.

Both opening and exchanges are two-way. While doing a better job of referring to and absorbing foreign culture, it is necessary to step up Chinese culture's pace of marching toward the world in order for it to make greater contributions to mankind's contemporary civilization through cultural exchanges. In this arena, we

should likewise adhere to socialist principles, including the principle of independence and taking the initiative in our own hands, while refraining from catering to some Westerners' prejudices and following in others' footsteps in pursuit of certain international awards. It is necessary to augment the consciousness of pursuing the socialist new culture of the Chinese nation in extending opening and exchanges, while contributing to world culture with socialist culture with Chinese characteristics and providing new revelations to China's cultural development.

7. Building a Huge Contingent of Cultural Workers Who Are Both Red and Expert

The establishment and development of socialist cultural undertakings calls for conscious ideological guidance as well as a conscious organizational force. It is imperative to augment the building of a contingent of cultural workers in a big way. Only by building up a huge contingent of cultural workers who are both expert and Red will it be possible to organizationally ensure the continuous development and prosperity of China's socialist cultural undertakings.

The contingent of socialist cultural workers is comprised of professionals and amateurs who have close ties to each other. The contingent of professional cultural workers are the backbone of cultural work, who shoulder the task of elevating cultural work; the contingent's place and role are vitally important and irreplaceable and cannot be reduced. The task for the contingent of amateurs is mainly popularization, which is likewise very important and has its own advantages. Because most amateur cultural workers are direct participants and creators of the actual life in reform and construction, they have natural flesh-and-blood bonds to the masses as well as creativity directly derived from life and the masses. Therefore, they have a particular place and role in meeting the mass needs in spiritual and cultural life; moreover, they are the fine reserves for professional cultural workers. Ideas and practices that play down the building of a contingent of amateur cultural workers are wrong. We must adopt the principle of attaching equal importance to the professionals and the amateurs. In taking an active part in augmenting the building of a contingent of professional cultural workers, it is necessary to support in a big way and to continuously make the contingent of amateur cultural workers grow so that the two contingents may closely cooperate with each other and provide strong organizational guarantees for the development of socialist cultural undertakings.

Whether it be professionals or amateurs, as architects of the soul and builders of socialist spiritual civilization, they should acquire increasingly higher levels of cultural attainment, a correct world outlook, and a socialist sense of mission. In short, they should be both Red and expert. Comrade Jiang Zemin put it well in his speech last year marking the May 4th Movement: "Under the guidance of Marxism-Leninism and Mao Zedong Thought, contemporary intellectuals should combine themselves with practice, workers, and peasants. If they want to perform

their historical duties, they must continue to progress along this path." Every genuine socialist writer, artist, and theorist must consciously face realities under Marxist guidance, prize the interests of the state and nation, work hard to express the socialist era's spirit, actively contribute to bringing up a new generation that has "lofty ideals, moral integrity, good educational background, and a high sense of discipline," and perform their sacred mission with practical actions. Those who lack interest in Marxism and are bent on following the fashion will never stand the test of storms. The egoist and the self proclaimed "cynic in literature" are not worthy of the glorious title of socialist cultural and art workers.

Here, there is a need to deal with the ideological transformation issue. There were actually "leftist" errors on this issue in the past, which dampened the enthusiasm of some cultural workers. However, in correcting "leftist" errors, ideological transformation itself should not be negated. Ideological transformation in a scientific sense refers to the need of people to remold their subjective world while transforming the objective world so that the subjective may conform to the objective. Changes take place continually in the objective world. To keep abreast of development of objective matters, people must continuously remold themselves, without exception. Not only do those who have not yet established a correct world outlook need to work hard to remold themselves, but also those who have basically established a correct world outlook should continue to remold themselves, study new issues, and adapt themselves to new conditions. A few years back, some cultural workers who once adhered to the correct orientation and made great progress at the start of the new historical stage relaxed their studies because of arrogance and self-conceit; consequently, they lost their way when erroneous ideological trends flooded in, and their creation and theories slid down. Others were even involved in the 1989 political turmoil. This has once again proved that ideological remodeling is imperative. With new tests ahead, it is vitally important to do a good job of transforming the subjective world by linking to the new characteristics under the new situation while building the contingent of cultural workers.

8. Substantiating, Completing, and Perfecting the Series of Specific Principles and Policies for Fulfilling the General Orientation and Basic Principle for Cultural Work

To ensure Marxist guidance in cultural work and leadership of the party and state over cultural undertakings, a correct general orientation and basic principle for cultural work are called for. Moreover, there should be a series of special principles and policies, which are continuously substantiated, completed, and perfected in practice so that the general orientation and basic principle can be realized.

Comrade Mao Zedong stated that the basic issues of literature and art, as well as for the entire cultural work,

are "for whom" and "how" to achieve that goal. As the general orientation and basic principle, "serving the people and socialism" and "letting a hundred flowers blossom and a hundred schools of thought contend" refer to the issue of "for whom" and are the basic channel with regard to "how" to achieve that goal. They are the basic characteristics of China's socialist cultural undertakings and the focal expression of the objective law in principles and policies. To adhere to the orientation of "serving the people and socialism" and to implement the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" in a specific way, the party and state have reaffirmed and proposed a series of specific principles and policies, including making the past serve the present; making foreign things serve China; weeding out the old to bring forth the new; giving expression to socialism and linking to the people; linking popularization to elevation; attaching equal importance to professionals and amateurs; giving prominence to the main theme while developing variations; advocating the revolutionary, national, and mass nature of literature and art; requiring the unity of content and form of literary and art works; giving equal prominence to ideological and artistic values; regarding social effects as the supreme criterion for spiritual production, while linking social effects with economic results; and, taking an active part in conducting cultural restructuring in a steady and appropriate manner and other economic policies for cultural undertakings. This series of specific principles and policies was formulated in accordance with the essential characteristics of socialist cultural undertakings and the requirements of the law governing their development, and it was the embodiment of the consciousness of socialist culture, reflecting the requirements on fulfilling the general orientation and basic principles from various facades and links of cultural work as well as the concretization of the dialectical relationship between "serving the people and socialism" and "letting a hundred flowers blossom and a hundred schools of thought contend." In other words, the general orientation, basic principle, and the series of specific principles and policies are an organic whole, which must be grasped and implemented in its entity. Voluminous facts, especially the grave confusion surfacing in the cultural arena a few years back, have testified to the truth that if only the general orientation and basic principle were set forth without mentioning or paying attention to the series of specific principles, the general orientation and basic principle would remain a general slogan, and even become something that anybody could provide with his own interpretation. For example, if we failed to implement the specific principle of giving prominence to the main theme while developing variations, it would be very difficult to implement "serving the people and socialism" and "letting a hundred flowers blossom and a hundred schools of thought contend" in the planning for concrete creation of literature and art. Only by adopting feasible and powerful measures to earnestly implement the series of specific principles and policies while stressing the general orientation and basic principle, will it be possible to insure in various aspects the progress of

cultural work in accordance with the requirements of the law governing the development of socialist cultural undertakings.

Just as socialist cultural undertakings undergo continuous development, completion, and perfection through practice, so will our series of specific cultural principles and policies also be substantiated, completed, and perfected under the guidance of the orientation of "serving the people and socialism" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." From now on, accompanying the new development of the entire cultural undertakings, and the deepening of understanding in the objective law governing socialist cultural undertakings, specific cultural principles and policies can and should be further developed, completed, and perfected. This being the case, we must work hard to grasp the objective law governing development of cultural undertakings to elevate our consciousness and resolution in implementing the series of specific principles and policies on the plane of doing business according to the objective law, while fighting against behavior deviating from, opposing, and distorting these principles and policies; at the same time, we must creatively implement these principles and policies in practical work in light of local circumstances and strive to further substantiate, complete, and perfect these whole-ranging cultural principles and policies, with our own creative work.

Here, I should like to air my own view on completing and perfecting the economic policy for cultural undertakings. With the development of the commodity economy and cultural restructuring, formulating whole-ranging economic policies for cultural undertakings has increasingly become a pressing topic in implementing the cultural principle of the party and government in an overall way and insuring the smooth going of cultural restructuring. At the present phase, the overwhelming majority of China's cultural and art products will enter the circulation arena in commodity form, namely, by supplying them to the subjects of their service in the form of commodity exchange. In this realm and sense, cultural and art products are actually stamped with the nature of commodity. However, spiritual production is, after all, different from material production, and socialist spiritual production is different from capitalist spiritual production. From the angle of the law governing the creation of socialist cultural and art production and its inherent nature, our cultural and art products are not commodities. Therefore, the formulation and forming of a whole range of cultural economic policies for cultural undertakings should favor the breakthrough of "eating from the same big pot," bring closer the relationship between cultural and art production and consumption, promote production with consumption, and improve the efficiency of cultural and art production. At the same time, it is necessary to guard against the practice of turning spiritual products totally into commodities, to support things that we advocate with the economic lever, to magnify the main theme while

restricting things vulgar and banning things reactionary and lousy, and to insure the fulfillment of the "serving the people and socialism" orientation on the strength of a leaning economic policy. In addition, preferential policies should be implemented regarding cultural and art departments in outlay, investment, capital construction, transportation charges, and taxation in various aspects to create a better economic environment for cultural and art development. I believe that the genuine accomplishment of all this involves the determination of relevant departments under the central authorities as well as the common efforts of all comrades working on the cultural front. Especially, comrades of administrative departments at all levels should actively explore and create experiences in practice for the completion and perfection of the economic policy for cultural undertakings.

In conclusion, I should like to say that the 20th century's last 10 years are crucial to realizing the strategic goal of China's socialist modernization, and should be a decade with great progress in China's socialist cultural and art undertakings. I believe, comrades on the cultural front certainly will unite more closely under the leadership of the Central Committee with Comrade Jiang Zemin as the core, hold aloft the banner of patriotism and socialism, unite and strive for the unprecedented prosperity and development of China's cultural and art undertakings, and continue to win new victories with highly effective work to build socialist culture with Chinese characteristics and a high level of socialist spiritual civilization!

Socialism in Wuxi County

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[Article by Xu Fuji (1776 4395 1015), Xu Yuanming (1776 0337 2494), and Zhong Ming (6988 2494) in the "Socialism in China" column]

[Text] **Editor's Note:** Only socialism can save China and it is only under socialism that China can develop. The Chinese people, led by the CPC, have proved this truth with their practice. As the glorious, great, and correct CPC is about to celebrate the 70th anniversary of its founding, we are opening this "Socialism in China" column. This column will carry articles reflecting the achievements and experience of some localities, trades, and units in building socialism. Through these articles, we will see that only by upholding socialism can we achieve prosperity for our nation, stability for our society, and common prosperity for our people.

In old China, under the rule of imperialism, feudalism, and bureaucrat-capitalism, despite the fact that we had a vast country of 960,000 square km—a land rich in natural resources and inhabited by the industrious and brave sons and daughters of the Chinese nation who had made great contributions to the civilization of mankind through their

own wisdom—the record annual output of major industrial and agricultural products remained low: Steel, 920,000 tons, equivalent to five days' output today; coal, 62 million tons, equivalent to 20 days' output; grain, 150 million tons, one-third of the present output. At that time, there was not enough grain to feed the nation, cotton had to be imported, and we were unable to manufacture automobiles and tractors, or even wristwatches and radios for that matter. In the short span of 41 years since the founding of the PRC, miraculous changes have taken place in the country.

Last year, China's GNP reached 1,740 billion yuan and total industrial output value amounted to 2,385.1 billion yuan. Between 1950 and 1987, annual GNP growth averaged 7.37 percent, far higher than the 3.17 percent achieved in the United States during the same period, or the 6.98 percent and 4.01 percent achieved in Japan and India, respectively, from 1960 to 1987. China's average annual industrial growth rate from 1953 to 1988 was 11.5 percent, higher than the 4.2 percent average for developed countries, the 5.9 percent average for developing countries, and the 4.4 percent average for the world as a whole between 1951 and 1986. If we compare China's ranking in the world in terms of output of major industrial and agricultural products in 1949 and 1988, we see the following jumps: Steel, from 26th to fourth; coal, from ninth to first; crude oil, from 27th (1950) to fourth; electricity production, from 25th to fourth; cement, from eighth (1957) to first; grain crops, from third (1957) to first; cotton, from fourth to first; and pork, beef, and mutton, from third to first.

Although China has only 7 percent of the world's total arable land, it has basically resolved the problem of feeding more than one-fifth of the world's population. Today, Chinese people's real consumption level is about four times what it was just after liberation. Although our per capita GNP is still considered low in world terms, the quality of life indicators of our people are still higher than the average for similar low-income countries, and they have reached or approached the standards for middle-income countries.

We have the story about the "nirvana of the phoenix" in Chinese mythology. Like the phoenix rising from the flames, our disaster-ridden great motherland has once again resurrected itself with dazzling rays of sunlight to occupy a decisive position among the world of nations.

Why has China been able to achieve world-acclaimed successes during these last 40 years and more? In a nutshell, these successes are expressions of the superiority of the socialist system. The political system of the people's democratic dictatorship has established the position of the laboring people as masters of the country and has organized and ensured the smooth progress of the socialist cause. The socialist economic system, which has the public ownership of the means of production as the mainstay, has turned the laboring people into common owners of the means of production. It has aroused the enthusiasm of the masses in the hundreds of millions to

build socialism and fundamentally pushed forward the development of the productive forces. This is the source of our strength.

We must see that we have been building socialism against the backdrop of armed threats and economic blockades imposed by international reactionary forces, and that we were an extremely backward country when we started. However, we have made brilliant achievements despite our huge population and relative lack of resources on a per capita basis. The achievements we have made are something to be proud of whether they are compared vertically with semicolonial and semifeudal old China or horizontally with the industrially developed capitalist countries and regions and the developing countries. Although we have made mistakes and experienced setbacks, and although our per capita GNP is still low, when observed from the wider perspective of historical development, the only obvious conclusion we can draw is that the socialist system has infinite vitality.

Hostile forces in the international arena wildly assert that "socialism has failed." At home, the handful of people who engage in bourgeois liberalization also say that "socialism is ill-suited to China" and that "socialism has reached the end of its rope," thinking that capitalism is China's only way out. Facts are more eloquent than words. The conclusive evidence cited in this column will most forcefully refute these fallacies.

It must be pointed out that the articles in this column will come from a limited number of localities, trades, and units. While their achievements are obvious, it does not mean that the achievements of other localities, trades, and units are not outstanding. The truth is, the vast land of China is full of life and vitality. Even the old minority nationality, border, and poverty-stricken areas have made tremendous improvements compared with those early days of the People's Republic. With limited space, it is impossible to carry all articles in this column. As a remedy, we are now editing books on the same theme as this column and will do our best to include as many articles as possible in these books. [end editor's note]

Socialism in Wuxi County

On the shores of Tai Hu in the Chiang Jiang Delta, a glittering pearl is beginning to catch the eyes of the world. This pearl is Wuxi County in Jiangsu Province.

Before liberation, Wuxi was known as "Little Shanghai" and enjoyed its reputation as a "cultural center." Despite this, its economic and social development was still rather backward. Although the rural areas which are now under the jurisdiction of Wuxi County were richly endowed by nature as a land of plenty, the broad masses of peasants there, like their ancestors in past generations, had to struggle to make ends meet under the natural economy and were often dragged into dire poverty by natural and manmade calamities. Today, 41 years after the founding of the PRC, miraculous economic and social changes have taken place in the county's 1,235 square km. In 1990, the total industrial and agricultural output value of

Wuxi County, which has a population of 1.08 million, reached 11.49 billion yuan, an increase of 76 times compared with 1949 and seven times compared with 1980. The county's GNP is expected to reach 3.84 billion yuan, up 56 times on the 1949 figure and more than quadruple that of 1980. Per capita income reached 3,278 yuan. Wuxi is among the first counties in China to have reached the moderately well-off level. A scene of prosperity and vitality prevails in this county.

I

Why has Wuxi County been able to make such gratifying achievements in its economic and social development? The fundamental reason is that it has, under the leadership of the CPC, established an ownership structure with socialist public ownership as the mainstay, coexisting with diverse economic sectors, firmly implemented the reform and open policy, and made unremitting efforts to carry forward the principles of relying mainly on the collective economy to achieve common prosperity, taking township and town enterprises as the mainstay to promote the coordinated development of agriculture, sideline production, industry, and other occupations, and put equal stress on material and spiritual development. Premier Li Peng fully affirmed the orientation followed by Wuxi. This can be seen from an inscription he wrote for Wuxi when he inspected the county on 20 January 1990: "Uphold the socialist orientation, build a modernized new countryside."

In the mid-1950's Wuxi embarked on the road of agricultural cooperativization. Although there were problems of this or that sort, such as over-hastiness, sloppiness in work, excessively drastic changes, oversimplification, and the impractical pursuit of "larger size and a higher degree of public ownership" during the subsequent two decades and more, when all is said and done, it had smoothly brought about a profound social transformation and promoted the development of the national economy. Between 1956 and 1978, the total income available for distribution in the rural areas of Wuxi County increased at an annual rate of 6.9 percent and accumulation and retention of common funds by the collective totaled 237 million yuan. This laid the preliminary material foundation for the further development of the economy.

After the Third Plenary Session of the 11th CPC Central Committee, the contract responsibility system on a household basis with remuneration linked to output was implemented in the entire agricultural sector. Wuxi County creatively adopted the practice of "contracting jobs along specialized lines, linking output quotas to individual households, combining separate and unified management, and distributing income according to contracted work." Through the establishment and perfection of the socialized service system for agriculture, efforts were made to strengthen the functions of collective and unified management. In this way, the collective

economy was not weakened but was further consolidated and strengthened in the new stage of historical development.

After the Cultural Revolution, township (town) and village collective enterprises which evolved from commune-run enterprises quietly sprung up. In the course of their development from few to many, from small to large, and from weak to strong, problems like "everybody eating from the same big pot," "the iron rice bowl," and "life tenure for cadres" found in township and town collective enterprises were resolved through the summation, popularization, and improvement of the experience of Wuxi's Yanqiao Township in "one contracting and three replacements" (referring to implementation of the system of economic contracting with the factory directors and managers taking overall responsibility; replacement of the system whereby cadres are appointed with one where cadres are recruited; replacement of the system in which workers are permanently employed to one where workers are employed on a contract basis; and replacement of the fixed wage system with the floating wage system). This also helped prevent the public property of collective enterprises from becoming, in a disguised way, the private property of contractors through contractual operation by individuals. They resisted the undercurrent in township and town collective enterprises of "dividing the shares among individual households and sharing profits according to shares," a practice which would turn public property into private property. They upheld the collective ownership of enterprises run by townships (towns) and villages.

The reform and open policy has given fuller scope to the vitality of the rural collective economy in Wuxi County and has widened the scope of the collective economy. Compared with the period of the people's communes, the economy at the production team level has been further consolidated. The economic strength at the township (town) and village levels has also been greatly enhanced. The township (town) and village levels now control more than 90 percent of the collective economy, which has been converted from the former pyramid pattern into the present inverted pyramid pattern. Today, township and village industries in Wuxi have collective property (including fixed assets and circulating funds owned by the enterprises themselves) amounting to 6.365 billion yuan. Over 70 percent of per capita annual net income is generated by collective unified undertakings.

While upholding, consolidating, developing, and improving the collective economy, Wuxi County also attaches importance to the role of the individual and private economies and other economic sectors as useful supplements to the public economy. On the one hand, necessary policies and measures are adopted to restrict individually operated and privately owned enterprises from engaging in trades and lines of production that consume a lot of energy, require a large investment, and involve higher technical standards. On the other hand, family-run industries operated by individual households

that are conducive to the development of collective industries and individually operated transport, commerce, and service trades that can help invigorate circulation and enliven the urban and rural economies are not only tolerated but are given help and support, provided they abide by law and discipline. At present, nearly 10,000 peasants are engaged in family- and privately run industries, with output value in excess of 200 million yuan, equivalent to the total value of industrial production in the whole county in the early 1970's. Another 20,000 and more people are engaged in individually operated commerce, catering, and service trades, with turnover totaling some 250 million yuan. Since the mid-1980's, Wuxi's township and town enterprises have developed extensive ties of cooperation and engaged in joint-venture projects with state-run enterprises, large collective enterprises, and foreign businesses. An economic pattern with the collective economy as the mainstay and coexisting diverse economic sectors has thus taken shape.

II

Can the collective economy meet the needs of the development of social productivity in the rural areas at the present stage? Can it promote the prosperity of the commodity economy? The answer given by the people of Wuxi is in the affirmative.

As early as the late 1960's, the peasants of Wuxi had, while making positive efforts to develop agriculture, used collectively run sideline undertakings as the foundation for running collective processing enterprises serving the needs of agricultural production, with investment from the collective economy and from commune members.

In 1978, when the prelude to reform sounded over the vast land of China, the tide of the commodity economy began to sweep through Wuxi. The output value of rural industries exceeded that of agriculture and became the mainstay of the economy. While striving to stabilize and improve agricultural production, Wuxi also made energetic efforts to develop nonagricultural undertakings with industry as the backbone. As a result, the annual output value of township and town collective industries exceeded 10 billion yuan in the early 1990's.

Wuxi could fully break away from the confines of the closed natural economy in the rural areas and commodity-type nonagricultural trades sprang up and township and town enterprises mushroomed because the county has the advantage of having a solid collective economy. This is particularly true since the Third Plenary Session of the 11th CPC Central Committee, when this advantage started to demonstrate its prowess like a hot knife cutting through butter under the guidance of the party's basic line.

Under the collective economy, the means of production are owned jointly by the peasants within a given area. This not only affords an effective means of mobilizing and organizing the broad masses of the peasants, but can

combine the interests of individual peasants with the interests of collective economic organization as a whole, so that "when one thrives, all thrive; when one suffers, all suffer." Township and town industrial enterprises are closely geared to market needs. With supply and marketing both on the outside, these enterprises constantly have to deal with competitors and take risks. But they also have a strong survival and development instinct, besides having a powerful internal drive. They closely follow the development of domestic and overseas markets, adopt a variety of flexible measures, make use of the strong points of the collective economy, and extensively absorb and organize the resources available in society. In order to develop the commodity economy and open up new markets for products, Wuxi's township and town collective enterprises have also established nationwide commodity circulation networks, which include enterprise-operated sales outlets, commissioned sales outlets, joint marketing outlets, and specialized markets, thereby effectively ensuring the development of the enterprise economy.

Relying on its superiority, the collective economy can properly coordinate and concentrate local productive resources to form an economy of scale which has an overall strength beyond comparison in the individual economy. When combined with the development objectives of local governments to "invigorate the rural economy and achieve common prosperity," this strength will have an invincible force. The sluggish market which gripped the nation in early 1989 posed a rigorous test to Wuxi's township and town enterprises. However, the total output value of the county's township and town enterprises not only did not drop but it increased by 8.1 percent over the previous year. In 1990, the rate of increase in output value was 13.6 percent.

Township and town industries are regulated mainly by market forces in Wuxi, but in this county the planned economy and market regulation also work hand in hand. Collective ownership is a form of socialist public ownership. Collective economic organizations can proceed from the interests of the whole and combine the planned economy with market regulation when developing commodity production. In the course of developing nonagricultural trades with industry as the backbone, Wuxi consciously took the state's macroeconomic industrial policies as guidance. In the 1970's when township and town industries were first started, it tried hard to develop trades and produce products that served agricultural production, the people's livelihood, urban industries, and exports to foreign countries. In the early 1980's, as part of the drive to readjust the national economy, its township and town enterprises closed and suspended redundant enterprises and produced goods to correct omissions and deficiencies in urban industries. Since 1988, Wuxi has again made positive efforts to implement Central Committee guidelines. It closed, suspended, merged with other enterprises, and changed the production lines of those enterprises that: Competed with urban industries for energy, raw and semifinished

materials, and auxiliary materials; seriously polluted the environment and could not be improved; and were poorly managed and had been sustaining losses for years. In response to the Central Committee's decision that the coastal areas should strive to develop an export-oriented economy, the county also worked hard to open up international markets and develop an export-oriented economy. To join with the state plan, Wuxi's township and town enterprises developed different forms of transregional and transownership cooperation through urban industrial and commercial enterprises and state-owned foreign trade enterprises, thereby incorporating their production into the state plans. In recent years, Wuxi's township and town enterprises have taken an active part in enterprise groups with large state-owned enterprises in the lead and have thus brought their production into line with the macroeconomic plans of the state. At present, nearly 1,000 enterprises in the county have maintained steady ties of cooperation with urban enterprises within and outside the province, and a number of enterprises have set up joint ventures with foreign enterprises.

Incorporating the production activities of township and town enterprises into county-level plans is an experience created by Wuxi County. Basically, township and town enterprises do not have a direct role to play in central and provincial plans. The traditional practice whereby only state-owned and large collective enterprises are subject to unified planning was stopped by the relevant government departments in Wuxi. In such matters as the organization and supply of materials and the marketing of products, the relevant economic indicators of township and town enterprises are now included in the county plans. Today, a large proportion of the energy, raw, and auxiliary materials needed by township and town enterprises are supplied by the county's materials bureau. Meanwhile, county-level state-owned commercial undertakings and supply and marketing cooperatives have also included the products sold by township and town enterprises in their annual plans.

Industrialization at the cost of the peasants' jobs and the withering of agriculture is a common phenomenon in Western countries. While developing its industries and bringing about agricultural industrialization, Wuxi County also tried to accelerate the pace of its socialist agricultural modernization. With the arrival of the 1980's, township and town industries had their opportunity and the necessary economic strength to grow at a faster pace. With large numbers of laborers going to work in factories, agriculture could not but feel the pinch. Bringing their coordinating function into play, Wuxi's township and town cooperative economic organizations promptly took measures to implement the policy of "using industrial revenue to subsidize and develop agriculture." This can be seen as industry's way of paying back agriculture for its nurturing. In recent years, Wuxi County has been investing some 50 million yuan in agriculture annually, with about 60 percent of the money coming from village-level collective economic organizations. Thanks to the favor returned by township and

town industries, agricultural production climbed to a higher level. Since 1978, total grain output has been at a steady 475,000 to 500,000 tons, more than double the early postliberation figure, despite the reduction in arable land. In 1990, Wuxi achieved another bumper harvest, with the output value of agriculture totaling some 445 million yuan (calculated at 1980 constant prices), 4.8 percent more than in 1989. Crop cultivation, which people feared would dwindle, outperformed the other agricultural sectors by achieving a 6.4-percent increase.

We can see that, on the basis of collective economic undertakings, industry and agriculture have developed into the powerful main body of the economy of Wuxi County as a whole. Together, they will definitely bear the rich fruits of common prosperity.

III

Will the ownership structure in Wuxi County, which has socialist collective ownership as the mainstay and coexisting diverse economic sectors, lead to common prosperity? The answer given by the people of Wuxi County is: Without the collective economy, there would be no common prosperity; the implementation of a distribution system which has distribution according to work as its mainstay and is supplemented by other modes of distribution is the correct way to achieve common prosperity.

Over the past 10 years and more, Wuxi County has adhered to the following measures in its efforts to overcome the practice of "everyone eating from the same big pot" and egalitarianism in distribution. The contract responsibility system on a household basis with remuneration linked to output was promoted; among industrial enterprises a three-in-one contracting mechanism that combines the "contracted economic responsibility system, the system of management by objective within the factory director's tenure, and the internal auditing system" was developed; and, within individual enterprises, diverse forms of economic contracting and the system of job responsibility were instituted by the enterprise administration with the workshops and by the workshops with the work shifts and teams. This mechanism to coordinate differing interests, which has the principle of distribution according to work as its basis and common prosperity as its objective, has proved successful in properly handling relations between the state, the collective, and the individual. It has successfully combined the policy of allowing some people and localities to become well off first through honest labor and legitimate undertakings, with the aim of achieving common prosperity through the unity of equality and efficiency, and has enabled all economic units and laborers to show concern for the increase of labor productivity and the development of social productive forces on the basis of their respective interests.

On the question of taking the interests of the state into account, enterprises in Wuxi County regarded making

more contributions to the state as their bounden duty and did their best to ensure the fulfillment of their financial obligations to the state. If we look at the statistics from Wuxi County, we will be surprised at the size of the county's financial revenue and the extent of its increase. The county's revenue totaled 83.2 million yuan in 1978 but, in 1990, it exceeded 400 million yuan, 5.02 times that of 1978 and an annual increase of 14.4 percent. Its contributions to the state have grown from year to year.

On the question of taking the interests of the collective into account, enterprises in Wuxi proceeded from the continuous consolidation and development of the collective economy and took the buildup of collective and enterprise accumulation as an important objective of economic development. Over the years, Wuxi has assigned a given share of the profits of its enterprises to collective public accumulation. In the distribution of the profits of township (town) and village enterprises, one-third of the net profits are handed over to the collective. This portion of the profits is spent on collective subsidies to agricultural and sideline undertakings, the construction of village and town public facilities, the development of education and public health facilities, investment in industries, and so on. The bulk of the profits retained by enterprises is spent on expanding reproduction and continuously building up the collective economic strength. Several hundred million yuan's worth of collective fixed assets are additionally acquired by the township and town enterprises of Wuxi County each year.

On the premise of observing the policies and decrees of the state, townships (towns) and villages in Wuxi have tried by all and every means to develop commodity production, thereby enabling their people to achieve a relatively comfortable standard of living on the basis of economic development. In 1990, more than half the townships (towns) achieved a total output value of over 300 million yuan. These economically fast-developing townships (towns) have a per capita collectively distributed income of more than 1,000 yuan. Qianzhou Town in Wuxi used to be a remote, backward place which was "flooded every time there was high water and it was struck by famine nine years out of 10." After nearly 20 years of hard work building up the place, it has now become rich and populous, with a "guaranteed harvest despite drought or excessive rain, a place which is developing every year." Some villages have also become well off ahead of others by developing the commodity economy. In 1990, 227 villages from a total of 587 in the county achieved an industrial and agricultural output value of over 10 million yuan. Among them, Xitang and Xiecun Villages in Qianzhou Town and Huangniba Village in Yuqi Town surpassed the 100 million yuan mark in their total industrial and agricultural output value. In these economically well-developed villages, the peasants have achieved a relatively comfortable standard of living.

While supporting the economic development of its prosperous villages, Wuxi County did not forget the need to rejuvenate the economies of its poor villages. Besides giving encouragement to villages that had become well off first and trying to bring along and help those backward villages that had not yet become well off through the establishment of close contacts, the county authorities also gave 33 economically fragile villages the necessary "blood transfusion" to strengthen their "hematopoietic" function. In 1990, the total industrial output value of these 33 villages increased by 117.9 percent, profits increased 10.7 times, and taxes paid to the state doubled compared with the previous year. All-round increases were also achieved in agricultural and sideline production.

On the question of remuneration for members of rural cooperative economic organizations, Wuxi County adhered to the principle of distribution according to work and the objective of common prosperity. In other words, it recognized the differences while taking care not to unnecessarily widen the disparity. The annual income of the managers, factory directors, key technical cadres, and marketing personnel in some collective enterprises is two to three times the income of ordinary staff and workers. A small number of people with exceptional contributions may be allowed to earn more than 10,000 yuan a year. By limiting the income of contractors, using industrial revenue to subsidize agriculture, and a number of other support measures, efforts were made to coordinate the distribution of income between cadres and workers, and between commune members engaged in industrial labor and those engaged in agricultural labor, so that the overwhelming majority of laboring peasants were able to increase their income from year to year on the basis of economic development. In those villages where the collective economy prospered, the cadres and masses said proudly: "Here we do not have 'upstarts' but neither do we have poverty-stricken households. We are all moving ahead along the road of common prosperity."

In Wuxi County, the gap between industry and agriculture is narrowing. Today's peasants are no longer the traditional ones who "work face down with their backs to the sky." Rather, they are the uniformed staff and workers of township and town enterprises. They are no longer farmers who carry hoes on their shoulders and plows in their hands, but are operators of modern industrial machines. They not only produce grain, cotton, and oil-bearing crops, but also produce an increasing amount of manufactured products. Their livelihood has approached and even surpassed that of industrial workers in some respects. The peasants are beginning to ask for quality and nutrition in their "food," tailoring and fashion in their "clothing," villa-type accommodations in multistory buildings in "housing," and gas supply in "heating." In 1990, the per capita net annual income of peasants in Wuxi County reached 1,564 yuan and per capita housing for rural inhabitants exceeded 37 square meters.

In Wuxi County, the gap between town and country is obviously narrowing. In the collectively owned sector of the economy, it is possible to proceed from overall and long-term interests in the construction of public facilities and the development of social welfare, thereby promoting the prosperity of small market towns. In the course of developing the commodity economy on a large scale, Wuxi County has also made considerable headway in its communications and transportation, as well as posts and telecommunications. In the decade and more since 1978, the local governments at various levels of Wuxi County have invested more than 100 million yuan in the construction of over 1,700 bridges and a network of about 1,500 km of roads. The number of posts and telecommunications offices in the county has been increased to 37 and letters and newspapers are delivered once a day. There are now 13,500 telephones in the rural areas, or 1.27 telephone per 100 peasant households, and automatic switchboards are installed in 13 of the 35 townships and towns. The development of communications, transportation, and posts and telecommunications has greatly accelerated the circulation of goods and exchange of information between town and country. This has in turn speeded up the economic integration of the urban and rural areas.

The development of township and town enterprises, the building of large numbers of factories, the strengthening of the collective economy, the various undertakings thriving in the rural areas, and the profound changes that have taken place in the rural market towns have fundamentally narrowed the gap between town and country. Huazhuang Town in Wuxi County is a case in point. In the early postliberation period, Huazhuang Town had only a little street two meters wide and 80 meters long. It had about 30 small shops and a population of just over 200. It was then a "market day" town for the exchange of agricultural and sideline products. In the short span of 10 years after the Third Plenary Session of the 11th CPC Central Committee, the collective invested a total of 50 million yuan in urban construction. More than 30 key construction projects were completed in turn, and nearly 600,000 square meters of various types of housing were built. The area of urbanized land increased to 1.5 square km, with the population increasing to 15,000. Six new areas, comprising an industrial development area; an administrative, cultural, and public health area; a commercial area; an educational area; a tourist area; and a residential area have been built. At present, Huazhuang Town has become an affluent and civilized new town with all the necessary functions and enjoying prosperity and openness. It shows the new face of a modernized rural area while retaining its distinctive traits as a region of rivers and lakes.

IV

The development of the collective economy in Wuxi County has provided favorable material conditions and valuable practical experience for the development of socialist ideology and culture; the increasing popularization and deepening of socialist ideology and culture

have, in turn, constituted an important intellectual pillar, ideological guide, and spiritual drive for the development of the collective economy. The fact that Wuxi County has given equal importance to material and spiritual development has created a benign cycle where the material and spiritual civilizations permeate and complement each other. This has promoted coordinated economic and social development along the socialist collective economy road.

In Wuxi County, spiritual development has been incorporated into the overall economic and social development plans of the governments at various levels. In the words of the masses, this means "setting the objectives, appointing the responsible persons, charting the orientation, allocating the necessary funds, and building the projects." This not only reflects the strategic vision of "grasping with both hands," but also shows the might of the collective economy.

Since the 1980's, Wuxi has spared no effort to develop basic education from the county to the township (town) and village levels and has reaped fruitful results in improving the scientific and cultural quality of its people. In 1983, Wuxi became the first county in the province to achieve the objective of "one no and two haves," that is: Having no imperiled primary and secondary school premises and having classrooms for all classes and desks and chairs for all students. In 1984, universal junior high school education was introduced in the county. In 1990, as many as 99.93 percent of school-age children were receiving primary education and 97.46 percent of those who finished primary education entered higher schools. Between 1980 and 1990, Wuxi invested over 300 million yuan in education and 90 percent of the school premises in the county have been renovated or rebuilt. In 1988, Wuxi was named an advanced county in education. By the end of 1990, 23 townships and towns, accounting for 66 percent of the total number of townships and towns in Wuxi, had passed inspection in nine-year compulsory education. This put Wuxi among the best counties in the province in the popularization of nine-year compulsory education.

In Wuxi County, the idea of using science and technology to promote agriculture, run factories, and bring prosperity to the townships (towns) and the county is reaching deeper and deeper into the hearts of its people; and the idea of relying on science in farming and work and relying on science to achieve prosperity has become the practical action of the people in the tens of thousands. Luoshe Town, called the "star of China's townships and towns," used the strategic concept of "using science and technology to build towns" to guide its economic and social development. It conducted extensive popular science publicity, education, and services in diverse forms and achieved tangible results. At present, Luoshe Town has achieved important breakthroughs in using science and technology to promote agriculture. It has achieved an average of 1.4 horsepower per mu of arable land in its agricultural mechanization, which is

about the same level as that in Japan today. As for using science and technology to build factories, more than a third of the township and town enterprises in Wuxi have set up research-production entities with over 100 colleges, universities, and research institutions in the country. Many of the township- and village-run enterprises in Wuxi have become grade-two state enterprises and their products have been honored with national outstanding quality awards.

In Wuxi County, 80 percent of the townships and towns have built large and well-equipped cultural centers which are commonly referred to as "universities for staff and workers" and "the great world of the rural areas." Peasants' parks and closed-circuit rural television systems have also mushroomed. In the whole county, well-coordinated community, enterprise, campus, and family cultural activities are conducted with sound and color. An average of 80,000 people take part in cultural activities of various types throughout the county. The healthy development of these mass cultural activities is gradually fulfilling the spiritual needs of the new generation of peasants in Wuxi for knowledge, beauty, and enjoyment.

The giant strides made in the development of education and of scientific and cultural undertakings have precipitated an improvement in the quality of laborers in Wuxi. In 1990, one-fifth of the staff and workers of township and town enterprises in Wuxi received systematic adult education or vocational training. The percentage of professional technicians recruited by township and town enterprises through formal appraisal amounted to 2.3 percent of the total number of staff and workers. Among the leading cadres of the county at the township and town level, 80 percent have completed college education, technical secondary education, or senior secondary education. These well-trained and specialized staff, workers, and cadres form the backbone for the material and spiritual development of Wuxi County.

The rise of township and town enterprises in Wuxi has not only created enormous material wealth, but has also provided a favorable social environment for training a generation of better educated and self-disciplined socialist new people with high ideals and moral integrity. In the process where hundreds of thousands of farmers, who used to work in the fields year-round, entered township and town enterprises and became new-type laborers who are part-time workers and part-time peasants, the uplifting influence of modern industrial civilization enabled them to gradually free themselves from the shackles of the narrow views born of the peasant mentality, overcome their own limitations and inadequacies, change their traditional peasant image, and undergo historic changes in their education and knowledge, labor skills, way of life, state of mind, and so on. Among the staff and workers of township and town enterprises in Wuxi, the idea of the collective economy, namely, "when my factory prospers, I feel honored and become well off; when my factory fails, I feel disgraced

and become poor," and the idea of scientific and technological advancement, namely, "science and technology are our patrons," have become the soul of enterprise culture in the rural areas.

In keeping with its well-developed township and town industries, Wuxi County has also instituted a system where factories work together with and lead villages in establishing "five-good households" so as to bring into full play the role of township and town enterprises in building socialist ideology and culture in the rural areas. In this way, spiritual development activities at various levels can be properly coordinated and carried out where they are really needed. In recent years, nearly one-fifth of the peasant households in the county have joined the ranks of "five-good households." Basically the principal members of "five-good households" are "five-good staff and workers" of township and town enterprises. In 1990, the county achieved a planned birth control rate of 99.09 percent. The fact that the broad masses of the people always strive to make progress and look forward to a civilized way of life shows the mental outlook of socialist new-type peasants.

An important reason why the township and town enterprises of Wuxi County, as the mainstay of the collective economy, can play an important role in material and spiritual development is that, in the great practice of rural reform and development, a large number of socialist rural entrepreneurs have emerged. In 1990, Wuxi County extensively launched large-scale education and discussions on "striving to be socialist rural entrepreneurs." These were participated in with great enthusiasm by responsible persons of over 5,000 village enterprises and more than 300,000 staff and workers from these enterprises. The discussions centered on key figures in the development of the rural collective economy, key measures for the development of township and town enterprises in the new situation, and key steps to cause material and spiritual development to promote each other. This laid the ideological foundation for Wuxi County's township and town enterprises to advance toward still higher goals in the 1990's.

The progress of economic and social development in Wuxi County shows that the fundamental guarantee for socialist material and spiritual development lies in party-building. Since implementation of the reform and open policy, party organizations at various levels in Wuxi County have gradually achieved the following consensus: "We will suffer if we do not pay attention to economic development and we will go off the track if we do not pay attention to party-building." Particularly in recent years, they have kept to the principle of firmly adhering to the "one focus" and combining the "two basic points," bearing in mind the reality of the county, and have fully brought into play the role of party committees at various levels as the core of leadership, the role of party branches as fighting bastions, and the role of party members as exemplary models in material and spiritual development.

The vast number of party cadres in Wuxi County firmly embraced the concept of developing the collective economy and leading the masses to achieve common prosperity. They strove to cultivate, maintain, and carry forward the spirit of exertion and fearing no difficulties, the spirit of getting right to the job in a down-to-earth way, the spirit of exploration and never feeling complacent the spirit of relying on one's own efforts in starting an undertaking, and the spirit of offering one's services and having the courage to sacrifice oneself. They "busily engaged in developing production and took pleasure in leading the masses to prosperity." They truly held up the main beam of the collective economy and contributed their share toward bringing prosperity to the masses. Because of this, a strong rallying and fighting force for building socialism has developed among the masses in Wuxi County.

In recent years, the party organizations at various levels in Wuxi County have promoted "party member responsibility areas" on the basis of the "party member liaison households (persons)" activities initiated some years ago. This drive has economic responsibility as its model, and spiritual development as its main content. It is a system that enables all party members to fulfill their duties and rights, as prescribed in the party Constitution, in their daily routine as part of their responsibility.

Nanquan Township, for instance, divided its 42 party branches into 125 responsibility areas. In light of the different characteristics of the rural areas and of township and town enterprises, it prescribed the "contracted responsibilities for 10 households" and "contracted responsibilities for 10 people," thereby fulfilling the party's principles and policies and the task of material and spiritual development down to the household and the individual. By helping the masses shake off their ignorance and poverty and solving their practical problems, they have further cemented the flesh-and-blood ties between the party and the people and won the love of the people. The masses said: "A place that has done well economically must be a place with good party leadership."

"Socialism has enabled us to shake off poverty and live a good life," said the elders of Wuxi County after surviving their ordeals. For 41 years, particularly in recent years, the masses of the people of Wuxi have, under the party's leadership, proceeded from reality in fully implementing the lines, policies, and principles formulated by the party Central Committee and carried out probes on various systems and mechanisms for the development of social productive forces. Through reform, socialism can give play to its superiority, enhance its vitality, and unite its far-reaching ideals with the immediate reality. If we say that in the 1980's Wuxi County found its unique road to success by relying on the collective economy in building a socialist new countryside, we can say that in the 1990's Wuxi, in accordance with the grand plan formulated by the Seventh Plenary Session of the 13th CPC Central Committee, will set higher objectives for itself and keep forging ahead on the

road to building a socialist and modernized new countryside. At present, Wuxi is launching a countywide discussion on "Socialism in Wuxi" as an effective means of educating the vast numbers of peasants on socialism. Men and women, old and young, from various households, townships, towns, villages, and factories talked about changes that had taken place, the present practice, and future prospects. This activity itself demonstrates the immense appeal of socialism to the people of Wuxi.

Some time ago, a handful of people who engaged in bourgeois liberalization noisily advocated the view that socialism had failed and gone bankrupt, maintaining that it was a "mistake of history" to build socialism in China and that the only way out was to adhere to "Westernization" and "privatization." In other words, take the capitalist road. The tremendous superiority and vitality demonstrated by socialism in Wuxi have served the most forceful refutation to these most absurd lies. What conclusion can we draw from the reality of socialism in Wuxi? The conclusion is: Only socialism can save China and it is only under socialism that China can develop. There is no other way.

Strive To Establish New Goods and Materials Circulation Structure

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[Article by Liu Suinian (2692 7151 1628)]

[Text] The "CPC Proposal on the Drawing Up of the 10-Year Program for National Economic and Social Development and the Eighth Five-Year Plan" clearly points out: "In the next 10 years, we must initially establish a new economic structure." The establishment of a new structure for circulation of goods and materials, as a major link in the establishment of a new overall economic structure, is a major matter which must be grasped by goods and materials departments and by the entire society. Whether we can put in order the relationship between planning and the market, between the major channel and diverse channels, between socialization and modernization, and between administrative measures and economic and legal measures is the crux in developing a means-of-production market under planned guidance, and in establishing a highly effective, free-flow goods and materials circulation structure which can be regulated and controlled. Here I will discuss how to correctly handle these four relationships.

Relationship Between Planning and Market

Correctly handling the relationship between planning and the market is the key question in establishing a new structure for goods and materials circulation. The most difficult and major issue in combining planning and the market in practice is, without doubt, the question of "how to combine them." The question of "how to combine them" in practice has always been linked to the

questions of "should we combine them and can we combine them" on the ideological level.

Prior to the Third Plenary Session of the 11th CPC Central Committee, the circulation of goods and materials in our country was very ossified and constricted. In 1978, 689 types of goods and materials were subject to unified distribution and departmental management. This was done because the regulatory role of the market had been excluded on both the theoretical level and the practical level, and the use of market mechanism was even seen to be engaging in capitalism. For example, during the "10 years of turmoil" there was criticism of the directive by Comrade Liu Shaoqi that "many means of production can circulate as commodities." This has produced serious effects, including making the circulation function seriously deficient and the circulation industry extremely backward and making it impossible to bring into play circulation's promotional role on production.

Since the beginning of the reform and opening up, on the theoretical level the new concept of means of production as commodities has been established, while on the practical level the planned management system of goods and materials circulation has been changed and markets for means of production have been developed. In 1988, throughout the country there were more than 180 steel products markets, more than 400 goods and materials trade centers, over 800 means of production service companies, and 42,000 operational network points. These have played an important role in enlivening circulation and promoting production. However, in the course of reform and opening up, some new problems have appeared in the sphere of goods and materials circulation. For example, the party, government, military, civilians, and schools have all engaged in commerce, and problems such as improperly jacking up prices, speculation, and profiteering, as well as bribery, have appeared. This has not only harmed the party style and social atmosphere, but has also caused chaos in market order, and production enterprises have been unable to properly organize production. A major factor giving rise to these problems is that little attention has been paid to resolving the negative effects of market mechanism through the planning mechanism, and at various times and places people have even had blind faith in the market mechanism.

Through more than two years of economic improvement and rectification, there has been some change in some of the phenomena of "dispersal" and "chaos" in the area of goods and materials circulation. For example, the Ministry of Materials has strengthened industrial management and has formulated and promulgated more than 10 policy laws and regulations to strengthen management over steel products and nonferrous metals, and various areas have disbanded a large number of goods and materials operational units which did not have appropriate operational standards and conditions. However, in the process of economic improvement and rectification, there have also appeared some phenomena that

reject the role of regulation through market mechanism. Some areas have stipulated that under no circumstances can goods and materials enterprises buy and sell in the same city, can they separate commodity circulation from materials circulation, can they operate transregionally or arbitrarily place goods outside the plan in the market. The result of this has been that the positive role of the market has been restricted.

Practice has proved that, if we are to guard against the situation where we sometimes solely stress planning and sometimes one-sidedly put our trust in the market, we must resolve on the theoretical level the question of whether the planned economy and regulation through market mechanism "must or can be combined."

The reasons it is necessary to have a planned economy in the area of goods and materials circulation are: 1) The reform experiences of socialist countries and even the development experiences of developed countries both show that, because of its specific nature, the means-of-production market has a greater need for strong government regulation and control, organization, and leadership than does the consumer products market. This is an objective demand for guaranteeing the normal development of market order. 2) As in centralizing necessary funds, it is necessary to centralize required materials strengths to engage in major construction. This helps speed the pace of economic growth and promote major structural readjustment, and is a major manifestation of China's socialist superiority. 3) It is possible on the materials strengths level to promote a comprehensive balance between finances, credit, goods and materials, and foreign trade, and to promote the planned and proportionate development of the national economy. It will also thus be possible to support the development of backward regions, prevent regional polarization in China, and promote balanced development between the various regions. At the same time, the balancing of market strengths is also the basis for the normal development of the market. The goods and materials circulation sphere must also implement regulation through the market because it is beneficial to motivating the enthusiasm of the enterprises and the staff and workers of the goods and materials departments, improving competition between enterprises to allow the superior to thrive and the inferior to be weeded out, enlivening circulation, promoting integration between production and demand, promoting structural readjustment and the propagation of new products, improving benefits, and better serving production and the national economy.

To resolve the question of "how to combine them," we believe, on the basis of many years of practical experience and theoretical exploration, that the following points are extremely important.

First, we need to maintain a macroeconomic environment in which there is a general balance between the supply of and demand for major goods and materials. This is an important condition for deepening reform of the goods and materials circulation structure and also a

precondition for excelling in combining planning and the market in this new structure. In a situation of economic overheating, excessive demand, soaring prices, and chaotic order, or when the market is weak, production is declining, and profits are falling, it is very difficult to deepen reforms and even very difficult to maintain the reforms already implemented. The crux of the question lies in the fact that when goods and materials circulation faces a situation where there is a serious imbalance between overall macroeconomic volumes and neither planning nor the market is being handled well, there is no way to even talk about the requirements for combining the two. Maintaining a basic balance between the supply of and demand for goods and materials is not something that the goods and materials departments can do alone. It requires effort from those above and those below and those on all sides. As far as goods and materials departments are concerned, they should put the focus of goods and materials planning on doing well in forecasting the supply of and demand for goods and materials and in maintaining a balance between overall volumes and a structural balance between major goods and materials. They should also, in accordance with their forecasts and the balance situation, take charge of or combine with other relevant departments in formulating policy measures for imports and exports, increasing or reducing production, distribution and use of goods and materials, price readjustment, economizing on and substitution of goods and materials, recovery and processing, goods and materials reserves, and so on. This requires coordinated reforms to be carried out in the banking, investment, and foreign trade spheres; goods and materials departments to be given corresponding responsibilities and rights; and work to be done well in handling goods and materials, in developing resources, and in readjusting the surpluses and deficiencies in the domestic and international markets, so that the balance between the supply of and demand for goods and materials is more effectively promoted.

Second, the planned management of goods and materials circulation must be improved and perfected. Above all, in accordance with the demand that "planning covers the whole society and ensures that mandatory plans are established on the basis of the law of value," there must be breakthroughs and development in the further reform of mandatory plans. For some time to come, there must be gradual reduction in mandatory planning. However, important products produced through newly added state investment should, in accordance with the investment proportion, be included in mandatory plans, so as to increase necessary goods and materials within the plans and resolve the problem of irrational distribution of material strengths. This point must not be overlooked. This is because, on the one hand, the proportion of certain goods and materials subject to distribution under mandatory state plans is already very low: for coal it is 42 percent, for steel products 42.5 percent, for the five types of nonferrous metals 36 percent, for wood products 22.9 percent, and for cement 12 percent. On the other hand, the uses and projects for which goods and materials are

distributed under state mandatory plans are growing in number. The contradiction is thus becoming very acute and must be earnestly resolved.

Poor implementation of mandatory plans is a major problem. For example, the order rates are very low. In 1990, the actual order volume for steel products was 17.121 million tons, only 79.8 percent of the distribution plans, a shortfall of 4.34 million tons as compared to the plans. This is the poorest figure seen over the years. The volume of products in short supply which are being handed over to the state is also small. The enterprises hand over the second-grade and retain the best products, and hand over those in full supply and retain those in short supply. If we take the red pine provided to the state by forestry areas as an example, 29,000 cubic meters was provided in 1988, but last year it fell to 10,000 cubic meters. Not only this, but the contract completion rate has also declined. In the first nine months of 1990, of 16 types of major unified-distribution goods and materials, eight saw a decline in contract completion rates as compared to the same period in the preceding year. A major reason for the poor implementation of mandatory plans is that some enterprises and units proceed only from their own interests, they lack an understanding of the overall situation, and they do not properly organize the relationship between macroeconomic results and microeconomic results. Enterprises that take on the tasks of supplying the major goods and materials of the mandatory plans are all whole-people ownership enterprises, established with state investment. The great amounts of energy and raw materials needed by these enterprises are provided under mandatory plans. Handing over a part of their products to the state is a responsibility and obligation they must fulfill and is also a demand of the overall interests of the national economy. When farmers plant fields they have to fulfill low-cost purchase requisition tasks, so when the state builds a factory and supplies low-cost goods and materials to produce products, what reason is there for not completing the tasks set for amounts to be handed up? It should also be recognized that, if everyone thought of ways to fulfill the mandatory plans, there would be more initiative in everyone's work and things would go much more smoothly. On the other hand, if an enterprise fails to fulfill the plans, it can produce a chain reaction and influence thousands of enterprises. Take, for example, the 234 "double guarantee" enterprises designated by the state. If we only require that others guarantee their needs and they do not have to guarantee others' needs, then the "double guarantee" will be nothing but empty words! If even these key enterprises do not guarantee output, how can the national economy see sustained, stable, and coordinated development?

Third, we need to further bring into play the regulatory role of market mechanism in the circulation of goods and materials. We should grasp the quite beneficial situation in the macroeconomic environment and gradually promote price reform in the means of production. The orientation of price reform should be toward single-track

pricing, but we certainly cannot return to unitary planned prices. Rather, we should make a transition to a system of market prices under guidance planning. At present, the proportion of high-priced goods and materials within the plans is too high, and some planned prices are even higher than market prices. Not only this, but pricing is extremely chaotic, and there is serious disorder, including the same factory having many different prices and quality not according with price. For example, there are more than 10 prices for steel products within the plans. If these problems continue to develop, we will not be able to effectively bring into play the role of market mechanism. We should grasp the opportunity and, through cleaning up, readjustment, and implementation of "equilibrium prices," "mixed prices," and other such methods, resolve the problem of chaos between the prices of goods and materials inside and outside the plans, reduce the differential between prices within and outside the plans, and gradually make the transition to single-track pricing. At the same time as deepening the reform of means of production prices, in accordance with the market supply-demand situation, we must gradually further reform the planned distribution, allocation, and transfer methods for vehicles, cement, coal, chemical industry raw materials and other unified-distribution and ministry-managed goods and materials. We must expand the scope of goods and materials that the state purchases through contract, for which the state links production and demand and that are regulated through the market. In future, we should guide enterprises on the basis of the need to raise efficiency and optimize the structures and, in fairly stable supply-demand relationships, expand the volume and scope of certain products subject to fixed-volume supply at nonfixed prices. The goods and materials enterprises must then actively build on this and, through multifunctional, comprehensive, and high-quality service, establish relatively stable goods and materials bases and sales bases. On this basis, the methods used to order goods should be reformed, ordering with the use of telecommunications and commodity futures trading should be developed. Then, the scale of national collective order meetings can be gradually reduced and more economic and effective ways of linking production and demand can be explored.

Fourth, we should do well in the establishment of means of production markets that operate under planned guidance. First, just because some problems occurred in the means of production markets in the previous stage, we must not look lightly on or even abandon the development of means of production markets. The market is the area where commodities circulate and is also the place where enterprises compete. We, therefore need to look, in an overall and historical way, at the problems that appeared in the early stage of the development of means of production markets, as thereby we will not have to give up eating for fear of choking. The means of production markets certainly did produce some negative effects in the early stage because we lacked experience, the reforms were not coordinated, and for other reasons.

However, to a certain degree, such are inevitable phenomena in the early stage of market development. In the course of developing a commodity economy, every country has gone through this stage. The issue is how we are to bring into play the superiorities of our country's socialist system, limit this stage to as short a period as possible and reduce the negative role of the market to the lowest possible degree. It also needs to be recognized that there must be a process over time from disorder to order and from backwardness to maturity. The many problems that emerged in the early period of development of the means of production markets can be resolved only through reliance on further developing and perfecting the market. In future, we need to engage in brave exploration regarding developing a means of production market which operates under planned guidance and achieve positive advance. We particularly need to put great effort into the areas of market entities, market signals, market organization, market order, and market regulation and control. We certainly must not stress just the establishment of markets and ignore their development and must not stress only regulation and control and overlook necessary market laws and regulations and the establishment of market organizations or ignore the input of funds, equipment, technology, and high-quality personnel. Just think, if we do not have the necessary, full "software" and do not put in the "hardware," will we be able to establish a developed, mature means of production market out of thin air?

Relationship Between Major Channel and Diverse Channels

The relationship between the major channel and diverse channels in the circulation of means of production is, in a sense, a reflection in the circulation sphere of the relationship between planning and the market. It must be said that the idea that "without the major channel there will be no stability and without diverse channels there will be no vitality" has been very well proven by the practice of economic construction in China over the last 40-plus years. It is an important principle in organizing China's socialist goods and materials circulation. Since the implementation of reform and opening up, people have gradually gained a quite consistent understanding of the danger of the situation prior to the new reforms where "without diverse channels there can be no vitality." Thus, there has been much exploration, and obvious achievements have been realized. The unitary-channel goods and materials circulation situation of the past has already been broken down and a situation of diverse circulation channels with state-run goods and materials enterprises as the main part has begun to be formed. Naturally, in developing the diverse channels, there is still much work which needs to be done.

The problem is, when we are developing diverse channels, there remains a hazy and chaotic understanding of the idea that "without the major channel there is no stability." This chaos on the understanding level lies not in terms of the relationship between ownership systems and not in accepting that state-run goods and materials

enterprises are the major channel. Rather, in terms of the economic rationality and the organizational forms of goods and materials circulation, there is a lack of clarity as to which state-run goods and materials enterprises are the major channel. This chaos on the understanding level brings with it blind actions. For example, while enlivening circulation is correct, it is not correct, while holding high the banner of enlivening circulation, to have the party, the government, the military, the people, and the students engaging in commerce. Developing enterprise groups is correct, but it is not correct for some departments and some localities, under the pretext of developing enterprise groups, to strengthen separatist economic operations, regional blockades, monopolies or even to develop a self-contained and self-sufficient production, supply, and marketing sequence.

The establishment of a major channel cannot be self-approved and self-proclaimed, and neither can it be arbitrarily decreed. At present, there are four channels in our country's goods and materials circulation. 1) The circulation of general goods and materials and the supply of goods and materials to a large number of medium-sized and small enterprises is organized by the state-run goods and materials enterprises. 2) The sales and marketing organs of the production and management departments. These handle some specialized goods and materials and generally supply the needs of the enterprises in their own systems. 3) The purchase and sale of large-volume highly specialized raw and semifinished materials generally required by large enterprises and enterprise groups, including some goods and materials which are intermediate products for the final products of the enterprise, is handled by their own supply and marketing organs. 4) The scattered goods and materials needed for small-scale commodity production, needed by urban and rural collective enterprises, and needed by residents are supplied by collectives and some individual enterprises. Of these four channels, it should be said that the first channel is the major channel because it has many network points, quite strong power, and its market sales volume is quite large. This is the main entity in the socialization of circulation and it must be responsible for the key needs of the state and for stability and regulation and control in the market.

Earnestly strengthening the power of the main channel is a key point at present in handling well the relationship between the major channel and the diverse channels. At present, the power of the major channel is far weaker than it needs to be and it has a quite low proportion of the market. If we look at the situations around the provinces and municipalities, the figure for its market share ranges from a high of 50-60 percent, through a general figure of about 30 percent to a low of less than 20 percent. These organs also have insufficient floating funds of their own. In 1990, the value of sales by enterprises of the goods and materials system throughout the country reached 238 billion yuan, while their own floating funds totaled only 7.79 billion yuan, only 25 percent of the entirety of floating funds. The taking on of

regulation and control tasks is an important manifestation that the role of the major channel is being brought into play. However, they often face major difficulties because necessary measures are lacking. For example, the purchase of major stockpiled goods and materials to help production enterprises resolve difficulties is a major focus in implementing regulation and control when there is a weak market. However, because of the insufficient scale of credit, the small preferential discount on credit interest rates and the short repayment period, the goods and materials enterprises have borne very great losses. The goods and materials circulation warehousing facilities and specialized crane and transport facilities are insufficient and outdated, and their transformation is proceeding slowly. At present, it is difficult to arrange investment even to just maintain simple reproduction. For example, at present, the state gives the central goods and materials enterprises an annual amount of only 65 million yuan for capital construction investment and 15 million yuan for technological transformation funds. This is utterly inadequate and nothing much can be done with such amounts. It seems from the present situation that strengthening the power of the major channel requires efforts from both within and outside. Internally, state-run goods and materials enterprises must, through their own arduous efforts, deepen structural reform, strengthen operational management, speed technological progress, and bring fully into play their own superiorities in terms of high prestige, good access to information, and considerable power. Thereby they will be able to increase their market share and take on more circulation tasks. Externally, in terms of the formulation, implementation, and supervision of policies and laws and regulation, it is necessary to change the current situation where the limitations on the major channel are too tight and the management of the supplementary channels is too loose, so that all types of operational units can compete under equal conditions. Also, state-run goods and materials enterprises must be given necessary support. For example, the amount of such enterprises' circulating funds should be increased, a system of price-reduction reserve funds should be established, the credit provided for purchases by goods and materials enterprises should be seen as commercial reserve credit, and the function of managing capital construction and technological transformation for the goods and materials industry throughout the country should be given to the Ministry of Materials. This will be beneficial to achieving overall planning in terms of national goods and materials circulation and facilities, and to gradually changing the situation of backwardness.

Relationship Between Socialization and Modernization

The 10 years of reform and opening up and the two-plus years of economic improvement and rectification and the deepening of reform have shown that promotion of the socialization and modernization of circulation is the road that must be taken in establishing a new goods and materials circulation structure.

Up until now, the reform of the goods and materials circulation structure has, in the area of the reform ownership relationships, seen the breakdown of the unitary channel situation and formation of a multi-channel situation. Also, in state-run goods and materials enterprises, the contracted operation responsibility system, which has the separation of government and enterprise functions and the separation of ownership and operating rights as its goal, has been implemented. In reform of the economic movement mechanism, the scope, product types, and volumes subject to mandatory plans have been reduced; the prices of quite a number of means of production have been readjusted or freed; and means of production markets of different scales and different types have been established. All of these measures have been beneficial to establishment of a new goods and materials circulation structure. However, in reform of the goods and materials circulation structure, many old problems were not resolved and quite a few new problems have appeared. For example, there are now more circulation channels, but the regional and departmental divisions and market blockades have not been eliminated. The state-run goods and materials enterprises have been enlivened somewhat, but they have not properly exercised their function of handling goods and materials and holding down prices. The prices of goods are now more flexible, but they still do not play a role in guiding circulation or encouraging investment. The means of production markets have been initially formed, but they are far from mature in their development.

A major factor producing these problems is that we have not tightly grasped the socialization and modernization of circulation in planning and organizing the reform of the goods and materials circulation structure. It is difficult to imagine a situation where, without the socialization and modernization of circulation, it will be possible to establish a new goods and materials circulation structure in line with the demands of developing a planned economy. The socialization of circulation refers to circulation where, on the basis of the appropriate separation of production circulation, commodity circulation, and goods and materials circulation, and in accordance with the principle of rational division of work and operations of scale, the parties involved in the circulation engage in specialization and intensification. They change dispersed, unlinked circulation processes into centralized, linked circulation processes. That is, they are able to produce benefits of scale and achieve economies in terms of circulation costs. They are also able to free production enterprises from the production-sales combination so the enterprises can put their efforts into production, strive to improve production technology, increase product varieties and types, and raise product quality. Modernization of circulation means that, in all links of the entire process of circulation, including ordering of goods and settling accounts, calculation and inspection, processing and packaging, loading and unloading, storage and transport, and information transfer, advanced technological methods and scientific

management methods are adopted so as to reduce time, links, and costs. In this way, products can smoothly enter production consumption or livelihood consumption through the circulation process. It can be seen that the socialization and modernization of circulation reflect the basic demands of the socialization and modernization of production. If we want to establish a new goods and materials circulation structure, we must work to socialize and modernize circulation.

The experiences of developed countries prove that the socialization and modernization of circulation depend upon each other and are preconditions for each other. If circulation is not socialized and if production and sales remain combined and hundreds of thousands of enterprises handle their own production and sales, it will be very difficult to utilize modern circulation equipment and, even if it is used, it will be difficult to bring its due efficiency into play. In another respect, because of the backwardness of circulation facilities, the low level of modernization, and general weakness, specialized circulation enterprises find it very difficult to take over the circulation functions of production enterprises and it is thus difficult to develop socialized circulation. Thus, it is extremely important that we combine socialization and modernization so that the two promote each other. It must be stressed that, although the modernization of circulation cannot be divorced from the socialization of circulation, whether circulation can be socialized and whether the situation in which hundreds of thousands of enterprises organize circulation by themselves can be replaced by specialized, intensive circulation is, in the end, determined by the degree of modernization of circulation.

Seen from the situation in our country, in promoting the socialization and modernization of circulation, we must liberate our minds, change our concepts, and further deepen the reform of goods and materials circulation. In particular, it is necessary to promote the separation of government and enterprise functions and to break down regional blockades and divisions between departments and self-contained enterprise systems. At the same time, we should establish goods and materials enterprise groups. Our country's goods and materials enterprises have been established on the basis of regions and the types of products they handle. Thus, they have a very marked administrative nature, the division of work is too rigid, and the capacity to provide coordinated supply is poor. It is necessary to strengthen links and cooperation between goods and materials enterprises as well as those outside. In the near term, it is especially important to conduct exploration in organizing goods and materials circulation enterprise groups so as to break down regional and departmental divisions and promote the socialization and modernization of goods and materials circulation. Together with the State Commission for Economic Restructuring and the State Council's Development Research Center, we are now carrying out experiments in the Suzhou and Shenyang goods and materials trade centers in terms of comprehensive commercial

agency-type goods and materials group companies and standard trade venues, and have put efforts into trying to ensure that these enterprises develop into large-scale enterprise groups which combine production, circulation, banking, foreign trade, and technology. Thereby, we are exploring a road for the development of goods and materials enterprise groups. At present, when it will be difficult to put the structure in proper order for a time and circulation is seriously backward, we must emphasize promoting the improvement of circulation technology, improving circulation facilities, and increasing the degree of mechanization and automation of the various links of circulation, and we must put great effort into developing ordering goods through telecommunications, the coordinated transport of goods and materials, containerized transport and other modern forms for arranging the circulation of commodities and goods and materials. In this way, we will be able to gradually achieve standardized and systematic circulation of goods and materials and achieve the modernization of information and organizational management.

Relationship Between Administrative Measures and Economic and Legal Measures

Whether we can correctly handle the relationship between administrative measures and economic and legal measures depends on the success or failure of efforts to combine planning and the market in goods and materials circulation. In the past, the management of goods and materials circulation relied mainly on administrative measures. Since implementation of the reforms and opening up, increased attention has been paid to economic and legal measures, but the switch direct management forming the main part to indirect management forming the main part has not yet been achieved and, in practice, it is often impossible to handle well the relationships between the use of various measures. For example, to a large degree, the circulation of goods and materials is still done in accordance with administrative regions and is managed by administrative systems, and the rational movement and deployment of goods and materials is often obstructed by the various administrative systems and administrative levels, while the divisions and blockades produce serious waste of material strengths. Also, means of production markets have begun to be formed, but relevant legislation has not kept up. Thus, the management of markets often relies on administrative orders or even the words of a single person, and there are no legal measures on which to rely. Also, at times people simplistically equate "opening up and enlivening" with the use of economic and legal measures, meaning that normal market order cannot be properly established. For these reasons, it is very necessary, in light of the problems that emerge in practice, to raise our theoretical understanding.

First, we need to clearly understand that, if we cannot properly use administrative, economic, and legal measures, we will be unable to properly combine planning and the market. In terms of economic logic, the relationship between administrative measures and economic

and legal measures is not at the same level as the relationship between planning and the market. The content of the latter is much broader than the content of the former. For example, regulation through planning is not equivalent to the use of administrative measures. However, it must be recognized that the relationship between administrative measures and economic and legal measures is an important component of the relationship between planning and the market. It is difficult to imagine that an economy where administrative, economic, and legal measures cannot be effectively used could become an economy where planning and regulation through market mechanism are well combined. Thus, we must understand the proper use of administrative, economic, and legal measures from the angle of whether or not they allow the combining of the planned economy and regulation through market mechanism.

Second, administrative measures cannot be abandoned, but neither should they be used excessively. We must not be hazy on this point. Administrative measures, including the use of administrative orders to freeze prices and to limit wage rises, still exist in completely market-driven economies. For example, in battling inflation, capitalist states sometimes have no option but to rely on such administrative orders. They are even more important in socialist economies. As far as circulation of goods and materials is concerned, socialist countries, in order to maintain the planned, proportionate development of the national economy, must ensure that some material strengths are appropriately centralized and under the unified control of the state. This allows the state to guarantee the balancing of reproduction, the needs of key projects, and the readjustment of major proportional relationships. Especially in the process of reform, when it is difficult to effectively use economic and legal measures, not only must administrative measures not be reduced, but they actually need to be strengthened. Otherwise, it will result in a situation seen a few years ago where lack of control appeared on the macroeconomic level, and this will mean that it is not possible to proceed smoothly with the reforms. However, it must be clearly recognized that, to a certain extent, economic structural reforms are a process by which the scope over which economic and legal measures are employed is being expanded. When the reforms meet special difficulties and there is no option but to adopt and strengthen administrative measures, we can and must use some administrative measures. In this way, results will be obtained more swiftly. However, we must not forget about making the transition to a greater and better use of economic and legal measures.

Third, regardless of whether we speak of using economic measures or using legal measures, in both cases there must be appropriate conditions, as only thus can their roles be better brought into play. The experiences since the implementation of the reforms have shown that when conditions are not right or not ripe, it is difficult to bring into play the roles of economic and legal measures. For example, when goods and materials cannot freely

circulate because of regional and departmental divisions, the freeing of prices will not necessarily realize the usual effect of regulating production and consumption. When demand is excessive, this will actually lead to inflation. If supervisory mechanisms are not present laws and regulations that standardize activities in means of production markets often will become just meaningless pieces of paper. In order to effectively bring into play the role of economic and legal measures, we must create conditions whereby this can be done.

Fourth, it is generally correct to say that macroeconomic balance in the national economy relies mainly on planning, while the economic benefits of enterprise activities generally rely on the market. However, it is not always the case that macroeconomic decisionmaking relies on administrative measures, while microeconomic decisionmaking relies on economic and legal measures.

It is certainly correct that microeconomic decision-making in economic activities is generally guided by economic measures, but these measures cannot be divorced from a certain amount of administrative measures. For example, regardless of the amount of autonomy enjoyed by enterprises, they are still influenced by state policies, and the economic activities of enterprises and individuals must respect the state's economic legislation. In another respect, macroeconomic decisionmaking in economic activities is certainly not implemented solely through administrative measures. The achievement of planned and proportional development of the national economy also requires reliance on economic measures. That is, there must be reliance on regulation through pricing, profits, taxation, interest rates, and other economic levers. Actually, in overall economic management, if administrative measures do not have economic measures as a base, anticipated results will be difficult to realize.

Based on the above understanding, we need to deepen reform in the following aspects: 1) The goods and materials departments, as functional departments of the state for carrying out macroeconomic regulation and control of the circulation of goods and materials, shoulder the heavy task of overall planning and management of the circulation of goods and materials throughout the entire society. Thus, they must have administrative management powers and regulatory and control measures commensurate with this responsibility, must control a certain amount of resources and, together with relevant departments, must be able to exercise unified examination of the import, export, and other aspects of major goods and materials. 2) The unified nature and timely use of various economic measures, including pricing, credit, tax, exchange rates, and interest rates must be strengthened and those aspects must be well-coordinated with the interest relationships of the various sides. 3) A series of management laws and regulations must be formulated to oppose monopolies, outlaw illegal and improper competitive measures, maintain market order, and protect legitimate operations and normal competition. Once there are laws and regulations, there is a

greater need to strengthen supervision and inspection, so that things are done in accordance with the law, so as to resolve the problem of the effectiveness of the law and so that goods and materials circulation is really brought onto the track of law. 4) In order to be able to engage in large-scale regulation of the major goods and materials or keep prices down, the state and local governments should establish goods and materials macroeconomic regulation and control funds to be controlled and used by the goods and materials departments. It is also necessary to establish a goods and materials macroeconomic regulatory and control decisionmaking coordination system to form a goods and materials macroeconomic regulation and control system which includes the economic levers and management and supervisory measures of goods and materials planning, foreign trade, pricing, credit, taxes, and industrial and commercial management. This will strengthen the unity and effectiveness of the macroeconomic regulation and control of goods and materials.

Probing Development Strategy for Regional Education—Summary of Study of Development Strategy for Education in Shanghai

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[Text] In March 1986, at the Fifth Shanghai Municipal CPC Congress, the city was asked to study and formulate an educational development strategy for Shanghai. Under the leadership of the Shanghai Municipal Party Committee and government, the municipal education department and the strategy planning office got together a group of experts, scholars, and field workers. They did comprehensive research in the history, immediate situation, and future development trend of education in Shanghai. Based on that research and study, they wrote a Shanghai educational development strategy report. It summarizes the historical achievement and experience of Shanghai education, emphasizing and analyzing the major problems facing the Shanghai educational system. It mentions the general strategy, strategic task, and direction of educational development in Shanghai to the year 2000. Also included in this report are strategic countermeasures and procedures to be used in the immediate future. The report provides policy guidelines for the city party committee and government. The idea of studying educational development and formulating a regional strategy is unheard of in our country before; this is certainly an exploration and a trial. As participants in this new task, we would like to explain to you the background of the research and give our interpretation of the situation.

The Background of the Strategic Study of Shanghai Educational Development

After the Third Plenary Session of the 11th CPC Central Committee our country started a new historical development stage. The CPC Central Committee has formulated a series of new decisions and policies and a basic line that emphasize economic construction and uphold the four basic principles and the reform and opening policy. Since then our society has made a historical turn-around. The great changes our society is experiencing are a strong force that propels the historical process of socialist modernization. Meanwhile the CPC Central Committee clarifies the value and function of education in the era of socialist modernization and points out the requirement of education in relation to development and reform. At the 12th National Party Congress, the party explained that among the three strategic elements of economic development was scientific education. The CPC Central Committee's Decision on the Reform of the Education System says that "education must serve socialist construction, and socialist construction must depend on education." Comrade Deng Xiaopeng wrote on his inscription to Beijing Jingshan School: "Education should look into modernization, look into the world, and look into the future." At the 13th National Party Congress the party further pointed out: "We need to put the development of science, technology, and education on our priority list. To accomplish economic construction we must rely on the progress in science and technology and workers with higher quality." It also said: "The basis of planning for the next 100 years is education." After the new stage of historical development started, education has gained strategic importance in our nation. This requires our making big adjustments in educational ideology. Meanwhile, our comrades who are on the front line of education need to explore, from the height of strategic change, a new path of educational development and reform that will satisfy the demand of socialist modernization construction. This is the background and motive of the study of Shanghai educational development and strategy.

A study of Shanghai educational development and strategy is conducted because education must serve economic construction and social development. Shanghai has recently drafted its economic development strategy, general city plan, and cultural development strategy. The city has also verified the direction and goal of developing an economy that extends outward. This implies that, in the coming decades, Shanghai must go through structural and functional changes. The city will change from an industrial base to a multifunctional economic and cultural center. Its economic structure will no longer be labor intensive, it will depend more on funds, technology, and knowledge. And the city will change from being inward-looking to outward-looking. In order to meet the new challenge, Shanghai must come up with a plan on how to train qualified personnel and skilled workers. Not only must we increase the number of trained people, we also must make structural changes and redefine our quality standards. This involves many

important issues and cannot be solved by partial readjustments or short-term plans. Besides, training people takes time; we cannot afford to wait for the situation to emerge. In order to avoid making strategic mistakes or short-sighted policies, we must study and formulate as soon as possible an educational strategy that will take care of the future. We must be prepared for reform and development and have the necessary manpower ready in Shanghai.

One other purpose of conducting the study of Shanghai educational development is to make long-term plans. Educational development must meet the objective demand of modernization. In the 30-some years since our nation was founded, Shanghai has built a good foundation for its educational system. But with the new situation, the system has to deal with the same difficult problems that afflict every government sector. For instance, the budget for education is insufficient, the educational structure is unreasonable, the education system is lethargic, the quality of teachers is not good enough, and teachers' salaries are too low. These are important problems, and they can affect the overall situations. If they remain unsolved, educational development will be greatly restricted and retarded. We must conduct an overall strategic study. We must devise a countermeasures by looking at the present and future angles. We must resolve difficulties by means of internal and external reforms. It is a fact that modern technology and rapid economic development have rapidly changed the world outlook since the sixties and seventies, as well as having stimulated the modernization process of education. As the standards of social economy, technology, and culture begin to rise, people will ask more from education. When lifetime education becomes available, it will extend and expand indefinitely: more choices and longer time. Mass communication via television, radio, and video will become more and more popular. Not only will methods of school education have to change, educational organization and formats will also have to be altered. In short, because of social modernization, education will be forced to change. The trend is to replace the one-time only school education with continuous, lifelong education, substitute closed education with open education, and replace a unitary teaching style with a flexible and variable teaching style. Only when we have a definite strategy, understand the trend and the process of modernizing education, and have a clear idea of our direction and objectives, can we design a scientific general plan for the modernization of education in Shanghai or guarantee that our educational development will stay on the correct path.

Furthermore, we study the strategy of educational development in Shanghai because we need to compete with others internationally. Since the eighties, economic and technological competition in the world have become competition of human resources. Therefore, many countries, especially developed countries, emphasize conducting strategic research and studies, looking for guidance in the education field. For instance, in 1984 the

United States published two reports: *Nation in Crisis—Education Reform Is Desperately Needed*, and *Educating Americans for the 21st Century*. The purpose of these two reports was to offer guidelines for educational reform. Japan followed the suggestion of Prime Minister Nakasone and in 1984 set up a temporary education review committee. Four times the committee offered its opinion on educational development and suggested measures to be taken. The country is preparing its third education reform in history. Japan considers education reform one of the three national reforms. France suggested that education "become the sharp knife of national modernization." The United Kingdom also said that education "must be adjusted to the needs of the world in the 21st century." Although different countries emphasize different things, they all have one thing in common. They all realize that the most important task is to reform and develop education. The objective is to train a new generation of people who can survive and meet challenges in the future. Everyone agrees that the common goal is to groom qualified people to deal with the 21st century. We are facing a serious challenge, and, as the largest open city of the nation, Shanghai must have more understanding of the crisis and the intensity of the situation. Therefore, our most urgent business is to be able to present the strategic study of educational development in Shanghai and be totally involved in formulating a plan to train people for the end of this century and the beginning of the next century. We must play an active role and accept the international challenge in the education field.

Another special point we need to make is that we are conducting the study of Shanghai educational development strategy because we must have socialist successors who are able to adjust to the new situation of reform and opening. The student movement of 1986 and the turmoil in 1989 reveal the basic problem of developing an educational strategy for Shanghai. That is, how do we uphold the socialist path and how does our education system fulfill the responsibility of training socialist successors? We must acknowledge this basic issue when we study educational development and other reform-related problems. Only then can we design a correct strategy of educational development. Hence, we will not be afraid to meet the challenges of the new technology revolution and of producing enough socialist successors, and we will ensure that socialist education will stay on victorious ground.

The Major Basis for Drafting the Educational Development Strategy of Shanghai

The Shanghai educational development strategy is a project of the social system. The strategy corresponds to reality and looks to the future. Our research follows three principles. First, we do an overall analysis of the situation. Second, we make scientific projections of future trends. Third, we make a comprehensive evaluation and coordinate development between the educational system and overall social conditions. We design the strategy by following these three principles.

1. The economic and social development of Shanghai restricts and makes demands on the field of education. There are many elements that may affect and restrict educational development, but it is impossible for us to name them all. In order to concentrate and conduct detailed studies, we divide the elements into major and minor. The major elements we choose to study are the level of economic development; standards of progress in science and technology; the present condition of the population and its changing trends; finance, facilities, and their utilization rate; methods of combining means of production and work forces; relative economic, industrial, and employment structures; the influence of traditional culture; and the present situation and trend of investment in education. We make a quantitative analysis of the above-mentioned elements. That is, we first calculate the effect of individual elements on education, then sum up the overall influence of all the elements. Finally, we determine a general estimate index for Shanghai educational development (that is, the overall objective): the total amount of person-years receiving education in Shanghai (i.e., the sum of years of education received by the Shanghai people of different age categories). This index can be interpreted as the average number of years of education received by each person in Shanghai. This general index can help us formulate a quantitative objective for basic, higher, vocational and technical, and adult education. We conduct individual and comprehensive studies as well as quantitative and qualitative studies. Based on these studies we can make a clear assessment of the overall situation and define the task, scale, tempo, and structure of educational development.

2. Reform of the economic, political, science and technology, employment, personnel, and wage systems will have an impact on education. The next decade or two will be important because new systems are replacing old systems. Systemic reform will be launched in every area, and the degree of reform will go further and deeper. The whole society will undergo great changes. Therefore, when we study Shanghai educational development, we must bear in mind the probability of systemic reform and its impact on society. Based on the calculation of social effect, we adjust the amount of pressure and level of adaptability of the education system. This way, the development strategy can be held accountable and yet remain flexible. Also, development of the educational system will increase pressure on and demand for educational reform. This should be beneficial to micromanagement and macrocontrol. We should be able to distribute resources more effectively and to increase large-scale benefits. Different types of schooling will be developed by following their individual characteristics and rules. However, there must be coordination between individual development and overall objectives. We need everyone to participate in and support educational development. This is why we must have a clear understanding of the general plan for the year 2000 before we design a developmental strategy for that year and before

we launch a schedule for Shanghai educational reform. Educational development strategy must include educational reform strategy.

3. We must analyze and understand the present education situation. The condition of today's educational system in Shanghai is the basis and the starting point for making an educational development strategy for the year 2000. How we analyze and understand the present condition, especially how we treat problems facing the Shanghai educational system, can influence our line of thinking in the course of strategy development. After much careful thought, we managed to understand the complexity of the issue. At first, we separated all the problems with the Shanghai education system into eight categories: an uneven interest in university acceptance rates, education dismissed as being useless, inconsistent supply of teachers, obstacles faced in ideological and moral education, low efficiency in school education, existing gaps between education and social demand, lethargy in school education, slow replacement by the new system, and a boom in elementary and secondary school students. Later, we divided the eight issues into two types of conflicts. One is the conflict between the social demand for and supply of education. The educational structure is not adjusting to changes in social development and industrial and technological structures. The defined objective of our whole educational system does not correspond to society's demands. The second conflict is the discrepancy between what society can provide and what the educational system needs. That is to say, investment from society does not meet the cost of the educational system. Afterward, we combined the two conflicts and then separated them into five points. Finally, we summarized the present situation of Shanghai education as one major conflict, which manifests itself in two ways. Our strategic thinking is geared toward "finding a basic solution for the major conflict in Shanghai education."

The Methodology of Shanghai Educational Development Strategy Study

The study of educational development strategy involves more than theoretical research, and it does not have a substantial plan or directive to follow. It is a policy study; we try to find out about our future course, scientifically. Therefore, we try to combine application with theoretical study, with more emphasis on the former; and we combine qualitative study with quantitative study, making qualitative the mainstream. We must realize that, although educational development strategy is an independent strategy, it is also a major component of overall social development strategy. Therefore we must make educational development strategy fit into the overall social development strategy. Based on this understanding, we choose the following methods when we conduct our study.

1. The people we selected as our team members come from the city and their work covered every system, department, and academic subject. They looked at the

"big picture of education" and studied the system as a whole. The team was divided into four strata. The first stratum is the leading group, responsible for the whole project. The second stratum is the general section, responsible for design, organization, coordination, and comprehensive research. The third stratum is made of groups divided according to topics. So far, we have 12 groups: basic education, higher education, adult education, vocational and technical education, preschool education, cadre education, social education, ideological education, educational objectives, investment in education, personnel system of education, and educational theory. In each group, comrades who are strong in conducting research form the core. The fourth stratum is made up of subgroups. That is, under each topic there are almost 100 subtopics. When we looked for our team members we take into consideration age and intellectual factors. We wanted to make sure that people of different age groups and academic levels were represented. We included experienced educators from the older generation and young or middle-aged educators. There are education theoreticians as well as officials from administrative departments of education and school officials. The educational research experts work side by side with experts from other professional fields, such as economic study, population study, systems engineering, and computer science. There are more than 200 people involved in the study of educational development strategy. They come from 80 or more departments and units: education, economic, science and technology, and personnel departments, and labor units. This organizational method and structure proved to be useful when we had to combine studies of the internal and external educational systems. This is good for connecting the study of manpower training with the study of manpower utilization. The structure of our study team is more adequate for conducting up-to-date, large-scale, systematic, and comprehensive strategic research. This is why the study of educational development strategy has managed to proceed smoothly.

2. We conducted extensive research. In order to have a clearer understanding of the present situation of education in Shanghai, we conducted a series of large-scale researches. We did followup studies of 30,000 university graduates. We studied 1,200 high school graduates from three districts and three counties to see whether they decided to go to college or to look for employment. We collected opinions on educational reform from more than 10,000 people who are leaders in elementary or secondary schools, teachers, students, and parents. We asked 150 high-ranking officials, 1,300 cadres from administrative offices, and 1,500 cadres from economic planning committees questions about the state of, benefits from, and demand for cadre education. We studied 34 midsized and large factories, mines, and enterprises to try to figure out the developmental trend of employees' vocational education. We sampled more than 10,000 professional people and 5,000 or more organizations and offices to study cadre employment. Moreover, we collected from libraries information on

education in Shanghai before liberation. And from various documents and research reports, we found out how foreign countries forecast educational development trends, do educational planning, and conduct scientific studies.

3. In order to widen our scope of study, we visited various experts and leaders. Educational development strategy was a study project of the social system. We must not confine ourselves or look at the issue only from the angle of education. Our strategic thinking should include the wider background, including overall social development. We went to Shanghai, Beijing, and other coastal cities and visited experts and leaders from educational and economic fields and from other social sectors. They looked at our strategic study from different angles and viewpoints, and provided us with valuable opinions. This was important to us because it opened our minds, widened our horizon, and gave us new strategic ideas. Also, we went to Guangdong and Fujian to learn about the experience of the educators in coastal open cities. We also held many talks, invited young and middle-aged theoreticians, educators, and university students to give us their opinions on the educational development strategy.

4. We focused on certain areas and conducted comparative studies. There is an objective law that defines the relationship between education and social development. We studied educational systems in other parts of the world and throughout history to learn more from these foreign and historical experiences. We will be more conscientious and we will have a clearer idea of objective laws of educational development and reform. Of course, when we compare studies we must first pay attention to the present situation and future development of Shanghai. It is not wise to make arbitrary comparisons. For the purpose of our research, we carefully chose countries that are similar to Shanghai. For instance, when we studied the quantitative targets of education, we chose Japan and Singapore as subjects for comparative study. There are a number of reasons for doing so. First, the level of economic development in Shanghai in the year 2000 should be close to that of these two countries in the eighties. Second, both countries lack natural resources, as does Shanghai. To stimulate economic growth Japan and Singapore invest in education, science, and technology. They improve management quality, expand international trade, and strongly emphasize the growth of tertiary industries. Shanghai should follow the same path. Third, from the viewpoint of cultural and traditional values, the cultural structure, consumption habits, and value systems in these Asian countries are similar to that of Shanghai. We also studied educational reform in Japan, higher education in the USSR and the FRG, and trends of moral education reform in other countries, and compared these studies with the situation in Shanghai. Also, we made comparative studies of the history of Shanghai educational development. This gives us a comprehensive understanding of educational development in Shanghai during

the time when it was half-colonial and half-feudalistic. We studied the historical process, basic characteristics, and the changes. We saw how the many formats of teaching evolved, how the content and methods of education changed, how vocational and technical education came into being, and how social education developed. We looked to these old experiences for inspiration when we drafted the educational development strategy.

5. We combined specific studies with comprehensive studies. There are two categories of specific studies. One involves conducting research on special topics, such as preschool, basic, higher, vocational and technical, adult, cadre, and social education. Research topics were assigned to individual groups, and these groups were responsible for organizing the projects. The other category was a comprehensive study of general topics, such as educational objectives, educational systems, investment in education, open policy of education, ideological education, review of the decade-old education reform in Shanghai, and so on. The section responsible for comprehensive studies organized research and discussion. The two categories of research were conducted in a meticulous manner; later, the results were combined. The combination of specific and comprehensive studies was useful to the drafting of educational strategy.

6. We adopted from systems engineering the method of making a multipurpose policy in which we defined the quantitative objective of educational development in Shanghai in the year 2000. We first calculated the total number of years of education (the average number of years a person receives education) and called it the general estimated index. Then we studied the four elements—economic, science and technology, social, and international—that have a direct impact on education and can cause quantitative changes in the objective. We needed to refer to these elements when we defined our objective. Then we adopted the methods of designing a multipurpose policy and of dissecting and combining. We investigated the individual impact of each element. We used the quantitative method called “level of probability and acceptance” to unify demands and probability and to calculate the number of years of education received by an average person. Again, we made a multipurpose policy to find out the overall impact of the four elements, and used the quantitative method of “level of probability and acceptance” to find out the acceptable number of years of education per person. Thus we obtain the quantitative objective of Shanghai’s educational development. We used this as a guideline for planning various types of educational development.

The Major Points of the Shanghai Educational Development Strategy

1. We wanted to summarize the major difficulties facing the Shanghai educational system. After study, we concluded that the most serious problem it must deal with is that the system is detached from economic construction and social development. The problem manifests itself in two ways: First, there is a conflict between what society

wants of education and what education can provide. We can see this from the following facts: Moral education is outdated, the education system undeveloped, educational structure unreasonable, school education inefficient, teaching formats and school training out of touch with society, etc. These facts tell us that education has difficulty “serving” socialist construction. Second, there is a conflict between supply from society and demand from education. It is a fact that there are not enough funds invested in education and teachers’ salaries are too low. These are the problems we must solve if the success of social construction is to “depend” on the success of education. Therefore, when drafting the education development strategy we had to consider reality in Shanghai and find a key to resolve the major conflicts in Shanghai education.

2. There should be a general strategy for educational development in Shanghai. After learning about the major difficulties with the education system and the characteristics of the economic and social development of Shanghai in the next decade or so, we suggested trying a completely different track. Instead of making the government solely responsible for providing education—this merely means building more schools and expanding the system—both government and society should cooperate in improving the system. Both sides should be involved in improving the quality and benefits of education, adjusting and perfecting the structure, and making the system adapt more to society. The new strategy can be summarized as follows: “Stay on course, deepen reform, increase investment, improve quality, emphasize benefits, maintain moderate growth, encourage society’s participation, and coordinate the two directions.” The new strategy basically demands that, first, moral education reform should have priority when we develop and reform the educational system. We must uphold the correct political path and make sure that educational development stays on the socialist course. Second, by implementing systematic reform internally and offering an external reform package, we may establish an educational mechanism that will automatically serve socialist construction and a social mechanism that will conscientiously depend on education. Third, after estimating our need and calculating the probability, we may increase our investment in education to a larger scale because education is strategically important to Shanghai’s reform and reconstruction. Fourth, we encourage society to take more initiative and invest in education. The whole society should help out. It is better if everyone cares for, supports, and participates in educational development. Fifth, the focus of educational tasks should be switched from emphasizing quantitative growth and expanding scale to improving the quality and benefits of schooling. It is especially important to ensure that implementation of nine-year mandatory education satisfies the quality requirement. Sixth, we should exercise overall control over the scale and tempo of educational development. The emphasis of development is on expanding vocational and technical

education and on training more people with much-needed skills, comprehensive, practical, and technical skills. The development of education in Shanghai should correlate to our national finances and resources. Also, the types of schooling and training provided by our education system should match our social needs.

3. We made up the design and principle of establishing an all-encompassing education system. We decide not to confine ourselves and depend only on school education, as in the past. Our strategic study included every kind and stage of education. All types of education should be connected with each other. As a result resources for education will be used more efficiently and the overall benefit for the entire system will be increased. This should be the development policy for all types of education till the end of this century. There are three important points if we want to establish a comprehensive education system. First, there should be a channel connecting different school systems to smooth any difficult transition between high school and college, between college and university, between vocational school and grammar school, and between adult education and higher education. We need to have an education system that is open and well coordinated. Second, in order to maintain coordination among different school systems, we need leadership, and we need to improve the administration of preschool, basic, higher, vocational and technical, adult, and social education. Management and administration should correspond to the needs of the comprehensive education system. Third, there should be coordination among various education systems. General education should be made available to the society and be linked to extracurricular activities. There should be more cooperation and communication among the systems of vocational and technical, adult, and cadre education; they should not stay disconnected and isolated forever. We need to modernize our teaching methods and develop long-distance teaching, increase the amount of propaganda and cultural facilities, and establish social education network. Social and family education should be allowed to play an important role.

4. The educational development strategy includes a system of objectives. Its strategic objectives can be divided into three sections. First, quantitative objectives. We need an educational scale corresponding to the economic, scientific, and technological abilities of Shanghai and to the social, political, and cultural needs (for the whole nation as well). Second, qualitative objectives. We need to establish high-quality schools to train a more qualified work force. The objective is to have a better qualified work force and teachers, update educational facilities, and increase academic research. Third, systematic objectives. We need a modern education system that is functional and flexible, a structure that is reasonable and open, and a healthy and multipurpose administration.

5. We have countermeasures and special procedures. First, educational development must uphold the socialist course. The party must strengthen its control over

schools. It should reinforce and improve political, ideological, and moral education. The "Outline for Moral Education in Shanghai Schools" defines moral education reform and gives suggestions on how to evaluate the teaching of morals, how to improve the system, and how to strengthen the relationship among school, society, and family. Second, we need to regulate the structure of education and improve overall benefits. The important point is that, when we regulate the structure of higher education, we must control its growth. To regulate the structure of vocational and technical education we must establish a system with many stages, varieties, and formats. To improve the structure of elementary and secondary school education, we should raise the benefits, combine education with economic and social values, and write new teaching materials that are richer and stronger in local color. Third, we must deepen reform of the education system. It is important that the government should play a major role in building up the school system and so should the rest of society. We must put the educational leadership system in order, and we must establish and improve the macrocontrol mechanism. We should build a mechanism that regulates the relation between schools and society and coordinate the reforms of personnel and education system. Fourth, we should invest more in education. We should have the legal means to set aside a reasonable portion of the national economy to be spent on education. We need to have a policy and a procedure to raise funds education. We must have better control of fund management and increase the amount of benefits. Fifth, teachers' salaries and teachers' quality should be higher. We should take steps to raise the average income of elementary and secondary school teachers to the income level of a worker who is employed by a publicly owned institution. We must improve teachers' living standards. School administrations should be given a lump sum budget and be held responsible for spending it. We should have systems for determining the qualifications of elementary and secondary school teachers, for hiring university teaching staff, and for distributing assignments within schools. We need to implement and coordinate reform of the above systems. There should be rules on teacher training. Sixth, we should make our education more open to the outside, and we should strengthen the study of educational theories. This will help Shanghai become an important base for educational exchanges and a national center for educational research.

6. The education system in Shanghai should have a touch of local flavor. In terms of educational development and investment, standards should be determined by the GNP in Shanghai and the standard of economic development in the city. Our objective is to establish Shanghai as a socialist and modernized city, multifunctional and export-oriented, a city that has a proper industrial structure, advanced technology, and a high level of civilization. Shanghainese are people who uphold the socialist path, are dedicated to the motherland, have a worldly outlook, are creative, competitive, cooperative, and efficient, and who have character and are civilized. We

should have an adequate management system and our schooling system should suit a big city. Through more practice we should be able to push ahead and improve our regional education committee. To improve the quality of education and raise the standard of schooling, we should follow closely the economic, science and technology, and cultural development of the city. Our strategic saying is "one step ahead and one level above." We must raise the average number of years of education, increase the university acceptance rate and senior high school enrollment rate, improve the university facilities for the key subjects, and raise the present academic standard of teachers. Shanghai's open policy of education must match the city's status as an international city. The city will choose countries and regions that are special and will systematically carry on academic exchanges with them. We acquire profound knowledge through exchanges. Not only should we import from foreign countries their teachers, teaching materials, administrative method, and teaching experience, we should also be more aggressive in developing our system, including establishing schools in other countries, cosponsoring education with foreign countries, and creating more opportunities for educational exchanges.

After the political turmoil during the spring/summer season in 1989 was over, we were able to stand on a new historical height and reexamine the study of Shanghai's educational development strategy. We have a feeling that our strategy still does not cover enough ground. For instance, our research and strategy fail to mention and alert everyone about international antagonist forces and "peaceful evolution." Our study of ideological and moral education is weak and lacks depth. The strategy does not offer more in-depth discussion on how to carry out thoroughly the party's education policy, and on how to improve the quality and benefit of education. Furthermore, Shanghai's economic and social development has come to a new stage, particularly after the decision to develop and open up Pudong was made. To solve all these problems, we will continue to work hard and conduct more research. We hope to improve further the Shanghai educational development strategy. We also hope the strategic study will become work guidelines and materialize as policy as soon as possible.

**The Pursuit of and Call for Lofty
Ideas—Commenting on the Feature Film *Jiao
Yulu***

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[Article by Li Wenbin (2621 2429 2430)]

[Text] After New Year's Day 1991, the feature film *Jiao Yulu* (produced by Emei Film Studios and directed by Wang Jixing [3769 0370 6717]) which depicted the ordinary yet great achievements of the good party cadre Jiao Yulu was screened and produced strong repercussions in the great land of China. Everyone who saw this film left the cinema deeply touched. Widely acclaimed,

the film broke the circulation record for Chinese-made feature films in terms of the number of copies sold. This phenomenon has given us food for thought.

Comrade Deng Xiaoping pointed out in his "Congratulatory Message" to the Fourth National Congress of the All-China Federation of Literature and Art Circles: "Our socialist literature and art must, through artistic images that are lifelike, vivid, and touching, truthfully reflect the rich social life, reflect the essence of people in various social relations, show the progressive requirements of the times and the trend of historical development, and strive to educate the people in socialist ideas, imbuing in them the enterprising spirit of working hard for the prosperity of the country" (*Deng Xiaoping on Literature and Art*, p. 6). Regrettably, very few masterpieces that embody these requirements have been screened these last couple of years. The market has been flooded with martial arts and detective films which are lacking in style and quality. We have no objection to the production of some healthy and freshly entertaining films to meet the varying aesthetic demands of the audience. However, it is something else to allow vulgar and low-grade "entertainment" to flood the market. This is particularly true of crudely made films with obsolete themes, incredible plots, and nearly identical methods of expression. These films not only will not do us any good, but will bring us harm. The fact that audiences have been staying away from the cinema can be interpreted as their silent protest to this state of affairs. The fact is, our audiences are not content with simple entertainment and do not appreciate "what stimulates the senses." People hope to purify their soul, grasp the true meaning of life, and gain spiritual strength that can rouse them to make progress through artistic aesthetics. The film *Jiao Yulu* can rouse the audience primarily because of its profound ideological content. It begins with Jiao Yulu's arrival, in the early 1960's, in Lankao County, a place plagued by the "three harms": sandstorms, waterlogged land, and salinized land, where he led the 360,000 people there to wage a struggle to shape their world. The film figuratively demonstrated Jiao Yulu's noble ideological qualities as an outstanding party member and public servant. All episodes in the film—from the scene showing Jiao Yulu and members of the county party committee braving the wind and snow as they went to the railway station to visit the masses who were forced to flee from famine; to the scene showing him delivering money, grain, and warm, loving care to an old peasant who was sick and poor; to the scene where he presented a small package of Lankao's sandy soil as a parting gift to Xiao Wei, a technician working in a local horticulture farm—deeply reflect the flesh-and-blood ties between the party and people. Jiao Yulu was not a "patriarchal official" who sympathized with the people in a condescending way. Rather, he lived among the masses, always reminded himself that he was the "son" of the people, and always reminded himself that he was a public servant who must share weal and woe with the masses. This, I think, is where the main pulse and immense appeal of this film lie.

A party cadre who maintains flesh-and-blood ties to the masses is by definition a selfless person who is honest in performing his duties. The film is quite convincing in presenting Jiao Yulu's plain living style and hard struggle through the depiction of the way he conducted himself on matters of food, clothing, shelter, and transportation. For instance, the film begins with a scene showing him walking into the office building of the county party committee. As he had arrived on foot, was wearing a tattered coat, and was without obvious signs of identification, he was almost turned away. As the film develops, we see him asking a child to return the fish presented by the staff and workers of the fish farm, and giving the rice allocated to his family out of special considerations to Xiao Wei who had come from the south. Jiao Yulu's "harshness" toward himself reflected, in a convincing way, his noble revolutionary aspirations as a person who thought only of the people and not of himself. It is for this reason that the masses also showed the utmost solicitude for Jiao Yulu. The depiction of Jiao Yulu's association with Great Uncle Xiao, the old farm director, and Xiao Wei, the scene showing the masses bidding him farewell as he left for Zhengzhou to seek medical treatment, the moving episode when leading members of the prefectural and county party committees and fellow townsmen visited him at the hospital, and other episodes all reflect the profound sentiments of friendship between Jiao Yulu and the party and people.

The Sixth and Seventh Plenary Sessions of the 13th CPC Central Committee urged the party to maintain and develop flesh-and-blood ties to the people and to further strengthen and improve the party's leadership in order to increase the party's rallying and fighting force, to unite all forces that can be united, and to make a concerted effort to build socialism with Chinese characteristics. In order to realize this grand objective, we must continue to carry forward the spirit of Jiao Yulu and we need more cadres like Jiao Yulu on various fronts. In this connection, the film *Jiao Yulu* is good teaching material, and its production is of immediate practical significance. Jiao Yulu will always be a model and mirror for party members, particularly leading party cadres. In addition to the correct line, our party has won continuous victories in revolutionary struggle and construction during the past decades mainly by relying on the efforts of cadres at various levels to carry forward the spirit of wholeheartedly serving the people and maintaining close ties to the masses under all circumstances, thereby winning the trust and support of the masses. For various reasons, however, the sense of wholeheartedly serving the people was blunted among some party cadres some time ago. Their ties to the masses were weakened, and the phenomena of abusing power for personal gain and being divorced from the masses gained prominence. This is a dangerous situation. The party Central Committee resolved to grasp party style and the building of a clean government because these are matters that concern the success or failure of our cause. When party style is correct and there are flesh-and-blood ties between the

party and the people, hostile forces at home and abroad will never be able to triumph over us. The fact that the broad masses have all rushed to see the film *Jiao Yulu* shows their lofty pursuit and appeal. They all hope to see more cadres like Jiao Yulu in the 1990's.

The film *Jiao Yulu* is based on real life and events. Thanks to the concerted efforts of the director and the cast to artistically summarize and process the great abundance of rich material taken from life, the harmonious unity of real truth and artistic truth is achieved. As the effects on the screen show, *Jiao Yulu* seems truthful and plausible. It bears close resemblance to our everyday life and times and fully shows the charms of revolutionary realism. The overall historical background and the protagonist's living environment as presented in the film are truthful. Although only two real names—that of Jiao Yulu and his wife, Xu Junya [1776 0193 7161]—are used in the film, one can still find the illustrations of major events and the experience of major characters in real life. The creation of the artistic image of Jiao Yulu, played by Comrade Li Xuejian [2621 7185 0256], represents a major breakthrough in the portrayal of positive characters, particularly Communists and party cadres, in China's film art. First, the film has accurately grasped the basic personality traits of the character. Jiao Yulu was a county party secretary, which is not a very high office. As a leader who ruled over a county, what the masses expected of him was not merely his ability to show concern for their well-being and help them resolve some of their imminent problems, but, more importantly, his ability to point out to them the road and orientation ahead. To the people, he was a public servant and a guide. He not only must have the courage and determination to lead the way, but must have the insight and boldness of vision to open up the future. The film focuses on the control of the "three harms" to show Jiao Yulu's foresight and sagacity. It also meticulously shows the character of this Communist as someone who had the courage to act and take responsibility for his own actions through the detailed portrayal of his decision to buy high-priced grain to give material assistance to cadres. Second, in the film the spiritual resemblance and actual resemblance to the protagonist Jiao Yulu are properly combined. Li Xuejian's outward appearance is definitely different from that of Jiao Yulu's. However, because the director had a precise grasp of the character he tried to portray, particularly because of the skillful and unaffected performance on the part of the actor, the "spiritual resemblance" was so close that even Jiao Yulu's relatives found the character easily identifiable. Lu Xuejian is a versatile actor. He once played Lin Biao in the stage drama *September 13th*. Later he played the lead in a number of film and television productions, including *General Steel File*, *The Detective*, *The Drum-Ballad Artist*, and *Li Dazhao*. Recently, he played the part of the unsophisticated yet eye-catching Song Dacheng in the serialized television drama *Yearning*. His portrayal of Jiao Yulu is his best performance yet. In this role, he

conveyed his "feelings" through eye contact, movement, and lines. The audience found the role real, trustworthy, and endearing.

The careful planning and ingenious use of typical details constitute another artistic feature of this film. Many of the exquisite portrayals of details have soul-stirring force and can really move people to tears. For instance, we see Jiao Yulu crying in an empty room after the death of the old farm director; we see the unexpected joy and relief on the face of Jiao Yulu when he discovered at the railway station that Xiao Wei had not left; we see Jiao Yulu's eyes brimming with tears as he faced the waiting crowd after the case of "buying high-priced grain" had been settled by Commissioner Zhao; we see Jiao Yulu taking off his watch and putting it around his daughter Xiao Mei's wrist when his illness caused him to deteriorate; and we see Old Xiao, his son, and Xiao Wei visiting Jiao Yulu at the hospital when he was dying and putting a bunch of wheat spikes on top of the *Selected Works of Mao Zedong* on the bedside table... The key to the description of these typical details lies in their "meticulous treatment." Though these scenes have no lines or vigorous movements, they are filled with the "feelings" of the characters. Some people say that foreign films are not truthful in big places but are truthful in small places, and that Chinese films are the other way round. *Jiao Yulu* is truthful not only in big places but also in small places. That is what gives the film much food for thought.

Of course, even an outstanding film has its deficiencies, and *Jiao Yulu* is no exception. In my opinion, this film has two drawbacks. The first is the portrayal of the character Wu Rongxian, the county magistrate who later became the second secretary of the county party committee. The basic personality traits of this character are too conceptualized and oversimplified. It is not clear whether he was a bureaucrat or a person with political ambitions, whether his problems related to his ideology and style or to his political quality. His language was also too forthright. Second, the ending seems too hurried. While it is a good idea to end the film with footage taken from documentaries to give the audience a glimpse of the changes that have taken place in Lankao after Jiao Yulu's death, it seems rather contrived and does not go with the dignified and solemn mood of the film to finish this way.

However, as the popular saying goes, one flaw cannot obscure the splendor of the jade. We believe that Chinese film artists and film makers will get their inspiration from the shooting of *Jiao Yulu*, and will use their experience thus gained to push China's film creation to a new height. *Jiao Yulu* well deserves its name as the first film made to pay tribute to the 70th anniversary of the founding of the CPC. We hope to see more and better films of this type.

Extraordinary Flowers Burst Out of Fertile Soil—A Review of Prints by Peasants of Hengren in Benxi City

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[Article by Li Hua (2621 2901)]

[Text] Our socialist literature and art are the literature and art of the people. Literature and art of the people not only must have the people's life as their contents, but must have, as their distinguishing mark, authorship by professional and amateur writers and artists. The prints by the peasants of Hengren in Benxi City are a typical representation of China's socialist literature and art.

Benxi City, situated in the mountains to the east of Liaoning, is a place rich in folk art. Under its jurisdiction is a county named Hengren. In this county, every humble peasant household is decorated with brightly colored New Year pictures over the brick beds and paper cutouts on the windows. They cherish things that are beautiful and seek a rich and varied spiritual life. Not content with this, they even want to create their own beauty. This is where amateur peasant artists come in. Professional print artist Li Dejie [2621 1795 3946] had arranged courses for them at the Art Gallery of the Masses. In 1988, they produced their first batch of work. That year, 184 of their prints were exhibited in Beijing. Like a bunch of fresh and exquisite flowers, this batch of unprecedented prints by the peasants produced considerable ripples among the art circles in the capital and gained widespread popularity.

Besides giving extensive and profound reflection to the peasants' life as is the case with ordinary folk art, the prints produced by the peasants of Hengren are also characterized by their exaggerated and decorative style. The rugged appearance produced by the carving knife gives them a very different look compared with the supple ink prints of stylized mountains, rivers, flowers, and birds.

Let us appreciate some of the finer prints produced by the peasants of Hengren.

"Spring" is a beautiful print filled with the joys of spring. In the eyes of the peasants, a beautiful spring scene is one that shows people and their herds in the open fields and surrounding hills, not one of flowers and the moon. This print shows spring on four levels. The first level shows a small river, with ice already melted and fish swimming merrily in the shoals. The second level is where the theme lies. It shows the cowherd tending his cattle, some of them mooing, some eating grass, and some running forward full of life and vitality. The third level is a thick patch of woods, with trees already showing their first signs of green and beautiful birds chirping away in their midst. The fourth and last level is a distant range of densely forested mountains. The print presents a picture of spring returning to earth, a picture of prosperity. It is

a busy farming season, a season of joy. The print is a true reflection of life, the expression of peasants' true feelings.

"Making Rice Cakes" is a genre print of Korean style. With the festive season not far away, the peasants are busy making rice cakes and getting ready to entertain guests. The print shows the interior setting of a peasant household. What is most interesting about this print is the way the four children are depicted. They are full of curiosity but dare not misbehave. One gets the impression that they have very strict parents who will not tolerate mischief. The atmosphere of family life thus comes across vividly. Peasant prints come from life; but while reflecting life, they do not pass over their educational role.

"The Mill" shows the everyday life of the peasants. The mill is a place with which people are most familiar. The grain they eat every day has to be sent to the mill to be processed. There it is, the mill, in the center of the house. A child is driving a mule, and around the millstone there are two rows of footprints left by the mule. A woman is bringing in the grain, and in the distant corner another woman is sifting the flour. We also see bags full of grain, as well as cats and fowl. Everything imaginable is shown on the print. As it is a perspective drawing, the objects, though many, are in perfect order. This is another distinguishing feature of peasant prints.

As peasant prints tend to stress details in their depiction of life, they often appear to be overly elaborate. However, we can also see the technique employed by artists of peasant prints in basing their materials on life without

letting themselves be bound by life. They extract the characteristics of life and have them rearranged in a poetic way. This technique is an artistic creation. The print "Birds Singing" is a case in point. It shows a close-up view of a corner of the bush, because the subject matter is birds singing, not the bush itself. The bush is thick with branches and leaves, the ideal site for birds to fly and dance about. The artist concentrated on depicting the birds, hopping and chirping away noisily as if performing a symphony. What a poetic picture! The noted poet Bai Juyi [4101 1446 2496] wrote the following two oft-quoted lines on spring over Xi Hu: "Here and there the early nightingales are fighting for their warm trees, and newly arrived swallows are pecking the spring mud." The print "Birds Singing" has achieved the same artistic realm. It is realistic yet stylized. It has its source in life but is above life. It is poetic and has the true colors of a peasant print. This new creation has a style of its own.

In brief, the prints by the peasants of Hengren may be evaluated as follows: Although they are technically immature and artistically unrefined, they have grasped the flavor of life and created an unsophisticated yet forceful artistic language that conveys the thoughts and feelings of the peasants and reflects a rich local flavor. They are unique among works of art by the peasants of different localities. We must support prints by peasants because very few peasants are currently engaged in the creation of prints. We ought to do our best to promote and cherish this extraordinary flower that has burst out of fertile soil because this will be of far-reaching significance.

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