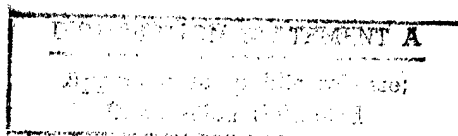


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# ***JPRS Report***



## **China**

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

No 7, 1 April 1989

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## QIUSHI [SEEKING TRUTH]

No 7, 1 April 1989

### **Discuss Party Building, a Matter of Vital Importance for Realizing the Four Modernizations—Sidelights on Seminar on Party Building Organized by the CPC Central Committee**

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[Article by Zheng Keyang 6774 4430 2254 and He Yiting 0149 3015 0080]

[Text] With the arrival of the year 1989, our party building work has entered a new period: From 4 January to 2 February, the CPC Central Committee held a Seminar on Party Building in the Central Party School. A total of 30 comrades attended the seminar, including leading comrades of some provincial CPC committees, autonomous regional CPC committees, municipal CPC committees, two veteran comrades, four leading comrades from various departments of the CPC Central Committee, five city and prefectural CPC committee secretaries, and two other comrades who have been involved in the theoretical work concerning party building for a long time. This is the first time that the CPC Central Committee has invited leading comrades working at different levels to attend a seminar of this nature.

#### **A Seminar on Party Building Whose Name Matches the Reality**

It is known that since last August, Qiao Shi, Song Ping, and some other leading comrades of the CPC Central Committee and the leading comrades of the relevant departments of the CPC Central Committee have started preparing for the convocation of the Seminar on Party Building. These leading comrades have repeatedly studied all the relevant questions concerning party building, listened to the views of the leading comrades of various localities and various departments of the CPC Central Committee, and finally submitted a special report to all the Standing Committee members of the CPC Central Committee. General Secretary Zhao Ziyang and some other Standing Committee members approved the plan of holding the Seminar on Party Building. Although all the leading comrades were, at that time, busy with the work of implementing the spirit of the 3rd Plenary Session of the 13th CPC Central Committee, the Central Authorities still decided to hold the seminar. This showed that the Central Authorities attached great importance to our party building work. During the seminar, Comrade Zhao Ziyang held talks with some of the participants on three separate occasions and held talks with all the participants on two occasions. During these talks, Comrade Zhao Ziyang made important speeches on strengthening party building. Comrade Qiao Shi participated in the discussions held at the seminar on three occasions and made speeches at both the opening

ceremony and the closing ceremony. Comrade Song Ping also attended the seminar several times. The responsible comrades of the relevant departments of the Central Authorities also participated in the discussions. The relevant provincial CPC committees, autonomous regional CPC committees, and the relevant departments and commissions of the Central Authorities also actively supported the holding of the seminar. All the comrades invited by the Central Authorities actively took part in the activities organized by the seminar. From this, we can see that our whole party from the central to the local levels paid great attention and attached great importance to the work of strengthening party building.

The Seminar on Party Building was a very successful one. The success of the seminar was embodied in the following aspects: First, all the discussions held centered on the central topic of building our party into a strong core capable of leading the Chinese people to build socialism with Chinese characteristics; second, the seminar consistently adhered to the principle of combining theory with practice and thereby successfully combined putting forward questions with searching for solutions and exchanging experiences in light of the new situation of our party building and our country's reform and opening up to the outside world. As all the participants had carried out investigations and research in advance, none of them gave empty theoretical talks at the seminar; third, all the participants were able to carry out democratic discussion. The participants first put forward the topics for discussion and then tried to explore answers to the questions. No matter what official posts they held, all the participants were able to discuss questions with one another on an equal footing. Before making his speeches, General Secretary Zhao Ziyang had carried out in-depth investigations and study. However, he still said that "the speech I have made is just one of the numerous speeches that have been made. I am willing to discuss the relevant questions with all the participants. I hope that all the comrades here will not hesitate to point out the mistakes I have made in my speech." When Comrade Qiao Shi came to attend the discussions, he said that "as one of the participants, I will take part in the discussions held at this seminar with all the other comrades." Comrade Song Ping also attended the discussions many times and frankly and modestly exchanged views with other comrades; fourth, the seminar had a relatively good membership structure. Among the participants, there were comrades from various localities and comrades from various departments of the Central Authorities, including both those comrades who are engaged in practical work and those comrades who are engaged in theoretical work as well as some veteran comrades with rich experiences. Such a membership structure ensured a comprehensive and in-depth discussion on party building; fifth, all the participants were provided with simple board and lodging during their stay in Beijing and had a tight schedule. None of the participants brought his or her secretary to the seminar. All the participants lived in the dormitories of the Central Party School. Each participant lived in a single room with very simple facilities and

ate set meals every day. The set meal consisted of one meat dish, one vegetable dish, and one soup. Every participant paid for his or her set meals according to the relevant regulations. During their month-long stay in Beijing, all the participants had a tight schedule. All the comrades treasured such a rare opportunity and each tried to be the first to speak at the seminar during the daytime. Because all the participants expressed their views frankly and freely, the seminar was held in a warm and lively atmosphere. In the evening, the participants either read books and materials to prepare their speeches or discussed questions and exchanged experiences with one another. All in all, the Seminar on Party Building was a very successful one, indeed.

#### **It Is Necessary To Study and Strengthen Party Building by Closely Adhering to Our Party's Basic Line**

It was learned that the basic requirements on the Seminar on Party Building approved by the Standing Committee of the CPC Central Committee were: To carry out an analysis of our party organizations, the contingent of our party members, and our party building work by seeking truth from facts under the guidance of the basic Marxist theories on party building and in accordance with our party's basic line formed since the 3rd Plenary Session of the 11th CPC Central Committee and expounded and officially adopted by the 13th CPC National Congress; to center the discussions on several pressing issues of the moment, sum up and exchange experiences, and explore solutions so as to further push ahead with our party building work; to center the discussions on the question of how to effectively strengthen and perfect our party's leadership, bring into play our party's political superiority, and lead the Chinese people to accomplish the sacred mission entrusted by history, that is, to build socialism with salient Chinese characteristics in the new situation.

When attending the discussions, General Secretary **Zhao Ziyang** stressed that it is necessary to carry out party building by closely adhering to our party's political line. Under no circumstances should our party building work deviate from our party's political line. General Secretary Zhao Ziyang said that this is the most precious experience our party has gained in carrying out party building. General Secretary Zhao Ziyang also said that both the 13th CPC National Congress and the 3rd Plenary Session of the 13th CPC Central Committee reiterated this guiding ideology during their discussions on the question of party building. When attending the discussions at the seminar, **Qiao Shi**, (Member of the Standing Committee of the CPC Central Committee), pointed out that in the new historical period, it is all the more necessary for all the comrades to closely adhere to our party's basic line in carrying out party building and studying party building. Comrade Qiao Shi said that in order to closely combine our party building with our party's basic line, our party must set great store by the following three aspects: first, it is necessary to carry out party building and strictly manage our party in accordance with our party's basic

line; second, it is necessary to carry out party building in the process of implementing our party's basic line; third, it is necessary to constantly examine our party building work in the process of implementing our party's basic line.

During the discussions, **Mao Zhiyong**, (Secretary of the Jiangxi Provincial CPC Committee), said that guaranteeing the implementation of our party's basic line by strengthening our party building is the most important guiding ideology for our party building work in the new historical period. Now that our party's basic line and our party's general principles and policies have been formulated, what we should do is to improve our work and practically resolve the existing problems. During the discussions, **Wu Bangguo**, (Deputy Secretary of the Shanghai Municipal CPC Committee), and some other comrades pointed out that only by closely adhering to our party's basic line in studying and solving the problems in our party building work will it be possible to improve our party building work, strengthen our party's leading position and political leadership, enhance our party's unifying force and attraction, and enable our party to really become a strong core capable of exercising leadership in the course of building the socialist modernizations.

With such a clear-cut guiding ideology in mind, all the participants were able to center their discussions on our party's basic line guiding the initial stage of socialism. This is an outstanding characteristic of the Seminar on Party Building.

#### **The CPC Is Still a Good Political Party**

In the last few years, a lot of people both inside and outside our party have expressed their views on the CPC's status quo. When commenting on the problems and difficulties faced by our reform, people have expressed widely divergent views. What on earth is the realistic way to appraise the status quo of our party?

During the discussions, **Zhao Ziyang** pointed out that through the decade-long reform, all types of undertakings of our country have developed very rapidly under the leadership of the CPC. Our party's line has been proven correct. Our party's work has been modernized. Our party's organizations at all levels have been able to basically maintain their fighting power. The majority of our party members have been able to work wholeheartedly for the Chinese people. Nevertheless, such phenomena as corruption and slackness have also existed inside our party. If our party failed to take effective measures to eliminate such phenomena, such phenomena would eventually spread over and destroy our party. Now we are in a period of great historical change. Some people inside our party have failed to understand this or have failed to stand the historical test. All the comrades of our party must be fully and spiritually prepared and strengthen confidence and should be

able to stand the historical test in the process of the reform and opening up to the outside world. To this end, we must strictly manage our party and strengthen our party building work.

During the discussions, **Qiao Shi** pointed out that at present, our party is in another period of extensive and profound historical changes. During this period, our party must face up to the new challenges and make redoubled efforts to strengthen its own contingent. Whether we will be able to build our party into a better and stronger party is at once concerned with the destiny of our party and concerned with the destiny of our cause of building the socialist modernizations. Qiao Shi hoped that all the comrades will scientifically and realistically appraise our party's status quo, brace up, strengthen confidence, and pool the wisdom and efforts of the masses, and further push ahead with our party building work.

During the discussions, **Song Ping**, (Head of the Organization Department of the CPC Central Committee), repeatedly stressed that making a scientific appraisal of our party's status quo by seeking truth from facts is of great significance not only to defining the tasks and principles of our party building work but also to strengthening the confidence of our whole party and the people of our whole country. Song Ping also said that making a scientific appraisal of our party's status quo by seeking truth from facts is also the premise and the basis for our study on party building.

All the participants were able to carry out an in-depth analysis of our party's status quo with a developing and dynamic view and finally reached a basic consensus on our party's status quo:

First, under the leadership of the CPC, the decade-long reform has greatly pushed ahead with the development of all types of undertakings as well as the development of our inner-party democracy and people's democracy, promoted the political stability and economic development of our country, and brought actual benefits to the Chinese people. Facts have borne out that our party's line is correct. The CPC is a good political party. In general, our party's various organizations have been able to play their role as a powerful fighting force. The majority of our party members have been able to work hard for the Chinese people and have been able to stand the historical test at the crucial moment. This is the nature and main trend of our party, which should be fully affirmed with perfect assurance.

Second, all the comrades agreed that it is necessary to fully understand that there are still some problems inside our party, which are demanding prompt solutions at the moment. Some of these problems are very serious ones while others are spreading over and becoming even more serious. This is mainly because: During the period of drastic historical changes, there has emerged some sort of ideological confusion among some party members. As

a result, such phenomena as abusing one's power and official responsibilities, seeking private gains by taking advantage of one's power and official post, blackmailing people with power, and so on have been on the increase among party members and cadres. Furthermore, the authorities concerned have failed to effectively check the spread of such phenomena due to the slackened organic disciplines of our party. Some of the CPC organizations at the grassroots level have failed to play their role as fighting bastions. Some of our party members have failed to play their exemplary vanguard role. And our party has also made some mistakes on not a few questions and has met with all sorts of difficulties during this period.

On the basis of this basic consensus on our party's status quo, **Chen Yeping**, (former head of the Organization Department of the CPC Central Committee), **Guo Feng**, (former first secretary of the Liaoning Provincial CPC Committee), **Li Zhengting**, (deputy secretary of the Commission for Discipline Inspection under the CPC Central Committee), **Nie Ronggui**, (deputy secretary of the Yunnan Provincial CPC Committee), and some other comrades held that in order to improve our party's work and resolve the existing problems, all the leaders of our party should fully take into account the existing problems. Under no circumstances should the leaders of our party underestimate the seriousness of the existing problems. These views show that the high-ranking cadres of our party are sober-minded and have a strong sense of responsibility toward our party.

Why is it that on the one hand, our party's cause has developed greatly and the broad masses of the people have benefited a great deal from the reform and opening up to the outside world, and on the other hand, the masses complain about our party? **Li Ligong**, (secretary of the Shanxi Provincial CPC Committee), held that these problems exist mainly for the following two reasons: First, under the conditions of the reform, opening up to the outside world, and developing the commodity economy, the soil from which corruption stems has increased. As a result, many new problems have emerged. In the past, these problems did not emerge simply because they did not have the conditions to emerge. Along with the invigoration of our country's domestic economy, new problem have cropped up one after another. Second, during the period of drastic historical changes, some people inside our party have not been ideologically prepared for the reform and opening up to the outside world. Moreover, because our party lacks experiences in combating the inner-party corruption in the new situation of the reform and opening up to the outside world, our party has failed to come up with comprehensive and effective measures for combating the inner-party corruption within a short period of time. Consequently, our party has achieved little results in combating inner-party corruption. During the discussions, many comrades held that the masses have voiced their criticisms and complaints because they are not satisfied with a number of issues and questions in the process of the reform. The criticisms and complaints

made by the masses are fully justified. Nevertheless, this shows that on the one hand, the masses are still ideologically unprepared for an arduous, complex, and long-term reform as well as the emergence of various problems, including some painful readjustments of interests. On the other hand, this shows that the masses have placed unrealistically high hopes on the reform, thinking that all of them will benefit enormously and immediately from the on-going reform of our country. What we should do at present is to accept the reasonable views expressed by the broad masses of the people and try to improve our work in the process of the reform. At the same time, we should make every possible endeavor to make it clear to the broad masses of the people that the problems existing in the process of the reform are those existing in the process of our advancement, that some problems are bound to come up in the process of the reform, and that the difficulties experienced temporarily by our country in the process of the reform are only the difficulties in the process of development. All the comrades must do their best to clearly explain these ideas to the broad masses so as to enhance people's confidence in the reform and strengthen their capability of withstanding the strains of the reform. All the participants agreed that in the final analysis, things will ultimately be determined by the CPC. So long as we remain sober-minded, sum up new experiences, rely on the support of our whole party and the broad masses of the people, conscientiously do our work, our party will certainly be able to stand the test of the new situation of the reform, opening up to the outside world, and developing the commodity economy and will be able to continuously push ahead with the building of the socialist modernizations in China.

#### **It Is Necessary To Arm Our Whole Party With the Theories and the Line Formulated by the 13th CPC National Congress**

Our country's reform and opening up to the outside world is a new extensive social revolution and a new ideological and conceptual revolution, considering its nature and the profound social changes resulting from it. In this revolution, a lot of outdated and backward concepts stifling people's ideology are bound to be greatly pounded at, a lot of new concepts are bound to come up and develop, and our national spirit is bound to be emancipated even further. Nevertheless, because this revolution is an extensive one and due to the lack of ideological preparations and experiences, it is quite natural that some people within our party are bound to go astray and become confused in the face of a multitude of old and new ideological concepts and thereby develop some misunderstandings and erroneous views in the process of this revolution.

During the discussions, **Zhao Ziyang** also put forward some important views on our party's ideological building. General Secretary **Zhao Ziyang** pointed out that in order to strengthen our party building, it is necessary to ideologically and organizationally strengthen our party's

internal unifying force. And it is also necessary to carry out in-depth education on the theories and the line formulated by the 13th CPC National Congress in light of our country's realities by adhering to the four cardinal principles as well as the policies of reform and opening up to the outside world with a view to enabling our party to constantly maintain a strong unifying force and successfully lead the people of our whole country in carrying out the building of the four modernizations.

Some people in the society hold the view that our country's on-going reform lacks theoretical guidance and that the decade-long reform is nothing but the "decade-long turmoil." However, all the participants believed that such a view does not tally with the actual situation. It is true that our theoretical research still lags behind our reform practice and the theories and the line formulated by the 13th CPC National Congress has yet to be tested in practice and substantiated, perfected, deepened, and developed in the course of our continued study on the new situation, new questions, and new experiences of our country. Nevertheless, in the last 10 years, under the guidance of Marxism, our party has indeed made great progress in ideological emancipation and theoretical creation. The great achievements scored by our party in bringing about the profound historical changes in our country and leading our country's reform and opening up to the outside world is inseparable from the great progress our party has made in ideological emancipation and theoretical creation. Over the past 10 years, we have constantly regarded economic construction as the center of our work and adhered to the four cardinal principles as well as the policies of reform and opening up to the outside world. We have never deviated from this general orientation. Moreover, we have also made every possible endeavor to adapt our specific measures of reform and opening up to the outside world to the changing realities of our country. Improving the economic environment and rectifying the economic order represents a readjustment of our specific policies. Such a policy readjustment is also aimed at comprehensively deepening our reform.

Some people think that the so-called initial stage of socialism is socialism in name but capitalism in reality. With regard to this erroneous view, **Gong Yuzhi**, (deputy head of the Propaganda Department of the CPC Central Committee), said that there are various reasons for some people to hold such a view, either because they have not yet discarded all their ossified views on socialism and capitalism formed under the "Left" guiding ideology, thus regarding a lot of non-capitalist things as capitalist things, or because they have failed to understand that private capital and foreign capital within limited scope can be a beneficial supplement to socialism, or because they are resentful of some abnormal phenomena in our country's current economic, social, ideological, and cultural life (such a resentment is reasonable, for some decadent capitalist and feudalist things have indeed re-emerged in our society), thus believing that all the abnormal phenomena in our society have been caused

and tolerated by the theory of the initial stage of socialism. We should make redoubled efforts to clear up these misunderstandings.

What are the "hard nuts" and "hot spots" in our party's ideological building at present? Xie Fei, (deputy secretary of the Guangdong Provincial CPC Committee), believed that there are three "hard nuts" and "hot spots" in our party's ideological building at present: (1) The question of unifying theory with practice. At present, in the minds of some people, the question of which is better, socialism or capitalism, has not yet been completely resolved. (2) the question of unifying ideals with realities—at present, some of our party members still cannot properly handle the contradiction between adhering to the communist ideals and updating concepts and implementing the current social policies; (3) There are still many people within our party who make more demands than contributions and lay more stress on their individual interests than the national and collective interests. Under such circumstances, we should make unreserved efforts to make these "hard nuts" and "hot spots" known to the broad masses of our party members and should be able to do so. All the participants believed that during the period of drastic historical changes, in order to clear up the confused or erroneous views among some of our party members, our party should offer convincing replies integrating theories with practice to the aforesaid questions. The participants pointed out that distribution according to work, more pay for more work, material gains, becoming prosperous through hard work, and allowing individual economy and private economy to develop are our party's social policies aimed at greatly developing the social productive forces and further bringing into play the superiority of our socialist system. Our party's social policies are equally applicable to our party members. There is no exception in this regard. Nevertheless, as far as their outlook on value and world outlook are concerned, all the communist party members should consciously devote themselves to the interests of the nation and the people and should not try to pursue private gains, let alone "place money above everything else." Here, we should differentiate the communist party members' world outlook and outlook on value from our party's social policies. We should publicize and advocate the communist world outlook and outlook on value to the broad masses of the people on the one hand, and demand all our party members to adhere to the communist world outlook and outlook on value on the other hand. If a party member cannot adhere to the communist world outlook and outlook on value, then he is not a true communist.

The participants at the seminar held that while China is advancing, the whole world is also changing. Thereby, our party's ideological and theoretical building and our party's theoretical research on party building must be conformable to the new situation and capable of analyzing the new situation and answering new questions. In the meantime, in carrying party building, we should take

a clear-cut stand in adhering to the basic Marxist theoretical principles concerning political party building. For instance, our party should take a clear-cut stand in giving play to our party's role as the vanguard of the working class and adhering to the communist ideals, the goal of serving the people heart and soul, our party's democratic centralism and disciplines, the criteria of the communist party members, and so on. The participants at the seminar called on the CPC committees at all levels to attach great importance to our party's ideological and theoretical work, take the lead in theoretical study and in building the Marxist theoretical contingent and strengthening our party's ideological and theoretical fronts.

#### **It Is Good and Rational To Separate the Functions of the Party From Those of the Government**

At the seminar, Comrade Zhao Ziyang stressed that it is all the more necessary to strengthen and improve our party's leadership and enhance our party's attraction to the masses. In the CPC leadership lies the fundamental interests of the entire Chinese people. The CPC should really manage its own affairs. After separating the functions of the party from those of the government, the CPC committees at and above county level should strengthen their political leadership in respect of major principles and policies and should concentrate their efforts on party building and reform.

Since the 13th CPC National Congress put forward the principle of separating the functions of the party from those of the government, some localities and units have been slow in implementing this principle. In many enterprises, the relations between the party and the government have not yet been smoothed out or have not yet been completely smoothed out. The party organizations and factory directors in these enterprises have not yet really been able to carry out their official responsibilities separately. Under such circumstances, some people have cast doubts over the necessity of implementing the principle of separating the functions of the party from those of the government. How should we view this question?

The participants at the seminar observed that in order to strengthen our party's leadership, it is necessary for us to improve our party's leadership. The decision made by the 13th CPC National Congress on separating the functions of the party from those of the government is a correct one. When we talk about separating the functions of the party from those of the government, we do not mean that the party and the government should be independent of each other. What we mean is the separation of our party's specific work system from the specific work system of our government. And in so doing, we should not change or weaken our party's ruling position and political leadership. Guan Guangfu, (Secretary of the Hubei Provincial CPC Committee), said that over the past year, great progress has been made in separating the functions of the party from those of the government in the whole country. The various localities of our country

have mainly made the following three achievements in this regard: First, the party committees at all levels in various localities of our country have heightened their consciousness in grasping matters of major concern and have made unreserved efforts to grasp such major matters as reform and economic construction on the one hand and our party building and our party's ideological and political work on the other; second, the party committees at all levels in various localities of our country have greatly improved their work style, attached great importance to investigations and research, taken into account the overall situation of our country, coordinated various types of relations, and resolved various types of contradictions; third, the party committees at all levels in various localities of our country have organizationally abolished their overlapping institutions and some of their leading Party groups, stopped appointing or appointed fewer party committee secretaries and standing committee members who take charge of the government work, but hold no official positions in various government departments. At the seminar, **Zhang Yaohua**, (Secretary of the Nanjing City CPC Committee), pointed out that efforts should be made, on the basis of separating the functions of the party from those of the government, to enable the party committees and government departments to work for the same goal, but undertake different responsibilities and to cooperate with each other in case of emergency and trend, but undertake different responsibilities in their routine operations. At the seminar, a lot of participants also pointed out that separating the functions of the party from those of the government constitutes a major reform of our party's leadership structure. The present problems in our party's work are mainly those caused by some of our comrades' inability to adapt themselves to the current reform. Besides, our party should make continued efforts to sum up experiences and explore new experiences in this regard in practice. All these problems are but normal phenomena. At present, our party should unswervingly make redoubled efforts to discard all outdated traditional concepts and habits, formulate and perfect relevant measures, publicize successful experiences, and resolutely and steadily push ahead with the work of separating the functions of the party from those of the government by proceeding from actual conditions.

The key to successfully separating the functions of the party from those of the government in the various localities of our country lies in that the party committees at all levels in various localities of our country should be good at grasping matters of major concern and bringing into play the role of our party organizations and our party members. At the seminar, heated discussions on this question were also unfolded. During the discussions, **Zhang Boxing**, (Secretary of the Shaanxi Provincial CPC Committee), expressed his own view on the so called "matters of major concern," which the local party committees should firmly grasp. Zhang Boxing said that the so called "matters of major concern to localities" should include matters concerning regional development strategy, matters of a national nature, matters of a policy

nature, matters concerning regional national economy, people's livelihood, and social development, matters concerning social changes, political stability, and ideological changes, matters concerning the safety, life, and property of the people and masses, and matters to be attended to and supervised by the local political power organs as the important instructions of the political power organs at a higher level so specified. After separating the functions of the party from those of the government, one of the responsibilities of the local party committees is to grasp economic construction. What specific work should the local party committees do in this respect? Shen Daren, (Secretary of the Ningxia Hui Autonomous Regional CPC Committee), believed that the local party committees should mainly fulfill the following five specific tasks in order to firmly grasp economic construction: First, to implement the principles and policies of economic construction formulated by the CPC Central Committee and the State Council; second, to study and determine guiding ideology for regional economic development and to study and determine regional strategic layout, long-term regional development plan, and annual regional economic development plan; third, to study and determine major economic reform measures as well as questions of major concern to the economic work; fourth, to strengthen ideological and political work in the economic construction; fifth, to train and promote cadres specialized in economic management. All the participants at the seminar held that all the localities should carry out the work of separating the functions of the party from those of the government in accordance with the relevant demands made by the 13th CPC National Congress and should actively carry out explorations and study in practice. To this end, the various localities can adopt different approaches in the light of their local conditions. The local party committees should free themselves from routine administrative affairs and economic affairs so as to more effectively exercise their political leadership. This should become a principle which brooks no violation. If the local party committees can do things in this way, they will be able to have more time for investigations and study on regional issues of major concern so as to make correct decisions. Only by strengthening party building and giving full play to the role of party organizations and party members in various organizations will it be possible to carry out the resolutions made by the local party committees and practically strengthen our party's political leadership.

As for the question of how the party organizations in the enterprises should play their supervisory role and what they should supervise, there are still a lot of problems demanding prompt solutions at present. During the discussions at the seminar, some participants held that the party organizations in the enterprises should mainly exercise their supervision in the following seven areas: First, the orientation of enterprise operation; second, the implementation of the instructions issued by the higher authorities; third, whether the democratic rights of the workers and staff are violated or not; fourth, whether the



"three types of relations" in the enterprise production and operation are correctly handled or not; fifth, whether personnel arrangements are fairly made or not; sixth, whether major decisionmaking proceeds through democratic process; seventh, whether disciplines are observed and corruption is opposed. The party organizations in the enterprises can exercise their supervision in the following three ways: first, to make inquiries; second, to make criticisms; third, to put forward suggestions to correct erroneous decisions.

On the question of separating the functions of the party from those of the government, all the comrades attending the seminar reached the following consensus: The implementation of the factory director responsibility system conforms with the realities of our country. Over the past few years, our country has successfully implemented the factory director responsibility system, which has in turn smoothed out the relations between the party and the government in the enterprises. Some localities and enterprises have created some successful experiences in this respect. Since some localities and enterprises have achieved marked results in this regard, efforts should now be made to sum up and popularize their successful experiences. It is necessary to continue to implement the factory director responsibility system in the enterprises of our country because the implementation of the factory director responsibility system will certainly enable more enterprises of our country to smooth out the relations between the party and the government. It should be emphatically pointed out that all the party members in the enterprises, no matter what official posts they hold, should greatly strengthen their party concept, consciously accept the supervision of the party organizations, correctly handle the relations between individuals and party organizations, fulfill the tasks given by the party organizations, and subordinate their personal interests to the interests of the party. The party organizations in various enterprises should make continued efforts to strengthen their own party building, set rigorous requirements on their party members, and give full play to the role of party organizations, party members, and factory directors who are party members. If all these can be accomplished, the question of separating the functions of the party from those of the government will certainly be resolved accordingly.

#### **The Building of Leading Bodies Is the Key Link**

During the discussions held at the seminar, **Zhao Ziyang** pointed out that the building of leading bodies at all levels has an important bearing on our party's cause. Since the 3rd Plenary Session of the 11th CPC Central Committee, our party has done a lot of work in respect of building leading bodies. The existing leading bodies of our party at levels are good and effective in general. However, due to our lack of experiences, there are still some problems existing in the leading bodies of our party at all levels. For instance, some young cadres in the leading bodies of our party, who were originally involved in technological and professional work, are not quite

familiar with the party affairs; the members of some leading bodies of our party are almost of the same age. Therefore, in the future, they might be retired or replaced at approximately the same time. In order avoid drastic personnel changes in the leading bodies of our party in the future, we should take steps to gradually readjust and improve the age structure of the leading bodies of our party in our present endeavor.

During the discussions held at the seminar, **Qiao Shi** said that it is necessary to resolutely implement the principle of making our cadres' contingent more revolutionary, younger in average age, more knowledgeable, and more professionally qualified and further improve the leading bodies of our party at all levels. Under no circumstances should we set our party's guiding principle for our cadres' work during the new period of building the four modernizations against our party's long-standing principle of stressing both ability and political integrity in appointing cadres and against our party's specific criteria for assessing, selecting, and promoting cadres, and nor should we lump together these principles. However, in selecting and promoting cadres, we should attach great importance to political integrity. Qiao Shi said that one of our party's strategic tasks is to train, select, and promote cadres among young and middle-aged intellectuals with both ability and political integrity in accordance with the principle of "cadres' four transformations." Qiao Shi added that this is not only a demand of the current situation of our country but also a need of our country, for our country will need a large number of reliable qualified personnel capable of accomplishing the mission entrusted by the history in this century and in the next century. To this end, great efforts must be made to strengthen the training of the leading cadres of our party at present and resolutely and steadily push ahead with the reform of our party's cadre system.

The participants at the seminar also put forward a lot of valuable views on how to strengthen the building of the leading bodies of our party.

**Lu Feng**, (Deputy Head of the Organization Department of the CPC Central Committee), said that the whole party should further and comprehensively understand and correctly implement the principle of "cadres' four transformations." When we talk about making our cadres' contingent more revolutionary, we mean that our cadres should have clear-cut political stand, good ideological and ethical quality, strong party spirit, and a strong sense of discipline; when we talk about making our cadres' contingent younger in average age, we do not mean that all our cadres should be young people, nor do we mean that the leading bodies of our party should become increasingly younger from the top level down to the lower levels. In talking about making our cadres' contingent more knowledgeable and more professionally qualified, we should not lay stress only on diplomas and degrees. We should also take into account our cadres'

practical experiences, actual ability, and actual achievements. Only by making our cadres' contingent more revolutionary and adhering to the principle of stressing both ability and political integrity will we be able to make our cadres' contingent younger in average age, more knowledgeable, and more professionally qualified. When forming a leading body, we should pay attention to rationalizing and perfecting the overall structure of the leading body.

**Wang Haiyan**, (Deputy Secretary of the Heilongjiang Provincial CPC Central Committee), pointed out that in appraising the performance of cadres, different criteria should be applied to different types of leading cadres as well as to the same type of leading cadres at different levels and in different posts. On the question of correctly examining and appraising the performance of our cadres, Wang Haiyan pointed out: It is necessary to take into account both the cadres' achievements in the building of the socialist material civilization and the cadres' achievements in the building of the socialist spiritual civilization; it is necessary to take into account both the actual achievements and the impact of such actual achievements on the future development so as to prevent cadres from blindly pursuing quick successes and instant benefits; it is necessary to take into account both the cadres' subjective endeavors and the cadres' original work basis, the natural conditions, and some other objective factors; it is necessary not only to correctly appraise a cadre's role in a leading body but also to correctly appraise a cadre's role in the mass activities; and it is necessary not only to open up more channels for examining and appraising cadres' performance with a view to increasing the transparency but also to educate cadres to seek truth from facts.

As far as the building of local leading bodies is concerned, **Mao Zhiyong** put forward a four-point proposal, which was summed up in 16 Chinese characters: "Stabilizing backbone, rationalizing structure, improving quality, and training young cadres." **Han Peixin**, (Secretary of the Jiangsu Provincial CPC Committee and Chairman of the Jiangsu Provincial People's Congress), said that with regard to the age structure of the leading bodies of our party at all levels, in the future, while making continued efforts to make our cadres' contingent younger in average age and strengthen the building our cadres' reserve contingent, our party should also properly retain in the leading bodies at all levels a number of comrades who have rich leading experiences. With regard to the professional structure of the leading bodies of our party at all levels, readjustment should be made in the light of the actual needs of our party's work. For instance, members of the leading bodies of our party at all levels can rotate their official responsibilities and carry out internal exchanges. Efforts must also be made to strengthen the training and education of cadres with a view to enabling cadres to acquire a wider range of knowledge. Lateral and vertical exchanges of leading cadres in respect of official responsibilities, work locations, work levels should continue to be carried out and should become a system.

**Song Ping** said that the system of exchanging leading cadres is an effective and positive one aimed at training and tempering cadres. In order to improve the quality of leading cadres, it is imperative to carry out the exchange of leading cadres in a planned way, notwithstanding difficulties. Otherwise, our leading cadres would not be able to widen their range of knowledge and enrich their leading experiences. And it would be more difficult to smash the networks of personal relations based on favoritism. It is necessary to carry out the exchange of leading cadres between organs at different levels and between different departments.

**Gao Yang**, (President of Central Party School), pointed out that since there is still strong ideological resistance to the exchange of leading cadres at present, efforts should be made to heighten our cadres' understanding of the importance and significance of carrying out the exchange of leading cadres and turn such a practice into a system of our party as soon as possible. It is necessary to combine the system of exchanging leading cadres with the system under which leading cadres do not work in the units or organs where their families or close relative work. The implementation of these two systems of our party must be guaranteed by strict party disciplines.

The participants at the seminar held that in order to meet the needs of building the socialist modernizations in our country, it is all the more necessary to improve the quality of the leading bodies of our party at present. In the future, apart from carrying out in-service training of cadres, all the cadres who are to be promoted must receive at least one-year training in the relevant party schools. The cadres who have already been appointed to leading positions should also receive short-term training in rotation at regular intervals. **Xu Weicheng**, (Deputy Secretary of the Beijing Municipal CPC Committee), proposed a reform of the existing cadre education system. Xu Weicheng said that in the party schools at all levels, the following five courses should be taught: First, "The Socialist Commodity Economy;" second, "The Party Building and Mass Work in the New Period;" third, "Democracy and Legal System;" fourth, "Modern World Economics and Politics;" and fifth, "Outlook on Life and World Outlook."

During the discussions held at the seminar, many comrades pointed out that it is necessary to resolutely and steadily carry out the reform of our party's cadre system and gradually perfect and standardize the system under which a cadre is responsible for the attainment of some objectives during his or her term of office, the system of examining and appraising cadres, the system of exchanging cadres, the system of retiring cadres and relieving cadres from official posts, the system of dividing cadres into various categories for management, and so on.

#### **It Is Necessary To Continue To Conscientiously and Strictly Manage Party Affairs**

In the new historical period, our party shoulders the arduous task of leading the work of building socialism with Chinese characteristics and faces a number of grave

challenges in exercising leadership and in the reform and opening up to the outside world. Under such circumstances, it is all the more necessary for our party to continue to conscientiously and strictly manage its own affairs. During the discussions held at the seminar, all the participants agreed that to strictly manage our party affairs is our party's long-standing principle as well as a comprehensive demand on our party in regard of our party's ideological building, organizational building, style building, discipline building, system building, and so on. In order to strictly manage its own affairs, our party should first of all make great efforts to strengthen ideological education with a view to strengthening our party members' ideals, faith, and party concept. Our party should not hesitate to expel from it those party members who publicly oppose our party's propositions and refuse to repent after being criticized and educated. Our party should strictly carry out its regular organizational activities and restore its inner-party system of criticism and self-criticism. Our party must strictly enforce all its organizational disciplines and punish those party members who violate party disciplines. Our party should continue to adhere to the criteria of party members, which are stipulated in our Party Constitution, and gradually establish a mechanism through which the new supersedes the old so as to effectively control the "entrance" of our party and smooth out the "exit" of our party. At the seminar, all the comrades observed that our party still has a lot of things to do in respect of enforcing the principle of strictly managing party affairs.

**Guo Feng** pointed out that the leading party organs should take the lead in enforcing the principle of strictly managing party affairs and should endeavor to clear away corrupt elements from our party and discipline unqualified party members. Our party should first try to manage well the high-ranking cadres, for the high-ranking cadres are the key link in enforcing the principle of strictly managing party affairs. **Gui Jinchi**, (Deputy Secretary of the Sichuan Provincial CPC Committee), held that in order to enforce the principle of strictly managing party affairs, our party must first of all unify understanding among party members, dare to crack hard nuts, smash the networks of personal relations and relationships based on favoritism, and discard the worries for making mistakes. Our party has already formulated a lot of rules, regulations, and measures aimed at strictly managing party affairs and must make resolute efforts to implement these existing rules, regulations, and measures. Our party should also establish and perfect a sound supervisory system in this regard. **Zhang Quanjing**, (Member of the Standing Committee of the Shandong Provincial CPC Committee and Secretary of the Commission for Discipline Inspection under the Shandong Provincial CPC Committee), said that our party would rather have fewer but better qualified members. Our party should make unreserved efforts to carry out education and training of new party members, strictly examine and appraise the performance of new party members, implement a strict recruitment system, and strictly observe, examine, manage, and promote

probationary party members. Our party should take resolute measures to eliminate the corrupt elements from our party one by one. Democratic appraisal of party members is a good method of strengthening education of party members and dealing with unqualified party members. Therefore, our party should continue to carry out democratic appraisal of party members in a down-to-earth manner and turn democratic appraisal of party members into one of the permanent systems of our party.

During the discussions held at the seminar, all the comrades held that in order to fight against inner-party corruption and build our party into a clean party, to strictly manage our party's affairs is at once a pressing issue of the moment and a long-term and major task of our party in strengthening the building of ruling party in the new period of reform, opening up to the outside world, and developing commodity economy. The phenomenon of corruption among some staff members of our party and government organs has aroused strong resentment among the broad masses of the people. Our party should pay great attention to this problem and take effective measures to check the spread of such phenomenon and eliminate such phenomenon.

During the discussions held at the seminar, **Zhao Ziyang** said that our party is the ruling party in China. The more prosperous our country's economy becomes and the more our country's commodity economy develops, the more consciousness our party members should have in honestly performing their official duties and observing our party's disciplines. All our party members are banned from bartering power for money. To ban our party members from bartering power for money is one of the basic prerequisites for establishing the new socialist commodity economic order.

During the discussions held at the seminar, **Xing Chongzhi**, (Secretary of the Hebei Provincial CPC Committee), said that the history of the international communist movement shows that there are two basic countermeasures for eliminating the inner-party corruption and maintaining the advanced nature of the communist party: One is to launch a political movement to purge corrupt elements from the party; And the other is to establish an inner-party mechanism aimed at eliminating the inner-party corruption. History and experiences have borne out that the former possesses a lot of disadvantages. Only by establishing a sound mechanism and carrying out systematic and comprehensive harnessing will it be possible to eliminate the inner-party corruption. Thereby, our party should mainly endeavor to establish the following five mechanisms: First, the mechanism of perfecting cadres, which is aimed at practically solving the problem of bureaucratic tendency; second, the mechanism of supervising the enforcement of party disciplines, which is aimed at strictly enforcing the party disciplines and practically establishing a supervisory authority in this regard; third, the mechanism of balancing power, which is aimed at practically banning reckless and illegal use of power; fourth, the mechanism of the

inner-party democratic life, which is aimed at practically increasing the transparency of the inner-party life; fifth, the quality control mechanism, which is aimed at practically rationalizing the structure of our party organizations. **Lu Rongjing**, (Secretary of the Anhui Provincial CPC Committee and Governor of Anhui Province), pointed out that in order to solve the problem of inner-party corruption, our party should first create a climate to this end by demanding all the leading cadres to honestly perform their official duties and then should demand all the party cadres and party members from the central to the local levels to honestly perform their official duties. All the leading cadres of our party must be as strict with themselves as with others in this regard. So, efforts must be made to establish a responsibility system under which a department head will be held responsible for the occurrence of any malpractices in his or her department and a provincial CPC committee secretary or a provincial governor will be held responsible for the occurrence of any malpractices in his or her province. We should do more practical things, base our work on actuality, spend less time in empty talk, and earnestly help the masses to solve all their problems and so further enhance people's confidence in our party.

During the discussions held at the seminar, the participants also pointed out that our party should not hesitate or stop carrying out the reform and opening up to the outside world merely because some corrupt phenomena have emerged in our party in the process of reform and opening up to the outside world. What our party should do is to take forceful and effective measures to eliminate the inner-party corruption. Ours is a socialist country which should be capable of achieving economic prosperity while minimizing corrupt social phenomena so as to fully demonstrate the superiority of our socialist system. To be honest in performing official duties and oppose corruption is the demand on each and every member of our party, particularly the party members working in various party and government organs. The Secretariat of the CPC Central Committee has already put forward some correct proposals aimed at eliminating the inner-party corruption. All the leading cadres of our party must take a firm stand in this regard and resolutely carry out comprehensive harnessing of this problem. At present, our party must try to do well the following two things: First, to conscientiously and earnestly carry out investigations of all cases through to the end and severely punish those who violate the law and disciplines; second, to carry out the building of various systems, especially the systems of various administrative departments and the systems of various public undertakings, announce the results of such system building, and place the results of such system building under the supervision of the masses. Once we have done well these two things, we will be able to take precautions beforehand and punish those who violate the law and disciplines. And on such a basis, our party will be able to gradually establish an effective anticorruption mechanism.

### **The Party Committees Should "Make Great Efforts in Two Aspects"**

That the party committees should "make great efforts in two aspects" is the embodiment of Comrade Deng Xiaoping's consistent ideology.

During the discussions held at the seminar, **Zhao Ziyang** gave an explicit exposition of this consistent ideology of Comrade Deng Xiaoping. Zhao Ziyang said that the work of the party committees boils down to making great efforts in the following two aspects: One is to develop the socialist commodity economy; the other is to carry out ideological and political work. In order to strengthen our ideological and political work, we must unswervingly carry out party building. Our party is the core leading the entire Chinese people to build socialism with Chinese characteristics. Only by making great efforts in the above mentioned two aspects will our party be able to effectively exercise its leadership and have a firm control of the entire national situation of China. Comrade Zhao Ziyang emphatically pointed out: Without developing socialist commodity economy, it would be impossible to build socialism with Chinese characteristics; without strengthening ideological and political work, it would be impossible to develop socialist commodity economy; and without carrying out party building, it would be impossible to strengthen ideological and political work. Therefore, the party committees at all levels must place the work of strengthening party building on their important agenda.

All the participants at the seminar also held heated discussions on the thesis of "making great efforts in two aspects."

**Gao Qiu**, (Vice President of Central Party School), **Zheng Yunfei**, (Member of the Standing Committee of the Hubei Provincial CPC Committee, and Secretary of the Wuhan City CPC Committee), **Cai Changshui**, (Associate Professor at Central Party School), **Fan Ping**, (Professor at the Beijing Municipal CPC Committee's Party School), **Ye Xueling**, (Secretary of the Yichun Prefectural CPC Committee of Jiangxi Province), and some other comrades held that "making great efforts in two aspects" is at once a theoretical question and a practical question as well. "Making great efforts in two aspects" not only embodies the guiding ideology of "party managing party affairs" but also stands as our party's long-term principle guiding the work of party committees at all levels. "Making great efforts in two aspects" is a task put forward by our party's basic line and should be accomplished in the practice of implementing our party's basic line.

During the discussions, **Amudun Niyaz**, (Deputy Secretary of the Xinjiang Autonomous Regional CPC Committee), said that to strengthen party building, all the standing committee members of the party committees at all levels should first of all carry out ideological transformation and free themselves from specific party affairs.

Only by doing things in this way will the party committees at all levels be able to have a good grasp of the economic construction and the ideological and political work, particularly the party building. Although Xinjiang has its peculiar regional characteristics, it should accomplish the same task of carrying out party building as other regions and provinces in China do. Only by successfully carrying out party building will our party be able to strengthen the great unity among the people of all nationalities of our country and promote the development of all types of work.

During the discussions held at the seminar, **Shang Wen**, (Member of the Standing Committee and Head of the Organization Department of the Liaoning Provincial CPC Committee) proposed the following six measures on how party committees at all levels should "manage party affairs": First, the local party committees at all levels should establish a system under which party affairs are discussed at regular intervals—for instance, the local party committees at all levels should hold biannual discussions on local party building work; second, our party should establish a system of supervising and examining party building work from central to various local levels and establish a system under which the party committees at lower levels can report the progress of their party building work to the party committees at higher levels; third, our party should endeavor to study and formulate various work procedures for local party committees at all levels and for various types of party organizations at the grassroots level with a view to gradually standardizing and institutionalizing our party work; fourth, our party should endeavor to formulate regulations governing our party work, which are to be observed by each and every party member, thus strengthening the party concept and party spirit of our party cadres working in the administrative departments at all levels; fifth, our party should make every possible endeavor to strengthen the building of our party cadres' contingent, stabilize the ideology of our party cadres, strengthen the training of our party cadres, and streamline our party cadres' contingent; sixth, our party should continue to carry out study on the theories of party building.

During the discussions held at the seminar, many comrades, after reviewing the party building work carried out by their respective party committees, pointed out that despite the repeated call of the CPC Central Committee for implementing the principle of "making great efforts in two aspects," due to their one-sided understanding, the pressure caused by the over-heated economy, the restrictions imposed by the structure under which the functions of the party are not separated from those of the government, as well as some other negative factors, they have laid more stress on grasping the economic work than on grasping the ideological and political work in their practical work over the past few years. In consequence, their party building work has lagged behind. Comrades **Shen Daren**, **Xie Fei**, and others pointed out: It is not that the various local party committees have not

carried out party building work, but that they have not regularly, strictly, and earnestly carried out party building work. Especially, some local party committees have indeed failed to attach great importance to the party building work. The continuation of this situation will doubtlessly hamper our party building work and prevent our party building work from making any new breakthroughs in the years ahead. During the discussions held at the seminar, a lot of participants reviewed the important work accomplished by the CPC Central Committee in respect of strengthening party building since the 3rd Plenary Session of the 13th CPC Central Committee: The Secretariat of the CPC Central Committee has held a symposium on building a correct party style and a clean government and has issued a summary of the symposium. Last December, the CPC Central Committee held a symposium on strengthening the building of party members' contingent and transmitted the "Notice on Establishing the System of Democratic Appraisal of Party Members." Again, last December, the CPC Central Committee held the Party Members' National Conference on Education Work, which discussed and made specific arrangements for strengthening education of party members and strengthening our party's ideological building. During the last 10 days of January of this year, the CPC Central Committee held the National Conference on Discipline Inspection Work, which discussed and made specific arrangements for further strengthening the building of a correct party style and strengthening the party disciplines in the process of improving the economic environment, rectifying the economic order, and deepening the reform. Now the CPC Central Committee again held this Seminar on Party Building and invited a large number of leading cadres of our party to come and discuss the issue of strengthening our party building. It has been learned that this year, the issue of strengthening our party building will be placed on the important agenda of the CPC Central Committee and the State Council. This situation shows that the Central Authorities have attached great importance to party building and have set us a good example in "making great efforts in two aspects." At the seminar, all the participants said that after the seminar, they would go back to their respective units to urge their respective party committees to conscientiously carry out study on party building work, do some practical things, and try to achieve some substantive results in this regard.

#### It Is Good To Hold A Seminar Like This

It has been learned that the leading comrades of the CPC Central Committee, like **Zhao Ziyang**, **Qiao Shi**, **Song Ping**, and so on, have fully affirmed the achievements made by the Seminar on Party Building and said that it is good to hold a seminar like this. **Zhao Ziyang** said that the Seminar on Party Building was a very successful one. By holding a seminar like this, the CPC Central Committee is able to gather some of our party's leading cadres and enable them to carry out explorations and hold discussions on one or two major issues within a very short period of time by integrating theory with practice.

It is good to hold a seminar like this. At the seminar, the comrades working at various local levels were able to tell their feelings and reflections to the comrades working at the central level while the comrades working at the central level were able to exchange their views with the comrades working at various local levels. The holding of a seminar like this is beneficial and helpful to the decisionmaking on the part of the Central Authorities, to the improvement of the work of the local authorities, and to all the participants at the seminar. The CPC Central Committee should thereby continue to hold seminars like this in the future.

All the participants at the seminar agreed that although the Seminar on Party Building lasted for only a short period of time, all of them have benefited a great deal from the seminar and the seminar has achieved the desired results. **Guan Guangfu** said that by attending the seminar, he has broadened his field of vision, acquired a clear idea about our party's party building work, learned useful experiences from other provinces, municipalities, and autonomous regions, pondered a number of questions, acquired a better understanding of the guiding principles of our party's work, and heightened his own consciousness in carrying out party building. Comrade **Guan Guangfu** added that seminars of this nature should continue to be held in the future. **Wang Jianshuang**, (Secretary of the Xiamen City's CPC Committee), believed that by attending the discussions held at the Seminar on Party Building, he has come to understand more clearly the principles of party building put forward by the CPC Central Committee, exchanged experiences with other comrades, learned useful experiences from other comrades, and acquired a better understanding of his future tasks. **Han Lantian**, (Secretary of the Dagang District CPC Committee of Tianjin City), said that the Seminar on Party Building was a well-organized one and all the activities held at the seminar were practical and interesting. After attending the seminar, all the comrades have clarified and unified their understanding on a number of questions. Comrades **Chen Yeping** and **Guo Feng** humorously said that they were old-aged "post-graduate students" at the seminar, who made friends with quite a few young and middle-aged cadres and learned a lot of useful experiences from these cadres. They were just like old soldiers fighting new battles at the seminar! Comrade **Chen Yeping** also sang two catchy ditties, one of which went:

#### **Reflections on Attending the Seminar on Party Building**

Recalling the days in Yenan at the Seminar on  
Party Building,  
Bracing up to carry forward the Marxist and  
Leninist spirit;  
With strong determination to develop our  
motherland,  
We old men come to attend the seminar.  
Our great motherland is embarking on a grand  
cause of development,  
With our helmsman leading us in the correct  
orientation;  
Once our people become comparatively well-off,  
Common prosperity will not be too far away.

We have also noticed that the CPC Central Committee has set great store by the relevant proposals put forward by the comrades attending the Seminar on Party Building. Some of the proposals put forward by the comrades

attending the seminar had already been studied and accepted by the CPC Central Committee before the seminar ended. Now, the departments concerned of the CPC Central Committee are studying and implementing some of the proposals put forward by the comrades attending the seminar. After attending the seminar, scores of comrades from various localities have already reported what was discussed at the seminar to their respective party committees and have relayed the spirit of the speeches made by the leading comrades of the CPC Central Committee to the leading cadres at a certain local level. The local party committees concerned have also carried out study in this regard and made specific plans on strengthening their party building work. The Hubei, Shangdong, Hebei, Shaanxi and some other provincial and municipal CPC committees have also carried out in-depth investigations and research on party building, held seminars on party building, at which the prefectural and city CPC committee secretaries studies some key issues concerning party building, and have put forward specific measures for strengthening the party building work. To date, Shaanxi Provincial CPC Committee and some other provincial and municipal CPC committees have already held their own seminars on party building attended by the prefectural and city CPC committee secretaries.

The Seminar on Party Building organized by the CPC Central Committee has concluded. However, all the comrades who attended the seminar should continue to make unswerving efforts to strengthen our party building work. We hope that the spirit of the Seminar on Party Building organized by the CPC Central Committee will be carried forward in a down-to-earth manner and our party building work will enter a new stage in the foreseeable future.

#### **Marxism and Traditional Chinese Culture**

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[Article by Liu Danian 0491 1129 1628]

[Text] What are the relationships between traditional Chinese culture and Western culture? What have been the functions and the position of Marxism in the development of Chinese culture? And is Marxism an integral part of modern Chinese culture? These questions, which have generated divergent opinions, are often encountered in the discussions of Chinese and Western cultures and the relationships between them. Viewed historically, these were the questions which the first generation of Marxist historians, such as Guo Moruo, Fan Wenlan, Jian Bozan, Lu Zhenyu, and Hou Wailu, wanted to deal with and which were correctly handled. They have set a fine example for us. In my opinion, for the sake of a correct handling of Chinese and Western cultures and their relationships, it will be of practical significance if their pathbreaking contributions can be synthesized with

regard to Chinese and Western cultures and the relationships between them. It will also be of practical significance if we attempt a systematic summing up and understanding of their experiences, and develop the tradition laid down by them.

Traditional Chinese culture refers of course to Chinese national culture. A unity of Marxism with traditional culture implies giving the former a national character. Marxism emerged in the West, and both its social background and intellectual origins are in the West. There are few aspects in traditional Chinese culture that bear any resemblance to Marxism. So it is natural for people to see Marxism as "a wholly foreign thing" in the face of traditional Chinese culture—a point which the advocates of the theory that "Chinese national situations are special" have seized upon as their major argument. Now Marxist theorists in the historical field have for the first time scientifically resolved this problem. With Guo Moruo's "Studies in Ancient Chinese Society," these first-generation scholars opened up a new era for our country's historical discipline. The social mode and the stages of social and historical development discussed in classic Marxist literature existed not only in Europe and America but, fundamentally, in the development of Chinese history. Their studies demonstrated thoroughly this significant fact. Questions like the origins of Chinese social history and where it is headed were suddenly thrown into clear perspective.

What are the grounds on which we can judge that Marxism can be applied to the study of Chinese history? The grounds lie not outside Chinese history but within its historical movements. What Marxism can say about the nature of Chinese social institutions, and its changes, are based on archaeological records such as the inscriptions on those tortoise shells and bronze vessels, and the voluminous literature of the post-Qin Dynasty periods. The employment of Marxism will change the subject's understanding of the object, not the existence of the object. Critics have accused that Marxist study "cuts the toes to suit the shoes" and "alters history to accommodate a historical view." This obviously is not correct. Those critics cannot deny that the application of Marxism did not deviate from the fundamental Chinese historical facts, that it has only effected a new understanding of those facts by means of a scientific point of view. "Even a great cook will fail to come up with a dinner when there is no rice." Science is not established by fabricating facts. Though it originated in the West, once Marxism was integrated into the indigenous parts of Chinese culture, it became an important part of it, and in the study of Chinese history it is no longer a "foreign thing"—it has melded with Chinese culture. Engels said every country must wear its own national costume in employing Marxism. Here the analogy of clothes is used to illustrate nationalization. Marxist historians have achieved great results in their studies.

In the historical field—though things have already gone far beyond it, when we argue that Marxism—this advanced Western thought—has united with traditional

Chinese culture and has been nationalized, many people will object. The key here lies in their failure to view Chinese culture from a developmental point of view. Like all social phenomena, traditional culture certainly does not stand by itself, like a monstrous shadow, wholly cut off from the entire historical movements. It must go through an historical metabolism, shrivel as history shrivels, and develop as history develops. If Chinese history is viewed from a permanently static point of view, everything will become incomprehensible. For instance, some well-known figures in Taiwan have recently made a proposal "to unify China by means of Chinese culture." At first glance it seems very reasonable, and it is safe to believe that this idea was made on the grounds of Chinese nationals. But its self-contradictions and doubtful points are also plain. The idea of "Chinese culture" carries the overt meaning, not an overtone, of excluding, by its definition, Marxist intellectual thought that has been made part of Chinese culture. If it were said that ancient Chinese culture consisted of the 2,000-year long teaching of Confucius and Confucianism of the Han Dynasty, there would not be much to debate about. But Chinese culture has its ancient as well as modern parts. So what are the major parts of modern Chinese culture? Whether people agree or not, the following fact is undeniable: the Marxism that is unified with Chinese culture occupies as much a leading position as the Three People's Principles. When Sun Zhongshan put forward for the first time the Three People's Principles in the MIN BAO, he stated the theme very clearly: "I have pondered the causes for European and American evolution. They lie in three great principles, namely the principles of people, of people's rights and people's livelihood." In the Tung Meng Hui revolutionary program he wrote again: "Although there are thousands of ideas and thoughts, the one consistent spirit is liberty, equality and fraternity." Both the three ideological principles that were behind European and American evolution and the French revolutionary banner "Liberty, Equality, and Fraternity" were part of Western culture. Later both became part of Chinese culture. In Chongqing in the 1940's, some people attempted to sketch the Three People's Principles on the Confucian image, trying to brush away the fact that Sun's thought had its origin in Western culture. Sun effectively retorted the presumption. Only a little more than 10 years separated Sun's selecting the western "three great principles" to build up his own thought and the adoption of Marxism by other Chinese advanced elements to build up their theories. But looking at the process they had been brewing, it was almost simultaneous. If Chinese culture is viewed from a static viewpoint, with the Three People's Principles and sinicized Marxist intellectual thoughts excluded from Chinese culture, I must ask, can this make a convincing case?

In point of fact, in ancient China, even Confucius' teaching and Confucian doctrine, which had ruled the whole of feudal society, were never as pure as thought. They were continually changing all the time. Not to mention the post-Han Dynasty Confucianism which had



taken in elements of Buddhism and Taoism, we will have only to look at the following process—from the teaching of Six Arts by Confucius, to which Dong Zhongshu added the yin yang philosophy and built up his “heaven-human in one” cosmology, till Zhu Xi concentrating on the “Four Books,” advocating the structure of human nature with rationality as its central point—to see how different Confucianism of the later periods was, from the founding theories by Confucius. It can be said that the entire school had changed face. A certain kind of social and economic structure breeds a certain kind of intellectual culture. Confucianism was the product of a small peasant economy, and in the context of feudal society, there was always some, however sluggish, change in the 2,000 years of a small-peasant economy. To adjust to the lives of different historical periods, Confucianism had in fact been slowly, but unmistakably changing its content and styles, though on the surface it had kept its original framework. When China entered the modern historical period, capitalism was born and the feudal economic way of life was shaken. There were waves after waves of anti-Confucianism campaigns. Then came the May 4th Movement, and the intellectual sovereignty of Confucianism was declared over amidst the movement’s loud cry of “Down with the Confucianistic doctrines.” If intellectual culture is viewed as part of the whole history, recognizing that when history develops and gets enriched, national culture is bound to progress and gets enriched, then those theories advocating resolving Chinese issues only on the basis of Chinese culture will reappear in a reasonable context, and a way will have been found to resolve the contentions and debates they have generated. The principles of Marxism have gone into Chinese national culture, injecting tremendous energy into our national culture. Mao Zedong said, from Confucius to Sun Zhongshan, they all need summing up. This is to view Chinese culture historically and this is correct. So long as we do not cut off history, we will recognize Confucius, Sun Zhongshan, and Marxism which is integrated to Chinese tradition as different major cultural currents in different Chinese historical periods.

Since China entered into the modern period and came into full contact with Western politics, economies and cultures, debates have been waged on how to treat traditional Chinese culture, its Western counterpart and the relationships between the two. Hardly had an answer been offered when new questions were posed, or debates on old answers were renewed. At present the debate is entering a new round. The debate made its appearance in the era of Chinese socialism, and has been launched on more than one battlefield. Controversies over *River Elegy* are an instance. The new round of debate reflects the new situations of Chinese and Western social life and social contradictions. As long as radical differences between Chinese and Western cultures exist, then the unity of Chinese and Western cultures will not be achieved immediately, and debates and discussions will never stop. What have been offered for our reflection by the studies by the immediate generation of Marxist

historians following Guo Moruo, consist, in the final analysis, of these two: first, critically inherit traditional culture; and second, treat Western culture critically and absorb everything that is advanced in it. Nowadays, in my opinion, we should uphold the first rule, and the second one as well. This is not a pointless saying. Both at home and abroad, voices advocating reverence of Confucian doctrines, Neo-Confucianism and the third resurgence of Confucianism are loud. The May 4th Movement sounded the war cry of “Down with the Confucianistic doctrines,” and has thus been criticized as turning its back on Chinese culture, and consequently treated the same as the Boxer rebellion and the Red Guards. On the other hand, there are quite a number of advocates proposing complete westernization. Some time-honored theories, long forgotten and discarded in their Western home, have been raked up and introduced to readers as the latest thoughts. These two phenomena coexist in the present intellectual debates. We have reasons to face them. We have no reasons to evade them. The above two phenomena are in direct contrast, but they betray the same thing, that is they, either partly or wholly, refuse the principles of Marxist historical study in the treatment of Western and Chinese cultures. This much is obvious.

Nobody would want to condemn Confucius and Confucian doctrines in one stroke. If there had been only unreasonable things in Confucian doctrines, then most of the past history would have had to be concluded as unreasonable, a thing unbelievable for human reason. So far as the historical discipline is concerned, the “Three Eras” social evolutionary concept, which holds the “Great Unity” as its ideal, in the “Modern Version” school of classic studies in the Han Dynasty, and the ideal of great harmony embodied in “The Book of Rites,” and other similar concepts, are really bold in vision and wide in outlook, which however have not been fully researched so far. But this does not mean that we can employ the entire body of Confucian doctrine in understanding and handling real life. An uncritical attitude toward the ancient culture, in which Confucian study was its representative, exhibits nothing other than an intention to turn back the historical wheel. Innumerable remarks have been made by modern Chinese and foreigners alike about the conservativeness of Confucian doctrine and the harm caused by its closed nature. Yan Fu cried loudly: China is seriously outdated. And the cause lies in the absurdity of its education and intellectual study; “none of the six classics and five ancient philosophers can absolve themselves from responsibility.” Endo Takayoshi, a Japanese, remarked that Confucius was “the origin of all China’s troubles.” Today, these severe criticisms still deserve attention. Only by renewing our understanding and overcoming traditional culture can new culture be created.

In dealing with Western culture, like dealing with anything else, we need to ask for facts and be practical. Marxism was born more than a century ago. The world has undergone tremendous change: socialism is still



firmly rooted in the earth, while capitalism still has strong vital force. It will not be strange at all if some of the arguments in Marxist classic literature are outdated. We are conducting scientific research, and we will not allow ourselves to turn into Confucian pedantic scholars who cherish only "broken and worn out articles." Marxism was born after the emergence of capitalist production relationships, which, globally speaking, have not become a thing of the past. Meanwhile Western socio-historical theories have kept renewing themselves. But, though in individual understanding there may be, and should be, "overshadowing" and transcendence, overall we cannot say so. Across the world there has not been a sociohistorical theory qualified to replace the Marxist scientific system. It was, and still is, the most advanced, scientific sociohistorical theory. And marxist historical study can only rely on this theory, ready to absorb any advanced intellectual achievements in the world, to keep itself moving continuously forward. And "absorbing any advanced" achievements means that our road is forever open, and there will never be a day of "sealing off."

Marxism and traditional culture traverse widely different fields. The creative results achieved by Guo Moruo and Marxist historians of the earliest generation represent only one aspect of them. But the conclusions made by these results are of general significance. Some researchers have raised this question: Can traditional Chinese culture, under certain conditions, evolve into, or nurture, a new socialist culture? As was stated above, the Marxism that has been integrated to Chinese tradition has already made the reply. If somebody insists on listing which aspects in Confucius's teaching and Confucian doctrines are still beneficial to us and therefore should be adopted, there will be different, though all intelligent, opinions. In my opinion, Confucian doctrine was aimed at the art of government; confronting rather than shying away from reality; rational, and not theological; advocating conditional reform, recognizing the need of "change in face of a dead-end, which will open a new path;" and one that seeks the understanding of "Tao," that is the regularity of society and history. "The educated are worried about 'tao,' not their poverty." "If I am enlightened in the morning, and die in the evening, there will be no regrets." This kind of spirit answers to the needs of self-renewal and self-opening of traditional Chinese culture, and the need of positively subscribing to the spirit of the times. When Marxism is integrated to traditional culture, Chinese culture will, like it did in Oriental culture in the past, maintain its high level of prosperity and its brilliant status. Of course, in saying so, I am not discounting the various connections between culture, as a form of ideology, and social material production and economic life. Their movements are reciprocal. Generally they rise or fall together. They are intimately related.

(The author is attached to the Modern History Department, Academy of Social Sciences of China. The essay is based on the reading at the academic seminar commemorating Hou Wailu. It was slightly revised by the author when published by QIUSHI.)

**Discussing the Article Entitled 'On Reading An Outline History of the Relations Between the Communist International and the Chinese Revolution'**

HK0505000289 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 7, 1 Apr 89 pp 15

[Article by Mi Zhenbo 4717 6966 3134 of the Institute of History, Nankai University]

[Text] QIUSHI No 6, 1988 carried a review article by Gao Fang [7559 2397] entitled "On Reading An Outline History of the Relations between the Communist International and the Chinese Revolution." I have read this article and learned a lot from it. The article put forward a number of new viewpoints, but I cannot be sure whether these were Mr Gao's own views or the views of Sun Wuxia [1327 2976 7209], as I was unable to find any of Mr Sun's writings. Nonetheless, I would still venture to raise a question or two in the hope of being enlightened.

1. On the claim that "the Communist International [Comintern] held a completely negative attitude on the Xian Incident." I think that the Communist International's attitude to the Xian Incident and its policy in the handling of this incident should be looked at separately. It should be pointed out that what the Comintern objected to was Zhang Xueliang [1728 1331 5328]. The historical reasons for this could be traced back to Zhang Xueliang's relations with the Soviet Union. After the Xian Incident, the Secretariat of the Executive Committee of the Comintern expressed disapproval of Zhang Xueliang's actions in its (16 December 1936) telegram to the CPC Central Committee. However, this is not where the story ends. As we all know, the CPC basically followed the principles suggested by the Comintern in bringing about the peaceful solution of the Xian Incident. In any discussion of the attitude of the Comintern on the Xian Incident, it is perhaps more appropriate to note these two sides of the coin rather than just one. Furthermore, one must also distinguish the principles suggested by the Comintern from the foreign policy of the Soviet Union, as the two are not quite the same thing.

2. On the formulation that "At the two ends it was good, but in the middle it was poor." In my opinion, this is just the view of some individuals. I think that the following questions need to be studied and explained: What ideological and political line did the Comintern follow in directing the Chinese revolution and ranking the Chinese revolution in its global strategy? Did the Comintern begin to show symptoms of chauvinism or the paternalist party at that time? What is a better way of handling the relations between the CPC and the Comintern? Some scholars maintained that the Chinese revolution did not witness any development until after it had freed itself from the leadership of the Comintern. The question is, international relations at that time were dominated by group politics, so what would the outcome have been if

the CPC had really lost touch with or alienated itself from the "International"? Of course historians are not fortune-tellers, and we should not make hypothesis about history. It is perhaps not the attitude of a historical-materialist to insist that the Chinese revolution had only achieved this or that after breaking away from the Comintern. We must be very prudent in our appraisal of this historical phenomenon. We should make it very clear whether the mistake made by the Comintern in its guidance of the CPC was due to its ideological-political line, its method of handling the relations between internal organizations (as the CPC was a branch of the International at that time), or differences in understanding. Regardless of how many failures and setbacks the Chinese revolution had been through, as masters of this revolution, members of the CPC must bear the primary responsibility. This point must be affirmed.

3. On the conclusion that "Even after the Comintern was dissolved, its former Secretary-General still expressed his views on the internal affairs of the CPC. This shows that in its last days, the Comintern had made quite a few mistakes on the question of the Chinese revolution." If I have not been mistaken, judging from material available to the public, this probably refers to the letter written by Zinoviev to Mao Zedong on 22 December 1943, which discussed the situation inside the CPC from a personal angle. In his letter, Zinoviev raised two points which deserve our attention: (1) Wang Ming and others should not have been expelled from the party; (2) Kang Sheng might be a spy for the KMT. No matter how history has developed after this, surely we cannot say that Zinoviev's above-mentioned views indicated a dismissive attitude to the internal affairs of the CPC. A party needs to hear different voices. This is the experience we gained from history. Besides, Zinoviev's letter played its part in history.

**A Choice Made After Weighing the Advantages and Disadvantages—An Interview with Liu Guoguang, Vice President of the Chinese Academy of Social Sciences**  
*HK2504095089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 7, 1 Apr 89 pp 16-19*

[Article by QIUSHI Reporters Huang Xiaohu 7806 1420 5706 and Zhang Sufang 1728 4790 5364]

[Text] **Reporter:** The policy of the improvement of the economic environment, rectification of the economic order, and the overall deepening of the reform was raised in the 3d Plenary Session of the 13th CPC Central Committee in September last year. How do you evaluate the work in implementing this policy in the past few months?

**Liu:** On the whole, the improvement and rectification work during these months has obtained definite results. Fixed assets investment has been reduced, though not to a large extent. The total industrial output value for January and February this year showed an increase of 8

percent compared with the same period of last year. The excessive economic growth trend has been restrained. The growth trend of the social collective purchasing power has also been weakened. Prices are more stable than those in the third quarter of last year; and people's expectations in price rises have relaxed. The conditions of market supply around the Spring Festival have improved. Bank savings have increased since the start of savings deposits to preserve the value of currency. All these have, to a certain extent, helped stabilize the economy and people's livelihood and maintain the social order. However, we cannot say that the present economic situation is very good. At present, there appears in the social economy some new and noteworthy situations. More than 30 billion yuan of banknotes were issued before the Spring Festival. This illustrates that inflation has not been put under effective control. Also, there is a shortage of capital supply, purchasing fund for agricultural and sideline products, loans for spring farming production and floating capital for industrial enterprises. It is an abnormal phenomenon to have excessive supply of money while capital is still lacking. The abnormality of capital supply, which is a lubricant to the whole of the economic operation, will inevitably affect the normal operation of production and circulation. On the other hand, the circulation of capital is also restricted by production and exchanges. The current abnormal circulation of capital shows that the overheated economy has not been fundamentally restrained. Therefore, we must continue to work hard on improvement and rectification without any relaxation.

**Reporter:** Some people are worried that the persistence in retrenchment may lead to a "downward trend" in production, which is unfavorable to economic development. Others think that "stagflation" may appear in the economy if we persist in retrenchment. What is your view on this?

**Liu:** In fact, there is a dilemma in implementing retrenchment: If we persist in retrenchment, there will be a greater shortage in production capital and capital in circulation, and so there will inevitably be a "downward trend" in production. If we do not persist in retrenchment but totally loosen the supply of money, this may probably lead to a more serious inflation, and it will be more difficult to control the situation. There is nothing perfect in the world. We can only choose the more important one between two benefits, and the better one between two disadvantages. We should see that if we do not want a great fall in the economy, a great rise must be avoided first. Now there has been a great increase, it is difficult for us to avoid a great fall. This is similar to a person who is having a high fever. If he does not eat some medicine to reduce the heat, the fever will continue and he can hardly recover. If a great rise appears, there must be a great fall. Rather than one day seeing an uncontrollable great fall, we had better carry out retrenchment spontaneously. During the process of improvement and rectification, we must go through a period of "subsidence of swellings," so as to get rid of some "swellings"

and unhealthy things in society. In this way, the development speed during the retrenchment period will inevitably be lower than the normal speed. The law of economy must be obeyed. What we have to do is to try our best to lessen the pains during the "subsidence" progress. We should try our best to avoid losses by actively improving the economic environment and rectifying the economic order, and shortening the time for retrenchment. However, it is impossible for us to avoid paying the price for such actions.

Regarding "stagflation," we should first clarify its definition. "Stagflation" is a Western economic concept. According to the British economist Keynes, inflation should be in inverse proportion to the number of unemployed people, because inflation can stimulate demand, increase employment, and promote economic development. After World War II, all the major capitalist countries followed Keynes's theory and stimulated economic development by inflation. In the early 70's, however, Keynes's theory did not work. Mass unemployment appeared at the same time with price hikes in the economies of capitalist countries. The so-called "stagflation" refers to such a phenomenon. Therefore, some of our country's economists oppose using "stagflation" to sum up the slowing down of China's economic development during the process of readjustment.

In my opinion, to reduce money supply and restrain the overheated economy when we are pursuing the policy of improvement and rectification will lead to "depression" in the economic development and the slowing down of the rate of production. This is an inevitable readjustment and not "stagflation." This is the first point. The second point is, that the rate of our economic growth in the past few years was too high. Even if the rate falls from the original 20 percent to 7 or 8 percent or even 6 or 5 percent, we cannot call it a "stagflation," because the economy is still growing. It has only turned the overheated economy to a normal situation. It will be erroneous to identify a reduction in growth rate with "stagflation." It will be more erroneous if we oppose retrenchment with the excuse of preventing "stagflation," and produce inflation again. This will only lead to greater turbulence and confusion in the economic life.

In doing economic work, we are always interrupted by some theoretical errors in the form of general knowledge. For example, the current overheated economy should have some sort of relationship with the "theory that inflation is beneficial" and the "theory that a budget deficit is harmless." Taking another example, in 1986, before the economy could make a "soft landing," it "took off" again. To a certain extent, it was affected by the "theory that retrenchment will cause more losses than gains" and the theory of "downward trend." This time the central authorities are determined to carry out retrenchment. This is a sober decision after comparing the advantages and disadvantages. At present, the overheated economy is still the major contradiction. Our decisions should no longer be interrupted by those lopsided and specious theories.

**Reporter:** The improvement and rectification policy we are pursuing is actually a new readjustment of the national economy. What is your opinion to this statement?

**Liu:** The economy was overheated in recent years. Our energy and raw materials were originally in short supply. However, so many processing industries have been established that many of these projects have been duplicated and are inefficient investments, and have dispersed and wasted a large amount of financial, material and human resources. Some small enterprises earning little results have used up part of the energy and raw materials for large enterprises earning good results. This has affected the raising of the whole society's economic results. Therefore, to eliminate the overheated economy, we have to retain large enterprises which earn good results and cut small enterprises which earn little results, and readjust the irrational industrial structures. This is the way to conduct readjustment in the process of retrenchment. If we do not grasp the opportunity and carry out readjustment in the process of retrenchment, the industrial structure will be twisted and economic results will remain low. Once the money supply is loosened again, real "stagflation" will appear. At that time it will be more difficult to reverse and get rid of the trend. Therefore, we must firmly grasp the policy of improvement, rectification and readjustment. We have to persist in the policy and not to waver in our determination. If we want to control the total quantity of the money supply and readjust the structure, we must have to make a lot of efforts. It will be unrealistic if we want to readjust the economic structure without paying any price.

It will be more difficult for us to conduct a readjustment now than the readjustment in the early 60's. At that time, people had to follow once an order was given, but now "there are policies above, and countermeasures below." After practicing the system of assuming exclusive responsibility for the balance of a unit's budget, the cutting of enterprises and investment will affect local financial revenues. So some localities take a wait-and-see attitude toward the retrenchment policy of the central authorities. Moreover, the government administration and enterprises have not been completely separated. The market development is imperfect. And there lacks a mechanism that preserves the good ones and discards the bad ones. The function of banks is greater than before, but the relations between banks and enterprises are not confined to a standard. Also, there is not a sound social protection system, so that there are difficulties in allocating the unemployed. These are practical problems we are now facing when readjustment is being implemented. However, we cannot waver in our determination to readjust the economy. Now the situation is, many of those that should be cut are allowed to continue development, while those that should be retained are cut down by "the imposition of uniformity in all cases." We must resolutely stop such antireadjustment practice.

We should be prepared to live a few years of hard times if we are determined to conduct readjustment. The inflation in recent years have led to the falling of the actual living standard of some urban residents. But we have to tell people the truth and call on people from all sectors of the society to work through the difficult times together. At the same time, we should eliminate enterprises which are inefficient and are wasting energy, transport and raw materials, but instead support enterprises which earn high results. In order not to "impose uniformity in all cases," we must coordinate the deepening of the reform with improvement, rectification and readjustment. Only by deepening the reform can the goal of improvement, rectification and readjustment be realized.

**Reporter:** So how should we continue the deepening of the reform?

**Liu:** For example, we have to look into and solve some problems arising from the system that each locality assumes exclusive responsibility for its own finance. Our system was originally one that accelerated inflation. Under the unified economy, the thirst for investment and expansion of investment could hardly be held back. Now we are at a transformation process from the old system to the new system. Before the problems of the integration of government administration with enterprises and the management of the economy by administrative means are completely solved, the central authorities are transferring their power to the localities, and the system that each locality assumes exclusive responsibility for its own finance is implemented. Together with the implementation of the system of dividing revenue and expenditure between the central and local governments and holding each responsible for its own finance, these have led to the phenomenon that localities usually increase their investment constantly for the benefit of their own locality, and develop processing industries unrealistically. For the sake of their own interests, some localities shift their troubles onto others by taking advantage of their advantageous position under the regional preferential policy to compete with other regions in purchasing materials from places of production. Thus all types of "wars" are caused, which disrupt the market order. There are others that develop their economy unrealistically. They adopt regional separation and monopoly policies, and limit the exchanges of materials and circulation of commodities. These are hindrances against the formation of a unified market for the whole of the country. These practices make it difficult for macroscopic control to prove effective.

Therefore, we must deepen the reform by means of improvement, rectification and readjustment, and adopt effective measures to solve the problems of unrealistic development and mutual blockades between localities which implement the system that each locality assumes exclusive responsibility for its own finance. At the same time, we should further study the methods for transforming from the system that each locality assumes exclusive

responsibility for its own finance to the system of taxation shared by the government and localities [fen shui zhi 0433 4451 0455]. We should properly handle and solve the allocation problem in connection with the interests between the central and local finances.

In addition, we have to deeply study and solve new problems that arise during the implementation process of the contracted responsibility system based on enterprises. Now state-owned enterprises have generally practised the contracted management responsibility system. In this way enterprises have been given a certain degree of autonomy, so that their economic results have been improved, but there have also appeared the problem of the expansion of enterprises' consumption fund. At present, the total amount of wages and salaries is linked with the profits and taxes handed over to higher authorities. Therefore it is actually linked with prices, impelling enterprises to raise prices. We should further study for the way the total amount of wages and salaries should be linked with the actual economic results and labor productivity.

Is our reform taking the method of profit stimulation or mechanism transformation? The first step of rural reform was a transformation of mechanisms, which was a transformation from the "big-pot" system to the system of assuming sole responsibility for profits and losses and of market competition. Of course, there were also changes in the allocation of interests. But the major change took place in mechanisms. The urban reform started with giving more power and yielding more profits to enterprises. Then, profits were changed to taxes, and then the contracted responsibility system was implemented. All these measures were taken to constantly yield profits from the state to enterprises. Yielding profits is only a practice to stimulate profits. This is comparable to taking a morphine injection, which will not work after a certain period of time. Now, enterprises earn more and the state earns less. But the economic results of enterprises have not been improved, nor have the initiative of staff and workers been improved. Material stimulation is needed, but it will not work if we depend mainly on material stimulation. Now basically enterprises are still practicing the "big-pot" system, and the "soft-budget" system by which enterprises are solely responsible for their profits but not losses; and equalitarianism is still applied in the allocation of wages, salaries and bonuses of staff and workers. If such mechanism is not changed, initiative can never be aroused even if enterprises have greater retained profits and the incomes of staff and workers are further increased. We should carry on the reform toward the direction of establishing self-restriction mechanisms in enterprises. This is an important aspect in the further deepening of the reform.

Moreover, we have to properly handle the problem of unfair allocation of incomes. At present, a large amount of taxes that should be levied are not paid. Evasion of taxes by enterprises and individuals is serious. Some

people in the society, such as certain individual households and "official profiteers" earn a lot of money, not because of their contribution to the society, but because they have made ill-gotten gains. Some organs, schools, scientific research units and divisions shift from their original work to "create revenue" and "help themselves" [zi jiu 5261 2405]. This is a very abnormal phenomenon. We can coordinate scientific research institutes and practical departments to serve the society so that incomes can be increased to a certain extent, but it is not possible to let all trades and professions engage in business transactions. We should stabilize and improve the living standard of the state's government, educational, cultural and hygienic personnel mainly by reforming the wage system, and not to adopt the measure of "creating revenue." Now the problem of unfair allocation of incomes has become a serious social problem which needs to be specifically studied, and an effective solution should be found.

Also, we have to deepen the reform of the banking system. At present, the banks are under the management of various government departments. Cadres do not have independence in handling personnel affairs and business operation. Local governments force the banks to grant loans for their investment, and even divert funds for purchasing agricultural products to develop processing industries. Investment expansion brings about credit expansion. Under such conditions, the central bank cannot but issue more notes, and thus inflation appears. It seems that we should strengthen the independence of banks, which should exercise vertical leadership, and cadres cannot be appointed by localities.

There was a rather huge money supply in January and February this year. The main reason is that some enterprises and individuals do not put their money into the bank, so that the "external circulation" of cash appears outside the bank. This makes it difficult for banknotes to be normally recovered from circulation, so that the amount of money in circulation increase. To solve the problem of investment expansion and the "external circulation" of cash outside the bank, the regulation function of the interest rate lever must be fully utilized. The type of savings deposits in preservation of the value of currency, which has now been started, has only raised the rate of deposit. The price of money has not been raised correspondingly. Thus loans granted to enterprises lack the necessary binding. We need to further study, formulate and gradually implement the interest rate policy that both the interest rates of deposits and loans are higher than the real inflation rate. Through regulation by the interest rate, more deposits can be attracted and the banks' sources of capital can be increased so that the difficulties in capital turnover can be solved. On the other hand, some enterprises earning low results are forced to conduct readjustment or contraction as they are unable to bear the pressure of high interest rates, so that funds can be diverted to enterprises earning high economic results.

To sum up, retrenchment is the core of improvement and rectification. Rational readjustment must be conducted at the same time of retrenchment; and the further deepening of the reform is a channel to realize retrenchment and readjustment. At present, the emphasis of the reform should be put on those systems that hinder retrenchment and readjustment.

### **Put Nationality Education in the Orbit of a Benign Cycle**

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in Chinese No 7, 1 Apr 89 pp 19-24

[Article by Teng Xing 3326 2502]

[Text] China is a country of many races. The minority races make up 8 percent of the total population of the country but live in a vast territory occupying 62.5 percent of the whole country's territory. By far the great portion sometimes even the whole, of our forestry resources, mining resources, precious medical resources, tropical crops and bases of the animal husbandry industry are located and distributed in these 62.5 percent of the national territory. In the last stage of the 1990's, the major points of the socioeconomic development strategy of our country will be shifted to these localities and by that time a large number of specialized personnel of various grades and categories will be sorely needed. Based on the experiences of the 30 years or more since liberation, aside from that a small number of specialized people will have to be transferred or borrowed from inland places, by far the greatest proportion will have to rely on fostering and training from the various races themselves in the localities. What is worthy of note is that since liberation the educational enterprises of our country's minority races have achieved unprecedented accomplishment despite time as a whole, they are still very much behind and the problem for it may be summarized by following two points:

(1) Backward education and a backward economy constrain each other, causing a sort of a vicious cycle.

Many of the areas inhabited by the minority races are basically located in a backward, even primitive, state of economy. Up to now they are still relying on very primitive means, literally a plough, a knife, a box of matches, some rice to scatter on the hills and make a living. Because the style of primitive production demands quantity and not in quality from the labor force, this doesn't encourage any demands for modern education among the minority races. The primitive form of production also is unable to solve the problem of enabling the masses to dress warmly and eat their fill. They have no money to send their children to school. Each year, local finance depends on the state for subsidy and does not have much money to develop education. At the same time, the backwardness of nationality education has rendered over half of the population of the minority areas illiterate and semi-illiterate. In many of the minority race areas, the masses are accustomed to the

primitive ways of living such as planting extensively but reaping scanty harvests. There have been frequent occurrences of destroying forests to open up barren areas, setting fires to the hills and so forth; in short, incidents that seriously disrupt the ecological equilibrium occur frequently. Several years ago, certain counties in Guangxi Province imported 200,000 fruit trees from Zhejiang Province, in an effort to aid the poor villages to develop their economy. However, the masses in the localities were mostly illiterates or semi-illiterates, and had no knowledge of caring for the trees; all the trees subsequently died. A large batch of Angora Longhair rabbits were also imported but they have now all degenerated. The number of swine that died of plague each year was about 20 percent of the number reared in the sheds.

(2) Backward education and backward social culture constrain each other and cause a vicious cycle.

The backwardness in education has rendered religious and superstitious activities rampant in many of the regions occupied by the minority races. The masses have no money to send their children to school, but eat sparingly and save hard to make offerings to the gods. For example, in 1986 a certain autonomous region in Hunan spent 53.580 million yuan on educational expenditures but among the 50,000 peasant households in the region, nearly 50 million yuan were lavished on making offerings to the gods and on marriage and funeral expenses. The serious state in religious ideas and feudal and superstitious thoughts has also greatly affected education. For example, in a certain county in Ningxia Autonomous Region there are 573 primary schools while the number of mosques is 473. Due to too large a number of children going to the mosques to worship, the school attendance rate has been greatly affected. According to the statistics, in this county, of the number of Hui tribe students, only 60 percent go to the schools whereas the remaining 40 percent go to the mosques instead.

How could we guide these two vicious cycles into the orbit of a benign cycle?

**1. The effective input of educational funds in the regions of the minority races is the turning point for getting the two vicious cycles into the orbit of the benign cycle.**

Seen from the present conditions of most minority regions in our country, for a considerable length of time people will not be able to rely on the strength of the minority areas alone to break out of the vicious cycle. This is because breaking the cycle requires three things: resources, funds and talented people. At present, the regions domiciled by the races possess only the first condition but do not have the latter two conditions. Hence, the state's strength and the effective input of the state's funds must be depended upon.

But there is a problem here. Should the state's investments lean towards the side of developing the economy of the minority race areas or on the side first of developing their education? Regarding this question, national cultural circles have several different viewpoints. One of them says: Rich first and educated afterwards. With the development of the economy in the nationality areas, protection is available for developing nationality education. With the development of education, the social and cultural environment can be improved and the vicious cycle will be led into the orbit of the benign cycle. The second one says "Educated first, rich later." Economic development in the minority areas must rely on the people's quality. Only through solving first the problem of the people's quality can there be basic assurance for the economic development of the region. A third one says: Develop education and the economy together. In the minority regions, development of the economy and education are mutually dependent and only when the two develop at the same pace can the mechanism of a benign cycle exist.

The writer believes: Seen from the backward situation of the great majority of the regions of the minority races still being in a natural economy, if the inclining major point is placed first on developing the economy of the minority regions, then this will require the state to invest a huge amount of funds. However, at present the state's financial income is rather limited and it does not possess the strength to make dimensional investments in the great southwestern and great northwestern regions inhabited by the minority races. The current economic and social development strategy formulated in our country is to place the major point first of all in developing the coastal regions. When and as the nation's strength has developed to a definite stage, the state can only then afford to spend huge sums of money on full-scale investment in the great Southwest and great Northwest. This general strategy undoubtedly conforms with our country's national conditions. Therefore, to adopt the policy of "enrichment first and education afterwards" in the minority regions is beyond the current capability of our country's national strength. Pushing the theorizing further, the viewpoint of the economy and education developing at the same pace in the minority regions lacks the support of the national conditions. In my estimation, at present in the investments in the minority race regions in our country, adoption of the strategy of "education first and well-off afterwards", that is, education first and the economy afterwards, is the turning point in breaking the two vicious cycles. First, since the investment amount in education in the minority areas is much smaller than that in economic development, national finance is capable of taking up the burden. Second, this is in conformity with our country's general strategic guideline of developing the great Southwest and great Northwest at the end of this century. The state will designate a definite amount of funds to develop the educational enterprises in the minority race areas to train and reserve a large number of talented people of different types, standards and grades for use by the state in developing the great

Southwest and great Northwest at the end of this century and the beginning of the 21st century. This is a long-term policy with a strategic focus, because from now to the end of this century there are still 11 years to go. Children of school age now will be the main production force at that time. If by this time we still do not understand the important nature of this problem and adopt the necessary effective measures, then, we shall have been guilty of having committed an irremediable error in history in the development of the macroeconomic strategy.

At present, the main source of the national educational funds comes from the financial revenues of the provinces (autonomous regions), cities and counties. The pattern of the educational investment is that the localities take the big share and the state, the small share. Despite the fact that each year the state has, from various channels, accorded education in the nationality regions with a definite kind of special consideration and treatment, in the majority of the nationality regions the yearly gross educational expenditures have still been unable to solve the problem of the salaries of the teachers. In addition, yearly gross expenditures have been insufficient for rebuilding schoolhouses in a critical or dangerous shape, or the addition of new school equipment. Hence, for the sake of ensuring the realization of the shifting of the main point in the strategy of the state's socioeconomic development by the end of this century and the beginning of the 21st century, beginning now, and on the precondition of the local governments not cutting any of the nationality educational expenses, the state should make effective input into the educational expenses of the regions domiciled by the minority races. The so-called effective input into educational expenses refers to the level of the minimum investment volume that can achieve certain fixed educational targets. If the level of investment volume is lower than this, then the up-to-standard rate will be too low and there will appear a large amount of "educational wastage." The state's increase of national educational expenses on the existing basis should not be interpreted as only a general increase but a large-scale increase is needed. The increase should be up to the level of an "effective input." By so doing, it will be necessary to change the existing pattern in nationality educational investment of the "localities taking the large share and the state the small share" to the "state taking the large share" on the prerequisite of the localities without cutting down the existing investments.

**2. Overcoming the enormous "educational waste" existing internally in nationality education is a necessary measure to arouse the enthusiasm of policy-makers at various levels and the broad masses in educational investment, to promote economic and social development in the nationality regions and stop the two vicious cycles.**

On the one hand large gaps are found in the nationality educational investment and on the other, in nationality education rather large "educational waste" still exists internally. This not only continues and aggravates the

two vicious cycles but also seriously affects the enthusiasm for nationality educational investment of policy-makers at various levels and of the masses. "Educational waste," so-called, has reference to the general effects of a fixed amount of educational investment being unable to match up to the anticipated educational targets and to train qualified builders of a fixed number and quality demanded by society. Seen from the internal side of nationality education, the main causes of educational wastage, aside from causes external to education, are: The general training and fostering of targets in nationality education (personnel specifications) such as major points in investment, composition of structure, specialized equipment, and contents of teaching materials are out of joint with the economic structure, types, contents and standards of the various nationality regions. This is especially manifested in the following three aspects:

First, placing the emphasis on higher education and neglecting fundamental education. Over the past 10 years, in the training and fostering targets (personnel standards) in nationality education and in educational investments, there exists an erroneous tendency toward stressing nationality higher education and overlooking nationality fundamental education. The results of certain research work conducted abroad on educational development in impoverished countries have shown that for impoverished countries and localities located in a low environment the most urgent demand in education is to universally improve the cultural quality of the broad masses, and to train a large number of initial-grade technical personnel of various low levels and low standards who are suited to the low economic development of the localities. If emphasis is laid on higher education which has departed from the low environment, then it is possible to cause a large amount of "educational waste." The failure in education of many Third World countries over the last several scores of years has fully attested to this point. In reality, our country's nationality education is a sort of low environmental education and the major point in educational investment should be laid on fundamental education. However, due to the wrong position in the investments in our country's nationality education over the last 10 years, quite a considerable number of high-standard personnel have been trained and they can hardly display their role in the low environment of the nationality regions. The result is the outflow of talented personnel, wastage in talented personnel and, in the end, education wastage is the consequence. Moreover, as a result of the major portion of the limited nationality educational expense funds having been put into nationality higher education, funds for the nationality fundamental education have become short, and no money is available for training and fostering a large number of initial-grade technical personnel of low level and low standard urgently needed in the nationality regions. This kind of "educational wastage" is alarming. This is because according to the findings in the research work of foreign educational and economic experts, in the education in regions of a low environment, the lower the level and standard in education's major investments, the



greater are the economic and social benefits derived from investment in education. Contrarily, the higher the level and standard in the major investments in education, the smaller are the economic and social benefits.

Second, placing emphasis on cultural education and overlooking primary and intermediate-grade professional and technical education. At present, be it in the structure and composition of nationality education or the contents of the teaching texts, the stress on cultural education and the oversight of professional and technical education are manifested. Seen from the structural composition, the intermediate professional and technical education is relatively weak while primary and standard professional and technical education has not begun. According to the statistics compiled by the financial and economic department of the state nationalities affairs commission, in 1987 the number of primary school students of the minority races was 10.51 million, the number of ordinary middle school students was 2.8 million while there were only 84,000 students in the middle-grade technical schools, being only 3 percent of the nationality students in the middle schools. Of the students in the ordinary middle schools, aside from a great minority enrolling in colleges through arbitrarily lowering the entrance requirements, 97.1 percent from different school grades returned to the social circles. The cultural level of this number of students was low. Since they have not gone through training in professional and technical education, they lack specialized knowledge and production expertise, being unable to convert the superiority in resources of their areas into economic superiorities. They may be likened to "holding a golden bowl in hand and begging for rice," passively waiting for various kinds of aid and relief from the state. This not only is an alarming waste in talented personnel but also is alarming waste in that a "poor country is attempting a rich education." In addition, because the teaching texts of all middle schools and primary schools in the whole country are under unified compilation, the specialized equipment and teaching texts of middle schools and primary schools in the nationality areas are basically the same as those in the Han race areas. They belong to the nature of ordinary cultural education and the contents of the teaching texts are seriously out of joint with the social and economic conditions in the nationality areas. What the students learn cannot directly serve their family economy, social production and social life. This renders the extensive masses in the nationality areas devoid of any desire to send their children to receive education. Many of the family heads would rather pay the fines and send their children to the mosques to chant scriptures or to the abbeys to serve as junior monks than send them to the regular schools to study. According to a survey from 1985 to 1986 Xizang had 2,475 primary schools, with a student enrollment of about 120,000. On the average, out of every 10,000 students only 19 finished schooling in primary schools with the remainder flowing back to society from various grades in the schools. After a number of years, under the low environment they became illiterates or semi-illiterates. In some nationality

areas, the up-to-standard rate of the primary schools was only around 10 percent of the total number of graduates, and the investment benefits in fundamental education were practically nil. Not only that, but the state has to make a second investment in these people and carry out the anti-illiteracy education. It can thus be seen that the phenomenon of "educational wastage" caused by the irrational nationality educational structure, its specialized equipment and contents of teaching texts is alarming.

Third, the stress on regular education and overlooking nonregular education. Nationality nonregular education (social education) includes anti-illiteracy education, various levels and various categories of adult professional technical training, preschool education, education for women, and so forth. At present, in the nationality educational structure, the portion of nonregular education (social education) is lacking. However, among people over 12 years old in the nationality areas, illiterates and semi-illiterates make up 42 percent of the total nationality population. The grouping together of illiterates and semi-illiterates with regressive production form and life style and backward social and traditional cultural concepts form a sort of social low environment. Personnel of various levels and types who have emerged from training in regular school education, suffering from the various influences of social low environment, can hardly display the role they should have. Thus, many of the economic and social benefits of investment in regular education will inevitably be diminished by the functioning of the social low environment. Transforming the social low environment is also an important way to reducing the "educational waste" in the investment in nationality regular education.

Conversely, the existence of enormous internal "educational waste" in nationality education and the serious inclination to the low side of the investment benefits in nationality education have seriously affected the enthusiasm of the policymakers at various levels and of the extensive masses regarding investment in nationality education, also affected the economic development in the nationality areas and added weight to the two malignant cycles in nationality education and in nationality economy and social culture. In order to stop this phenomenon of the enormous "educational waste" existing internally in nationality education, we must begin now an overall reform of the aspects which exist in the nationality education itself and which are unsuited to the economic, social and cultural development of the nationality region. First, the policymakers must overcome the concept of emphasizing higher education and overlooking fundamental education and, in a down-to-earth manner, place the emphasis in nationality education and in investment on the nationality fundamental education. Second, on the side of nationality fundamental education, be it in regard to the educational structure and composition and specialized equipment or the contents of teaching texts, we must overcome the tendency of making nationality fundamental education become a



pure and simple cultural education. We must, based on the strong points in natural resources, economy and social culture of the various regions of the minority races, vigorously develop primary and intermediate professional and technical education. The concrete suppositions are: (1) In the higher grades of primary schools appropriately arrange certain courses on professional and technical knowledge and in the economically impoverished areas and areas where in ten years' time free education for nine years will be provided turn the higher grades in the primary schools directly into primary professional and technical educational classes. (2) Based on the ratio between taking up further studies and going into employment in the various nationality areas and the strong points of the various areas in resources, economy and culture, convert at least 80 percent of the ordinary middle schools into various kinds of primary and intermediate professional and technical schools. Between the ordinary middle schools and the professional middle schools the double-track system should be in force and there should be free access between them. (3) In the primary middle school and senior middle school courses of the ordinary middle schools there should be added a fixed proportion of "selective courses on professional technology," so as to do preemployment preparatory work for those students who do not have the means, or are not prepared, to take up further studies. Third, we must begin now to grasp on the one hand nationality regular education and on the other hand nationality irregular education (social education). In the contents of education, nonregular or irregular education must organically combine cultural education and professional and technical education and take as the central work transformation of the backward production form and life style and the backward traditional cultural concept. The form of education should principally be running night schools and short-term training classes during the idle farming season. Multi-form education of many types, many levels and grades and many specifications should be adopted.

**3. The relations between religion and nationality education should be handled well and religious peoples' enthusiasm for organizing and running schools should be aroused.**

The various minority races in our country all believe in a fixed religion. Religion has deep effects on the politics, economy, culture and psychology of the races. Unavoidably it also has effects on the schooling and education of the children, youths and youngsters. For example, the Dai nationality of Xixiangbanna region of Yunnan Province is a race whose whole people believe in Hinayana Buddhism and one of the important practices of traditional religious life of this race is "sending sons to become monks." Boys of the Dai nationality, when only 7 to 8 years old, have to enter the monasteries to become monks. Only after living 2 to 10 years of a monk's life are they allowed to become ordinary laymen again and bring up a family. In 1985 in two small villages, Hong Kong village and Ke La village, of Ya Jiang county, Gan Mu

Zhou, Sichuan Province, of the 543 Lama's and Zhaba's [2089 1572], more than half were children of school age. Similar conditions are common among the tribes and races in our country's northwestern regions who are followers of the Islam religion.

The occurrence of such phenomena has its real-life causes as well as deeplying historical causes. Before modern times, the great majority of our country's minority races practically did not have any regular school education. Nationality education and religion were formed into one body to be the principal tool for propagating culture. For example, in Tibet, the three large monasteries of Gedan, Zhibang and Shila are the educational centers of whole Tibet while the several thousand large and small monasteries in the region serve as centers for primary and intermediate education. A system of conferring degrees is also in existence. In general, about 20 years are required to go through from the the primary class in the monasteries to finishing off the course for a degree. Again for example, the scriptural hall education of the Islamic religion in our country has also historically formed a systematic structure. It is divided into three stages. The first stage teaches the student the Arabian language and the Koran, usually lasting for three years. The second stage, also lasting for three years, teaches the student literature, notes on the sacred scriptures and religious ceremonies. The third stage principally trains priestly functionaries of the high imam grade. Be it the education in Buddhist temples or education in Islamic scriptural halls, in history they have played the role of propagating religion and also have performed the functions of maintaining and continuing the traditional culture of the various tribes and races and certain natural scientific technologies. In addition, they have trained for the tribes and races many outstanding scholars and a large number of priestly functionaries. Hence, we should correctly look at the hard objective reality of religion's existence and its having the support of extensive masses of followers, fully arouse the enthusiasm of the religious circles, and utilize their prestige among the masses to induce the masses to raise funds to organize and run schools and to send their children to school, raising the schooling rate of the nationalities primary education, and promote the development and progress of the nationality education.

In this connection, some regions have already had successful experiences. In 1984 when Dongxin county of Ningxia Autonomous Region called a county-wide educational work conference, the CPC County committee and the county government specially invited 16 well-known imam's from the various villages to sit at the presidium. This impressed deeply the religious circles of the county. After the conference, the party committee and the government frequently utilized the opportunities offered in the religious worships and congregations to greatly propagate the important significance of educational development and mobilized children of the Hui tribe to go to school to study. Hong Weizhong, a noted personage in the religious circles of the county, cited

passages from the scriptures and classics to propagate religion's reasons for not repelling education. He emphasized that the Islam religion strongly advocated knowledge, culture and education. He prepared and printed a booklet in which he cited scriptural passages from the Koran such as "Going to School is the Sacred Duty of Each and Every Muslim"; "Knowledge is Treasure; Its Key is Puritanism"; and "You Should be a Teacher, or a Student, or an Auditor and not any Fourth Kind of Person; Otherwise You Will Suffer the Consequences." The booklet served as the teaching text to educate the masses of the Hui tribe to pay high regard to culture and learning. Imams in the various monasteries took the lead in sending their children to school, mobilized some 135 school-age children who had been chanting scriptures in the scriptural halls to leave the halls and go to the schools to study. In the meantime, societies in charge of the monasteries contributed funds to the schools, offered articles for school use, and, as a result, the county's "three rates or ratios" made a large-scale increase. Led by the religious circles of this county, religious circles in various localities in Ningxia organized in one place after another "nationalities education promotional societies". They voluntarily raised funds for the schools, actively mobilized school-age children to go to school and thus contributed to developing the nationalities education. In the minority race areas, school teachers are extremely scarce and also poor in quality but in the monasteries some of the religious people not only are versed in the language and writing of their own race but also have medical knowledge and know history, painting and sculpture. Relevant departments of governments in many of the nationalities areas have invited these religious people to teach in the schools, thus making up for the insufficiency in teaching staff. According to a report in the Xizang Ribao, an aged "living buddha" in Sih monastery of Wangxi village, Lolong county, being concerned with nationality education, voluntarily sent "zhaba's" of higher cultural level from the monastery to the schools to serve as teachers without pay. The Gannan autonomous region of Gansu lacked teachers in Tibetan language. The Zhou's leadership department, having their ideologies liberated, invited teachers from the religious circles and after due examination appointed 150 people to serve as teachers in the schools. This helped the 228 primary schools and middle schools in the region to set up classes in the Tibetan language and raised the level in the Tibetan language of the schools. Not only that, but also many of the government of the nationalities areas fully mobilized the religious circles to develop anti-illiteracy education among the masses. The government in Gannan region appointed anti-illiteracy teachers from over 4,700 monks in the region and allowed the various counties and villages to separately sign "responsibility documents" with the abbeys and monasteries according to which the religious people in the abbeys and monasteries concretely undertook the task of anti-illiteracy in the villages. In Luchu county of the region a "living buddha" signed an agreement on "contracted teaching and learning" with the Chaxiang-erdi village and organized anti-illiteracy classes. He

combined learning the characters with general education, scientific education and literary activities and achieved results in many respects. After over 4 months of efforts, he removed illiteracy from 98 people ranging from the ages 15 to 35. A-class students under his guidance can now read newspapers and periodicals such as the Gannan Tibetan language paper.

Aside from the countermeasures on the three sides mentioned above, development of the nationality educational enterprises must still solve a string of problems such as the training up of nationalities teaching staff, the effects of bilingual teaching, reform of teaching texts and the geographical environment on nationality education, and the vigorous development of scientific research in nationality education. Satisfactorily solving these problems will reduce the "educational wastage," guide the "malignant cycle" in current nationality education gradually into the orbit of a "benign cycle," promote the development of nationality education, and build a firm foundation for shifting, by the end of this century, the strategy of our country's socio-economic development to the "great Southwest" and the "great Northwest" and build the foundation for the political stability and unity and the economic and cultural prosperity of the various tribes and races.

(Note: The materials cited in the 3d problem in this article are taken from Chan Hongdao's article "Nationalities Education and Religion,"—See MINZU JIAOYU Issue No 3, 1988.)

**Public Ownership, Contracts, and Laborers**  
*HK2604091189 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 7, 1 Apr 89 pp 25-30*

[Article by Li Guangyuan 2621 0342 6678]

[Text] The purpose of the reform of the system of ownership by the whole people which includes the implementation and development of the contract system is not only to arouse the operators' enthusiasm but also to enhance the entire employees' sense of responsibility as the masters of the country and bring their enthusiasm into play. Some localities and enterprises have attached importance to this question, thus gaining experiences, of which some have been affirmed and appropriate stipulations have been worked out and included in the "Regulations Concerning the Contracted Management Responsibility System in Industrial Enterprises Under the System of Ownership by the Whole People" (promulgated by the State Council on 27 February 1988).<sup>1</sup> However, some enterprises have paid little attention to this question or handled it inappropriately. Hence, there is the phenomenon in which "the factory director is buried in work while the employees are standing by watching."

Behind the difference in views and methods on the question, there is one basic theoretical problem: How should we actually view the status of working people in the economy under the system of ownership by the whole people and the contract system?

### **In What Sense Are the Working People Under Socialism Owners?**

A self-employed laborer has a double status: While a laborer, he is also the owner of his own means of production or a private owner. Under the capitalist wage labor system, a laborer has lost his status as the owner of production means, becoming an "out-and-out" laborer. He is viewed as merely a production element that goes side by side with production means or a disposable or usable object. In the socialist economy based on public ownership, everybody is a laborer and production means do not belong to any individuals other than working people. This being the case, working people have a double status: On the one hand, they are the joint owners of publicly owned means of production and on the other they are also laborers at specific posts in the system of social division of labor sharing special responsibility or they can be called as "laborers performing their duties at fixed posts."

When we say that in the socialist economy based on public ownership (this article mainly discusses the economy under the system of ownership by the whole people), all working people jointly own production means, we mainly mean: First, the ultimate goal of the activities of the economy under the system of ownership by the whole people is to raise the levels of material and cultural life of working people and not any other people and of their personal development. Second, all products and interests of the economy under the system of ownership by the whole people ultimately go to working people and working people alone to share or to enjoy together. Third, all working people have the right to use public means of production while working together, the right to participate in the practice of distribution according to work to share or share together public material benefits, and the right to participate, directly or indirectly, in economic management through certain democratic procedures, to select or participate in the selection of leader candidates, and to supervise their work.

These principles were not fully manifested in practice under the old structure that negated commodity economy. This is a basic problem that should be solved through reform.

These principles show that the socialist working people—joint owners—are a kind of owners hitherto unknown and non-private owners. First, they do not privately occupy, use, and dispose of any portion of publicly owned means of production and second, they do

not earn any income from the ownership of some quantity of production means by drawing interest therefrom and instead, earn income from their labor participation and distribution of the results of labor they contributed together.

This indicates that joint ownership by the working people is the association of labor rather than that of private possessions or the association of private means of production, private funds, and private capital. In the association of private ownership, every private owner earns income from his ownership of a certain amount of production means (fund or capital) that he contributes as capital to the association by drawing interest therefrom.

At the sight of the difference between the joint ownership by the socialist working peoples and private ownership, some comrades argue that working people are not owners. This view comes from the traditional concept that equates "owners" with "private owners." Marx pointed out long ago: The concept asserting that only things that we use as capital or we directly possess or use belong to us is a stupid and one-sided concept caused by the private ownership system.<sup>2</sup>

Recently, at the sight of the adoption of the form of "joint possession" [gong you 0364 2589] by private stock companies and partnership enterprises in the West (in legal terms, stock companies are based on "joint possession according to the amount of stocks held" while partnership enterprises on "joint possession by all partners"), other comrades contend: It is also a form of public ownership or there is no difference between public and private ownership. Some people even ask: Why do you admit that the association of tens of peasants is a form of public ownership but refuse to view the association of hundreds or thousands of shareholders the same way? The mistake of these comrades lies in their failure to pay attention to the difference of principle between the association of labor and that of private possessions. Perhaps they also forget that in private stock companies and partnership enterprises in the West, besides the associated shareholder or partners, there are numerous hired laborers who provide the associated private capital with surplus value. As for the argument that they can also buy shares, this means nothing but boosting the capital in the bosses' hands and cannot change their status of being hired and exploited.<sup>3</sup> As far as the association or cooperation, of individual peasants (and individual handicraftmen) is concerned, at the early stage, more often than not, it involves both association of labor and association of private possessions. As the accumulation of joint labor increases, if the value of private capital is gradually returned to its owners and the distribution of dividends according to the amount of capital held comes to an end as a result, this kind of cooperation will evolve into just association of labor or collective ownership in nature. Under given conditions, even if they are enterprises under the system of ownership by the collective or by the whole people, they are in a position to absorb their own employees or other people

as shareholders, who use their own money to buy shares. In this way, some private elements are injected into public ownership. However, this does not mean that the difference between association of labor and that of private possessions can be canceled or written off.

**What is the Relationship Between Joint Ownership by the Working People, Ownership by the Whole People, and the So-called Ownership by the Department, the Locality, and the Enterprise?**

Some comrades argue: The concept of "ownership by the whole people" is unscientific and can just be called "ownership by the state" as that is what it really means. In this regard, the real owner is the state and working people are merely its hired employees. The view is based on the fact that the state has the right to ultimately dispose of the wealth owned by the whole people. It was on this basis that Lenin also said: "All citizens are transformed here into hired employees of the state, (which consists of the armed workers)."<sup>4</sup> However, this is just one side, one level, and moreover, one relatively superficial level of the relationship between the state and working people under the system of ownership by the whole people. This is because what is discussed here is just the power of the state and not the question of where the power comes from and what objectives it serves. At this level, working people emerge in the capacity of their second status—laborers performing their duties at fixed posts. The other side or a higher level of relationship in the system of ownership by the whole people is that to achieve their objectives and interests, as joint owners, working people break down their authority and corresponding responsibility. Apart from some portion which they exercise and undertake for themselves (we have discussed this portion above), the remaining part is entrusted to organs of all types and at all levels of the major system ranging from the state to the enterprise. As for the question of which portion of authority and responsibility should be entrusted to the state (to which levels or types of state organs) and to enterprise organizations, this is a problem that should be solved in the reform of the economic structure including the implementation of a contract system. This question will be discussed later in this article. What I want to point out here is as follows:

First, this relationship of entrustment is decided by the fact that it is impossible for individual laborers to wholly exercise and undertake their authority and responsibility as owners as objectively determined by socialized production and public ownership and is not the result of the subjective imagination of certain individuals. Even in a small enterprise under the system of ownership by the collective, individual laborers exercise and undertake their authority and responsibility as owners and have to entrust some of them to the management organ of the collective and personnel thereof so that the latter exercise and undertake them on the former's favor. If public property is obstinately distributed to everyone and put

under his possession and disposal as presumed by some, this can only lead to disintegration of public ownership and destruction of social production.

Second, the authority over and responsibility of various state organs of all types and at all levels, departments, localities, and enterprise organizations for production means owned by the whole people are entrusted to them directly or indirectly by the working people as joint owners. This is an embodiment of joint ownership by the working people. None of these organizations are owners other than the working people. With their authority and responsibility differing from one another in scope, these organizations have their rights and responsibility as well as interests clearly defined, on which any confusion and encroachment cannot be tolerated. This line of demarcation is necessary for the smooth realization of joint ownership by the working people (moreover, the clearer the demarcation line the greater the benefit it will carry. The implementation of a contract system and the trial implementation of a shareholding system are aimed at making this demarcation line clearer.) and is not a negation to the joint ownership by the working people. To put it another way, this does not mean dividing public property jointly owned by working people among state organs of all types and at all levels or among departments, localities, and enterprises and putting them under their possession. (The significance of the trial implementation of a system of keeping state and enterprise funds under different account books by enterprises operated under a contract scheme lies in making a clearer line of demarcation between the authority and responsibility of the state and those of the enterprise rather than dividing property owned by the whole people between the two parties.) Their revenues come from the distribution of the results of labor jointly contributed by working people after social deductions are made and are not earned from "ownership income" from their own "propriety rights." They can form associations with each other, buy each other's shares, contract for each other, merge each other, and buy each other's equipment using the property owned by the whole people which are entrusted to them according to the principle of using property owned by the whole people with compensation and trading it at equal value. This relationship will help change the scope of their authority and responsibility but cannot change the fact that their authority and responsibility are in the final analysis entrusted to them by the working people—joint owners.

As such, it must be said that the associated working people and associated working people alone are the owners of production means owned by the whole people. It was in this sense that Lenin affirmed the concept of ownership by the whole people. It was not Stalin who was the first to put forth the "unscientific" concept as one comrade said. Lenin solemnly declared to the working people: "Workers and peasants, working and exploited people! The land, the banks, and the factories have now become the property of the entire people!"<sup>5</sup> The property of the entire people mentioned here is property "owned by the whole people."

Then how can the joint ownership by the associated working people be called ownership by "the whole people"? The main reasons are as follows: First, in socialist countries, working people form the main body of the entire people. Exploiting classes either are on the way to extinction (in the transition period) or have been eliminated (at the initial stage of socialism) and exploiters or plunderers and thieves of every hue constitute a tiny proportion in the population. Second, although not all working people work in enterprises under the system of ownership by the whole people, when it comes to the objectives of the economy under the system of ownership by the whole people, the ownership of interests, and the origin of state organs' authority and responsibility, all working people have a share in them. This being the case, their nature of "being the whole people" cannot be denied. In the economy under the system of ownership by the whole people, there is a vast difference in authority between working people in units under the system of ownership by the collective, individual working people, and working people who are awaiting for jobs temporarily or out of jobs on the one hand and working people in units under the system of ownership by the whole people on the other. The former do not directly participate in labor using production means owned by the whole people, the primary distribution of the labor results of enterprises under the system of ownership by the whole people, and in the internal democratic management of enterprises under the system of ownership by the whole people. Therefore, they are not owners, in the full sense, of the production means owned by the whole people. Nevertheless, they are not outsiders without any power. They can achieve their interests through the state. This vast difference (the difference is not absolutely impassable) between working people inside and outside enterprises under the system of ownership by the whole people will exist for a long time in socialist societies. However, this will not prevent us for using the concept of "the system of ownership by the whole people" while admitting such a difference.

#### **What is the Practical Significance of the Contract System to the Joint Ownership by the Working People?**

The joint ownership by the working people is realized through a multilink system of being from working people to the state to the enterprise and then to working people, an authority and responsibility sharing system based on the relationship between the truster and the trustee.

The existing structure does not admit that the socialist economy is a commodity one. Therefore, the state is regarded as the sole organization able to represent the interests and will of the working people as owners and even as the final owner vested with full powers itself rather than a link of the authority and responsibility sharing system, which is aimed at realizing the joint ownership by the working people. Such being the case, all the authority and responsibility of the working people as owners are taken on by the state (in reality, by state organs, in particular, central organs). Enterprises have

thus become appendixes to state organs. They do not have their own will, authority, responsibility, and interests. Of course, they cannot become commodity producers and handlers which have full authority for management and assume full responsibility for loss and profit. The power and responsibility that should have been exercised and undertaken by individual working people are taken on by the state in many ways. In this way, the decisionmaking power and responsibility of enterprises and working people as individuals were clipped off, their enthusiasm dampened, and natural resources irrationally disposed and used. Consequently, the development of productive forces was hindered and the working people could not obtain their due practical economic interests. In other words, the joint ownership by the working people can hardly be achieved satisfactorily. This is the main reason the working people, more often than not, do not feel they are owners and masters.

Therefore, the purpose of the reform of the economy under the system of ownership by the whole people is to reform and perfect the authority and responsibility sharing system with which the joint ownership by the working people is realized in accordance with the requirements of socialized production and the development of the commodity economy rather than to "establish" or "make clear" the owners outside the working people because it "does not have real owners." The contract system at the present stage conforms with this objective need. It points to a practical and feasible way out for enterprises to gradually break away from the status as appendixes to administrative organs and become commodity producers able to operate independently and assume full responsibility for loss and profit; for the state to gradually break away from the practice of interfering in enterprises' daily operations and save efforts and energy so as to organize and coordinate the macroeconomy well; and also points out a practical and feasible way to gradually expand the working people's authority and responsibility and thus enhance their status and sense as joint owners and masters.

#### **How does the contract system achieve these goals?**

First, the signing of contracts is itself the beginning of a change in the nature of relationship between state organs and enterprises. In the past, their relationship was one of administrative subordination, a relationship between the higher and lower levels and between orders and obedience to orders but it has now become mainly a relationship of economic contracts. The signing of a contract means that the two parties involved are entities which have their own will, interests, authority, and responsibility. Hence, the situation is put to an end in which state organs monopolize authority and responsibility in all sectors as owners with full powers and the notion is thus established that the state and the enterprise are main bodies of interests which are entrusted by the working people—owners and share with each other an appropriate portion of authority and responsibility in the course

of realizing the joint ownership by the working people. In this way, enterprises can operate more independently than before.

Of course, how far an enterprise can operate independently in reality is objectively related to the type of enterprise. On the other hand, it is also decided by how soundly the principle of equality, voluntary participation, and consultation is implemented in signing a contract and also by how well the specific provisions of the contract and the contract itself are honored in reality.

Second, the contract system may possibly make the division of authority and responsibility between the state and the enterprise more rational, symmetrical, definite, relatively stable, and more desirable. The existing structure has many flaws. (1) State organs have too much authority and responsibility and have taken charge of many matters which they cannot handle or manage effectively and enterprises have too little authority and responsibility and lack full conditions for becoming commodity producers and handlers. (2) Authority is not commensurate with responsibility. Some administrative organs have immense authority but little responsibility and this has led to authority abuse and enterprises lack, more often than not, authority necessary for discharging their own duties and this has resulted in inefficiency. (3) No clear distinctions are made. The functions of the government are confused with those of the enterprise and responsibility is not clearly defined. (4) The structure is inadequately stable. Decentralization or concentration of powers is decided by administrative orders and even the will of leaders and consequently, enterprises operate on a short-term basis. (5) The structure lacks a mechanism to select the best candidates for entrustment through competition. Therefore, it is difficult for the right person to take on the suitable authority and responsibility. These shortcomings have hampered the initiative of enterprises, hindering the entire working people from bringing their enthusiasm into full play. The implementation of a contract system serves as a condition to overcome these shortcomings. Under the contract system, through consultation, the two parties can define their authority and responsibility rationally, symmetrically, and clearly and set an appropriate contract time limit; contracts can obtain legal effect according to law and this will make them more stable; and appropriate contractor candidates can be selected through a bidding scheme or competition so as to make the division of authority and responsibility between the state and the enterprise more rational, symmetrical, definite, relatively stable, and more desirable. Of course, how far all these can be achieved in reality depends on how well the work is done. From this point of view, a lot of work can still be done in continuously improving and perfecting the contract system. In the West, the separation of power between money and entrepreneurial capitalists and between shareholders, boards of directors, and managers is the product of socialized production and of the highly developed commodity economy. This is an experience that we can use for reference. The difference is that in the

West, what is involved in the process is private ownership and the division and trading between private individuals of authority and responsibility which are derived therefrom and on our part, what we want to solve is how to divide authority and responsibility between the entities of different interests at all levels under the system of ownership by the whole people so as to best realize the joint ownership by the working people.

Third, the contract system can better combine the interests of the state, the enterprise, and the working people (including operators) at the present stage. The practice of linking total wages with enterprises' economic results and introducing an appropriate distribution form in the internal departments of enterprises in accordance with the principle of "rigidly setting base figures, guaranteeing the required quotas, retaining what is in excess to previously set quotas, and making up for what is under the quotas" is a practical and feasible, relatively good form to combine the commodity economy at the present stage with the principle of distribution according to work. The commodity economy requires that the results of enterprise operations should be measured by the yardstick of value through the market and the principle of distribution according to work requires that the income of a person should be decided by how much labor he has contributed. In an enterprise, the theoretical formula for combining the two is that the magnitude of value created by enterprises (subtracted from state and enterprise deductions) is distributed by the amount of labor contributed by individuals in proportion. The above-mentioned distribution methods under the contract system are the concretization of this formula. The better the quality and the more the amount of labor a certain individual contributes, the better the economic results his enterprise will produce and the more income he will earn. This will serve as a staying dynamic force and effective guarantee for the common growth of the interests of the individuals, the enterprises, and the state. The resulting benign cycle of interest relations is the real and vivid embodiment of the status of the working people as joint owners and also the inexhaustible source of their enthusiasm. In the enterprises where the contract system is being well implemented and the relationship of interests has been handled satisfactorily (such as the Shoudu Iron and Steel Corporation), this fact is very conspicuous.

#### **What is the Relationship Between Operators and Other Working People?**

In socialist enterprises, operators (director or managers) are themselves working people. This is one basic characteristic of socialist entrepreneurs. Like other working people, they have a double status. On the one hand, they are joint owners of production means. In this regard, they and other working people are equal and no different from each other. On the other, they are working people performing special duties at special posts. In this aspect, they are different from other working people, because they assume the post and responsibility of an operator.

Having responsibility for operations and management, operators guide or exercise leadership over other working people performing duties at fixed posts. In enterprises, they have greater authority and responsibility than other working people. Where do their authority and responsibility come from? In appearance, they seem to come from the departments in charge of enterprises. The previous structure mistook this appearance for essence. Consequently, factory directors became officials assigned by the higher authorities. This being the case, it is impossible for them to become genuine operators. The implementation of the contract system helps people see that the real relationship is like this: Through the medium of the state, the entire working people—joint owners—entrust enterprises to the collectives of enterprise working people, that is, the entire working people of enterprises and the latter again entrust some of their authority and responsibility to operators, namely, factory directors. This double relationship of entrustment can be summarized into this way: The state (representing the entire working people) entrusts enterprises to the collectives of enterprise working people represented by factory directors. Based on this relationship of entrustment, the contract system helps make such a relationship more clear-cut in the form of economic constructs. Having been entrusted, the operator (factory director) entrusts some authority and responsibility to his subordinate setups (administrative or technical offices, workshops, and teams and groups), personnel, and down right to every laborer performing his duty at his own post. Therefore, the relationship between the operator and other working people has two aspects: One is that, representing the working people of a entire factory, the operator is accountable to the state or the entire working people and the other is that all working people are directly or indirectly accountable to the operator or the factory director and subject to his command. In the first aspect, it is necessary to expand the democratic right of the entire working people to manage the state's political, economic, and social lives, to enforce and improve the guidance and supervision of the state (representing the entire working people) over enterprises (this does not mean unnecessary interference) and at the same time, to strengthen enterprises' internal democratic management and give more powers to employees in participating in making major policy decisions, deciding the candidates for the factory director, and in imposing supervision. In the second aspect, it is necessary to conscientiously implement a system under which the factory director assumes full responsibility and delegate all powers to the factory director as the legal entity, who exercises overall leadership over the enterprise's work. In the first aspect, as joint owners, the working people should select a suitable entrepreneur as the factory director. If incompetent, the factory director should be removed from office. In the second aspect, the factory director has the right to select suitable employees to take responsibility for the work at their posts and if incompetent, they should also be relieved of their posts. These two choices are the same in nature. They are for the sake of better realizing the joint ownership by the working people.

Therefore, the argument that regards the directory responsibility system as a negation to the working people's status as joint owners is groundless. The point at issue is that it is necessary to combine the strengthening of the director responsibility system with the expansion of democracy (including the state's democracy and the enterprises' internal democracy), to carry out the authority and responsibility of the working people as owners in an overall manner, and to enhance the status and sense of the working people as the masters of the country.

#### Footnotes

1. For example, Article 13 stipulates that total wages should be linked with economic results; Articles 28 defines that representatives of employees should sit in the committees (or groups) for solicitation of public bidding and participate in the assessment and choice of tenders; Article 32 stipulates that enterprise operators should submit reports on the implementation of contracts signed under a contract scheme to congresses of employees on an annual basis; Article 40 writes that democratic management should be strengthened, the employees congress system improved, trade unions brought into full play, and the democratic rights of employees effectively ensured; and Article 41 says that an enterprise internal economic responsibility system should be initiated and perfected, and so on and so forth.
2. See *Collected Works of Marx and Engels*, Vol 42, p 124.
3. According to the statistics released by the Joint Economic Committee of the U.S. Congress, in 1983, 89.3 percent or almost nine out of ten of the private shares of U.S. corporations were concentrated in the hands of 10 percent or one-tenth of the most wealthy families and 0.5 percent of the extremely wealthy families owned 46.5 percent of private shares or almost a half. Instead of the distribution of wealth becoming more equalized as preached by some people, the gap between poor and rich was widening. See the American magazine *MONTHLY REVIEW*, September issue, 1987, pp 1-8.
4. *Selected Works of Lenin*, Vol 3, p 258.
5. *Ibid.*, p 396.

#### Thoughts Related to the Trial-Implementation of the Shareholding System in Shanghai HK2505084089 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 7, 1 Apr 89 pp 30-33

[Article by He Gaosheng 6320 6964 5110 and Chen Yu 7115 1938 of the Shanghai Municipal Structural Reform Office]

[Text] Shanghai started trial-implementation of the shareholding system in 1984. It proceeded first in small enterprises, collective enterprises, and newly built enterprises and then in large- and medium-sized enterprises



and enterprises under ownership by the whole people. So far 11 enterprises in the city are run under the shareholding system. With the approval of the relevant department, most of these enterprises sell their stocks to the public. The selling and buying of stocks has initially started in this city. For the purpose of guiding the trial-implementation of the shareholding system so that it will healthily develop along a correct line, there is a need to conscientiously review and consider certain problems arising in the course of its trial-implementation.

### **The Implementation of the Shareholding System Is an Inevitable Choice Made in the Course of Deepening Enterprise Reform**

In the course of enterprise reform since the 3d Plenary Session of the 11th CPC Central Committee, several measures have been introduced, such as delegating powers to the lower levels, allowing the lower levels more profit retention, substituting tax payments for profit delivery, and carrying out the contracted management responsibility system. These reform measures expanded enterprises' rights, brought into play the initiative of enterprises' operators and employees, and promoted the development of production. However, enterprises' financial relationship remained implicit, no one was responsible for the assets of state enterprises, enterprises lacked a mechanism to control themselves, short-term activities could not be stopped, and the problem of assuming sole responsibility for profits and losses remained unsolved. Therefore it was necessary to deepen enterprise reform. The trial-implementation of the shareholding system in Shanghai has indicated that this system can form coordination between ownership systems, enterprises' operational mechanism, and enterprises' management system. With a profound enterprise reform, government administration can be separated from enterprise management and enterprises can separate their ownership from operational rights, exercise independent management, assume sole responsibility for their profits and losses, engage in self-development, and impose self-restrictions.

First, the shareholding system has brought about a fundamental change in enterprises' operational mechanism. Since the implementation of the shareholding system, state ownership has become a diversified proprietary system with state shares constituting the principal body. Take the Shanghai vacuum electronics component joint-stock company as an example. In this company, state shares account for 71 percent of the total and the rest belong to the company's legal entity and other individuals. The diversification of an enterprise's proprietary relationship is sure to bring about a change in its operational mechanism. In a joint-stock enterprise, the state is only a shareholder and cannot meddle in the decisionmaking of the enterprise. This will turn the separation of the government from the enterprise into the separation of the two powers between the enterprise's shareholders and its board and managers. The enterprise

is thus responsible to the government and all its shareholders. For the sake of the enterprise's and his own reputation and future, an enterprise operator must work hard to develop the production of the enterprise, to improve its management, to produce better economic results, to pay attention to long-term interests, to overcome the habit of carrying out short-term activities, and to strengthen the enterprise's staying power in its development. Therefore the shareholding system will facilitate the formation of a self-encouragement and self-restrictive mechanism more effectively than the contract system. Without a mandatory contracted target, in 1987 the output value of the Shanghai Feile joint-stock company increased by 12.7 percent over 1986, its output by 14.7 percent, and its profit by 4 percent. These were the results of a change in its mechanism.

Second, the shareholding system is beneficial to separating government administration from enterprise management. Under the management system of a joint-stock enterprise, there is generally the board of directors and the shareholders' panel. The board of directors represents the owners of the enterprise, determines the enterprise's investment direction and operational policy, and is responsible for recruiting managers. The enterprise manager executes the decisions made by the board of directors and exercises overall management over the operation and production of the enterprise. Both the manager and the board of directors draw up operational policies according to the needs for the development of the enterprise rather than to orders issued by the department in charge. In this way the enterprise can free itself from a position subordinated to the government and genuinely realize the separation of government administration from enterprise management.

Third the shareholding system provides conditions for enterprises to assume sole responsibility for their profits and losses. When an enterprise exercises the shareholding system, the distribution relationship between the state and the enterprise changes. As the owner, the state obtains dividends or bonuses from the enterprise; and as the administrator, it collects taxes from the enterprise. This explicitly defines the distribution relationship between the state and the enterprise, strengthens the financial restrictions on the enterprise, and enables the enterprise to assume sole responsibility for its profits and losses. Moreover, because employees of the enterprise participate in the purchase of shares, they form a link of interests with the enterprise. This is good for strengthening the enterprise's internal cohesiveness.

The shareholding system has also changed the organizational structure of enterprises. According to their own needs for development, enterprises buy and sell shares among themselves. This enables production factors such as funds, assets, and technology to flow toward good quality industries and good quality enterprises. It also helps expand and strengthen enterprises' cooperation in production. Thus the organizational structure of a joint-stock enterprise is different from that of an enterprise



that is not under the shareholding system. Since its establishment, the Shanghai vacuum electronics component joint-stock company has set up 15 economic combination bodies through holding and selling shares, thereby turning itself into an enterprise of a group nature. Feile, Yanzhong, and Aishi joint-stock companies have also developed transregional, transdepartmental, multitrade, multitier, and multi-industrial economic combination bodies by selling their shares.

Will the shareholding system shake and weaken the position of socialist public ownership? No. The nature of ownership of a joint-stock company is determined by the shares that constitute the principal part and occupy a dominant position. If state shares, collective shares, and cooperative shares constitute the principal part and occupy a dominant position, this enterprise is an enterprise under public ownership. If private shares constitute the principal part and occupy a dominant position, it is an enterprise under private ownership. Although private shares account for a large percentage in some joint-stock enterprises, they are scattered shares; whereas state shares can still play a leading role although they account for a small percentage. These enterprises should still be regarded as enterprises under public ownership. Therefore, the implementation of the shareholding system will not change the nature of China's socialist public ownership provided that the structure of shareholding rights is designed in such a way that state shares still constitute the principal part and occupy a dominant position. In this respect the following two points must be ensured: (1) The dominant role of public ownership in the entire national economy must be ensured. Although private economic sectors, individual economic sectors, and enterprises wholly owned by foreign investors have swiftly developed since the introduction of reform and opening up to the world, national economic sectors including state, collective, and cooperative economies still occupy an absolute dominant position in China's ownership structure. If everything is properly handled, the implementation of the shareholding system will not shake the position of public ownership in the entire national economy. (2) The state's right to control the shares of major enterprises must be ensured. State shares must occupy an absolute dominant position in enterprises that have important bearings on the national economy, the people's livelihood, and state security, so as to guarantee that the state keeps its rights to decide the investment direction of these enterprises and formulate their operational strategies.

#### **The Problems That Must be Handled Well in the Course of Implementing the Shareholding System**

First, it is necessary to be bold in practice and to be cautious in what we do. As a proprietary system and an organizational form, the shareholding system is a product of the development of large-scale socialized production and commodity economy. This system is widely used by many countries in the world. Its trial-implementation in some of China's enterprises suggests that it has

turned these enterprises into really independent commodity producers and operators that can assume sole responsibility for their profits and losses and set up a self-encouraging and self-restrictive mechanism. The shareholding system has strong vitality and should be put into practice. However many enterprises are trial-implementing this system, their methods have not been standardized, and no coordinated reform has been introduced in all fields. Under these circumstances we should not exaggerate the positive role of the shareholding system. As a measure for enterprise reform, the shareholding system requires the coordination of reforms in other fields such as those of taxation, financial work, labor, distribution, and cadre management. When the necessary conditions are lacking, the shareholding system should be trial-implemented so as to gain experience and create the necessary conditions for its popularization.

Second, it is necessary to rationally handle enterprises' profit retention. In the course of trial-implementing the shareholding system, it is important to handle well enterprises' profit retention after powers are delegated to them and tasks are contracted to them. Some people suggested turning profits into "enterprise shares" or "workers' collective shares," both belonging to the entire workers who are represented by the workers congress. Their reasons are as follows: The profits retained by an enterprise are the results of the workers' labor. Retaining these profits is good for protecting the interests resulting from reform and bringing into play the initiative of the enterprise and its workers. This view is incomplete, because the purpose of implementing the shareholding system is to explicitly define the relationship of proprietary rights. The ownership of "enterprise shares" is not explicitly defined and this does not correspond to the principle of the shareholding system, which provides that all the assets of a joint-stock enterprise belong to the shareholders. It is illogical for the enterprise to retain a portion of the assets, nor does it comply with international practice or is it favorable to absorbing shares from foreign capital. State enterprises have accumulated a huge amount of profit over the last few years. The regulations on contracts explicitly stipulate that this amount of profit belongs to the state. Now it will be defined as a part of "enterprise shares" out of which dividends will be distributed. This violates state interests. The setting up of "enterprise shares" is not good for improving the overtness of enterprises' operation, strengthening their financial restrictions, or exercising state control over the consumption fund. Because the amount of profit retained by an enterprise is not determined according to the quality of the enterprise's operation and management, irrational factors in the enterprise will be consolidated and inherited if all the profit retained by the enterprise is turned into a part of "enterprise shares." The purpose of setting up "enterprise shares" is to preserve the enterprise's original rights

and interests. As a matter of fact, since the implementation of the shareholding system, some of the enterprises' funds belong to their legal entity and are controlled by enterprises, so there is no need to set up "enterprise shares." For this reason, I suggest the following methods: The portion of profits (be this portion in kind or in cash) retained by enterprises for the development of their production should be entered in state shares; "workers' collective shares" should be set up in the workers' welfare fund with the aim of using the dividends to improve the workers' welfare; logically speaking, bonuses should be distributed to individuals, but under the present circumstances, it is advisable to forbid the circulation and transfer of shares bought with bonuses, so as to control the excessive growth of consumption. The 11 enterprises trial-implementing the shareholding system in Shanghai did not set up "enterprise shares" and will abide by this policy in the course of popularizing the shareholding system.

Third, it is necessary to standardize the trial-implementation of the shareholding system. It will not do to define the fund raised by enterprises or the bonds issued within enterprises as shares, nor is it appropriate to expand the consumption fund under the pretext of the shareholding system. Some comrades are of the opinion that anything can be regarded as a standard as long as it complies with the conditions of the country, the conditions of their province, or the conditions of their city. This is worth discussing. Some international methods concerning joint-stock companies have been derived from long practice by many countries and embody the needs of large-scale socialized production. In developing an export-oriented economy, Shanghai is sure to absorb foreign capital. In such cases, the shareholding system should be adapted to international standards. In addition, to provide an environment for equal competition between enterprises, it is necessary to practice standardization; enterprises should be prevented from doing business according to what they think is right by laying undue stress on their "specific conditions."

Shanghai is paying attention to standardization in the course of trial-implementing the shareholding system. Generally the city divides shares into state shares, unit shares (shares of the legal entity of an enterprise or social organization), and individual shares; it does not set up "enterprises' own shares." In terms of shareholding rights and interests, the city encourages the voluntary purchase of shares and stresses the importance of having equal shareholding rights; it encourages the rational distribution of dividends according to the profits of the enterprise concerned. With regard to transferring shares, no one is allowed to return the shares he has bought; he can transfer, present, or mortgage the shares he has bought or inherit shares from others. These shares must conform to international regulations. In terms of management, there is a shareholders' meeting or shareholders' representative meeting and a board of directors; some large enterprises have set up supervisory councils

and their boards of directors are responsible for recruiting and appointing managers; representatives of enterprises' legal entity are appointed according to the rules and regulations of these enterprises. To comply with the needs of standardization, it is necessary to formulate rules and regulations, to carry out coordinated reform, and to draw up "regulations concerning joint-stock companies," "regulations concerning the issuance and management of shares," and "regulations concerning stock exchange management." Apart from this, it is also necessary to set up institutions for the management of state assets and to form intermediate organizations to carry out accounting, auditing, public notary work, assets appraisal, and stock management. This will facilitate the trial-implementation of the shareholding system according to the relevant regulations under the management of the relevant department. Moreover, the systems concerning industrial and commercial management, financial taxation, labor, wages, personnel, and auditing should also be reformed so as to coordinate with the implementation of the shareholding system. Efforts should also be made to popularize knowledge concerning the shareholding system so that shareholders will have a clear idea about joint-stock companies, shares, shareholding rights, responsibilities, and risks. In particular, it is necessary to explain the difference between shares and bank deposits so as to prevent people from expecting too much benefit from dividends. All this will enable the shareholding system to develop healthily. On the basis of adequate propaganda work, efforts should be made to reduce to an appropriate level the excessively high dividends and bonuses in some enterprises trial-implementing the shareholding system, with the aim of improving their ability to withstand pressure and their staying power for development.

Fourth, in turning state enterprises into joint-stock enterprises, it is necessary to correctly handle the distribution of interests. In the course of trial-implementing the shareholding system, contradictions are bound to crop up in the distribution of interests. Enterprises, departments in charge of enterprises, and comprehensive economic departments should coordinate their relations well. The first point is to correctly handle the relationship of interests between the state, the enterprise, and the individual. After the implementation of the shareholding system in state enterprises, the existing tax rate of 55 percent will prove to be too high because the state can obtain dividends and bonuses in its capacity as owner of enterprises. Therefore this tax rate should be reduced (to 35 percent, I suggest). Moreover, tax payments should be separated from profit delivery, and bank loans should be repayed after tax payments. Within the original contract period, a contract enterprise that has shifted to the shareholding system should deliver taxes and profits (income tax and adjustment tax) to the state not lower than the basic figures set by the contract. If a portion of the taxes remains unfulfilled by the enterprise, the state will use the dividends and bonuses it obtains to supplement it; if this still proves to be inadequate, the after-tax profits retained by the enterprise

should be used to supplement it. In case the 35 percent income tax is equal to the basic figures set by the contract, the state can deliver its dividends and bonuses to the assets management department. After the expiration of the contract, this enterprise should follow the methods defined according to the shareholding system. Under the tight economic environment at present, this will stabilize state financial revenues, protect state interests, preserve the seriousness of the contract, safeguard the interests of the enterprise and its employees, and provide conditions for the transformation from the contract system into the shareholding system. In a joint-stock enterprise, the employees' work remuneration and welfare should be separated from the interests of the owner. Some people suggested that employees' wages and bonuses be entered in production costs and that after-tax profits be used for expanding production. This is a good reform measure that is worth studying. The second point is to make a good assessment of assets. Making a good assessment of an enterprise's assets is a precondition for implementing the shareholding system. The principle of assessment should be scientific, rational, and simple. Underestimating the value of an enterprise's assets will lead to the loss of state or collective assets and violate state or collective interests. Overestimating that value will harm the interests of new shareholders. The trial-implementation of the shareholding system indicates that the assessment of the value of an enterprise's assets should be made according to the quality of the enterprise's factory building and equipment by referring to market prices. This assessment should include both corporeal and incorporeal assets. Corporeal assets are easy to assess but incorporeal assets are difficult. All these problems should be properly handled in the course of trial-implementing the shareholding system. The third point is to take account of both long-term and immediate interests of the enterprise trial-implementing the shareholding system. Profit distribution in a joint-stock enterprise involves the interests of the state, the enterprise, the employees, and the shareholders. There is a need to set a reasonable ratio between the provident fund, the community chest, the dividends, and the bonuses and to consider the actual conditions of the enterprise. It is all the more necessary to take account of the enterprise's long-term interests so as to improve its staying power. Efforts should be made to disseminate and explain the implementation of the shareholding system so that the shareholders will concern themselves with the development of the enterprise and overcome the tendency of engaging in short-term activities.

#### **Soviet Philosophy in Reform**

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[Text] The reform which the Soviet Union is now carrying out has attracted the attention of the whole world.

This reform is being seen as deep-going revolutionary change touching on every aspect of social life. The reforms started in the economic sphere but people very quickly recognized that if the economic reforms were to succeed, political reforms had to accompany them. Not only this, but the arduous process of reform over the last 3 years has also caused people to further recognize that what the economic reforms and the political reforms are intended to resolve are certainly not just economic problems or political questions. A social transformation of this scale, consciously and enthusiastically initiated and promoted by the major part of society, will widely affect the social spirit and on a deep and basic level will involve world view questions, that is, philosophical questions. Such questions as: What is the ultimate goal of the reforms? What effect will the reforms have on the future development of socialist society? What effect will the reforms have on people's fates? Further, any major activity of social transformation actually cannot be divorced from deep philosophical thought.

The Soviet Union's reform has put pressing demands on philosophy and the social sciences, and required that they formulate an overall development concept for reform, and provide a scientifically-based theoretical proof for every practical step. However, because philosophy and the social sciences have long been affected by dogmatism, scholasticism and other problems, it is difficult for them to accord with these intense social demands at present. Whether or not philosophy and the social sciences carry out reform has become the decisive factor in whether or not they can complete the mission which history has given to them, and is the basic precondition for their continued existence. h3  
Reflection and Reappraisal

The Soviet reforms have a characteristic which is especially worthy of note, that is, the critical reflection on history and the reassessment of the existing value concepts which have accompanied these reforms.

Since 1985, the many major reports and speeches which Gorbachev, representing the CPSU, has given have all been permeated with the spirit of reflection and have repeatedly stressed that it is necessary to carry out "overall critical analysis" of the roads which have been travelled in the past. In October 1988, in a speech commemorating the 70th anniversary of the establishment of the Communist Youth League, he summarized the period since April 1985 as "a period in which the people of the Soviet Union have engaged in deep reflection on the fate of the country."

Although penetrating reflection on history, sober self-analysis, and careful examination of existing value concepts are an important condition for the progress of mankind, these are certainly not easy things to do. During the 70-plus year history of the Soviet Union, the Soviet people have not always been able to use the brave spirit of breaking down the old world to critically look at their own history and to candidly face reality. As the

Soviet people themselves have recognized, in this respect they have too much of the "obstructing mechanism." Socialist revolution first achieved success in Russia and through their own efforts they built a force which could contend with the major capitalist powers. The Soviet people have reason to feel proud of these great achievements. However, because of these achievements there emerged among the Soviet people an excessive feeling of superiority and a feeling that they bore a heavy historical burden. Non-critical, non-dialectical thought modes occupied the leading positions for quite a long time. The Soviet Union came to visualize itself as the sole representative of the interests of the entirety of mankind and got used to seeing everything it did as naturally rational. It even blindly believed that the superiorities of the socialist system would automatically become manifest. Any claim that in Soviet society there existed negative phenomena were criticized as casting doubts on the superiorities of socialism and blackening the socialist system. In this way, practice (including mistaken practice) became something which one could only laud, and everything had to be seen through rose-colored glasses.

The "new thought" which the Soviet Union has strongly advocated over the last few years stands opposite to the metaphysical thought modes detailed above. Its essence lies in restoring the spiritual substance of Marxism, that is its critical and revolutionary nature. It has been the critical reflection on the historical paths which has been carried out which has allowed the Soviet people to recognize that "the socialist system cannot guarantee that a trend of stagnation will not emerge or accumulate, and it cannot guarantee that serious political crises will not occur." There was a recognition that the Soviet economy in the early 1980's was in a "pre-crisis situation." Reflection and the emergence of a "crisis" consciousness and sense of urgency, have encouraged the Soviet people to again strongly stress, 70 years after victory in the revolution, that there is a need in every field of social life, to engage in "real, revolutionary change."

Reflection involves a critical awareness and recognition of history and of oneself and it has great sensitivity and incisiveness. The obstacles met by reflection and the obstacles met by reform are equally large. However, when an entire society recognizes the importance of reflection, and engages in great struggle to carry out this reflection, reflection will have a reliable guarantee. Such a society will, on the basic level, raise the undertaking of transformation in which it is engaged to the level of philosophy.

### **The Historical Destiny of the Soviet Union's Philosophy**

The reform of the Soviet Union's philosophy began with critical reflection on the road which had been previously taken. The situation of Soviet philosophy in the past caused worry and this field accumulated many "phenomena of stagnation" and "phenomena of crisis." Like other social sciences, it "suffered the deepest harm from

personality worship, bureaucratic leadership practices, dogmatism and external interference" and in the 70 years it travelled an arduous, bumpy road.

The Soviet Union's philosophy was born in the tempest of the proletarian revolution and in its infancy it was suckled by Lenin. Lenin himself had a great interest and deep understanding of philosophy and he paid great attention to and was very concerned about the development of the social sciences and philosophy. The policy he adopted in his ideology of combining principle and flexibility resulted in the social sciences and philosophy gaining no little benefit. From 1917 till the middle of the 1920's, social science and philosophical research and education were in their initial stage. It was only in the beginning of the 1920's, when the civil war ended and peaceful construction began, that Marxist philosophy was listed as a course for teaching in institutes of higher education and gradually became an independent science. Marxist philosophy at that time had not achieved the fairly complete form we have today and there was no strict delineation between dialectical materialism and historical materialism. Philosophy and real life maintained a close relationship and that which philosophical research and education explored and discussed was mainly pressing theoretical problems related to the socialist revolution and construction. The majority of philosophical works were written on the basis of textbooks and there was as yet no "theoretical authority" setting the tune and drawing the frame for the Marxist philosophical system. Although at that time there existed in society intense class struggle and there were acute struggles between the lines within the party, in the ideological arena differences in viewpoints and debate between ideas still existed and academic debate was not simplistically equated with class struggle or struggle between different lines. Some theoretical workers who had made mistakes during the struggle between lines within the party and been criticized (people such as Bogdanov, Akselrod, and Deborin) were still allowed to teach in institutes of learning and to participate in normal theoretical work.

The untimely death of Lenin in 1924 brought a loss, difficult to make up, to the development of all undertakings in the Soviet Union.

From 1924 to 1953, the Soviet Union passed through the "Stalin period." Through intense inner-party struggle, Stalin became the major leader of the CPSU and gradually came to hold absolute power. Under the guidance of the Central Committee of the CPSU, led by Stalin, the Soviet Union paid a high price to carry out socialist industrialization and agricultural collectivization, and in a short period it built itself into a strong socialist country which was able to bear the harsh tests of World War II. However, one of the systems which is a major target of the reforms today is the so-called "Stalinist model of socialism" and the many ossified concepts of the Soviet people. These are the things which were formed and fixed in the period spoken of above. "Violations of the

character of socialism," "violations of the principles of socialism," and the Stalin-worship which brought great harm to the Soviet Union's socialist undertakings, were also formed and developed and reached their peak in the early years after World War II.

The debate centered on the Deborin school in the 1920's and early 1930's, the publication of Stalin's *On Dialectical Materialism and Historical Materialism* in 1938, and the 1947 all-Soviet philosophical conference to discuss the book *History of Western European Philosophy* written by Alexandrov, three major events which can be considered to have had an important bearing on the development of Soviet philosophy and the social sciences.

The end of the 1920's was, in the true sense, the period when philosophical research widely developed in the Soviet Union. However, as soon as it commenced, it was subject to serious interference by the system of administrative orders and personality worship. The debate centered on the Deborin school was initially restricted to the academic field but because of direct interference by Stalin, this debate quickly changed in nature. On 9 December 1930, in a talk to the party branch of the Institute of Red Professors, Stalin declared that the Deborin school was "Menshevik idealism" and he demanded that there be thorough investigation and criticism of everything the "mechanists," the "Deborinites," and "other revisionists" had written, done and said. It can be said that that day was the beginning of a bitter course for Soviet philosophy, as Stalin set a precedent by which the highest party leader gave rulings on political debate and directly linked together philosophy with politics, and academic debate with debate between the lines within the party and class struggle within the society. In this debate, M. Mitin, a philosophy worker who had newly appeared and who was looked well upon and supported by Stalin, declared: "Even on the most abstract theoretical questions, the slightest deviation from the correct Marxist-Leninist stand has at present major political significance and reflects a restraining class nature which is ultimately aimed at opposing the dictatorship of the proletariat." Thus the "mechanist" viewpoints were declared within the party to be "the philosophical basis of rightist opportunism", while the views of the Deborin school were deemed to be "the philosophical basis of 'Leftist' opportunism and Trotskyism." More seriously, in 1936, Mitin used the language of denunciation to declare: "The triply-contemptible Trotsky-Zinoviev fascist terrorist bandit clique takes Menshevik idealism as their agent on the philosophical front."

Beginning in the 1930's philosophy increasingly became a tool serving political struggle and philosophers basically lost the capacity to engage in independent academic research.

The two books *Dialectical Materialism and Historical Materialism*, which were edited by Mitin and others and published in 1932-33 as texts for tertiary institutions,

tried for the first time in the history of the development of Marxism to give Marxist philosophy a complete shape through the form of textbooks. These books' layout (completely separating dialectical materialism and historical materialism), narrative method (drawing from the classics and providing principles with examples), style ( using a nihilist attitude to treat Western classics and modern philosophy and wildly placing political hats on Russian and Soviet philosophers and scholars) and especially their aim of appending philosophy to politics and their clear-cut stand that philosophy must positively serve the current political struggle, had a deep-going negative influence for decades after on the philosophy of the Soviet Union and other countries. Although Stalin's "On Dialectical Materialism and Historical Materialism" which was published in 1938 constituted only one chapter in the *History of the CPSU* and showed an obviously simplistic and crude understanding of Marxist philosophy, it was exaggeratedly claimed to be the peak of Marxist development and was venerated as a classical system of Marxist-Leninist philosophy. From this time on, all philosophy textbooks of the Soviet Union took this as a blueprint. Not only could the categories it set down not be transgressed, but even the slightest deviation could be declared a crime against Marxist-Leninism. It gave the erroneous impression to several generations which came after that only by ardently reading and reciting the principles and theses put forward in the book could they master the entirety of Marxist-Leninist philosophy. At the end of the 1930's, the personality worship of Stalin saw rapid development, the legal system was trampled upon, democratic principles were violated, there was abuse of power and innocents were executed. With growing intensity, the bureaucratic system of administrative orders expanded to all areas of the superstructure and the social sciences and philosophy fell into a deeper plight.

This erroneous influence increased rather than decreased after World War II. Social sciences research and philosophical research which had been broken off by the war had just begun to revive when they were subject to the battering of the new campaign of "carrying out an overall attack on foreign hostile ideologies and on the remnants of bourgeois ideology in the consciousness of the people of the Soviet Union" which was instituted by Stalin and Zhdanov. The spearhead of this campaign was first directed at literature and art circles and subsequently aimed at the philosophical and social science fields. Even the natural sciences could not escape unscathed. The all-Soviet philosophical conference convened in 1947 constituted the high-tide of this campaign. The majority of the philosophers who participated in this conference did not understand the real intent of the conference and, at the same time as criticizing and censuring the works of their fellows, they used the opportunity to unburden themselves of their bitterness and their deep-seated worries about the fate of Soviet philosophy. To a certain degree this revealed the problems of Soviet philosophy (dogmatism, scholasticism and pedantry) and expressed their desire to change the

situation of "a pool of stagnant water" and their wish to engage in creative philosophical research. However, Zhdanov's speech basically destroyed the wishful hopes of the philosophers. Zhdanov, as an ideological leader, did not analyze, in a down-to-earth way, the true causes of the "pool of stagnant water" of Soviet philosophy or the reasons why "ten thousand horses stood mute." Neither did he engage in any self-criticism. Rather, he shifted the entire responsibility onto the philosophers and then sternly censured the philosophical circles. A number of disturbing incidents which occurred after 1947, such as Lysenko's criticism of genetics and the campaign to oppose "cosmopolitanism" put even more pressure on the theoretical circles.

After Stalin died in March 1953, major changes occurred in the Soviet Union. When Krushchev took office, he revealed and criticized the personality worship and he made an attempt to destroy the administrative order system which had been formed in the 1930's and 1940's. Humanist ideas and value judgements were stressed and creatively engaging in theoretical research was promoted. Also, the democratization of social life was revived to a certain degree and all these changes played a beneficial role in improving the situation in philosophical circles. The philosophical circles used this period of "thaw" to engage in a certain amount of reflection on the historical path they had followed and they clarified and revived some of the philosophical principles which had been degraded, obscured or twisted during the period of personality worship. They also opened up field of philosophical research and a flood of new research topics and orientations appeared. However, dogmatism, scholasticism and such chronic problems had not been overcome, the serious "obstruction mechanisms" had not been eliminated and personality worship had been affected only to a limited degree. Further, the innate relationship between these phenomena and the administrative order system had not been revealed. Ideological power was still basically in the hands of those theoretical "authorities" who had made a meteoric rise to fame during the period of personality worship.

After Krushchev was replaced by Brezhnev in October 1964, it appears that social life in the Soviet Union was fairly stable and although control over the ideological field and theoretical research work was still tight, there was a certain degree of academic freedom allowed and there was no excessively overt or crude administrative interference. Stability and conservatism became the prominent characteristics of Brezhnev's rule. This situation led to the inertia, ossification and stagnation of thought and the impending economic crisis of the 1970's and the early 1980's. In social life and ethical areas, there appeared many unusual phenomena and there was a flood of dogmatism, bureaucratism and voluntarism. Some philosophers with original ideas and a bravery in theorizing realized impressive achievements within their specialties, but they often had to work under very difficult conditions. Some other philosophers were fond of engaging in pedantic theoretical study during these

years of despondency. Some persons in the philosophical circles "considered themselves the authority" and in a stupid manner, did their utmost to obstruct and stifle ideas and new viewpoints. Philosophers who were not willing to march to the tune which was called or were unable to provide timely evidence for Brezhnev's theoretical "discoveries" (such as the so-called "advanced socialism" and so on) were repeatedly subject to criticism.

Through a critical examination of the difficult course through which Soviet philosophy had passed, the philosophers discovered that, although they had tried to use what they had uncovered about the mysteries of things and their understanding of the true meaning of life to help people effectively transform the world and master their fates, they had not always been able to be the masters of their own fate or the fate of their philosophies. Facts have proven that the fate of Soviet philosophy has been affected mainly by social politics and ideological policies.

The fact that the fate of philosophy has been determined does not mean that it receives no attention. The opposite is the case. The degree to which philosophy in the Soviet Union is paid attention is perhaps unrivalled by any country in the world. However, the fact that it receives attention does not mean that it can dictate its own fate, and does not mean that it will be able to see smooth development. Philosophers are conscious of the fact that when the power to develop Marxist-Leninist philosophy belongs to one person and "one person replaces the thought and speeches of many people", philosophers can only play a pitiful role. They should not have their own individuality, their own brains, that is they should not have independent thought capacity or creative thought. They have to provide explanations, proof, flattery and defence for every proposal and thesis (even wrong ones) put forward by "the one who considers himself the authority" and they have to violate their own aspirations and philosophical instincts in fulfilling the function which politics has given them.

The past and the present give one cause to think about the following questions: Given that philosophy has received so much attention, why has it not seen due development? Why is it that the superior socialist system has not been able to produce some major philosophers of world class? Given that philosophy has served politics so actively, why is it constantly censured for being divorced from practice? The majority of the philosophers are loyal and devoted to the socialist cause and they have maintained a firm trust in Marxist-Leninism. Why then do they have to work under such difficult conditions? Everywhere philosophy is publicised and stressed. Why then is its social effects, social influence and theoretical prestige so obviously low? The dogmatism, scholasticism and pedantry of philosophy were long ago revealed. Why is it that they have not been overcome? In a word, what is the problem facing Soviet philosophy?

### A New Affirmation of the Nature of Philosophy

The Soviet philosophers candidly acknowledge that the field of philosophy has already accumulated a large volume of "phenomenon of stagnation" and "phenomenon of crisis." Overcoming these negative phenomena is the only way to have Marxist-Leninist philosophy again irradiate a new youthful vigor. That is to say, there is a need to engage in the reform of philosophy itself.

If philosophy is to engage in reform, there is a need to first become clear about the crux of the problems. In the last one or two years, seen on the surface, Soviet philosophy has been fairly vigorous, there have been a large number of monographs and articles produced and various Marxist-Leninist philosophical systems put forward on the basis of different program structures have, one after another, been provided to readers. However, a correlate of this flourishing activity has been a decline in its prestige. Philosophers have come to increasingly realize that what Soviet philosophy lacks is not structural systems nor the capacity to engage in elaborate philosophical research. What it lacks is the lively and vigorous spiritual essence of Marxist-Leninist philosophy. This is where the crux of the problem lies.

"Dialectics does not worship anything and, in accordance with its nature, it is critical and revolutionary." "Philosophers use different ways to understand the world, but the issue lies in how to change the world." People have summarized, from these famous dictums of Marx, the inherent nature of Marxist philosophy, that is, its critical and revolutionary nature. However, for many years in the Soviet Union, not only has the nature of Marxist philosophy not been realized, but has actually "already been lost." Whether the critical nature and critical function of Marxist philosophy is maintained unchanged in socialist society is a question which is often avoided, while the concept that socialist society cannot become the target of research is widely circulated and deeply-rooted.

Since 1985, the critical nature and function of Marxist philosophy has been newly affirmed and elucidated. From CPSU leaders to the ordinary philosophy workers, all have stressed that the critical nature of Marxist philosophy should be respected and widely propagated. For example, Gorbachev has successively pointed out "Our ideology is essentially critical and revolutionary," "Creative Marxism-Leninism often provides an objective and deep-going scientific analysis of the reality of life as it develops. This analysis is critical analysis which has no taboos, hides nothing and is not afraid of the truth." Philosophers have pointed out: "In terms of its real nature, philosophy is a critical form of human knowledge." "Philosophy uses this critical analysis form to examine, analyze and 'test' current spiritual culture, to reveal its essence and show its prospects, 'so that it cannot lie tranquil,' so that it is constantly in an agitated state and so that thought in all areas of activity is pushed forward." Clearly, the place where philosophy differs

from other aspects of human consciousness lies in being a critical ideology. It is an element which can keep mankind's spirit ever-young. It demands that mankind's thought never sinks into inertia, is not satisfied with the current situation and not intoxicated with achievements. "Within an affirmative understanding of current things, there is contained a negative understanding of current things." This critical function of philosophy is not self-given, but has been given to it by its natural mother—mankind. The philosophers have also expounded on their understanding of the overall nature of philosophy today: "This is a type of creative, independent, free thought built on the basis of philosophers' spirit of initiative, thought and individual dignity. It does not recognize anything higher than truth. It questions everything and queries all, including itself. It proves truth, but does not accept any individual ready-made truth imposed on it from any quarter." "Apart from the limits philosophical research sets itself, it is not subject to any restrictions. Apart from the authority of its own theses, it does not recognize any authority."

Soviet philosophers correctly point out that, seen in terms of philosophy, what is called reform is actually a critical analysis and transformation of reality. And new thought, which is seen as the most important spiritual factor of reform is actually objective, uncompromising critical analysis of existing problems, and the adoption of creative, constructive attitude in resolving these problems. Its mission lies in overcoming ossified consciousness models and in opening new prospects and new possibilities for man's activities under modern conditions. The Soviet philosophers believe that the critical and revolutionary nature and function of Marxist philosophy are suited to use on itself and, in the process of critically examining reality, philosophy should critically examine and test its own theories and methods.

First, Soviet philosophers deeply feel that at present there is a deep need to again consider and clarify the position and role of philosophy in the whole system of mankind's knowledge, put it in a correct relationship with other sciences (natural sciences, technological sciences and social sciences), correctly understand its nature and appropriately bring its role into play. The experiences and lessons in this respect are quite numerous. Faced with actual social questions, philosophy is often unable to adhere to its own nature and realize its own function. Instead, it submits to and goes along with the political demands of the time. In the past, Soviet philosophy was often accused of being divorced from life. Now, the philosophers have recognized that the claim that they were divorced from life did not mean that they did not study social life, but rather referred to how they engaged in this study. As this research "adopted a non-critical dogmatic attitude to socialist practice" in the Soviet Union, it was thus basically and essentially divorced from life and practice. Philosophers point out that practice cannot become the basis of understanding and the criteria for truth at all stages of its development or under any conditions. At times, practice



can be the basis of errors, because "practice should become the target of criticism and should not become something which can only be lauded." When faced with natural science questions, some philosophers have put Lenin's ideas on the alliance between philosophers and natural scientists to the back of their minds, considered their own visions to be absolute truth and made ill-considered statements on these natural science questions. They have wildly criticized some scientific disciplines and thereby made many stupid mistakes. For example, they have denounced genetics, relativity and control theories as pseudo-sciences. In this type of situation, philosophy has actually played the role given to it by politics. This is another form by which its loss of its own nature has been manifested.

Some philosophers proceed from a desire to "protect" the lofty and respected position of philosophy, and use one hundred and one ways to try to prove that "the entire world" is the target solely of philosophy. This view has already been refuted. Some people point out that "the entire world is studied by the whole system of natural sciences, technological sciences and social sciences" and "each science should, while maintaining its own special nature, reveal the materialist dialectics in its own field of understanding." That is to say, when compared with the various sciences, philosophy has no special prerogatives. It cannot place itself above other sciences and it can only proceed from its own angle in understanding the world.

Second, philosophers are newly examining the relationship between philosophy and society and between philosophy and politics. Philosophers incisively point out that today not only should philosophy proceed from its own angle in becoming clear about its position under modern conditions and in a world which is rapidly changing, as well as about its relationship with society. Society also should proceed from its own angle in becoming clear about its relationship with philosophy, its attitude to philosophy, whether it needs philosophy, what sort of philosophy it needs and what goals it wants to obtain through philosophy. It cannot be denied that society has the capacity to mold a particular type of philosophy in accordance with its needs. However, this capacity should not be indiscriminately used. Society needs philosophy because without philosophy society cannot have a normal and healthy spiritual life. Society's need for philosophy is an innate, real need. It is not decoration and even less is it for the purpose of attaining some immediate benefit. Some people in the Soviet Union believe that a major reason why Soviet philosophy has had such an unfortunate time is because it is so tightly linked with politics, and that if philosophy wants to realize a revival, it will have to rid itself of this relationship. Soviet philosophers have very recently pointed out that that the above-mentioned idea is not completely correct. In fact, philosophy is organically linked together with "major politics," that is with social political issues of basic significance (significant in world history and significant to the whole of mankind). Also,

philosophers cannot put themselves outside politics, especially now, that is especially in a period when politics is, to an increasing degree, determining the fate of Soviet society and Soviet people. The key lies in the idea that philosophers should not always engage in explanation and defence of a political policy only after it has been approved. Rather, they should actively put forward their own suggestions before these policies are decided, and thereby from their own angle influence political reform strategies. Seen from the present situation, what is particularly needed is serious and deep-going philosophical analysis and reflection of the guiding ideas and modes in the current reform of the political structure, thereby contributing strength to the smooth implementation and realization of the political structural reforms.

Third, philosophers believe that there is a need to deeply reflect on the path which has been travelled by Soviet philosophy and the research methods which have been followed up till now. The philosophers point out that the orientations and methods of philosophical research in the past have run counter to the Marxist philosophical research orientations and methods in the classics. The writers of the Marxist classics mainly researched the major questions in social historical practice closely linked with mankind's fate, and the dialectics of the specific process of development of objective reality. Through this research they revealed the universal laws of society, the natural world and man's thought and formulated appropriate principles and categories. They did not put major efforts into formulating complete, perfect philosophical systems. However, Soviet philosophical research in the past did not touch on or did not dare touch on the urgent questions in social life, and instead often took one or several principles, categories or concepts as the starting point of research. Some people even took the mistaken ideas or propositions which were put forward on a moment's inspiration by those who had "considered themselves the authority" as their lifetime research topic. Some other philosophers wanted to separate philosophy, as distinctly as possible, from the other scientific fields of knowledge and set themselves a domain, so that in the little world they had built they could seek out topics, search for inspiration bury their heads in studying "their own science" and seek to construct systems. In this way, the closed, isolated and self-sufficient nature of philosophy grew ever stronger. The philosophers who hold a critical view of the above-mentioned research method believe that the reform of philosophy should be approached from the angle of resolving basic questions such as the orientation, avenues and methods of philosophical research.

Fourth, Soviet philosophers have critically reflected on their attitude to modern Western philosophy and Russian philosophy. For a long period in the past in the Soviet Union, all modern Western philosophy was lumped together as "bourgeois philosophy" and "criticism of modern bourgeois philosophy" became an independent science. Although it had criticism as its goal,



this "criticism" was not criticism in the true philosophical sense. Rather, it often involved complete negation and wild sticking on of political labels. This simplistic method is today seen as "one of the forms of manifestation of the dogmatism of Soviet philosophy." Since 1987, the philosophical circles have proposed the new idea that there be constructive and appropriate criticism of Western philosophy. Philosophers recognize that it is not possible to sweepingly declare all the bourgeois philosophy which has appeared since the emergence of Marxism to be entirely reactionary philosophy. In fact, after the birth of Marxist philosophy, Western philosophy did not stop its own development. Western philosophy has put forward and is now discussing many extremely pressing philosophical questions, questions which Soviet philosophy has not researched sufficiently or which it has not researched at all. In today's world, no single country can put forward and answer all philosophical questions. What is meant by "constructive criticism" is that when examining Western philosophy, first attention should be paid to becoming clear about which major and pressing philosophical problems it has put forward. In particular, it is necessary to become clear about how these questions have been "resolved." From this it will be possible to discover problems which have significance as theoretical starting points and which Western philosophy has tried to resolve but been unable to do so. Then proceeding from a Marxist stand, these problems can be subject to positive, synchronic research and resolved independently. Only in this way will it be possible to obtain the power to determine whether the others are correct or not, and thereby enrich and develop one's own philosophy.

Soviet philosophers have become aware that in the past they have taken a very biased view of the legacy of Russian philosophy and especially of its idealist philosophical trends. Past research on the history of Russian philosophy has only placed stress on uncovering and elaborating on materialist philosophy and it has avoided and obscured the very major idealist ideological trends. This has given people the impression that the only tradition in Russian history was a materialist tradition and that the Russian Marxists were especially fortunate as the legacy they inherited was uniformly progressive. Some people have fairly pointed out: "Concealing a part of culture implies the distortion of culture itself." Lack of respect for history will inevitably result in the distortion of history. The harm and losses brought by this narrow cultural viewpoint and historical viewpoint are now being recognized. In 1989, the philosophical circles will begin publishing the series "History of the Motherland's Philosophical Thought" and this will include selected philosophical works of B.C. Solovyev, K.D. Kavelin, N.A. Berdyaev and M.A. Bakunin.

Fifth, Soviet philosophers have recognized that critical reflection on the course of history and seriously summing up experiences and lessons is only one side of the reform of philosophy. A more important task is to ensure that Marxist philosophical researchers achieve creative

results of breakthrough significance, which provide their philosophy with a modern form so that it becomes the essence of the spirit of the times, both in name and in fact. In summing up the changes in the Soviet philosophical circles since 1985, we can note two points which can be considered to be "achievements of breakthrough significance." First, the new affirmation and propagation of the essence of Marxist philosophy. Second, the switch and advance of philosophical research towards the philosophical question of man. Everybody knows that man himself has become a central issue in philosophical research in the modern world. Even at the end of the 1960's, some sensitive philosophers had perceived the defect of Soviet philosophy in avoiding and obscuring the philosophical question of man. However, proclaiming in a truly assured way that the question of man is something which runs through the entire contents of philosophy has only been occurring since 1985. The book *Introduction to Philosophy* edited by I.T. Fuluoluofu and which is to be published in 1989 represents in prominent and centralized way the change in Soviet philosophy towards subjects involving the study of man. This book is different from past Soviet philosophical textbooks in all areas, from its structure to its contents and from its guiding ideology to its narrative method. It takes the question of man, the various types of relationships between man and reality and man's fate and mission as its subjects. It notes that "man should, to an increasing degree, become an issue which permeates Marxist philosophical science from beginning to end, because the meaning and significance of philosophy lies in putting forward and exploring the questions of man's existence in the world" and stresses that humanist [REN DAO ZHU YI 0086 6670 0031 5030] ideals are the essence of Marxism and socialism. This book engages in a critical analysis and summing up of past philosophical textbooks. It notes that the Marxist world view put forward in past textbooks adopted a form which was estranged from man, and when discussing the material and consciousness, space and time, and laws and categories it lost sight of man, concealed man, ignored man's existence. People thus lost their interest in philosophy. This book abandons the method used in the textbooks in the past whereby dialectical materialism and historical materialism are completely separated and stresses that Marxist philosophy is a complete system comprising an organic unity of materialist dialectics, a materialist view of history and the Marxist study of man.

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Revolutionary reform is a stage in the development process of socialist society, a stage which accords with the patterns. It will be arduous, complex and long. The Soviet Union is at the beginning of this stage. The reform of Soviet philosophy likewise has only taken the first step, and in a period of only three years it is not possible to completely sort out and resolve the accumulated problems of several decades. However, the reform of philosophy has achieved some clear and obvious achievements. The ideas of the philosophical world are

more liberated than at any time in the past and quite deep reflection has been carried out. They have also dared to squarely face and reveal backward things and, in particular, have dared to shake up crucial and "forbidden" areas.

The attention paid to theoretical work by the Soviet leaders, the pressing demands place on the philosophical circles by change in society and the implementation of democratization and the open policy have all created beneficial conditions, environment and atmosphere for the development of philosophy and the social sciences. This forebodes the coming of a "Spring" in which philosophy will be vital and vigorous.

**Constructing a Modern Form of the Theory of Truth—Reviewing *Dialectics of the Development of Truth***

HK0505000289 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 7, 1 Apr 89 pp 42-43

[Article by Huang Nansen 7806 2809 2773 of Beijing University]

[Text] Comrade Li Quanshi's [2621 2938 2514] new work *Dialectics of the Development of Truth* (published by WUHAN PUBLISHING HOUSE in 1988) is a monograph which systematically expounds on the Marxist theory of truth. However, it does not simply repeat the basic viewpoints of the Marxist theory of truth. Rather, it draws on the most recent achievements in philosophy, the natural sciences, and the social sciences in an effort to give the Marxist theory of truth a new image. The book has many characteristics, three of which I consider to be quite outstanding.

First, the book uses modern systems theory and the achievements of scientific philosophy to analyze truth, then puts forward questions such as the system, structure, and levels of truth, and models for the development of truth, and provides appropriate answers. This book draws on the achievements of philosophical research in recent years, especially the achievements in epistemological research, greatly enriching the contents of the dialectics of truth. For example, in the chapter "The Impetus for the Development of Truth" the author explores the role of the five types of contradiction, that is between the spiritual and the material, the subject and the object, consciousness and practice, truth and falsehood, and the contradictions within truth, in promoting the development of truth. In the chapter "The Laws of the Development of Truth" the author explores five laws including that whereby truth follows the development of practice. Of course, whether the overall framework of this system and its specific contents are completely appropriate is a matter for discussion, but the work makes a beneficial attempt at establishing a theory of truth system which is rich in content and has a feeling of the times.

Second, the author puts forward many of his own ideas on questions which are now being discussed by the philosophical circles. Over the last few decades, there has been much debate on the question of truth and the author, while systematically elaborating on the theory of truth, provides his own answers to various questions. What is truth? A few years ago, after intense debate, some people felt that truth was constituted by the real world and its patterns, others felt that it was constituted by that part of the world in man's cognition, while others felt that truth was correct cognition. The author does not agree with the proposal of mixing truth with the real world and believes that truth is the philosophical category in which the objective accords with the subjective. The author points out that we cannot simply sum up the essential property of truth as objectivity. This is because not only truth possesses objectivity. Falsehood also possess objectivity and is also a reflection of an objective target. Only by mastering the validity of the reflection of an objective target, "the unity of the subjective cognition and the objective target, the conformity of the subjective idea and the objective features," which is the most essential characteristic of and belongs solely to truth, will it be possible to finally clearly distinguish truth from falsehood.<sup>1</sup>

What is absolute truth? Does absolute truth exist? These are questions which have been long debated. On the absoluteness of truth, there is no difference of opinion between people, but when absolute truth is spoken about and understood as a sum total of infinite relative truths, the differences begin to appear. Some people believe that as it is formed through infinite relative truths, and the sum of relative truths cannot now be arrived at and even in future will not be achieved, absolute truth becomes a Kantian-type thing-in-itself which can be sought but never attained. At most it is a hypothesis, and actually it does not exist. The author says: "Mankind...through the accumulation of infinite relative truths, continually moves towards absolute truth, but will never reach absolute truth."<sup>2</sup> However, he also denies that view which holds that absolute truth does not exist, and believes that "the development of truth is manifested as a limitless process of accumulation of relative truths. Thus denying infinite relative truths is essentially denying the generational continuity of mankind's correct cognition of the world, and denying mankind's capacity for cognition."<sup>3</sup> The author also points out "The 'sum' referred to here can only be seen as a perpetual process of development, not as a complete form."<sup>4</sup> This answer is quite appropriate and apt. In the past there was a simplistic understanding that there existed a completely formed absolute truth. This is approaching truth from a metaphysical viewpoint. When has there been any theory which could be considered to be absolute truth in any field? There have been none in the past, there are none now and there will be none in the future. If one speaks about attaining a sum of truths in all fields, this is naturally even less possible. First, all theories are in development, and the development is eternal and without end. Second, no theory can be absolutely correct,

regardless of how scientific it is, as the development of practice can always discover incorrect or not completely correct aspects. If from this one comes to the conclusion that absolute truth does not exist, one is moving to the other extreme, the extreme of relativism. Thus, absolute truth exists but not in a complete form. Absolute truth exists in the sum of the scientific theories which have been achieved in the modern age, and in the theories of modern science there exists grains of absolute truth. Lenin said: "Absolute truth is formed by the sum total of developing relative truths."<sup>5</sup> These words quite precisely express the characteristics of absolute truth.

What is the object? Does the object have objectivity? Some people believe that the object relies on the practice and cognition of the subject for its existence, and that something which has not been attained by the subject's practice or by the subject's cognition is not an object. They deny the objectivity where an object is independent of man's will. The author does not directly put forward this viewpoint, but cleverly provides an answer to this idea. The author distinguishes an object from an objectively-existing thing, and accepts that the object is a category which has a mutual correspondence with a subject, while noting that not all objectively-existing things are objects. However, the author clearly points out that an object has objectivity and that regardless of whether one speaks of a natural object, social object, or spiritual object, they all have an objective existence and objective patterns which are independent of man's will. Is there a contradiction between these two ideas? In the view of some comrades, as an object is only something recognized or transformed by man, it is not independent of man's will. In response to this idea, he holds that "the object is not a thing which exists in itself, but something indicated in the activities by which the subject recognizes and transforms the world. It is a specifically indicated objective target which has a functional relationship with the activities by which the subject recognizes and transforms the world."<sup>6</sup> The way in which the author uses the term "indicated" is extremely precise. "Indicated" means that the object is not limited by things which have already been transformed or recognized, and clearly shows the objectivity of the object. It thereby refutes the view that denies the objectivity of the object. Actually, for those things which have been transformed, in terms of their forms of existence, they do indeed rely on man. However, in terms of being targets indicated by the cognition of the subject, they are independent of man's will.

Third, there is new innovation on the basis of adherence to the essential ideas of dialectical materialism. In the last ten years there has been agreement by everyone that Marxism requires both adherence and development. Abstract speech is easy, but truly combining adherence and development is difficult. This is because it is very difficult to distinguish that which is development while adhering to the base from that which is deviation from adherence. This distinguishing often requires repeated

testing over a quite long period of practice. This book seeks to achieve a unity of adherence and development, and realizes definite achievements in this.

In regard to the Marxist theory of truth, what should be adhered to? Naturally this cannot be decided by any person or any book. It can only be decided through the tests over a long period in the practice of human society. However, as far as an individual Marxist philosophical worker is concerned, he should have some views which under normal conditions cannot be shaken. As regards the theory of truth, some people consider that the theory of reflection should be adhered to, but others consider the theory of reflection to be a perceived materialist viewpoint and thus should be disposed of. In fact, the practice of not one society or science has yet provided a basis for overthrowing the basic ideas of the theory of reflection, and instead they all deepen and enrich the theory of reflection. The author clearly adheres to the theory of reflection but does not adhere to the perception theory of reflection. The author believes that all materials have different forms of reflection and man's cognition is the highest form of reflection. Its essence is that on the basis of practice and through the mutual roles of the object and the subject, it changes the objective "thing-in-itself" to the subjective "thing-for-us." The entire theory of truth system in this book is developed within the scope of the basic concepts of the dialectical theory of reflection, that is, developed with the recognition that truth is a true reflection of the world and its patterns.

Adherence to Marxism is for the purpose of developing Marxism. The traditional view was that objective existence is the content, while ideology is the form, and from this the idea has been extended to hold that objective existence is the content of truth, and ideology and viewpoint are the forms of truth. This book denies this viewpoint and believes that it mixes up the content of truth with the target of truth. It also demonstrates, through the inseparable and mutually reliant relationship between content and form, this viewpoint's logical errors. The author holds that the content of truth is the content of cognition, a cognition which accords with the objective target, and that its source lies in the objective target, but that it is not equivalent to the objective target. Further, the traditional belief has been that the question of truth is a purely epistemological question. This book not only looks at it as an epistemological question, but also looks at it as a question of emergence, a question of spiritual emergence, and further, as the cyclical process of the emergence, circulation and consumption of truth. The author proposes promoting a fine cycle between between the three aspects and avoiding a pernicious cycle. Further, the author also examines the fine cycle of the exchange between truth and the material system, and the fine cycle of the exchange between truth, and the elements and subsystems of the system of truth. Using systems theory to study truth is undoubtedly a daring and beneficial exploration.

To sum up, this book makes a very serious and earnest attempt to construct a modern form of the Marxist theory of truth and it will have a positive, promotional effect on research into the theory of truth.

#### Footnotes

1. Li Quanshi, *Dialectics of the Development of Truth*, WUHAN PUBLISHING HOUSE 1988, p 63.
2. Ibid., p 162.
3. Ibid., p 163.
4. Loc. cit.
5. *Selected works of Lenin*, Vol 2, p 315.
6. *Dialectics of the Development of Truth*, p 251.

#### 'Expansion of Consumption' Does Not Pose a Problem in China

HK0505000289 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 7, 1 Apr 89 p 44

[Article by Yong Quan 3057 2938 of the Capital Iron and Steel Research and Development Company]

[Text] On 24 January, the Capital Iron and Steel Research and Development Company held a seminar on the question of the "expansion of consumption." Comrades from the Ministry of Labor, the People's University, the State Commission for Restructuring the Economy, the All-China Federation of Trade Unions, the Chinese Academy of Social Sciences, and the Economic, Technological and Social Development Research Center under the State Council attended the seminar on invitation. During the seminar, most comrades expressed the view that the expansion of consumption does not pose a problem in China. The basic reasons they gave are as follows:

First, in terms of the accumulation to consumption ratio, China is now at a stage of high accumulation, not a stage of high consumption. In the 9 years between 1978 and 1987, the average rate of accumulation was 32.8 percent, which was even higher than the average of 32 percent during the period of high accumulation from 1958 to 1978. The rate of accumulation climbed steadily during the Sixth 5-Year Plan period, and by 1985, which was the fourth highest accumulation year since the founding of the People's Republic, the rate was as high as 35.2 percent. Although the figure dropped somewhat in the 1986-1987 period, it still stood at 34 percent. These 2 years ranked fifth and sixth in terms of high accumulation years. The above-mentioned rates of accumulation were much higher than the 25 percent which was believed by nearly all economists and economic departments during the 1978-1982 period to be the rate of

accumulation that China must maintain. They were also quite high compared with other high-accumulation countries, such as India and the Soviet Union.

Second, in terms of the growth rates of consumption and national income, the rate of consumption growth has not exceeded the growth rate of national income. In China, consumption growth is based on the development of production, and national income is the most important indicator of the development of production. Calculated at comparable prices, China's national income in 1987 was 114.9 percent higher than in 1978. Over the same period, the level of consumption only rose by 97.1 percent, lagging behind the growth rate of national income. Before 1984, no one ever said that there was an expansion of consumption in China. We could perhaps make an analysis of the situation in the few years after 1984. In 1984, national income per capita was registered at 547 yuan. The figure rose by 55 percent to 853 yuan in 1987. Over the same period, consumption per capita rose by 53.2 percent to 504 yuan from 329 yuan in 1984. Thus, there are no grounds to allege that there was a high level of consumption during these few years.

Third, in terms of the rate of growth of labor productivity and the rate of increase of workers' average real wage, the former is higher than the latter. During the Sixth 5-Year Plan period, the ratio between the two was 1 to 0.66. During the 1983-1987 period, the ratio between the average annual growth rate of industrial labor productivity and the average rate of wage increase for workers in the state sector was 1 to 0.93. In 1987, workers' real wage only increased by 1.7 percent on the average, a figure much lower than the 4 percent increase proposed in the Seventh 5-Year Plan.

Fourth, the average growth rate of consumption fund is below that of the total volume of retail sales of consumer products. During the 1981-1987 period, the consumption fund increased at an average rate of 9.4 percent. Over the same period, the rate of increase of the total volume of retail sales of consumer products went up by 11.3 percent. The ratio between the two was 0.83 to 1.

Fifth, in terms of the relationship between income, savings and consumption, the rate of growth of consumption in China is still lagging behind income growth. In 1978, the balance of savings was registered at 21.06 billion yuan. By the end of 1988, the figure shot up to 379.8 billion yuan. The average annual rate of increase was over 30 percent. This shows that the improvement in the people's livelihood was based on income growth.

If the expansion of consumption does not pose a problem, why then did some comrades come to the conclusion that it does? The following preliminary analysis may provide an answer:

First, the level of consumption is not rising evenly, with expansion in some areas and decline in others. Some people only saw the expansion of consumption in certain

strata and in the coastal regions, but failed to see that a large section of society, particularly primary and secondary school teachers and government cadres, are still leading a hard life and that for some people living standards have actually dropped in recent years. According to a sample survey, 10 percent of the urban residents found their real income reduced in 1985. The figure rose to 15 percent in 1986, and 40 percent in 1987. In many big cities, the figure was much higher. The situation in 1988 is expected to be worse.

Second, the consumption structure is not developing evenly. Some people only saw that there was excessive growth in the consumption of durable consumer goods like color TV sets, refrigerators and video recorders, but failed to see that there was sluggish or even zero growth in terms of cultural life, housing, medical, and health services.

With such an imbalance between the level of consumption and the structure of consumption, people will come to the conclusion that the "expansion of consumption" does pose a problem in China if they do not look at the situation from all sides.

**The Spiritual Mainstay of 'Green Vegetables Yu'**  
*HK2704131889 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 7, 1 Apr 89 p 45*

[Article by Wang Xiangdong 3769 0686 2639]

[Text] During the Kangxi reign of the Qing Dynasty, there was an honest official by the name of Yu Chenglong [0060 2052 7893], who was praised in both official and unofficial historical records. Volume 5 of the "Complete Unofficial History of the Qing Dynasty" noted that "because he ate nothing but green vegetables in his yamen, the people of Jiangnan came to call him 'Green Vegetables Yu.'" He started off as the magistrate of Luocheng County and was eventually promoted to the senior post of provincial governor. He always had the trust of the Kangxi Emperor. By any reckoning, no one would dare raise an eyebrow if he had a sumptuous eight-course banquet every day, or if he decided to be more frugal, had a four-course meal of bird's nest, bear's paws, sea slug, and tortoise instead. But he was very harsh on himself and eventually came to be popularly known as "Green Vegetables Yu."

This is something worth looking into.

From his life record, we know that "Green Vegetables Yu" was not a born vegetable-lover. He later "ate nothing but green vegetables" and was never bored with eating them because he had very definite spiritual mainstay. An official in feudal society cannot be expected to have the kind of ideals and vision that we have today. Driven by the conviction that he should "preserve his own purity and cherish the people," he made a tenacious effort to restrain his own words and deeds. Even from the standpoint of today, we cannot but admire him for

his self-respect and self-esteem. A person needs to have conviction. "Green Vegetables Yu" became a person to be admired because he had this venerable conviction. He began by fighting corruption and bribe-taking. Even the Kangxi Emperor praised him for "always making a point of sternly denying requests from relatives and friends, and refusing gifts from his subordinates, relatives, and friends." He cherished the people and always "paid attention to the local situation and the troubles the people had in their lives." Everywhere he went, he always tried to "promote what is beneficial and eliminate what is harmful, examine the work of the officials, and reassure the people." Perhaps the sufferings of the people had left too deep an impression on him, for he often tried so hard to better the lot of the common people that he put his own safety at risk. On one occasion when he was in a famine area inspecting the damage, he saw to his dismay that "dozens of people had died of starvation in a matter of 20 days or so, with more of the poor and destitute dying every day." He thought that if he were to follow the routine procedure, that is, "first submit a memorial to the emperor to plead for the famine victims, then wait for authorization, it would take at least 1 month before anything can be done. Within that month, god knows how many more people would have died." This simple idea of putting the needs of the people first prompted him to risk being dismissed from office, even being sentenced to capital punishment, by opening the state granary and providing relief to the famine victims. The vision of "more of the poor and destitute dying every day" haunted him so much that he always associated his own everyday life with the sufferings of famine victims. In his last years, he was promoted Governor of Jiangnan and Jiangxi. During his years in office, he lived on coarse grain and the outer leaves of vegetables every day. In famine years, he and his family ate porridge prepared from a mixture of coarse grain and husk. When he had visitors, they too were served such porridge. He used to say: "This way we can save some rice for the famine victims." This was how "Green Vegetables Yu" showed his concern for the sufferings of the people and translated into reality the ideal of "preserving one's own purity and cherishing the people." Although this ideal is nothing spectacular, it has its appeal in its own simple sort of way. It was this ideal which enabled Yu Chenglong to extricate himself from the craving for material comforts, forever distance himself from those corrupt officials who ignored the sufferings of the people, and leave his good name in the annals of history.

It was precisely because Yu Chenglong had this spiritual mainstay that he was able to deny extravagance. During his term of office as magistrate of Luocheng County, he "planted thorny brambles as a gate," "piled up dirt as a table, placed a cooking pot and spittoon next to it, summoned the people, and informally questioned them about their troubles." He did not regard it an honor or a privilege to own a new office or a number of private villas. It was precisely because he had this spiritual mainstay that he was able to refuse gifts. When he was promoted to the post of Surveillance Commissioner of

Fujian, the local officials organized a welcoming party and went out of the city limits to greet his arrival. "Evening came, but there was still no sign of him." As it happened, "he had already arrived at his official residence, unescorted." He "turned down offers of sumptuous meals and gifts from the officials; the whole province did not know how to treat him." It was precisely because he had this spiritual support that he was able to refuse to accept privileged treatment. As Minister of War, he once traveled from Zhili to Jiangning. Someone in such a senior position today would most certainly be traveling in a "Crown" or "Benz" limousine and stay in luxurious air-conditioned hotels. However, he and his young son "traveled in a hired mule cart, stayed in small inns which cost almost nothing, and did not bother the people at the official guest houses." What was more, he did not regard this as a loss of face.

Unlike scholars of past generations, "Green Vegetables Yu" was not much of a poet. Volume 18 of *A Concise Index to the Complete Library of the Four Branches of Books* said that although his political works were all "useful writings," he was not adept at poetry, and one might even call his occasional verses "clumsy." It is perhaps not such a bad thing to be a clumsy poet, for a clumsy poet is more likely to speak the truth. I was particularly impressed by this line of his: "I refused bribes of food and such things, and I can sleep with a clear conscience." It is not easy for a person to "refuse bribes of food and such things, and sleep with a clear conscience" in today's society. As I read this line, I think of the person and realize that his spirit still shines with indelible radiance today.

And I ask myself: Can a person be without a spiritual mainstay?

#### Social Status

HK2704103489 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 7, 1 Apr 89 p 46

[Article by Chu Ruigeng 0328 3843 5087: "On 'Social Status'"]

[Text] Is there such a thing as a person's "social status"? There probably is.

How then is a person's "social status" measured or determined? This is not such an easy question to answer.

Last year, I attended a conference on economic work in a country and heard a report which said: "The labor structure should be reformed. We should not stick to a single mode or pattern when employing well-qualified people. People who have the necessary skills and ability, and are adept at business and management should be employed in any suitable position in an enterprise regardless of whether they are temporary workers or contract workers." Naturally, this is an excellent suggestion. It shows that ability, skills, and the like will be the yardstick for measuring and determining a person's

social status. However, this suggestion also carries a note of irony, as it also shows that, up to the moment at least, temporary and contract workers are not treated in quite the same way as regular workers. The social status of workers is still measured and determined by their position in an enterprise.

The question of social status is by no means new. In feudal society, titles of nobility such as duke, marquis, count, earl and baron implied differences in social status. Such status was not earned, but inherited. As the ancient saying vividly puts it, "Phoenix produces phoenix, dragon produces dragon, mouse produces little ones in wall holes." In a capitalist world, one's wealth is the symbol of one's social status. It makes no difference if this wealth is stained with blood and has a trail of white bones behind it.

In a socialist society, labor (skills, degree of hardship and contribution to society) determines a person's social status. I think this is truly fair and reasonable, that it is the most progressive "principle of social status."

However, promoting this fair and reasonable principle to make it a general practice and a general code observed by all is not as easy as it looks. Over the last 4 decades, the yardstick for measuring people's social status has seen quite a few changes. In the 1950's, clarion calls like "everything for socialism" and "labor is the most glorious" prevailed. At that time, people who did well in labor and made great contributions to society had a high social status. Hao Jianxiu [6787 1696 4423], Wang Chonglun [3769 1504 0243] and others became heroes in the eyes of the whole country. Things went quite well for some time in the 1960's. People like Wang Jinxi [3769 6651 3588], Lei Feng [7191 1496], Jiao Yulu [3542 5940 4389] had all earned their social status through their labor or political achievements. Then things went very wrong and people's social status became absurd. "Having ability" became the synonym of "sinister." Most people who "excelled in labor" ended up "pulling carts with heads bent, not knowing which way they were going." People with achievements in "scientific discoveries or inventions" were invariably branded as "follower of the white and expert road." Naturally the social status of these people plummeted. As for the so-called "five categories of red elements," the feudal vestige of inheritance reigned supreme. If you happened to have been born into such a family, you would have had the high social status enjoyed by "families of kings and high officials" in the old days, except that you now belong to a class called "poor and lower-middle families and revolutionary cadres."

Of course there are still problems that await solution. For instance, the determination of workers' status in enterprises (a case in point is that those who are incompetent hold iron rice bowls while those who are competent have to be content with their clay rice bowls) mentioned at the beginning of this article has yet to be reformed.

Historical experience shows that nothing abnormal can last long. We can therefore be optimistic about this. Besides, now that the reform is being deepened and the question of productivity being taken as the criterion is being discussed, the discussion and clarification of the question of social status will just be a matter of time. However, we must not overlook the fact that although the question has now aroused public concern, its solution still requires protracted and arduous efforts.

### **The Art of Xie Yun's Calligraphy**

HK0505000289 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 7, 1 Apr 89 pp 46-47

[Article by Shao Yu 6730 1342]

[Text] Xie Yun's [6200 0061] art of calligraphy reflects great skills with a touch of childlike unpretentiousness. It is a sign that xie Yun's art has reached another dimension of aesthetic meaning and perfection.

Xie Yun's calligraphy has reached such a level of aesthetic perfection because he has been working very hard at it since childhood and has gone through rigorous conventional training which required one to "hold one's brush and heart in an upright position." He first imitated the styles of Yan Zhenqing [7346 4176 0615] and Liu Gongquan [2692 0361 2938], then he practiced the seal script, the clerical script... Through diligent practice, he acquired the basic skills of various conventional styles. Even when he was very busy, he never ceased practicing. Today, he is able, after assimilating the gist of various styles, to create a unique style of his own which combines the features of the regular, cursive, clerical, and seal scripts. He has inherited the past and ushered in the future with his new style. It has been his ambition to learn from traditions and carry forward traditions. As he has said, he wants to leave the throne of traditions behind, "go to the open wilderness and dance in the fresh wind of the times."

Xie Yun's calligraphy is "childlike" but not "childish." There are qualities in his art of calligraphy which remind us of the unpretentiousness of a child. This is not the return to the point of beginning, as in a circle, but is a spiral sublimation to a higher aesthetic level in the art of calligraphy.

Xie Yun's calligraphy is "unpretentious" but not unrepresentable. In his use of the brush, he is no longer frivolous and superficial. His brush strokes have achieved a "rugged" beauty which shows boldness and vigor.

If we say that the former is a case of "the return to childhood," the latter can be called "the move to unpretentiousness after achieving perfection."

The art of calligraphy is an activity involving the volatile and rhythmic arrangements of points and strokes. In the course of achieving changes and progress, Xie Yun has chosen to pursue childlike innocence and the beauty of

unpretentiousness. He has opened up a new path which combines the national concept of aesthetic with the spirit of the time, a path which allows one to try out all kinds of new ideas without departing from the basic concepts. This is a level that cannot be attained by people who cut off history and attempt to achieve this quality of childlike unpretentiousness without having achieved a solid foundation first.

After my visit to Xie Yun's calligraphy exhibition, I had written the following line on the spur of the moment: "Only when one is skilled can one be unpretentious; only when one is clever can one pretend to be foolish."

Later on, I had the opportunity to read Xie Yun's autobiography. I would like to conclude this article with this line by Xie Yun: "My motto is: Sincerity—Passion—Pursuit."

### **A Moon Rising Above the Woods**

HK2704110289 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 7, 1 Apr 89 pp 47-48

[Article by Ding Ning 0002 1337 of the China Federation of Literary and Art Circles]

[Text] The garden of Anzhen Hospital, with its enchanting woods, is the pride of the hospital and has attracted many cardiopulmonary patients to its grounds and given them the hope and joy of life. Fresh from a shower on an early summer's day, the flowering shrubs and tree tops are dripping cool water drops. Petals of hibiscus, purple and white, have fallen, looking so delicate and helpless against the soil. The sweet aroma of aglairs helps every passer-by. Hiding under branches and leaves, many a pair of little birds with rouge-painted beaks are having their little lover's chat. At times, I have a feeling that they too are exploring issues like the joy of life and the fear of death. But they seem so carefree, and are singing as they discuss these issues. Deep in the garden, there is a pond made of cement bricks, on the surface of which one can see ripples and glimpses of gold fish. In the middle of the pond, several white lotuses stand tall and proud like saintly flower-goddesses, above the big lotus leaves. Beside them stands a withering lotus. Rather than grieving for their waning companion, the "flower-goddesses" stand aloof and untouched, defying the cruelty of death.

On the moist footpaths and inside the pavilion with its eaves soaring skywards, male and female patients in their loose-fitting uniforms are chatting quietly amongst themselves in groups of two or three. There is the music of Tchaikovsky and Beethoven in the air. The patients, like patches of drifting duckweed meeting by chance, soon become good friends. Their common plight has drawn them closely together into a loving family.

Yueliang, a 9-year-old patient, was everyone's sweetheart. Her rounded face was pale like the full moon on a cold winter's night. Thus everyone called her "Luna."



She was a smart little girl, but something terribly wrong with her heart had been cruelly torturing her. Her parents had taken her to countless hospitals, from hospitals in a small town in Jilin to hospitals in the provincial capital, then to hospitals in the national capital, but Luna's condition had kept deteriorating. At last, she was taken to this renowned cardiopulmonary research center, her last hopes now pinned on this green world.

"Morning, Luna!"

Luna looked at me from her mother's lap, a trace of smile showing on her pale rounded face. She nodded and asked weakly: "How come the tales of Andersen and the tales of the Grimm brothers are so similar? They all talk about princes and princesses. How come?" My answer did not seem to satisfy her. Her mother sighed and told me that Luna knows the stories back to front and that it is not easy trying to find Luna something new to read. I thought to myself then that I must find Luna something to read.

We were sitting side by side on a green bench in the shade. Across the way was a willow tree, with branches hanging down on all sides like a huge umbrella. There was another green bench under the willow, but no one was sitting there. "Whom did you say that bench was for?" Luna asked. Neither myself nor her mother had any ready answer. "It's for lovers," she said with a big smile. Her mother smiled as I was about to laugh in surprise, and I noticed glimpses of tears as she smiled.

Not far from the garden stands a towering dormitory. The hospital patients used to call it the "Mount Everest." When the morning sun rises, the glass windows on the upper floors will reflect a weird kind of blood-red light. Luna used to stare blankly at it. I guess she probably thought that the light had come from some fairy world. Luna's consulting physician Dr Chen Yuping, who also happened to be my consulting physician, lives on one of the top floors. There is a rule which says that the elevators in the dormitory will not be in operation outside rush hours. In the morning light, we could see Dr Chen coming down from the tall building and crossing the green path in a hurry, his face so grim as if he was rushing to save his patients. My thoughts immediately went to the elevators, which were not yet in service. He walked up to Luna and stopped in front of her, his appearance bringing sunlight into a gloomy day and his stern looks softening into tender love. "I still have to consult other doctors," he said to Luna's mother. Other patients gathered round them with nervous looks on their face. Save the child! They seemed to be crying. Without a word, Dr Chen hurriedly left for the wards. Afterwards I learned that he and experts from the Fuwai Hospital had a long session with Luna later that morning.

Around 8 o'clock every morning, people often see Dr Chen, donning his blue surgical uniform and wearing his blue brimless cap, hurrying past the corridor into the

operating theater. Sometimes he would not emerge until after sunset, but not looking tired. The other patients would whisper amongst themselves: The operation was a success!

In the dimming light, Dr Chen would tread the shadowy garden paths to climb the hazy "Mount Everest."

That morning, with mist hanging low over the garden, the tower block seemed to be floating on air. Luna came out, her face a shade paler than usual. She was breathing with difficulty. Patients who were being discharged that day came to say farewell to Luna. They all seemed reluctant to part with one another. A woman engineer from Simao in Yunnan also suffered from serious heart disease. She had been on the verge of dying when she was admitted into the hospital, but after being operated on by Dr Chen, she recovered miraculously. Holding Luna's hands, she said: "Come visit us when you are discharged. We have evergreen forests, naughty monkeys, beautiful peacocks ... in Yunnan." Luna nodded in delight. An old ivory craftswoman handed Luna a pinkish peach and said: "When you are leave here, your rounded face will be as pinkish as this peach." She was weeping when she left the garden.

I was finally wheeled into the operating theater. Above me was a ring of light globes, like many moons shining on me. I thought to myself: It is time that Luna was sent to the operating theater. I tried to look for Dr Chen among the moving white shadows, but was lost into another world before I knew it. When I woke up, I felt as if I was in hell, and the feeling was almost unbearable. However, people around me all congratulated me and reassured me that everything was fine.

Two days after the operation, at about 10 in the morning, I was awakened from my lethargic sleep in the intensive care unit by a sudden burst of plaintive crying. I asked eagerly what was going on, but no one answered. I seemed to be hearing people in the corridor calling Luna's name. Then I understood. I cried, "Luna! Luna!" Then I remembered that Luna was still waiting for me to find her books to read. How cruel! It was so hard to believe. I felt as though my heart had departed its broken shell in pursuit of the falling moon.

The following day no one in the ward mentioned Luna's name. The nurses who used to hum little tunes as they worked also remained quiet.

When Dr Chen came for his rounds, the question "How did Luna die?" was on my lips when I noticed that his face was unusually grim and that his movements were more hurried. I remembered one of his colleagues once told me that when doctors watched their patients die on the operating table, they would be gnawed by pain for days. So I kept quiet.

On a mid-summer's night, with the full moon hanging outside my window, a nurse would slip quietly into my room and give me two sleeping pills.

In rainy August, I would lie in bed listening to the rain in the garden. An elderly overseas Chinese lady in the same ward used to come to my room for a chat. She had come from Indonesia and loved the woods, but she loved to hear the rain even more. She said that in her island domicile, the whole place was jade green. She had come to Beijing for holidays and checked into hospital for intestinal complaints, where she was diagnosed as suffering from lung cancer. On the prompt decision of the doctor, she had been operated on and was on her way to recovery, ready to go back to Indonesia. She was in a dilemma and asked me for advice. She said she wanted to give her doctor a present to show her gratitude for saving her life, but had heard that Chinese doctors only serve the people but do not take gifts. I tried to convince her that it was totally unnecessary, but she shook her head stubbornly and said she would never have her peace of mind if she did not. She then asked me to confirm

what she had heard, that a girl named Luna had died and the grieving parents had donated the heart of their beloved daughter to the hospital. She said she could not believe such a thing. I told her that Luna's parents were themselves medical workers and they both knew very well that the doctors had done their best to save Luna. Luna's heart disease was very unusual and they had selflessly donated their daughter's heart for medical research in the hope that more children can be saved.

The rain in the garden persisted, and the old Overseas Chinese lady was lost in thought.

I was ready to leave the hospital. After days of rain, the sun was coming out again for the first time. That night, feeling rather disconsolate, I paid my farewell visit to the garden. The scenes were exactly what they had been before. The green bench we used to sit on looked so forlorn under the lamp. The green shade above it had turned into a patch of illusive green mist. The birds were still exploring the mysteries of life and death. Turning, I saw the bright moon slowly rising above the green mist.

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